

## Focus on Consulting

by Chris Juillet

### Fixed Quotes and Broken Promises

Not long ago, while I was giving a talk about setting consulting rates, someone piped up at the end to ask "OK, but how do you go about bidding projects on a fixed-price basis?"

My first instinct was to retort "Change of scope, not in the original agreement, can't talk about that here." Of course, I instead managed some impromptu remarks about fixed-quote proposals. Not so much about how to determine the price and schedule, but more about how to tie down the details of a project and protect yourself from unexpected changes that can drag a "peach project" into the "pits of despair and financial ruin."

Since that presentation, I've been doing some serious thinking about this area, one that confronts the independently employed nearly every day. In this "Focus on Consulting" column, we'll have a look at the gentle art of proposing fixed-quote projects, while protecting yourself from the broken promises that can take all the fun out of consulting.

#### Define the project fully

The single most important aspect of developing a good fixed-quote proposal is to define as completely as possible the project under consideration. I file this under the heading of "No surprises, please."

Describe the end-product you will deliver (known, in the business vernacular, as the "deliverable") by name; specify the scope, approach, audience, and structure. Be detailed. If at all possible, estimate the number of pages, words, and illustrations you expect the final draft to contain.

If you plan to deliver electronic copies of the project, state the environment (Macintosh- or IBM-compatible) and the word processor or text formatter used.

Summarize the responsibilities of the various client staff involved; name names and what their roles are. Make sure that the technical specialist knows his/her job (like technical accuracy), and knows what your responsibilities (like style, word choice, and usage) are.

Present a schedule with milestones and delivery dates for the various phases of the project. This way, both your client and you can identify any schedule troubles as soon as they occur.

Describe the project development cycle, including research and discovery, first draft development, technical reviews, and revision cycles. Don't be afraid to let your clients know what you expect from them and what they can expect from you.

#### Avoid these common pitfalls

Once a project is under way, unforeseen circumstances can crop up to undo your best-laid plans.

- A client says "Well, we've moved this project over to another department, so now you'll be working with Dave over here" (who just happens to want to restructure the entire publication five weeks into your project).
- A technical reviewer comes back with so many changes to the draft that it's clear that the basic design you all agreed to is flawed in some way.
- The developer comes up with three dozen new screens, twelve new features, and forty-two technical changes that were never discussed two months ago at the outset of the project.
- A vice president walks up and nonchalantly tells you that her boss "wants the project finished three weeks sooner than scheduled" (probably to satisfy some hidden internal political agenda).
- Your project contact tells you that because so-and-so is on vacation, the project can't start for four weeks, but that they still need the project finished on the delivery date you initially proposed. (Too bad that you actually planned to sleep at night, play with your kids, and have some sort of "real life," even while on an assignment.)

Each of these can cause grief, to you and to your clients. Each can (often) be handled in stride (particularly if you are accustomed to broken-field running). However, each affects directly your ability to perform professionally in pursuit of your clients' needs.

Any fixed-quote proposal should anticipate these events and address what consequences they might have. Here's a sample, lifted from a recent proposal as submitted to (and accepted by) a client. (I've changed the names to protect the innocent.)

*Several events may affect the final cost and delivery schedule, including:*

- *Reassignment of overall project contact responsibility to someone other than Tom Johnson.*
- *Reassignment of technical contact responsibility to someone other than David Williams.*
- *Changes to the scope of outline of the publication.*
- *Changes to the product specifications after the project has begun.*
- *Revisions required by Acme Software affecting greater than 15 percent of the draft.*

*Should such situations arise, work on the project will stop until I can determine the effect of the change on*

*the project schedule, delivery date, and final cost. At minimum, the final delivery date will be delayed by the number of work days required to determine the effect of such changes. Such a delay will not constitute reason to penalize me in any way.*

*If the project is not approved and started by 1 July 1990, I reserve the right to revise this proposal.*

It's not something you want to use to beat someone up unnecessarily, but having it in the proposal can help to balance the scale of power between you and your client.

#### Leave yourself an out

Out in the world, it is almost impossible to avoid every trap and trip wire. About the best you can hope for is to miss some of them and be prepared to handle the ones you don't. And the best tool to use to get out of a trap is an "escape hatch."

### ***Out in the world, it is almost impossible to avoid every trap and trip wire.***

Escape hatches come in several guises. Two that I rarely enforce but always insist upon are schedule/fee adjustments and project cancellation fees. The language I use is direct and easy to understand. Here's an example.

*Should the final draft be greater than 12,000 words, the final cost will be increased by \$600 per 1,000 words. (Cost over-runs will be added to the final invoice.)  
Should the final draft be fewer than 12,000 words, the final cost will be decreased by \$600 per 1,000 words. (Cost under-runs will be credited to the final invoice.)  
However, because of project research and overhead time, the final cost will not be lower than \$5,400 (75% of the projected cost).*

*In the event the project is canceled, time will be charged at the rate of \$55 per hour worked, plus a 10% project cancellation fee, not to exceed \$5,400.*

#### Specify terms and conditions

Another part of the fixed-price proposal can come directly from your standard consulting contract. I call this the "standard terms and conditions stuff" and use it to spell out the basic ground rules. Here are some samples that come directly from my standard terms.

**Conditions of Payment**—*Billing normally will be bi-weekly (monthly, job segment, or other billing periods may be implemented at the option of Christopher Juillet), and all bills are due and payable immediately upon presentation to Acme Software. All bills are considered delinquent after 30 calendar days.*

*Delinquent bills will be subject to an added penalty of 0.04931% per day (18% per year), charged from the billing date to the date the payment is received. Bills paid within 30 days are not subject to penalty. At the option of Christopher Juillet, a bill more than 45 calendar days overdue may be turned over for collection by other agencies, with Acme Software paying all attorneys' fees, court costs, and other costs of collection.*

**Working Conditions**—*Whenever possible and practical, all tasks will be performed at the office of Christopher Juillet. Should the assignment require presence at any other location, all considerations herein remain in effect at all times and at all locations.*

*The right is retained to refuse individual assignments, without prejudice to the overall agreement, under circumstances such as conflict of interest, work overload, lack of capabilities, and so on.*

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#### Get it in writing

If you're smart, you take the signed proposal and file it away where you can find it if you need it. If you're not, you keep it close at hand and wave it around at the least provocation.

In the final analysis, a signed contract or proposal may not protect you in the conduct of your trade. It is nothing more or less than the documented agreement of the parties involved as to the basic terms of a business relationship. By itself, it can't force a client to action. However, having someone place their signature on a piece of paper helps them to understand the importance of what they're doing. It also can bolster your case in the unfortunate event that you and your (probably former) client find yourselves as adversaries in the same courtroom.

The same is true when you send a draft out for review. Be sure to send along a review form explaining what you need and when you need it. Have a place for the reviewer to sign when the review is complete; be sure you get the signed review form for your files.

#### To sum it up

In the world of business, the "bottom line" is really whether one can provide "what it takes" to get a job done on time, on budget, and to specification. An important part of "what it takes" is a clear definition of the project and the willingness not to stray too far afield

*(continued on page 8)*

(continued from page 7)

### Focus on Consulting

from that definition without good cause. An honorable person has nothing to fear from "putting it in writing" to describe completely a project and to protect all parties.

Another part, equally as important, is the willingness and the ability to manage a project effectively toward its conclusion. The willingness part is easy; nearly everyone I know wants to succeed. Some do succeed and others don't for, no doubt, a variety of reasons. But key to the success of a fixed-quote project is having the right tools, and one of the best tools is to have a solid proposal, one that puts it all up front and helps to keep everyone from breaking their promises.

### Credit to whom it is due

Much of what I know, I have learned from others. As regards contracts and proposals, two key sources come to mind:

- *Writing Your Own Contracts* by Cynthia Kolnick, a long-time STC member and independent consultant in El Sobrante, CA.
- *The Free-Lance Writer's Survival Manual* by Ernest E. Mau, a self-employed "documentation generalist" based in Aurora, CO.

From each of these sources, I have learned a good deal about the fine art of writing solid contracts and proposals. I recommend them both highly.

*Christopher Juillet is a self-employed technical writer and technical publishing consultant based in southeastern Michigan. He is a past president of the Southeastern Michigan chapter of STC.*

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## Mark Your Calendar

### MAY

23-24—**Third Conference on Corporate Communication: "Global Communications: Applying Resources Strategically"**—Madison, New Jersey—Contact: Michael B. Goodman, Dept. of English/Communications, Fairleigh Dickinson University, Florham-Madison Campus, 285 Madison Ave., Madison, NJ 07940; (201) 593-8710

### JUNE

4—**Chapter Technical Meeting: Designing Film and Video Presentations (Speaker: Peggy Joyce)**—Embassy Suites Hotel, Southfield, Michigan—Contact: Sandra Browne; (313) 979-8369

5-8—**38th Annual Technical Writers' Institute**—Troy, New York—Contact: Office of Continuing Education, Rensselaer Polytechnic Institute, Troy, NY 12180-3590; (518) 276-8351

11-12—**Effective Technical Writing**—Cincinnati, Ohio—Contact: Seminar Division, Solutions, Inc., 274 Main St., Reading, MA 01867; 1-800-448-4230

15-16—**Managing Documentation Projects; Estimating, Scheduling, and Tracking Documentation Projects; Designing Effective Manuals**—Detroit, MI—Contact: Donna Shephard or Bill Mattingly, Comtech Services, Inc., 710 Kipling St., Suite 400, Denver, CO 80215; (303) 232-7586

**TECH comments** expresses great appreciation to Lutz Associates, Inc., for its donation of desktop publishing services and facilities.

### TECH comments

P.O. Box 9079  
Farmington Hills, MI 48333-9079

*TECH comments* is published monthly, September through June, for the members and friends of the Southeastern Michigan Chapter of the Society for Technical Communication. Provided credit is given and a copy sent to the *TECH comments* editor, *TECH comments* hereby extends permission to other STC publications to reprint any articles published here except materials marked "All rights reserved."

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