

What case can be made to 'Bundle your fees'?

About

I wrote this article in 2007 as a contribution to the Australasian Facilitators' List – an on-line community of interest. It has relevance for any consultant or professional who offers their services on a fee basis.

These articles are a marketing communication technique used by Ian Benjamin at Consultant Training Australia to build and maintain profile in its target market.

Please feel free to forward this article to those who may be interested.

Please visit the web-site

www.consultantraining.com.au

for information on

- » consulting related articles
- » registering to receive future ones
- » in-house workshops for consulting firms and units
- » occasional public workshops for consultants and contractors
- » facilitation services
- » presentation skills training & coaching
- » consulting books

Enquiries and course bookings

Contact Ian Benjamin of Consultant Training Australia to discuss your requirements.

Telephone: 1800 266 266

Mobile: 0419 593 167

info@consultantraining.com.au

www.consultantraining.com.au

When pricing a short duration engagement, here are 3 arguments to bundle and one to unbundle -- it comes last!

1. Bundling 'makes it easy for clients to do business with you'.

This is a useful maxim for we self-employed consultants to observe. In this context it means that we need to give the client less reasons to object to us. The 'bundle' should be the complete story - fee wise.

Why open up the debate to such contentious issue including how long you take to prepare, how much you charge for that, and perhaps, whether such figures have any validity any way?

Keep it simple. Make the client an offer that has a price (or prices if you give options), some reasons for them to have confidence in you (methodology and track record), and evaluation upon completion.

This should lead to your discussions with the client being focused on the event and their objectives and how you will achieve those. Discussion should not be on how much time you take preparing your service delivery - that is literally, 'your business'.

2. Bundling is more professional as you position yourself as a consultant who will produce the result and be assessed by the result. The result should be where the client starts (and finishes) considering whether they had value or not.

Operating this way see you have a horizontal and therefore more 'equal' relationship with your client. Ideally you are 'partners' on the assignment.

Why become accountable for your time as well as the outcomes? The 'time taken' approach is the province of bureaucrats, who need to account to their 'superiors' for responsible decision making. This 'accountability' gives the opportunity for petty demagoguery to rear its head. In this situation you are actually functioning more as a contractor than as a consultant (difference being that the consultant sets the parameters while the contractor works within them -- another subject another time).

The contractor is in a vertical relationship with their client -- and guess who's on top?

3. Bundling avoids the misconception that it is all about time taken. Focusing on time taken diminishes the contribution of other important factors to the success of the event. These include: familiarity with that type of event and with the clients, moods, history, internal politics, personalities, agendas, underlying and real unmentioned needs, inspiration at hand (them and you) and the amount of sleep we have all had!

On the day of the facilitation, I always go in early, have a good breakfast at a nearby café, read the paper and generally establish a mood of equanimity as the moment of truth dawns. I will also stay in a hotel if the venue is more than 2 hours from home and I'm starting at 9 am. This is all at some expense to me but the client doesn't know.

It's a worthwhile investment that helps the client achieve their result!

4. Unbundling is required by some clients who require full disclosure of your costing / pricing method - in that case your choices are to comply or to move on.

If you have read this far you may be interested to know that there is a whole chapter (6) in my book "Consulting, Contracting & Freelancing - be your own boss" (Allen & Unwin, 2007). It includes a work sheet to calculate your base rate on pages 109 and 132. The book is in most libraries in Australia as well as from Borders, the AIM, CBD Dymocks, and McGill's. In Brisbane it is also at Riverbend Books in Bulimba and in Perth, from the WA Government small business bookshop in Hay Street. It is also available on-line at the web-address to the left of this article. RRP is \$29.95 and we send it to you for \$34 in Australia – slightly more for NZ and other overseas destinations.

100323