

formula.
BEAUTY CLUB

MARKETING & SALES TOOLKIT · NO. 01

MONEY, PRICING & UPSELLS

The Service Pricing Calculator

How to set prices that actually pay you — built from your own numbers, not from what the salon down the street charges.

Inside: the 4-step method · cost-per-service worksheet · real chair-time audit · overhead-per-hour calculator · two full worked examples · price ladder builder · 8 pricing mistakes · 7-day action plan · printable worksheet · **live spreadsheet**

BEFORE YOU START

Forty minutes and a calculator

Most pricing conversations in this industry sound like this: *"What is everyone else charging?"* That is not pricing. That is guessing, with extra steps.

Your prices should come from four numbers that belong to you: what a service costs you in product, how long it really occupies your chair, what it costs to keep your doors open for an hour, and what you need to earn. Nobody else's menu contains that information.

This guide walks you through all four. About forty minutes the first time, ten every time after. At the end you will have a defensible price for every service on your menu — and a method you can re-run whenever your rent, your product costs, or your ambitions change.

PULL THESE BEFORE YOU BEGIN

- Your last three months of business expenses — rent or booth fee, insurance, software, card processing, everything.
- Your two most recent supplier invoices, so product costs are current and not from memory.
- Your appointment book for a normal, busy week, and a number you have probably never written down: what you want to take home in a year.

What is in this guide

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The spreadsheet. Everything in this guide is also a live calculator — **FORMULA_Service_Pricing_Calculator.xlsx**, downloaded with this file. Type your numbers into the yellow cells; every price recalculates. Use the guide to understand the method, use the sheet to run it.

THE PROBLEM

Four ways beauty pros lose money on price

01 **Copying the salon down the street**

Their rent is not your rent. Their product line is not your product line. They may be running at a loss, subsidised by a spouse's salary, or renting a chair for a third of what you pay. When you match their price you inherit their economics without ever seeing their books.

02 **Pricing the product instead of the chair**

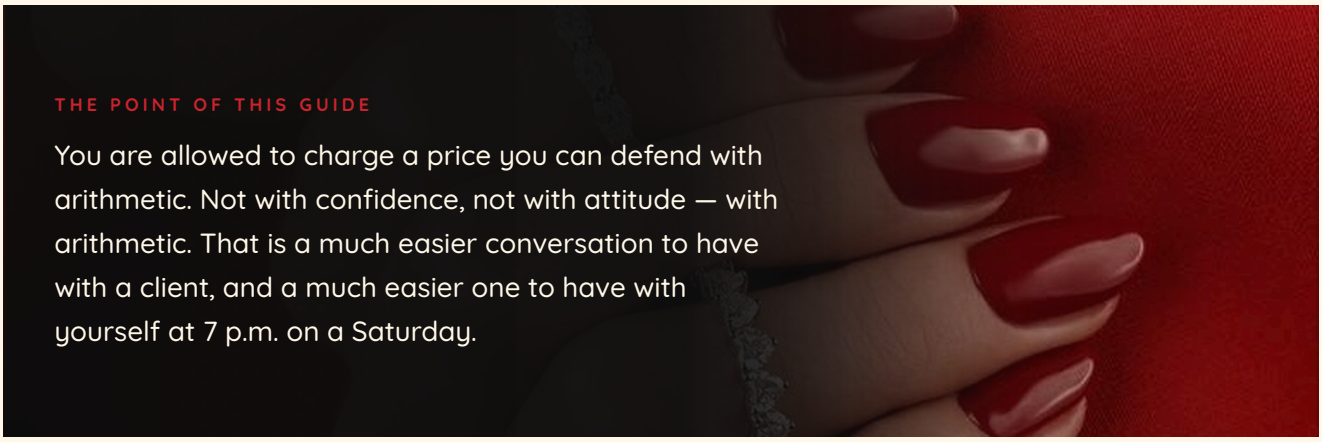
“The gel only costs me six dollars.” True, and irrelevant. You are not selling gel. You are selling a block of time in a licensed, insured, sanitised room, performed by someone who spent years learning to do it. Product is usually under ten percent of a correct price. Time is the rest.

03 **Forgetting the invisible fifteen minutes**

A “sixty-minute” service is almost never sixty minutes. Greeting, consultation, setting up, breaking down, disinfecting, checkout, rebooking, notes — that is another twelve to twenty minutes per client that nobody charges for. Across a full book it is the difference between a good month and a tired one.

04 **Never re-pricing**

Product costs rose. Rent rose. Insurance rose. Your skill rose most of all. If your menu has not changed in two years, you have quietly given yourself a pay cut every single one of those years — and your clients did not ask you to.



THE POINT OF THIS GUIDE

You are allowed to charge a price you can defend with arithmetic. Not with confidence, not with attitude — with arithmetic. That is a much easier conversation to have with a client, and a much easier one to have with yourself at 7 p.m. on a Saturday.

STEP 1 OF 4

01 Your real cost per service

Direct cost is everything consumed by one client, in one appointment. Not your monthly supply order — one appointment. The trick is to price by **uses per pack**, not by bottle.

Worked example — signature gel manicure

ITEM	PACK PRICE	USES PER PACK	COST / SERVICE
Base + top coat	$40.00	60	$0.67
Color gel	$18.00	40	$0.45
Cuticle remover & prep	$16.00	80	$0.20
Acetone & lint-free wipes	$12.00	45	$0.27
Disposable file & buffer set	$1.60	1	$1.60
Bit sterilization (pouch, solution, autoclave)	—	—	$0.75
Gloves + mask	—	—	$0.55
Towel & laundry, per client	—	—	$0.45
Cuticle oil + hand cream	$14.00	50	$0.28
Forms, tips, misc.	—	—	$0.35
Client set-up: liner, sanitizer wipe, water	—	—	$1.23
Direct cost per service			**$6.80**

RULE OF THUMB

Direct product cost usually lands between **6% and 12%** of a correctly set service price. Above 15% means one of two things: your price is too low, or you are using product too generously. Both are fixable, and they are fixed differently.

Now yours

ITEM	PACK PRICE	USES PER PACK	COST / SERVICE
Your direct cost per service (A)			**$**

Do this for your three highest-volume services. The rest of the menu can be estimated from those three within a few percent.

STEP 2 OF 4

02 Your real chair time

Book a “60-minute” appointment and time yourself honestly, from the moment the client walks in to the moment your station is ready for the next one. The gap between what you booked and what actually happened is the most expensive number in your business.

Where the invisible time goes

PHASE	TYPICAL MINUTES
Greeting, consultation, colour selection	3
Set-up: station, tools, product laid out	4
Hands-on service	**60**
Break-down, disinfection, station reset	6
Checkout, rebooking, client notes	2
Real chair time (B)	**75 min = 1.25 h**

READ THIS TWICE

Fifteen minutes per client, six clients a day, five days a week is **seven and a half unpaid hours every week**. Nearly a full working day. You are already doing that work — this guide simply makes sure you are paid for it.

Now yours

SERVICE	BOOKED TIME	+ TURNOVER	REAL TIME (HOURS)

HOW TO MEASURE IT PROPERLY

Do not estimate. For one full day, write down the clock time your client sat down and the clock time your station was ready for the next one. Six clients is enough data. Almost everyone who does this discovers ten to twenty minutes they did not know they were giving away.

STEP 3 OF 4

03 Your overhead per hour

These costs exist whether or not anyone sits in your chair. Add them up for a month, then divide by the hours you are genuinely billable — not the hours you are at work.

Monthly fixed costs — example

Booth rent / suite	$1,100
Liability & product insurance	$45
Booking software	$50
Card processing	$200
License & renewals	$25
Utilities & internet	$90
Business phone	$60
Marketing & ads	$150
Continuing education	$125
Laundry, cleaning, sanitation	$130
Back-bar & non-billed supplies	$110
Bookkeeping	$150
Bank fees, subscriptions, misc.	$105
Total per month	**$2,340**

Your billable hours

You may be “at work” forty hours a week. You are billable for far fewer. Count only the hours a paying client is in your chair in a normal, healthy week.

Billable hours per week	25
Working weeks per year	46
Billable hours per year	**1,150**

Forty-six weeks, not fifty-two: holidays, sick days, training, a slow first week of January and the week you finally take off in August are all real.

OVERHEAD PER HOUR (C)

$2,340 × 12 ÷ 1,150 = $24.42

A note on booth renters and commission stylists. If you pay a percentage rather than a flat rent, put your average monthly commission payment in the rent line. If you rent a suite and also employ someone, their wage is overhead too — this calculation is about the cost of one hour of *your* chair.

STEP 4 OF 4

04 The income you are working for

This is the step almost everyone skips, and it is the only one that makes the whole exercise worth doing. Start from the life you want to fund, and work backwards to the hour.

Worked example

What you want to take home, per year	$48,000
Divided by (1 − your effective tax rate), here 21%	÷ 0.79
Business income you need to earn	**$60,760**
Divided by billable hours per year	÷ 1,150
Income per billable hour (D)	**$52.83**

YOUR HOURLY RATE

Overhead per hour **(C) $24.42** + income per hour **(D) $52.83** = **$77.25 per billable hour**.
This is the number your whole menu is built on.

Now yours

Target take-home per year	$
÷ (1 − effective tax rate)	
Business income needed	$
÷ Billable hours per year	
(D) Income per billable hour	$
(C) + (D) = your hourly rate	$

On the tax line. Twenty-one percent is an illustration, not advice. Your real effective rate depends on your entity, your state, your deductions and your family situation, and self-employment tax sits on top of income tax. Ask your accountant for your number once, write it down, and reuse it. If you do not have one yet, a conservative placeholder is 25–30%.

PUTTING IT TOGETHER

The formula

Price = Hourly rate (C+D) × Real chair time (B) + Product cost (A)

THEN ROUND UP TO THE NEAREST $5

Signature gel manicure, start to finish

$77.25	1.25 h	$6.80
HOURLY RATE (C+D)	REAL CHAIR TIME (B)	PRODUCT COST (A)

$77.25 × 1.25 hours	$96.56
+ product cost	$6.80
Calculated price	$103.36
Menu price, rounded	**$105**

If that number is higher than what you charge today, nothing has gone wrong with the arithmetic. It means the gap between your price and your costs has been coming out of your own pocket, and now you can see exactly how much. Page 10 is about what to do next — you have more options than “raise it tomorrow and hope”.

ROUNDING, AND WHY UP

Round to the nearest $5, and round **up**, never down. The three or four dollars you shave off to make a price look friendlier is, across a full year, one to two thousand dollars of your own money. Nobody has ever cancelled an appointment over $103 versus $105.

Every number on this page is an example. A studio in Plano, a suite in Brooklyn and a home salon in a small town will produce three completely different hourly rates from the same method — and all three will be right. The method is the product here, not the figures.

THE WHOLE MENU

Six services, priced

Once you have your hourly rate, the rest of the menu takes about fifteen minutes. Same rate, different chair time, different product cost.

SERVICE	REAL TIME	PRODUCT	CALCULATED	MENU PRICE
Express gel manicure	1.00 h	$5.10	$82.35	**$85**
Signature manicure	1.25 h	$6.80	$103.36	**$105**
Manicure + gel extension	1.75 h	$12.40	$147.59	**$150**
Classic pedicure	1.25 h	$8.90	$105.46	**$110**
Medical pedicure	1.75 h	$14.50	$149.69	**$150**
Brow lamination + tint	1.25 h	$9.20	$105.76	**$110**

What this table shows that a competitor's menu never will

- **Product cost is not the story.** It ranges from $5.10 to $14.50 across the menu — under ten percent of every price. The chair time is what moves the number.
- **Long services are not automatically more profitable.** The medical pedicure and the gel extension take the same 1.75 hours and land within a few dollars of each other. If one of them exhausts you and the other does not, that is a scheduling decision, not a pricing one.
- **Your fastest service is often your best.** The express manicure earns $85 in one hour of chair time. The signature earns $105 in 1.25 hours — $84 per hour. Nearly identical. Speed, done well, pays.

DO THIS TODAY

Take your five highest-volume services and run them through the formula. Not the whole menu — five. If four of the five come out above what you currently charge, you have found your next raise, and you have the arithmetic to explain it.

WHEN THE NUMBER IS UNCOMFORTABLE

“That price scared me.” Five levers, not one.

Raising the menu is only one way to close the gap. Here are five, roughly in order of how quickly they work.

01 **Cut turnover, not corners**

Trimming fifteen minutes of turnover to nine adds roughly one extra client to a full day. Pre-set your station between clients, take notes in the booking app rather than after hours, take payment at the chair.

02 **Raise occupancy before you raise price**

An empty hour costs you $77.25 whether or not anyone sits in it. Filling two dead hours a week is worth more than a five-dollar raise across your whole menu — and no client has to be told anything.

03 **Add on, instead of marking up**

A $25 add-on attached to half your clients moves your average ticket more than a $10 price rise, and it feels like generosity rather than inflation. See No. 19, *Add-On Menu Builder*.

04 **Fix product waste**

If direct cost is over 15% of price, count uses per pack honestly for a week. Over-dispensing and product that dries out opened is where the money quietly goes.

05 **Then raise the price — properly**

With notice, with a reason, in writing, to everyone at once. No. 17, *Price Increase Playbook*, is that whole conversation.

What occupancy does to your rate

BILLABLE HOURS / WEEK	HOURS / YEAR	REQUIRED HOURLY RATE
20 — a soft book	920	$96.57
25 — healthy	1,150	$77.25
30 — busy	1,380	$64.38

Same costs, same target income. Only the fullness of the book changed — and it moved the required rate by thirty-two dollars an hour. Marketing is a pricing lever.

MENU DESIGN

Building your price ladder

A menu with one option is a yes-or-no question. A menu with three is a choice — and clients who are choosing are no longer deciding whether to book at all.

TIER	WHAT IT IS	REAL TIME	PRICE
Entry	Express service. Fast, clean, no extras. For the client on a schedule.	1.00 h	$85
Signature	Your core work, the one you are known for. This is what most people book.	1.25 h	$105
Premium	Extended time, design, treatment, or a hard technique. For the client who wants the best you do.	1.75 h	$150

Four rules for the ladder

- **Make the middle the obvious choice.** The signature tier should be the one you want to sell, priced so that entry looks thin and premium looks indulgent. Most clients land in the middle when the middle is well built.
- **Keep the gaps meaningful.** A $5 difference between tiers reads as a rounding error. Aim for 20–40% between steps, so each one clearly buys something.
- **Name the outcome, not the technique.** “Signature Long-Wear Manicure” tells a client what she gets. “Combi 3-in-1 with e-file” tells her what you do. She is buying the first one.
- **Never publish a price you resent.** If the entry tier makes you sigh when it appears in the book, it is priced wrong or it should not exist. Removing a service is a legitimate pricing move.

> ONE LINE, ON THE MENU, ALWAYS
>
> Put **“starting at”** next to any service where the real time genuinely varies — extensions, corrective work, podology. It is honest, it protects you, and it turns a difficult conversation at checkout into a normal one at consultation.

BEFORE YOU PUBLISH

Three sanity checks

1. The market check — done properly

You are not copying anyone's price. You are finding out where yours sits, and whether you can explain the distance. Pick five businesses within fifteen minutes of you who serve the client you want, and record four things for each:

BUSINESS	PRICE	BOOKED TIME	WHAT IS INCLUDED THAT YOURS IS NOT

If your price is 20% above the middle of that list, you need one sentence explaining why — European product, longer wear, medical-grade sterilisation, a technique they do not offer. If you cannot write that sentence, that is the work, not the price.

2. The capacity check

Multiply your new signature price by the number of those services you realistically perform in a month. Does it cover your overhead and your income target? If it only works at 100% occupancy, the price is still too low — nobody runs at 100%.

3. The value check

Write down, in one line, what a client gets from you that she cannot get for less around the corner. Then look at your booking page, your Instagram bio and your consultation — is that line visible in all three? A premium price with no visible reason is the hardest sale in this industry. A premium price with an obvious reason sells itself.

WHEN NOT TO RAISE

Do not raise prices in the same month you change location, change your booking system, or have an unresolved service complaint circulating. Fix the thing first. Price rises land badly on top of instability, and clients remember the combination rather than the cause.

AVOID THESE

Eight pricing mistakes

01 **Apologising for the price**

"It's a hundred and five… but I can do it for ninety." You just told her the real price is ninety and that you do not believe your own menu. State the number, then stop talking.

02 **Discounting instead of adding value**

A discount trains a client to wait for the next one. A bonus — a free brow tidy, an add-on, a retail sample — costs you less and does not touch your price floor.

03 **Charging friends and family differently, forever**

Give a launch-period rate with an end date, in writing. An open-ended "family price" becomes a permanent second menu you can never withdraw.

04 **Free fixes with no boundary**

Decide your policy now: what you fix free, for how many days, and what is chargeable. Put it in writing before you need it, not during the argument.

05 **One price for a service whose length varies**

Corrective work, extensions and podology can run double. Price a base, add a "starting at", and quote the rest at consultation.

06 **Raising prices silently**

A client who discovers a higher price at checkout feels tricked. The same client told two weeks in advance usually says nothing at all.

07 **Building the menu around your least profitable service**

If polish changes and removals fill your book, you have priced your real work too high relative to your filler work — or you are marketing the wrong service.

08 **Never re-running the numbers**

Costs move every year. Put a calendar reminder now for twelve months from today: *"Re-run the pricing calculator."* It takes ten minutes the second time.

MAKE IT HAPPEN

Your 7-day action plan

Reading this changes nothing. Seven short sessions do.

DAY 1 · 20 MINUTES

- [ ] Open the spreadsheet. Fill in your monthly fixed costs from your last three bank statements. Do not estimate.

DAY 2 · A FULL WORKING DAY

- [ ] Time your turnover. Write down when each client sat down and when your station was ready again. Six clients is enough.

DAY 3 · 30 MINUTES

- [ ] Cost out your three highest-volume services, by uses per pack, using your two most recent invoices.

DAY 4 · 15 MINUTES

- [ ] Write down your target take-home for the year and your billable hours. Calculate your hourly rate.

DAY 5 · 20 MINUTES

- [ ] Price your five highest-volume services with the formula. Compare each to what you charge today and write down the gap.

DAY 6 · 30 MINUTES

- [ ] Run the market check on page 12. Five businesses, four columns.
- [ ] Write the one sentence that justifies your price.

DAY 7 · 30 MINUTES

- [ ] Decide: new prices, or one of the four other levers on page 10 first.
- [ ] Set the effective date, at least two weeks out.
- [ ] Put a reminder in your calendar for twelve months from today to re-run this.

> NEXT IN THE TOOLKIT
>
> You have the number. **No. 17 — Price Increase Playbook** is how you announce it without losing your base: timing, the announcement templates, and ten answers to “why has it gone up?”

PRINT THIS PAGE

One-page worksheet

A · Product cost per service

SERVICE	COST / SERVICE (A)

B · Real chair time

SERVICE	BOOKED	+ TURNOVER	REAL HOURS (B)

C · Overhead per hour

Monthly fixed costs	$	× 12 =	$
Billable hours per week		× weeks worked =	
(C) Overhead per hour	$		

D · Income per hour

Target take-home per year	$	÷ (1 − tax rate) =	$
(D) ÷ billable hours per year	$	**(C) + (D) = rate**	$

Your prices

SERVICE	RATE × (B)	+ (A)	CALCULATED	MENU PRICE

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You priced it. Now sell it.

The rest of the Marketing & Sales Toolkit is included in every Formula membership — templates, scripts, campaigns and calculators, added every month.

- No. 17 Price Increase Playbook
- No. 18 Retail Upsell System
- No. 19 Add-On Menu Builder
- No. 29 Marketing Metrics Dashboard

Questions about your numbers?
Your concierge reads every message: care@formulabeauty.club



For members' internal business use. Figures are illustrative examples, not financial or tax advice — confirm your tax rate with a licensed accountant.

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