

The Introvert Entrepreneur: Amplify Your Strengths and

Create Success on Your Own Terms

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Cutting Room Floor Bonus Material

For Virtual Book Group Members ONLY... Not for Distribution!

Cut from Chapter 5:

From Free to Fee

... We can get entirely too tripped up by not acknowledging that part of what we want to achieve with our business is financial success. We treat “money” as if it were a dirty word. If we admit we want to make money – never mind saying we want to make lots of it! – we are afraid people will think our motives are selfish and greedy.

We give money so much power! When we give away our power, we are putting ourselves in the service of money. What would happen if we put money in service of **us**?

I know successful entrepreneurs who include “ability to pay” as a key trait of their ideal client. If we’re all honest, we’d have that as part of our criteria as well.

...

(Teach others how we want to be treated story):

My own awareness (about what goes into determining the value of an offering) came slowly, during the planning, delivery, and aftermath of a teleclass series I’d developed.

Once the teleclass was over, I reflected on what went well and what could have gone differently. Here’s what I discovered:

The years I spent giving things away sent out the message that I and my offering could be treated casually and what I had to offer was not urgent or worth paying for. The information, while valuable, had no commitment attached to it. I made it easy for everything else in someone’s life to take precedence.

In planning the series, I had thoughts such as “if I charge for this series, then no one will register” and “If I frame it so that being on the live call is the only way to participate, then no one will register.” These thoughts were based on fear. I was afraid I wouldn’t be able to handle rejection (i.e. low-to-no registrations).

When determining the value of my offering, I assumed that unless I had something groundbreaking to offer, it wasn’t worth charging for. I also assumed that despite saying “you don’t have to call in,” people would hear and respond to the softly spoken “but I hope you do.”

In addition, I set my intentions around what I didn’t want, rather than what I did want. In this situation, I didn’t want people to feel pressured into being on the live call. I didn’t want people to feel put on the spot during a live call. I didn’t want cost to be a barrier to enrolling. These negatively framed intentions meant I backed down on the invitation and the commitment, and therefore the value of the offering.

And lastly, I let others determine my value. I saw so many people giving away their offerings and felt like if I charged, no one would respond. After all, who was I to think I can charge if they were offering it for free? This was self-inflicted peer-pressure, pure and simple.

Free vs. Fee: Clarifying Your Value

Without knowing the specifics of your business, I’m only able to offer general thoughts on what to charge for your products or services. Clearly, products are a different animal than services; there are more tangible components that have dollar amounts attached, so calculating the price is more black and white. Even so, you may have to give away a certain amount of product in a promotional context. Factor that into your calculations, so you don’t end up literally giving away the store. In addition to the actual costs of the product, consider your overhead, research, development, licensing, storage, distribution, marketing, and packaging costs.

It’s more challenging to place a value on services. My colleagues and I often talk about how “squishy” services are, how hard they are to pin down. We can tie the value to client outcomes, but unless we can guarantee a particular result and prove that it was connected directly to our services, it’s difficult to say which outcomes were because of us and which were attributable to other factors.

Often, the most difficult part of determining value comes when we’re making the leap from free (or very low cost) to fee.

My Journey from FREE ...

Starting out, I was new enough in my industry that my primary goal was to complete my coach

training program while accumulating experience and hours. Clients received coaching pro bono or at a relatively low fee, and I offered free teleclasses and webinars. This all served to give me more experience and credibility as a content expert.

Instead of seeing any financial gain during that first year, my reward was valuable feedback, testimonials, experience, and increased understanding of what I had to offer as a coach.

And then I hit a wall. I was tired – exhausted, really - of giving it away. Gradually, my fees increased, and I started asking for my desired rate. Talk about empowering! The first time I asked for and received my “market” rate was a turning point in my business. There was no going back. I decided then and there to make free the exception, rather than the rule.

TO FEE...

A few years ago, I had the opportunity to be part of a new venture that included an unusual business model. The product was an audio download (basically a podcast), and instead of seeking sponsors or advertisers, the cost of producing it would be passed along to the end listener. While it's a product people are used to getting for free, I saw it as akin to using a free online service that has ads, then choosing to pay a small fee for the service to be ad-free. I knew that the pay-per-download could slow down growth of an audience; that said, it felt important to put a stake in the ground and create an opportunity for a mutual exchange of value. The offering was meant to stand-alone (i.e. it wasn't a disguised sales pitch or teaser), and the investment of \$1.99 per download felt reasonable.

Over the course of seven weeks, two things happened. One, download numbers were consistently low. Really low. I considered the facts: 5 hours to produce 30 minutes, getting 8 downloads at \$1.99/each resulting in \$15.92, to be exact. \$3.18 an hour. Ouch! I didn't have to recall any complicated formulas from high school math to know that these numbers didn't add up for me.

The second thing that happened was a realization that I loved providing this offering. Not only was it fun, but I was producing a high quality product that would benefit entrepreneurs in general, and introverts in particular. It felt disheartening to produce something useful and only have it experienced by a handful of people.

So, I asked myself some tough questions. What were my options? Was I doing everything I could to promote it? Was it the cost, the offering, or both that was the challenge? If I made the offering free, would I be giving up too soon? Did this amount to pulling that “mutual exchange

of value” stake out of the ground? Was I being impatient? How much time and energy was I willing to invest in the current model, feeling like I was swimming upstream?

In true introvert fashion, I spent time in deep reflection and came to the following conclusions:

- 1) **My intention around this offering had shifted from being revenue generating to being awareness generating.** One of my objectives in the next six months is to write my first book. Proving the marketability of that book to myself (or to a publisher) requires building a platform. That involves a combination of revealing and creating a community – or, as Seth Godin refers to it, a tribe – within my niche. And a tribe is passion-based, not profit-based.
- 2) **This offering is a valuable channel through which people can start to know, like, and trust me.** Up to this point, my circle has been primarily comprised of people who know me. Identifying my niche (introverts) has both focused and expanded that circle. Now there are hundreds of people connected to me, and we are relative strangers to one another.
- 3) **For most people, time is more valuable than money.** I’m forever grateful to Tshombe Brown for this additional insight: If you give me a dollar, you’re going to get a dollar back from someone, somewhere. If you give me an hour, you’re never getting that hour back. In the case of this offering, I was asking you for your time AND money, before you could know, like or trust me.
- 4) **The entire experience clarified my philosophy on free vs fee.** I realized I was coming from a place of fear: fear that if I didn’t charge, the offering wouldn’t be perceived as valuable, or I’d resent the time I’d invested, or I’d never make any money. On the flip side, there was fear that if I did charge, no one would buy (in other words, I feared poverty whether I charged or not!).

The bottom line? The \$1.99 hill was not the one I wanted to die on.

And back again...

Where did that leave me? With a clear decision (convert the audio downloads to a free offering) and a new approach to free. What does that mean for you? If you’re wrestling with deciding if certain services or products should be free, consider these different approaches:

There’s fear-based free...

This results from not completely trusting yourself or the value of your services. You also may be influenced by your peers; if no one else is charging for a particular type of offering, it’s easiest

to go with the flow, even if you resent it. This type of free also can come from not being clear about what you want, or being afraid to ask for what you want. Your decision is mostly based on fear of rejection, fear of not being accessible to people who might benefit (you're assuming they can't afford it), or fear of bringing money into the equation at all, because that means you will have to talk about it!

There's realistic free...

We are often too quick to give up on our value; we think we have to respond to "I can't afford it" by lowering our fees or giving it away. Those two should not be our default responses! And I personally don't like it when entrepreneurs who hear "I can't afford it" from someone say or imply "well, if they really want it, they'll find the money," or "that person's just not ready to play 'big'."

Scarcity thinking is real and powerful. All of us can get into scarcity mode, thinking there's not enough and we have nothing to give, when in reality, the resources ARE there if we look for them. That said, the statement, "the money's just not there" is an absolute truth for many people. As a woman recently said to me, "If it's not coming in, it's not going out." Fair enough. As with so many situations we encounter as entrepreneurs, this is an opportunity to become curious. Ask a few questions, being aware of the fact that money can be very touchy for some (most?) people. Find out if the other person is operating from scarcity thinking or stone-cold reality. Decide if YOU are operating from scarcity or reality.

Here's what Seth Godin wrote in a blog post about it titled "I can't afford it." The final paragraph read:

One response to repeated cries of "I can't afford it" is to lower your prices. A better response is to tell a better, more accurate story, and to tell it to the right people. The best response is to make something worth paying for.

His point? If they say "I can't afford it," you haven't made your case. Or, it's not a good fit, for either one of you. Or the person isn't quite ready yet—but wants to be—but the money can't go out if it's truly not coming in.

And there's strategic free...

When you're being strategic, you acknowledge that your training, expertise, and experience are worth something. You believe what you have to offer is of high value (if you didn't believe that,

why would I want to hire or buy from you?). You're in business because of passion AND profit, to gain personal AND financial freedom.

From this vantage point, you expect an exchange of value for your offerings. You desire appreciation AND compensation. It's not an either/or situation; it's both/and. You also recognize that value comes in multiple forms: money, time, mindshare, referrals, testimonials, bartering, critical feedback.

If you decide to offer something for free, you probably should have one of four motives:

- 1) You feel secure in the fact that by sharing something valuable for free in front of your ideal audience, others will want to learn more about your products and services;
- 2) You are offering clear and intentional opportunities for others to begin to know, like and trust you;
- 3) You are giving it in the service of research and development, with an expectation that you will receive feedback that will help you improve the product or service; or
- 4) You are truly unattached to the information and what others will do with it.
- 5) BONUS: You are NOT motivated or swayed by promises of "exposure" if you offer something for free. That exposure rarely yields results that would match or exceed any fee you would receive.

In the end, it's about being strategic and intentional about building both your business and your community. You're **not offering it for free because you're afraid to ask for money, or because you don't fully trust in the benefit of your offering.** You're offering it because you've decided to give it freely and set the intention that others will want to learn more. **It's free by design, not by default.**

Remind yourself as you generate your offerings that time is money. By applying my hourly rate to the time spent creating a proposal or information product, I've invested anywhere from \$600 to at least \$3,000 in my business. That's a chunk of change! If I decide to give it away, it means that I expect to generate that much or more in return for future services that you and others may purchase from me. The work would be a means to an end.

Absolute Bottom-Line: Is your choice to give something away fear-based or love-based? And this might sound harsh, but is your free (or discounted) offering coming from confidence, or cowardice? Be strategic, ask for what you want, and trust the value you have to offer others.