

Value-Based Pricing vs The Trap of Cost-Plus and Hourly Billing in Advisory Services - Strategic Deep Dive 11

Por Eduardo Woetter · Publicado em 15/11/2016

Why billing by hours penalizes practitioner efficiency and attracts toxic micromanagers, while pricing on economic value delivered aligns incentives for enduring and lucrative client partnerships.

Versão online e eventuais atualizações:

<https://woetter.com/post/marketing-history-value-based-pricing-vs-the-trap-of-cost-plus-and-hourly-billing-in-608>

Historical Context and Market Transformation

Why billing by hours penalizes practitioner efficiency and attracts toxic micromanagers, while pricing on economic value delivered aligns incentives for enduring and lucrative client partnerships.

Examining the turning points of global advertising reveals that while distribution tools evolve at breakneck speed, the cognitive architecture of human nature remains remarkably constant. The ability to articulate a razor-sharp value proposition, anchor practical utility to genuine aspiration, and eliminate friction in decision-making separates transient operators from enduring market monopolies.

Strategic Principles from this Historic Milestone

1. **Radical Clarity Over Empty Jargon:** Campaigns that redefined consumer culture stripped away corporate platitudes to deliver undeniable, memorable truths.
2. **Proof-of-Work and Unshakable Trust:** Whether through blind taste tests, reverse-risk guarantees, or live product stress tests, verified proof always precedes transaction value.
3. **Compounding Narrative Consistency:** Brand equity is a long-horizon financial asset that compounds exponentially when nurtured with disciplined aesthetic and messaging continuity.

Contemporary Executive Takeaway

For modern enterprise founders, directors, and strategic advisors, the lessons of this historic campaign provide an antidote against shallow algorithmic fads. Instead of chasing vanity engagement, leadership focus must remain anchored on defensible competitive moats, value-based pricing, and lasting institutional relevance.