PRICING STRATEGIES

Is there any value in a freebie?

TAMMY TANSLEY- DECEMBER 2, 2017 3 MIN READ



You've likely been approached by people who want what you have, but aren't prepared to pay for it. Say yes and all of a sudden you run the risk of giving away more than you're selling.

"Can I just borrow a few minutes of your time?"

"Can I pick your brain on this very quick problem I have?"

If you're in business, then without doubt a you have been approached by people who want what you have, but who aren't prepared to (or can't) pay for it.

This in and of itself is not a big issue. After all, what's five minutes here or there? But when it becomes half an hour or an hour, every week or every few days; and when it's not just one person but multiple people, all of a sudden you run the risk of giving away more than you're selling.

Now of course, there are advantages to giving away freebies (whether that is your time or the physical product you sell).

Sometimes, it is the nature of the relationship you have with the person asking; maybe they're a close friend or family member. Sometimes you might not know the person well, but want to cultivate a relationship, and the "try before you buy" can be a great way to demonstrate your wares. And importantly, sometimes it's about giving back, and it's part of your approach to supporting the community and those that need help.

And of course, being known to be generous is hardly a bad thing.

Where it does all come a bit undone is where the person or people start taking the proverbial.

sufficiently or because you haven't defined the boundaries from the start.

Where they could pay, but choose not to – either because they don't value the product/advice

resentful that they're funding your charitableness.

Or where people who are paying for your advice/product get wind of the freebies, and become

which case it is not a business any more, it's a charity.

Or, where you are spending more time on the freebie stuff than on stuff that makes you money. In

Have a good think about who you would be happy to provide advice for on a free and unlimited

then provide them some (paid) solutions or alternative options.

So, how to set the boundaries on freebies?

- basis (this is a relatively small and select number of people) and provide with abundance to that group. Be clear on the quantity of time you are happy to provide free advice (or the value of free product)
- each week/month/quarter to others outside of that group. When someone asks for free advice – set the boundaries up front by saying "if it's really a five/ten minute chat, then I would be happy to talk, but if it is more complicated, then here's how you can
- book a session with me". Or you can say "I am committed to giving back to the community – and have a number of hours (amount of product) set aside to do that each week, but unfortunately, I am at my limit at present –
- here are some other resources/options I can suggest for you." Where you have someone who is consistently asking for advice, with no suggestion that there is any payment involved, you could go back to them and say "it seems like you have a consistent need for advice/help, here's some suggestions for how I can help you with that on a regular basis ..." and
- Another way to minimise the time burden of freebies is to suggest phone or skype calls (with a defined time limit) rather that meeting face to face. People tend to linger more over a cup of coffee at a café, and then you need to add your travel time to and from as well.
- If you really feel it's inappropriate for the person to pay you but they want to pay something provide other options for them. I once was given excellent free advice, and when I enquired how I could pay – the person directed me to the NFP that she supported where I could make a donation. Finally, if asking for payment becomes an ongoing issue and you feel like you're giving and giving
- for little return, and it seems like it is a block to the success of your business, think about whether some coaching or other intervention might unblock your thinking on this issue.

Giving back, in whatever form it takes, is a good thing for you and the community at large. But, as with all things, sometimes there can be too much of a good thing!

than you're getting back?

Have you used freebies to good effect in your business? Or do you tend to find you're giving more

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This can mean anything from getting the people basics right, to the solving of a systemic or difficult people or team problem, to the introduction of complex organisational and cultural changes. Why do I do this? Because I know that the bit that makes work unpleasant

Tammy Tansley

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usually is when people interactions start to go wrong. I love working with clients to help them resolve issues or put in place-†approaches so that the issues don't arise in the first place, rather than for them to spend hours lying awake at night trying to work out how to move an issue (or person) forward.

There are lots of consultants out there; so how will you know if I am the right person to work with you and your business? Clients have described me as part confidante, part strategist, part tactician. Clients say that they have a sense of relief that things are being dealt with, and that they are no longer alone in trying to deal with an issue (particularly complex or long standing tissues). They say that it is not just the quality of the advice but the depth of the advice. That they feel¬†that they have someone on their side. In answer to the question - what do you do?

I work with either individual clients (usually via \neg [†]a coaching relationship) or organisations either at the team or organisational level. Sometimes I am working with a CEO on people strategy, a team on high performance and coaching individual employees, all in the same organisation. I can work in organisations for a discrete period of time or a specific project. Other times, it is an ongoing and varied relationship that evolves as the organisation evolves. I work as anthuman resources, culture & changentandntindustrial relations consultancyntfor businesses inntinance, manufacturing, resources, oil and gas, government, retail, services and not for profit sectors -†- both in Western Australia and nationally.

These include both smaller 100-500 employee organisations and large global businesses. I am also the author of Do What You Say You'll Do (a

book for new leaders and those reinventing their leadership styles). Check out the website here:¬†www.dowhatyousay.com.au and Enterprise Agreements: Made Easy (a book on how to easily negotiate an enterprise agreement that meets the needs of all parties). Check out the website

here: www.easmadeeasy.com.au To find out more about the person behind the business, take a look at my Flying Solo Spotlight profile.