

# Some remarks on charge-out rates method

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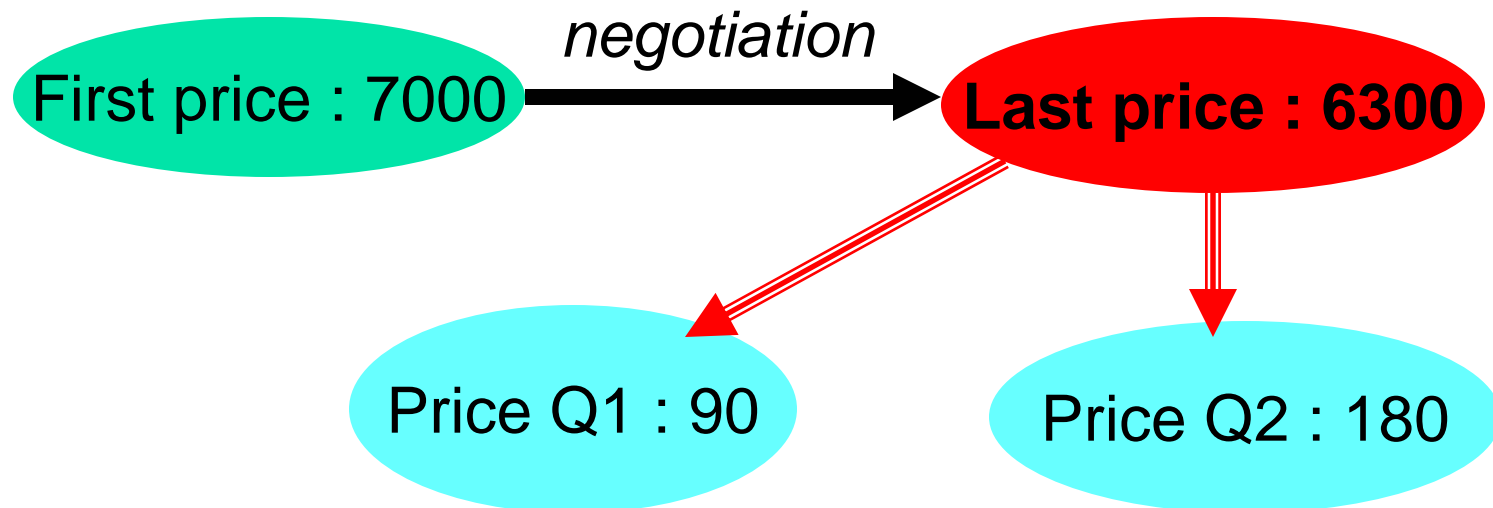
# Outline of the presentation

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- Price setting
- Timing
- Turnover divided by the number of hours
  - Which definition ?
  - A suitable method ?
  - Quality Adjustment

# Price setting

Qualification	Price list per hour	Estimated time
Q1 (junior)	100	50
Q2 (senior)	200	10





# Timing

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- Different types of timing :
  - When the contract is signed
  - When the service is provided
  - When the service is paid (invoicing time)
  - When the project is closed
  
- How is it possible to do ?



# Timing and aggregation

The contract is signed in...	Length of the contract	Price for Q1
January 2004	14 months	80
May 2004	6 months	90
September 2004	2 months	100

**What is the average price for Q1 in Q3 2004 ?**



## Turnover divided by estimated time

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- “The time spent differs from the time estimated”
- Which turnover ?
- An “artificial” seasonal variation ?



# A suitable method ?

Period	Price	Estim.time	Real.time	T / RT
1	100	10	10	100
2	100	10	8	125

**The evolution of price is + 25 % !!!**



# « Quality Adjustment »

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- Representative service : updating the weighting coefficients
- The evolution of productivity
- The quality of service