FINANCE, MODULE 7

Pricing and unit economics

What the clinic actually earns on a unit of neurotoxin, a syringe of filler, a laser session and a facial, once product, the provider's share and the card fee come out. After this module you can price a service from its cost up, tell which services carry the clinic, and know when to raise a price and how.

Start from the unit, not the menu

Most price lists were set by looking at the clinic down the street. That tells you what the market tolerates, not what you earn. The arithmetic is per unit of whatever you sell: a unit of neurotoxin, a syringe, a session, a facial.

Harbor Aesthetics, one unit of neurotoxin	Amount
Price to the patient	$14.00
Product cost per unit (vial cost divided by usable units, including waste)	(6.40)
Injector commission at 20% of service revenue	(2.80)
Card processing at 2.9%	(0.41)
Consumables (syringe, saline, gauze), per unit	(0.15)
Contribution per unit, before rent and overhead	**$4.24 (30%)**

> **Read it like this.** At $14 a unit, 30 cents of every dollar reaches the clinic to pay rent, the desk, marketing and you. If the supplier raises the vial by $40 (about 45 cents a unit) and the price stays put, contribution falls to $3.79, a 10 percent cut in what the clinic keeps, on the biggest service you sell. That is why Finance 6 says reprice within a month of any supplier change.

The same table for every service

Service	Price	Product	Provider	Card and consumables	Contribution	Margin	Time
Neurotoxin, 40 units	$560	$256	$112	$22	$170	30%	30 min
Filler, 1 syringe	$750	$290	$150	$25	$285	38%	45 min

Laser hair removal, small area	$150	$8	$30	$6	$106	71%	20 min
Signature facial	$165	$22	$50	$7	$86	52%	60 min
Retail serum	$120	$60	$6	$4	$50	42%	2 min

Two columns matter more than the price: **contribution per hour** of provider time, and **whether the patient comes back**. The facial earns $86 an hour and feeds retail and memberships. The filler syringe earns $380 an hour and the patient returns in nine months. Neurotoxin earns $340 an hour and the patient returns in three. That is why an injectables led clinic is worth more (Advanced 5): the chair is worth more per hour and the patient comes back sooner.

The rules that keep pricing honest

1. **Know product cost per unit to the cent, including waste.** A 100 unit vial that yields 95 usable units costs 5 percent more per unit than the invoice says. Operations 3 is where the waste number comes from.
2. **Commission on service revenue after product, or on a lower rate before it.** Paying 25 percent on gross neurotoxin revenue means the injector earns more on a price increase than the clinic does. Finance 8 covers the plan designs.
3. **Reprice within a month of any supplier change.** Small and often beats large and rare. A $1 a unit increase once a year is noticed; 50 cents twice a year is not.
4. **Never discount the unit; bundle the visit.** A "first visit special" at $10 a unit teaches the patient the price is $10. A membership that banks units at the full price and adds a facial teaches the patient to come monthly (Operations 6).
5. **Price the menu against the market, then check it against the table above.** If the market price does not cover product plus provider plus 30 percent, the answer is a cheaper product program (Finance 6), a different commission base, or not offering the service.

Raising prices without losing patients

Patients notice a price increase far less than owners fear, provided three things are true: the increase is announced two to four weeks ahead with a reason ("our product costs went up in August"), existing members keep their rate for a period (which is also a reason to join before the date), and the desk has one sentence to say about it. Most clinics that raise neurotoxin by $1 a unit see no measurable change in visits. Track units per patient and rebook for the two months after; if neither moves, the increase held.

Service mix: what to grow and what to keep

The scorecard's service line table (Finance 5) shows each line's share and growth against the market. Grow the lines with high contribution per hour and a short return cycle. Keep the lines that feed them (facials feed retail and memberships). Question the lines that are low contribution, long visits, and shrinking faster than the market. Adding a service is a Finance 12 decision: the device or training has to earn back on the contribution per hour it adds, not on the revenue.

Where Benchmark comes in. The unit economics table is built for every service in the sprint and refreshed when a supplier changes a price. Repricing is a typical monthly initiative in the plan, including the announcement and the desk sentence. Pricing benchmarks against clinics in your market come from our own data.

Try it yourself

- [ ] Take your last neurotoxin invoice. Divide the vial cost by 95 (not 100). That is your real cost per unit.
- [ ] Fill in the unit table for your three biggest services. Circle any margin under 30 percent.
- [ ] Find the date of your last supplier price increase and the date of your last price change. Note the gap.

Check yourself: Finance 7

A unit sells for $14, product is $6.40, commission is 20% of price, card fees 2.9%. Contribution per unit is about

$7.60

$4.40

$11.20

14 less 6.40 less 2.80 less 0.41. About $4.40 before consumables.

The supplier raises the vial by $40. If price does not move, the clinic's contribution per unit

Is unchanged

Falls by about 45 cents, roughly 10% of what the clinic keeps

Rises, because the product is better

Every cost increase you do not pass on comes straight out of contribution.

Which service is worth the most per hour of provider time in the table?

The facial

The filler syringe

Retail

$285 in 45 minutes is about $380 an hour. Contribution per hour, not price, is the number.

A "$10 a unit first visit special" mostly teaches the patient

To trust you

That the price is $10

To join the membership

Bundle the visit, do not discount the unit.

The best way to raise prices is

Quietly, all at once, once every few years

Small and announced, with members protected for a period

Only for new patients

Announced, small, with a reason and a desk sentence. Most clinics see no change in visits.

Pick an answer for each question.

Want this done, not just explained?

The 10-Day Sprint finds the leaks for $1,000, one time. After that, on the plan, the scorecard keeps coming and at least one growth initiative is executed with you every month. Plans from $2,299 a month. Everything in this module is part of that work.

See the sprint and pricing | Text Nate

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