

Pricing Handbook

Supporting your locum journey with dedicated pricing guidance



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Reflection

To get the most out of this session, I encourage you to spend 10-15 minutes reflecting on your current pricing strategy, I've prepared a few simple questions to guide your thoughts. Please answer these before the workshop and keep it handy – it will serve as a valuable starting point for our work together.

Reflection Questions

- What is your current pricing model? (Cost-plus, value-based, etc.) P.S if it's, I plucked it out of thin air, that's ok
- How confident are you that your current prices reflect the true value of your product or service?
- Have you experienced any pushback from clients or customers on your pricing?
- If so, what was their feedback?
- What would a successful pricing strategy look like for your business over the next 6-12 months?

Resources

Our fantastic accountant experts have a 1 hour long service base workshop all around pricing!

This is a full hour of the most **INCREDIBLE** knowledge , tints, tips and tricks on pricing!

Hint: Service based business means YOU. Locums are offering a service to practices as you and your skills.

WATCH VIDEO



Work Sheet

Use this worksheet to finalise your pricing strategy, ensuring that it aligns with your costs, market positioning, and the value you deliver to customers. This will help you maintain profitability while resonating with your target audience.

STEP 1 is completed for you but feel free to add anything in!

Step 1

Service Breakdown

Identify the product or service for which you are re calibrating the price. Name of Product/Service: ___**LOCUM RATE**_____

Description: (What does it do, or what problem does it solve for the customer?)

Provide myself as a qualified veterinary professional to a veterinary practice for a set fee per day or per hour providing my skill set to support the team with client and patient care, operations and daily practice running.



Before you even think about what to charge, you need to know what you need. Just like a shop sets prices based on what it costs to make a product, your locum rate should cover the cost of your life and work.

Start by listing your personal expenses—rent, bills, food, transport—all the things that keep you going.

Then, list your business expenses—insurance, CPD, travel, work equipment. These are the costs of being a locum. Your goal is to never charge less than what it takes to cover these.

Work Sheet

Step 2

List ALL MONTHLY Costs:

TIP: If you pay for something annual e.g car insurance , divide by 12 before adding it into the table.

Housekeeping Expenses (YOUR SHARE) e.g gas, electric, tv)	
Personal Expenses	
Cost of Servicing Debts e.g mortgage, credit cards, bank charges	
Motoring Expenses (Yours)	
Professional Fees e.g accountant for self assessment, dentist, doctors)	
TOTAL	



Why Do Your Personal Costs Matter to Your Business?

As a locum, you are the product.

Think of it like buying something in a shop. That product has a cost to make and a selling price so the business can make a profit.

For us, our cost to 'make' is our cost of living—rent, bills, food, transport, and everything else we need to survive.

💡 Before you think about profit, you need to cover your personal costs first.

Once that's sorted, then you can work out how much extra you want to earn on top!

Work Sheet

Step 2 Continued

List ALL MONTHLY Costs:

TIP: If you pay for something annual e.g car insurance, divide by 12 before adding it into the table.

Business costs	
Professional Insurance & Membership Fees	
Equipment & Uniform	
CPD & Training	
Accountancy Software or Accountant Fees	
Work Travel (Fuel, Parking, Accommodation for Long Shifts)	
TOTAL	

ALL personal	
ALL business	
Total	

Work Sheet

Step 3: Profit & Margins

Now that you know what it costs to survive, let's talk about profit—the money that allows you to save, take time off, and actually enjoy life. Profit isn't greedy; it's essential. It gives you financial security and rewards you for your hard work. How much extra do you want to make each month? This could be for holidays, savings, future plans—whatever makes your work worthwhile. Add your profit goal on top of your break-even amount, and now you have a number that actually lets you breathe!

What is Profit?

Profit is the money you keep after covering all your costs. It's what allows you to grow, save, and invest in yourself.

💡 Think of it this way: if your earnings only cover your expenses, you're breaking even. But profit is what gives you financial stability, security, and freedom.

Target Rate:

How much extra do you want to earn each month?

Profit goal: £_____

How do you decide how much profit?

Consider:

- Your skills & experience (higher experience = higher rates!)
- The demand for your services
- What other locums are charging
- Your financial goals (saving for a house, holiday, investments)

Total Needed per Month = Break-even (£) + Profit Goal (£) = £_____

Tax & Vat

Ah, tax—the thing we all forget until it's too late. The key to avoiding nasty surprises is to plan for it from the start. If you're VAT-registered, you'll need to add 20% VAT on top of your rate (otherwise, that money comes out of your pocket). Then, there's income tax and National Insurance, which can take around 30% of your earnings. Instead of panicking at tax season, build it into your rate now, so you're always ahead of the game.

Step 3: Add VAT & Tax

VAT (If Registered i.e you earn more than 85K per year)

If you're VAT-registered, you must add VAT to your rates.

The standard VAT rate is 20% in the UK.

If your total needed per month is £_____ → Add 20% VAT

💡 VAT Calculation:

➡ Total Needed per Month (£__) $\times 1.2 =$ £_____ (Including VAT)
(If you're under the VAT threshold, you don't need to add this.)

Step 4

Income Tax & National Insurance

- As a self-employed locum, you'll need to pay income tax and National Insurance on your earnings.
- This depends on how much you earn, but a safe estimate is:
 - 20% tax if earning under £50,270
 - 40% tax if earning over £50,270
 - Class 4 National Insurance (9% on profits over £12,570)

💡 Tax Calculation:

- Estimate at least 30% of your earnings should be set aside for tax.

➡ Total Needed per Month (Inc. VAT) $\times 1.3 =$ £_____ (After Tax & VAT)
(This ensures you're covered and won't get hit with a big tax bill!)

Step 5: Set Your Rate

Now, take your total amount (including tax and VAT) and divide it by the number of days or hours you plan to work. This gives you a realistic daily or hourly rate. This is the rate you need to charge just to cover your costs, make a profit, and stay tax-compliant. If the number feels high, remember—you're not just being paid for the hours you work; you're covering everything that comes with being a locum.

Now, work out how much you need to charge per shift or per hour.

- ◆ How many days per month do you want to work? ____ days
- ◆ How many hours per day? ____ hours

💡 Daily Rate Calculation:

➡ Total Needed per Month (After VAT & Tax) ÷ Workdays per Month = £____ per day

💡 Hourly Rate Calculation:

➡ Daily Rate ÷ Hours per Day = £____ per hour

How to Track Hidden Costs

To manage these costs, create a spreadsheet or use an app to track:

Time – Track hours worked, including travel and downtime.

Expenses – Record any out-of-pocket costs (fuel, insurance, training).

Rates – Understand how much you need to charge to cover these hidden costs and still make a profit.

The key to improving your earnings is to be aware of all your hidden costs and incorporate them into your rates. If you're not accounting for them, you might be working for less than you think!

Step 6

Now that you have a solid number, compare it to market rates. Are other locums charging similar amounts? If you're too low, you're underselling yourself—time to raise that rate! If it's higher, check if you can justify it with experience, special skills, or offering last-minute availability.

Remember, your rate should reflect your value, expertise, and demand. The goal isn't just to survive—it's to run a profitable, sustainable locum business that works for you! 🚀

Now that you have your minimum profitable rate, check:

- ✓ Are other locums in your field charging similar rates?
 - ✓ Are you pricing yourself competitively?
 - ✓ Can you charge more for last-minute or high-demand shifts?
-
- ◆ If demand is high, increase your rate.
 - ◆ If you're undercharging compared to the market, raise it!
 - ◆ If you're struggling to find work, consider adjusting slightly—but never below your break-even point.

Step 7: Testing & Feedback

Implement your new price and track the results.

Test Your Pricing: Over the next month, introduce your new price to customers and track their responses. Did customers question the price? Did sales increase or decrease?

Key Observations:

Adjustments: If necessary, what adjustments could you make to fine-tune your pricing?

Step 8: Reflection

Do you feel more confident about your pricing after recalibrating it?

Why or why not?

What will you do next to ensure your pricing stays aligned with market changes and business goals?

How We Can Help

- MFL [community](#) - ask fellow locums

- Speak with Rach and her team

OR

- Book a 1-1 pricing strategy session

Simply email info@managementforlocums.com

- To understand VAT a little more....

watch this video !

