Why Your Prices Should Be More Like the Local Pizzeria

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“Let’s pick up some pizza tonight. I don’t want to cook,” I said to my friend Kari as we scooted out of the pool we had sneaked into. (This was long before I could afford to live in a neighborhood with a pool.)

Kari and I went to the local pizza shop, pulled up to the bar and enjoyed a glass of red wine while we waited for our pie.

Like most entrepreneurs who get together, we immediately started discussing clients, pricing, marketing and all things business for the week ahead. The red wine was eliminating our “Sunday scaries” and opening us up to a fun discussion.

“I just feel bad charging people,” Kari said to me.

This is such a common block I see with entrepreneurs who aren’t delivering tangible products. We feel like because it’s easy for us, we shouldn’t be able to charge for it. Or because we are “gifted,” we should give our services, not get paid well for them.

“Kari,” I asked, “Do you think the pizza shop here ‘feels bad’ for charging you for the pizza we just ordered?”

“No,” she replied sheepishly.

“If you called the pizza place and said, ‘Hey, I really want a

pizza, but I'm broke, what can you do?' What do you think they'd say?" I asked her.

She began cracking up.

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Most of us with "gifts" should be charging like pizza parlors!. It's a luxury, not a necessity, and you can be the fanciest pizza place on the block or the cheapest – it's up to you. Here's why I believe your prices should be like those on a pizza menu.

1. Pizza has a core deliverable

It's easy to price, you know exactly what you're getting, and you can position it as gourmet or run of the mill. Tomato sauce, cheese, 16-inch – the customer knows what they're getting and, unless you burn it to a crisp, expectations are easily met.

Flipping the menu around to your business: What is *your* core deliverable? What ingredients go into it? How much does it cost you to make? And what would you like to profit on top?

2. Pizza doesn't feel bad for being pizza

A pizza shop doesn't cry at night for those sitting at home eating Spaghetti-O's or for those dining at five-star steakhouses, it's just pizza. It's middle-market place that's easy for most people to afford, yet it's still seen as a post-game celebration spot or a welcome relief from cooking.

Ask yourself: What is my place in the market? How am I poisoning myself? And, where am I trying to serve everyone instead of my ideal customer avatar?

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3. Pizza doesn’t people-please

Like I told Kari, if a stranger calls the pizza place and asks for a pizza even though they can’t afford it, it’s highly unlikely the restaurant will bend over backward to make their cheesy dreams come true. And if they don’t make vegan pizza, they aren’t going to start doing so on Tuesday just because your aunt is in town and has special dietary needs. Am I right?

So, pass the breadsticks and tell me: How are you trying to be everything to everyone? Where are you trying to please strangers on the Internet just to make more money instead of offering what you *love* to do?

4. Pizzerias offer specials but don’t discount

Based on their excess ingredients or pending rent bills, pizzerias often create daily specials, but I can almost guarantee that you won’t walk into a pizza joint and see a “50 percent off! Everything must go!” sale.

On your business chalkboard, what do you see? Tailored discounts for ideal customers, or desperate moves to try to meet your imaginary customers’ financial needs?

Though this example may be silly, I find it can break down the barriers we have built around receiving money and charging appropriately. You became an entrepreneur to create something to change others’ lives and your own, so you deserve to create the menu that will attract ideal customers, not refund-driven people who make you want to close up shop.

So, next time you align your prices, I hope you think of a heart-shaped pizza and me. You deserve to have the leaning tower of “pizza” business of your dreams.

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