

What Is Your Rate?

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Why is this the first question that PMs get asked when someone is looking to bring someone in to manage a project? What happened to the days when skills and ability mattered? What about the need for someone to bring value to the project and see it through successfully? Has that all been trumped by the hourly or daily cost figure? It sure seems that way.

In the past two weeks, I have had three different colleagues contact me for potential project manager contract roles and all three started off by asking "what is your rate? I just want to see if it fits into our (or the client's) budget." We never even discussed the project details, project size, its scope, timelines, etc....nothing at all. Imagine their surprise when I told them that I could not quote a price for the project work until I had many more details about the project and the value that I could bring. The response was a bit of a shock for them. I think most people assume that contractors and consultants are just sitting around waiting for the phone to ring.

My point being that how can we even discuss the price of anything before we know the details? How can clients be making project management decisions purely on cost? I recognize that there is only a finite amount of money available to be spent, but we need to focus our efforts on identifying the right candidates before worrying about how much they will cost. As I am sure we have all experienced, it is much more expensive to fix a job that someone has done poorly than to pay a little more to have it done right in the first place.

If you bring a contractor to do some work on your house, do you ask him his hourly rate before he ever steps foot inside? No, you walk through the renovations you want to do, give the contractor the opportunity to take measurements, ask questions, clarify assumptions, etc. Only after all of that has been done does the contractor provide you a quote. Why are project managers any different? By giving an arbitrary rate before knowing the project, we are just coming across as an extra pair of hands to be used as needed instead of being looked at as a value-added advisor supporting the success of the project.