

A Quick Guide to Pricing for Dog Groomers ✨



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Introduction

I've been running my own Dog Grooming business in South West Wales for 14 years. During this time I have worked alone and with staff, been put on my backside with my health and run a home salon, mobile vans, visited people in their houses, and have a street front salon

Working with and living with Dogs is a dream come true. A lot of us enter this profession (and remain in it) because of our genuine love of dogs and our desire to help them. I have another little interest though. I want to see everyone in the industry getting a fair wage

I also enjoy seeing people succeed. I would love to see everyone coming in to the industry, been unafraid to ask questions of those already in it, and to receive advice on all aspects of the business.

Over the years, as well as learning from our mistakes, we have helped prevent others making the same ones. Whilst there is no definitive list with a set of overheads that will be the same for every single person, a lot of the common ones will be.

In reading this quick guide, we may well show you things you hadn't considered and what you really ought to think about when setting your prices



One of the key factors of staying in business, is getting your prices right. Not only do they need setting when you first start out, they need reviewing to ensure you are keeping up with any price rises you face in your overheads.

Need V Want

Most business seminars will hammer home the importance of running your business purely for profit. People will try and sell you a dream of setting it up and then retiring off the proceeds whilst others do all the hard work.

Here's the kicker...not everyone will do that, and more importantly not everyone will want to. Before you start decide what YOU want from the business, be it extra Pin Money, good holidays, a better car each year...have a goal..It will be individual to you. Keep this in mind when thinking about prices.

Heres a little bit where my thoughts differ from others. Your business will be one of three things

1. An Expensive Hobby
2. A job / career
3. Business with a saleable value

As long as you know which it is, and are happy with that, that's fine. Do what you enjoy. When you stop enjoying it, its time to consider a change

With an expensive hobby, you are looking just to fund something you enjoy doing. As an example we have a gang of rescue dogs, the grooming helped pay their food bills and vets fees

That may well move into the next step a career or job, where you are taking on sufficient work to pay your bills and can earn sufficient for it to be your main income. This stops when you retire

As you grow, you may decide to take on staff, buy premises etc and it may well grow to a point where you put a manager in who runs the business for you, whilst you have more time to do what you want.

This is an over simplification, but will illustrate the general idea. Need V Want cannot only play a big part in your business but also your own life. Finding a balance is hard, and again that will be different for different people

Think about life..you NEED water, you NEED food to survive, You WANT a nice place to live, You WANT to be comfortable. You can live without the second two, but not without the first.

Its the same when you start in business, sit down and make a full list of what you NEED. This is not only what you NEED to earn to cover your current commitments (is there anything there you dont NEED in that list) as well as what you NEED to start . For example when starting out an £80 pair of scissors would be suitable as opposed to £1000 pair of scissors when you are competing and working at an international standard

Its always Important to cover your NEEDS and to do so quickly. The WANTS can come later

When people start in business they will look and see what other people are charging for a similar service. What they may not take into account is what the other provider has as overheads. For example we have a salon and a van. The salon Rent is £500 per month, The van cost £25000. The van is sold after 4 years for £6000.... Quite often people will think the van is the cheaper option

Taking the figures above, over 4 years the salon rent will be £24,000, Selling the van for £6000 will result in a cost of just shy of £400 per month $25,000 - 6000 = £19000 / 48 = £395.83$

So How Do You set an Hourly Rate

Just using those figures makes a van look a more attractive prospect. (Im not going to get into the whys and wherefores of depreciation/ tax allowances etc etc..thats for the accountants) These figures also assume nothing goes wrong with the van. If we throw road tax in at around £25 per month and fuel at £300 per month all of a sudden weve nearly doubled what we NEED to keep the van on the road.

This is where we start seeing the difference in overheads having an effect. Its a magical world and there are no other overheads incurred other than rent and the fuel. The salon owner tells you he charges £50 per dog, So he needs to do 10 dogs a month to pay for his rent (I know I was just trying to keep the maths simple) The van owner thinks that sounds about fair, but has to go and do 14.4 dogs just to pay the overheads at that price. To do the same work as the salon he would need to charge £72 per dog to be able to do 10 dogs.

The salon owner then throws into the mix he has two members of staff part time who earn £100 each a week So that's another £10,400 a year he has to find or another 208 dogs before he starts making a profit

All of a sudden we see its other things that start affecting what people NEED to charge to get by, and why it wont be the same for two different businesses

So when you think about where to set your prices think what YOU need and what YOU want to achieve. There is nothing wrong with drifting along, but it is so satisfying when you reach the destination

For this next bit, either grab yourself your preferred writing implement, or type up if you want. Make a note firstly of what you need to earn to cover your present household expenditure. (When I do this I dont take my partners earnings into account as I do it for worse case scenario) If you want to have extras, add them to the list. For the sake of this do it as a monthly amount as then I wont have to do so much typing.

Now do the same thing for what you think are your business expenses. Again these will vary. This always provides some entertainment on our seminars, as all of us will forget something that others think obvious.

Next, Multiply that monthly figure by 12, and then as you will want a holiday divide it by 48, as you still need to earn money for the weeks you have off

You now have the amount you need to take each week. Decide now how many hours a week you want to work, thats the rate you need to charge..right....possibly not because you have looked at the hours you work in the salon, not the extra hours you spend clearing up, ringing customers, doing your books, placing orders. So to cover the hours you are not grooming dogs, you need to factor in enough to cover those hours

To put all that into context Im going to use some round figures for easy maths. So imagine you require :

- Houshold Income of £12000
- Business costs (not including wages) £12000
- 36 Hours a week

So that gives you a total requirement of £24000

So How Do You set an Hourly Rate

- £24000/ 48 gives a weekly requirement of £500
- Working 36 hrs means a rate of £13.86

What you need to remember, this is a 'takings' figure, not earnings...your earnings are your wages. Consider we have said for this the requirements are equal for what you need to earn to pay the bills and half for the business. Split this figure and you are earning less than minimum wage

When you are working for yourself, although you think its a 36 hour week, by the time you have taken all the other tasks besides grooming into account you are probably working 50 which lowers your rate even more.

Ok so now I've scared you, time to put it right. As mentioned this will differ from business to business, it will differ for sole traders, those who have staff, those who run mobile, those who work from home etc. The very basic principles are still the same.

Most people starting up, will list about 10 items in their expenses. The list on the next page is comprehensive but not definitive . You really do need to go into that much detail to ensure you are making sufficient for YOUR needs. When I started in business, this was sold to me as an equitable budget. The minimum you needed to stay afloat

Business Expenses

Mortgage/ Rent

Rates

Business Loan

Water rates

Electric Gas

Waste

Building insurance

Contents Insurance

Liability Insurance

Building Maintenance

Phone /Mobile Phone /internet

Web Hosting

Stationary

Computer

Accountants fee

Banking Charges

Card machine/fees

Bath

Table

Scissors

Scissor sharpening

Brushes

Clippers

Blades

Blade sharpening

Shampoos/conditioners/fragrances

Accessories (bows etc)

Washing machine/ Washing powder

Tumble dryer /towels

Cleaning Materials

Advertising

Trade Journals

Competition Education

Employees wages/ N.I. PAYE /Employee

stakeholder Pension /Tax VAT

So How Did You Do ?

Household Expenses-

Mortgage/ Rent
Water
Electric
Gas/oil
Council Tax
Buildings Insurance
Contents Insurance
Life Insurance
Illness Insurance
Loans
Credit/store cards
TV Licence
Sky/netflix etc
Phone/ broadband
Car
Car Tax+mot
Car Maintenance
Car Insurance
Childcare
Clothing
Shoes
Haircuts
Holidays
Eating out
Papers/periodicals
Food and drink
Pets

Dont Panic! A lot of people miss stuff out. When we opened the salon I forgot about the music licence and overlooked the waste/sewage as at home we are off the mains. These together totalled an extra £100 per month.

Rather than scare you, the intention of this guide is to point you in the right direction. Sit down and make sure your sums add up before you start. Its much harder once you have got going.

If you are starting at home, factor in any expansion if you want to save for a salon or a van etc. Dont forget your suppliers prices WILL go up a couple of years ago we saw a near 30% increase in our cost per unit for electricity after coming to the end of a deal. Twice in 14 years we have had to fork out for new engines for vans a total of £8000, its not going to happen to everyone but you need to plan for the unexpected.

Most Importantly, make sure you are making some provision for pension, sickness holidays etc. Having had long term sickness with nothing off the state, its scary

Enjoy what you do, be proud of the time you have spent training and perfecting your skills. Never stop learning, go to seminars, be prepared to invest, but never forget you can be the best in the world, but if you don't get your pricing right, you will work a lot harder.

Hopefully you will have found this guide useful. There has been no charge as I believe everyone needs a foot on the ladder, and I would like to see how much should I charge for posts? rather "how long does such and such take" you can then charge what YOU need

If you have found this useful, all I would ask is you make a small Donation to Alpets Poundies Rescue. via the send money to friends option in paypal using Alpetpoundiesrescue@gmail.com

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