

A CONVERSATION ABOUT PERCEIVED VALUE

A customer asked a contractor how much it would cost to do this project. The contractor offered a proposal of \$5,500.

The customer responded: That's seems really high...!

Contractor: What do you think is a reasonable price for this job?

Customer: I was thinking \$2,500 max.

Contractor: Ok, then you should probably just do the project yourself.

Customer: I don't know how to do it myself.

Contractor: Alright, then how about for \$2,500 I'll teach you how to do it. Beyond saving \$2,000, you'll learn valuable skills that will benefit you in the future.

Customer: Sounds good! Let's do it!

Contractor: Great! To get started, you're going to need some tools. You'll need a chop saw, table saw, cordless drill, impact driver, bit set, router, skill saw, jig saw, tool belt, hammer, etc.

Customer: But I don't have any of those tools and I can't justify buying them all for just the one job.

Contractor: Ok, well, for an additional \$600 I can rent my tools to you to use for this project.

Customer: Okay. That's fair.

Contractor: Great! We'll start the project on Monday.

Customer: I work Monday through Friday. I'm only available on the weekends.

Contractor: If you want to learn from me then you will need to work when I work. The project will take about 3 days, so you will need to take 3 days off work.

Customer: That means I'm going to have to sacrifice my pay for 3 days or use my vacation time!

Contractor: That's true. When you do a job yourself you need to account for unproductive factors.

Customer: What do you mean by that?

Contractor: Doing a job completely from start to finish includes time spent to plan the project, pick up materials, travel time, gas, set up time, clean up, waste disposal, unforeseen delays, and plenty of other things. That's all in addition to doing the actual project itself. And speaking of materials, that's where we'll start on Monday, so I need you to meet me at the lumberyard at 6:00 am.

Customer: At 6am?! My workday doesn't usually start until 8:00 am!

Contractor: Well then, you're in luck! My plan is to start on the deck build by 8:00 am, but to do so, we have to start at 6:00 am to get materials picked up, loaded, and delivered to the job site.

Customer: You know, I'm not sure this really makes sense. It seems like a lot more goes into a job than what I imagined. I think your proposal of \$5,500 is very reasonable, and I'd like you to handle the project.

CONCLUSION:

When you pay for a job, especially a custom job, whether it's a physical project or digital project, you pay not only for the material and the work to be completed. You also pay for:

- Knowledge
- Skills & Experience
- Tools
- Time to plan
- Time to prepare
- Professionalism
- Work Ethic
- Commitment
- Integrity
- Taxes
- Licenses
- Sacrifices
- Liabilities
- Insurance
- Additional Labor

If you request a proposal for a project to be done, please don't disrespect a service provider by trying to get them to lower their prices. If the proposal exceeds your budget, there's nothing wrong with getting other proposals.

Just remember... *you get what you pay for!*