



# Breaking Free From Hourly Billing

**The Proven Path to Higher Fees, Stronger  
Clients, and More Control Over Your Work**

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# Introduction

What if the biggest obstacle to growing your engineering or architecture firm's income isn't your workload, but how you price it?

In this ebook, based on a webinar hosted by BQE CORE, pricing strategist Jonathan Stark challenges the long-held belief that billing by the hour is the best way to run a service business. Drawing on decades of experience helping professionals break free from the billable hour, Stark outlines a smarter, more sustainable approach to pricing for architecture and engineering firms.

You will learn three powerful strategies to increase revenue without increasing your workload:

- **Digital products** that generate income without direct labor
- **Productized services** that streamline your offerings and shorten the sales cycle
- **Value-based pricing** that ties your fees to the results you deliver, not the hours you spend

Stark walks through the mindset shift required to move from selling time to selling outcomes. He shares actionable steps for implementing value-based pricing, handling scope creep, negotiating terms, and attracting clients who understand and appreciate your value. The session also includes real-world examples and answers to common questions from firm leaders like you.

**“To significantly increase your income, you have to stop trading time for money. The ceiling on hourly work is built into the model. Your only lever is working more hours or raising your rate, and both have limits. The real leverage comes from pricing based on value.”**

- Jonathan Stark

# About Jonathan Stark

## Author of Hourly Billing Is Nuts & Host of the Ditching Hourly podcast

Jonathan Stark is a leading voice in the movement to help professional services firms break free from hourly billing. With a background in software development and decades of experience advising consultants and creative professionals, Jonathan brings a unique perspective to pricing strategy, one grounded in real-world application and focused on long-term business health.

He is best known as the author of *Hourly Billing Is Nuts*, a manifesto that challenges the assumptions behind time-based pricing and outlines a smarter, more client-aligned approach. His work centers on a single, powerful idea: professionals should be compensated for the value they deliver, not the hours they log.

Through his writing, speaking, and podcasting, Jonathan has helped thousands of independent professionals and firms completely rethink how they price their work. He teaches firm owners how to align their fees with outcomes, communicate their value more effectively, and build stronger, more profitable client relationships.

For architecture and engineering firms looking to grow sustainably while avoiding the burnout and inefficiencies of hourly billing, Jonathan's insights offer a clear path forward. He brings clarity to a complex topic, offering practical tools and a mindset shift that empowers firms to take control of their pricing and their future.

# Positioning Your Firm for Value

## Focus Builds Trust. Trust Builds Profit

Generalist firms compete on price. Specialized firms compete on value. When you narrow your focus to a specific client type, such as healthcare developers, urban infill residential clients, retail tenant improvements, or transportation infrastructure, you can tailor your messaging, your services, and your pricing to solve their unique problems better than anyone else.

With that focus, you gain efficiency. You can set fixed prices based on historical performance and streamline delivery using proven methods. For example, if your firm frequently handles permit acquisition, you can price that service confidently based on outcomes, not effort. The incentive shifts from logging hours to refining systems, and that shift benefits both you and your clients.

### **Automate the Mundane, Elevate the Experience**

Client-facing tools like scheduling links and onboarding questionnaires are no longer nice-to-haves. They're essential. Automating basic interactions like meeting scheduling, intake forms, and document collection reduces admin time and creates a polished first impression. These tools free your team to focus on the strategic and creative work that truly matters. The work that actually drives value to your clients.

### **Offer a Guarantee. Build Confidence.**

Offering guarantees is another powerful way to position your firm as a trusted partner. Whether it's a communication standard, timeline guarantee, or a "no cost overruns" promise, addressing client fears directly builds confidence and trust. And when clients trust you, they are far more likely to agree to higher-value engagements and fixed-price arrangements.

**"Hourly billing punishes efficiency. If you finish a project in half the time, you get paid less. The better you get, the less you earn. That's backwards. Your expertise should be rewarded, not penalized."**

- Jonathan Stark

# Three Strategies to Unlock Non-Hourly Revenue

## How to Scale Your Income Without Scaling Your Hours

Architecture and engineering firms have long been taught that growth requires more hours, more staff, and more complexity. But there's a better way. By rethinking what you sell, and how you sell it, you can unlock new revenue streams that are more scalable, more profitable, and less dependent on time.

The key is to shift from selling labor to selling outcomes. That starts by recognizing that your expertise holds value far beyond the time it takes to deliver it. When you turn that expertise into assets, products, and standardized services, you create opportunities for revenue that don't rely on timesheets.

### Create Once, Sell Often: Building Revenue Through Digital Products

The first strategy is creating digital products that package your knowledge in a way that can be sold repeatedly without additional labor. For example, this could be a set of permit-ready ADU plans, a zoning checklist, a project budget calculator, or even an instructional video series on energy modeling workflows. Find tools or resources you can build based on your specific area of expertise that have value to an audience. Then build out pages on your website to sell these digitally and automatically without the need for time to sell them or service clients. These products not only generate passive income, but they also showcase your firm's expertise, help clients self-qualify, and often lead to higher-value service engagements.

What makes this powerful is the leverage. You invest time upfront to create something once, and then you sell it many times—sometimes to clients, sometimes to peers, sometimes to entirely new audiences you wouldn't reach through traditional services alone.

## Productize to Streamline and Scale

Next is the idea of productized services. These are fixed-scope, fixed-fee offerings that simplify the buying process for clients and reduce the administrative load on your team. Think of them as packaged services, like a feasibility study for a commercial site, a code compliance review, or a post-occupancy evaluation. Clients know exactly what they're getting and how much it costs. There's no back-and-forth, no custom proposal, and no guessing.

More importantly, your team knows exactly what the deliverable is, what the scope of work entails, and the systems and processes to deliver these the same way each time are well documented. They are then priced to be profitable and like the digital products, are available for sale on your website or in meetings with potential clients.

Productized services are powerful because they lower the barrier to entry. A small, clearly defined engagement makes it easier for a new client to say yes. And once they experience the value you deliver, they're far more likely to return for larger, customized projects.

## Get Paid for Your Thinking

Finally, consider selling your expertise directly. Many firms default to charging for drawings, reports, or deliverables. But in reality, your clients are paying for your insight, your judgment, and your strategic guidance. That value doesn't always need to be tied to a physical product.

Advisory services, strategic planning, technical consulting, and stakeholder workshops are all examples of high-value engagements where the deliverable is your thinking—not your time. These engagements often involve fewer hours, higher margins, and deeper client relationships. They position your firm as a trusted advisor, not just a service provider.

**“You want to sell your brains, not your hands. Your thinking, insights, and expertise are far more valuable than the physical act of drafting or drawing. Position yourself as an advisor, not a pair of hands.”**

**- Jonathan Stark**

# Value Pricing: Price the Outcome, Not the Effort

## The Pricing Strategy That Sets High-Performing Firms Apart

### Stop Selling Time. Start Selling Impact.

The core idea behind value pricing is simple but powerful. You are not being hired to log hours. You are being hired to solve a problem, deliver an outcome, or create an opportunity. When you price your services based on the results you help your clients achieve, you unlock a business model that is more profitable, more scalable, and far more rewarding.

Hourly billing punishes efficiency and creates friction with clients. The faster and better your team works, the less you earn. Clients fixate on timesheets instead of outcomes. You become a cost to be managed, not a partner to be trusted.

Value pricing turns that dynamic on its head. When your fee reflects the impact of your work, your incentives align with your client's success. You move from being a line item to being an investment.

### Why This Matters for A&E Firms

Architecture and engineering firms are uniquely positioned to benefit from value pricing because your work directly shapes your clients' futures. Whether you're optimizing square footage for a commercial developer, streamlining workflows for a biotech lab, or creating energy-efficient infrastructure for a municipality, your work delivers measurable value.

And yet, most firms price as if they're selling labor. They calculate fees based on hours and overhead, then mark it up with a profit margin. That model fails to account for the expertise, strategy, creativity, and long-term benefit that your services actually provide.

**“Price does not come from cost. Price comes from value—in the mind of the buyer. If something feels valuable enough to solve a pressing problem, your client won’t care how long it takes you to do it.”**

- Jonathan Stark



Consider this: if a zoning strategy you develop enables a \$10 million project to move forward, is that worth more than a few thousand dollars in billable time? Of course it is. Your value is not in the time it takes. It's in the opportunity you create.

### The Case Against Hourly Billing

Hourly billing is easy to justify on the surface. It seems fair. You work a certain number of hours, and you get paid for them. But it comes with serious downsides:

- It caps your income: you only earn when you're working
- It creates tension: clients second-guess your hours instead of your ideas
- It makes budgeting difficult: clients fear surprises and scope creep
- It commoditizes your expertise: you get treated like a vendor, not a partner or an expert advisor
- It punishes efficiency: the better you get, the less you make

Value pricing solves these problems. It decouples revenue from time and focuses entirely on what your work is worth to the client.

### How to Implement Value Pricing

Adopting value pricing takes a mindset shift, and a defined process. It starts with asking better questions during the sales conversation.

Before you ever talk about scope or deliverables, ask your client:

- What would a successful outcome look like for you?
- Why is this project important now?
- What happens if you don't move forward?
- How will this affect your business in 6 or 12 months?

**"Your scope should fit into the price—not the other way around. Start with the outcome, define the value, and then figure out what you can deliver profitably at that price. This flips the way most professionals think about pricing."**

- Jonathan Stark

These questions uncover motivation and context. They help you understand what's truly at stake. Once you know that, you can begin to shape the engagement in a way that maximizes value—for both sides.

Then, instead of sending a single quote, offer three fixed-price options. Each should include:

- A clear description of what's included
- A level of involvement that increases with each tier
- A price that reflects the outcome, not the input

For example, if the client expects your work to unlock a \$500,000 opportunity, your three price points might be \$20,000, \$45,000, and \$90,000. The client chooses based on value, not your hourly rate, and you protect your margins while giving them options.

### **Start Small. Build Confidence.**

You don't need to overhaul your entire pricing model overnight. Start with one service or one client. Try offering a fixed fee for a feasibility study or zoning analysis. Test your pricing based on outcomes, not effort. Learn from the process. As your confidence grows, expand the approach to other services.

Over time, you'll build a pricing system that reflects your true value. Your firm will earn more while working smarter—not harder. And your clients will gain the clarity and confidence that comes from knowing exactly what they're paying for and why it matters.

**“Clients don’t want hours. They want outcomes. They’re not hiring you to fill a time sheet. They’re hiring you to solve a problem, reduce risk, or unlock a result that matters to them.”**

**- Jonathan Stark**

# Pricing Strategy in Practice

## How to Apply Value Pricing in the Real World

Knowing why to price based on value is one thing. Knowing how to do it consistently is another. This section offers practical strategies for implementing value pricing in your firm—strategies that protect your profit margins, strengthen client relationships, and position your team for long-term success.

### Offer Options That Reflect Value

Pricing should never be one-size-fits-all. By presenting three clearly defined options at different price points, you give clients the power to choose the level of service that best fits their goals and budget. This approach also anchors your pricing. Most clients will naturally gravitate toward the middle option, which feels reasonable compared to the lower and higher tiers.

Each option should be scoped clearly, with defined deliverables, timelines, and responsibilities. All three should be profitable. Even your lowest-tier offer should be something you're happy to deliver. This removes ambiguity and gives the client confidence that they are making an informed decision based on outcomes—not hourly rates.

**“Always present three options. A good—better—best proposal reframes the buying decision from ‘Should I hire you?’ to ‘Which level of engagement is right for me?’ It anchors your value, sets expectations, and gives the client control—without discounting your worth.”**

- Jonathan Stark

### Protect Your Time and Say No When Needed

Not every opportunity is worth pursuing. If a client cannot afford your services or pushes back on the value you bring, that is a clear signal they may not be the right fit. Saying no protects your team's time, preserves morale, and keeps your firm focused on high-value work.

Every time you accept a low-margin, high-friction engagement, you delay or displace opportunities that could actually move your business forward. Value pricing empowers you to be selective. It gives you the confidence to walk away from bad fits and say yes to the right ones.

## Manage Scope Like a Pro

Value pricing only works when scope is clearly defined—and enforced. Fixed-price engagements require detailed agreements that outline exactly what is included, who is responsible for what, and how changes will be handled.

The key is to be proactive. Address scope in your contract. Set expectations early. When a client requests additional work, refer to the original agreement and introduce a formal change order. This process protects your margins, keeps projects on track, and maintains trust with the client.

## Let Productized Services Open the Door

One of the most effective ways to implement value pricing is by offering productized services—standardized, fixed-price packages that act as entry points for new clients. These services are clearly scoped, easy to say yes to, and often lead to larger custom engagements.

Think of a zoning review, a feasibility study, or a code compliance checkup. These services solve a specific problem, deliver immediate value, and help you qualify serious clients without investing weeks in free consulting or proposal writing. They also make it easier to test and refine your pricing approach in a controlled, repeatable way.

**“Digital products and productized services are a marketing funnel that qualifies your best clients. They give people a low-risk way to engage with you and help them understand your value before they commit to something bigger.”**

- Jonathan Stark

# How to Shift Your Pricing Model Without Disrupting Your Business

Moving away from hourly billing is not just a philosophical shift—it's a structural one. For many architecture and engineering firms, time-based billing is deeply embedded in proposals, contracts, time-tracking tools, and even firm culture. But if you want to grow more profitably and sustainably, that model has to evolve.

The first step is to analyze your past projects. Look at your average monthly billing totals, typical project timelines, and the kinds of scope changes that arise most frequently. Use this historical data to shape fixed-fee models that reflect actual project dynamics. Many firms find that monthly fixed pricing—based on the average billing across similar projects—offers the client predictability while giving your team room to focus on delivery instead of timekeeping.

The key to making the transition work is clarity. Communicate the value of fixed pricing up front: fewer billing surprises, more efficient planning, and stronger alignment around results. Explain how it reduces friction, saves administrative overhead, and gives both parties a clearer picture of outcomes and responsibilities.

You don't need to overhaul your entire business model overnight. Start with one service. Then try it with one client. Over time, you'll build confidence—and a system. And as that system takes hold, you'll notice a shift: fewer billing disputes, more trust, better clients, and a business that feels less reactive and more strategic.

Fixed pricing gives you control over your work and your margins. It frees your team from the time clock and lets them focus on delivering results. That's what clients want, and that's what your firm deserves to be known for.

# Beyond the Price Tag

## Contract Terms, Boundaries, and Smart Business Moves

When most firms think about pricing, they focus on the number. But value pricing is only effective when it's supported by strong business infrastructure. The way you write your contracts, set expectations, and manage client relationships is just as important as the fee itself. These elements create the foundation that allows your pricing model to succeed. Without them, even the best pricing strategy can fall apart under pressure. This section highlights two critical areas, contract terms and client boundaries, where firm owners can protect their margins, strengthen trust, and position their business for long-term success.

### Use Your Contract Terms to Strengthen Your Position

Your terms and conditions are a strategic asset. They're not just fine print, they're part of your business model. Well-crafted contract terms reduce risk, signal professionalism, and give you room to negotiate without discounting your fees.

For example, offering a 100 percent upfront payment can feel bold, but Jonathan Stark emphasizes that it works. It reframes the conversation around cash flow and commitment, not cost. If a client resists, you can offer milestone-based or monthly payments, which still protect your revenue and shift the discussion away from negotiating your value.

Terms like cancellation clauses, scope change protocols, and payment timelines also set clear expectations and help avoid conflict. These are especially important when you move to fixed pricing. You are no longer billing for your time, so the agreement needs to define what's included, and what's not, with precision.

**“Never negotiate your price. Negotiate your terms. Your fee reflects your value. If there’s pushback, adjust how and when you get paid—not what you’re worth.”**

- Jonathan Stark

Write your terms and conditions in your favor. Add things that will improve your business outcomes and use the terms and conditions in your contract as a way to negotiate with your clients.

### **Warning: Tread Carefully with Friends and Family**

Working with friends or family can seem like a favor, but it often turns into a burden. Personal relationships tend to blur professional boundaries. When pricing is not clear, expectations become vague, and resentment can build.

If you want to help someone in your personal network, consider two options. Either offer the work as a gift, with no strings, or set a fixed scope and price, just as you would with any client. Be transparent about the arrangement. Better yet, refer them to another qualified professional. That way, you preserve the relationship and avoid the risk of underpricing or overcommitting.

Your time is valuable, and your pricing should reflect that, no matter who the client is.





# It's Time to Leave Hourly Billing Behind

## Value Pricing Is Not Just a Trend. It's the Future of a Healthy Firm.

Breaking free from hourly billing is one of the most important strategic decisions an architecture or engineering firm can make. It's more than simply charging more. Instead, it's a strategy that creates a business that rewards expertise, encourages focus, and supports growth without burnout.

Value pricing positions your firm around outcomes. It forces clarity, improves client trust, and gives your team the freedom to work more effectively. Instead of being treated like a cost center, your firm becomes a partner in your client's success. That shift changes everything.

Firm owners who embrace this model tend to attract better-fit clients, deliver more meaningful work, and command fees that reflect the real value they provide. They also build healthier businesses with more predictable cash flow, fewer administrative burdens, and more strategic control over their future.

This approach also allows you to scale more intelligently. You can productize your services, create repeatable systems, and price based on value rather than labor, giving you room to grow revenue without increasing headcount or overloading your staff.

In a world where projects are becoming more complex and clients demand more clarity, the firms that thrive will be the ones that communicate their value clearly and price their work accordingly.

The goal is not to work more. It's to grow profits and build a business that honors your expertise, supports your team, and delivers real results for your clients.

Value pricing helps you get there.

**"The most successful professionals aren't the ones who work the most hours. They're the ones who clearly communicate their value, attract better clients, and get paid for the impact they create, not the time they spend."**

- Jonathan Stark



# Key Takeaways

**1. Hourly billing limits your growth.**

It ties your income to your time and punishes efficiency instead of rewarding impact.

**2. Clients care about outcomes, not hours.**

When you price based on value, you align your incentives with the client's success.

**3. Value pricing positions you as a trusted advisor.**

You stop being a line item on a budget and start being seen as a strategic partner.

**4. You can raise fees without working more.**

Through digital products, productized services, and advisory work, you can scale income without scaling effort.

**5. Offering fixed-price tiers helps clients choose based on value.**

Three clear options simplify decision-making and anchor your pricing at higher levels.

**6. Productized services create a smoother sales process.**

They allow clients to engage with your firm quickly, build trust, and lead to larger projects.

**7. Strong contract terms support your pricing strategy.**

Clear scope, payment terms, and change order policies protect your profit and reduce disputes.

**8. Not every client is a good fit.**

Turning down low-value work creates space for better projects and clients who respect your value.

**9. Transitioning takes time—but it's worth it.**

Start small, learn from experience, and expand your value pricing model with confidence.

**10. The most successful firms don't sell hours.**

They sell expertise, outcomes, and trust—and they price accordingly.

# Watch the Full Webinar with Jonathan Stark

**Escape the hourly trap and learn how to price your expertise for what it's really worth**

Get the complete conversation that inspired this ebook. In this 60-minute session, pricing expert Jonathan Stark walks through real-world examples, answers live questions from A&E firm leaders, and shares practical tips for escaping the hourly trap.

Whether you're just starting to rethink how you price your services or ready to make the leap, this webinar gives you the mindset, tactics, and tools to move forward with confidence.

Don't miss your chance to hear it straight from the expert.

**WATCH THE WEBINAR NOW**

**"If you want to double your income without working more hours, you need to stop selling time and start selling outcomes. Understanding value pricing isn't just theory—it's a mindset shift that changes the way you run your entire business."**

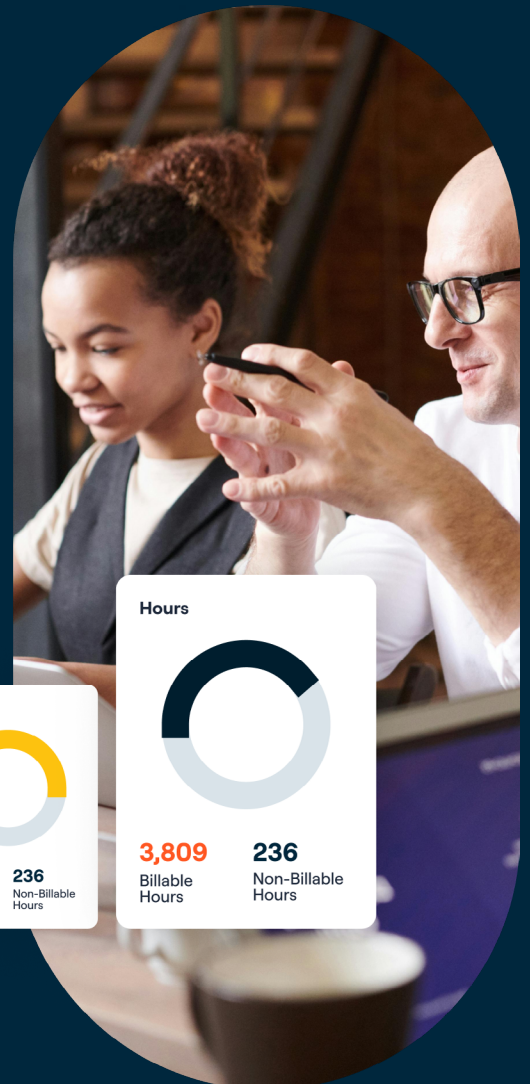
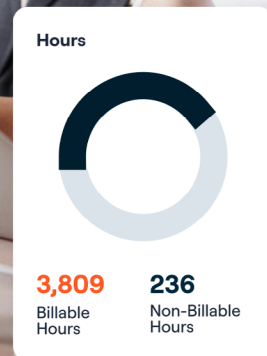
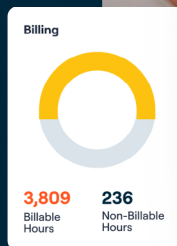
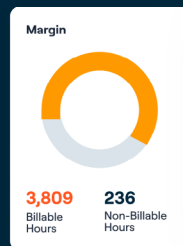
- Jonathan Stark

# BQE CORE

If you're serious about improving efficiency and profitability, you need access to technology that makes the process of tracking Key Performance Indicators (KPIs) straightforward. BQE CORE is an all-in-one firm management platform with integrated accounting and project management tools that's backed by a company with over 30 years of experience and countless end users worldwide. It was designed by an engineer and architect to give their firms the tools they needed to thrive. Thus all of the built-in features are designed to address the pain points A/E firms typically face.

BQE CORE can streamline your business processes, while simultaneously providing groundbreaking insights that will help grow your firm, all from the convenience of a desktop computer, laptop, or mobile device. BQE CORE makes it easier than ever to collaborate with both your team and clients.

**Running your business should be exciting, not chaotic. That's why we're here, and most importantly, why we developed CORE.**



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