



# STARTING A BUSINESS:

## Setting a price for your work

When you're new to selling, one of the difficult decisions you'll have to make is how to charge for your goods or services. Often, there's emotion attached to what we create, so it's not easy to come up with the right parting price. There are also lots of stories of First Nations business owners under-pricing their work. Here are a few things to think about.

### Pricing considerations

There are lots of different aspects to think about when it comes to setting a price for what you're selling. These include:

1. **The cost of your materials/expenses** – This will vary based on the nature of your business. For example, if you're an artist, you may need to buy paints, canvases, brushes etc., which need to be factored into how much the artwork sells for. Prices often cover the cost of the materials and expenses, then include a mark-up on top of that.
2. **What your competitors are charging** – What are other similar businesses asking for their goods and services? If you go too high above this price, you may not be able to compete, but if you go too low, it may have long term implications for your profits.
3. **Demand for your goods or services** – If you're producing something that lots of people want, you can often charge a higher price for your product or services.





## How I find my 'gut number'

By Melle Smith-Haimona

First, I think **what is the least I would accept for it?**

Then, **what is the most I would take for it?**

I believe your **gut number is a number somewhere in the middle of those two.**

Melle Smith-Haimona is a Ngunnawal woman and mother of two and has been working as an artist professionally for about seven years. To read more, visit [https://tomorrow-money.co/new\\_article/how-to-price-your-work/](https://tomorrow-money.co/new_article/how-to-price-your-work/)

## A few tips

- Research what other businesses are charging in the same marketplace.
- Calculate how much you're spending on materials and other expenses, like staffing costs, rent and insurance, then find what you need to break even.
- Speak to other First Nations entrepreneurs about how they set their price.
- Have confidence in yourself and your skills.

## Other resources

- Develop a pricing strategy, available at <https://business.gov.au/products-and-services/develop-a-pricing-strategy>