

# The Pricing Ladder

Four Stages From Billing by the Hour to Billing by the Outcome

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Most firms price where they started, not where their expertise has taken them. Climbing this ladder isn't about charging more for the same work — it's about changing what you're actually being paid for.

4

OUTCOME-  
BASED

## Bill for the Result

A meaningful portion of the fee is directly tied to a measurable outcome the client cares about. This is the highest-trust, highest-margin stage — and it requires the confidence to be paid for results, not activity.

**THE SHIFT REQUIRED** — *Only viable once you can reliably measure and defend the outcome you're pricing against.*

3

VALUE-  
BASED

## Bill What It's Worth

Price is anchored to the quantified value delivered — cost savings, revenue unlocked, risk avoided — agreed with the client before the work begins, not reverse-engineered after.

**THE SHIFT REQUIRED** — *Learn to quantify and price the outcome in the scoping conversation, not the invoice.*

2

MARKET-  
RATE

## Bill What Others Bill

Price is benchmarked against competitors rather than derived from cost. Better than stage one, but it still caps you at the average — you're still being compared, not chosen.

**THE SHIFT REQUIRED** — *Stop asking "what do others charge" and start asking "what is this worth to this client."*

1

COST-PLUS

## Bill for Time

Price is hours worked times a rate. Effort and value are treated as the same thing, so efficiency is punished — the faster and better you get, the less you earn.

**THE SHIFT REQUIRED** — *Stop tracking your worth in six-minute increments.*

"Clients don't resist paying for value. They resist paying for time they can't see the value of."