

The Perfect Bid

How much should you bid for that new project?

$$B \left[\frac{\sqrt{D_C^2 \left(\frac{L_Y + 10}{10} \right) \sqrt{T_Y P_C} + 200}}{\sqrt{D_Y^2 \left(\frac{L_C + 10}{10} \right) \sqrt{T_C P_Y} + 200}} \right] \left[\frac{120}{100 + I + E + K + 10X + C_B} \right] = \$$$

How much should you bid? The answer is: it's complex. If the client wants it yesterday and you're already slammed, you can ask for their firstborn. But if the client's ambivalent and you need the work to feed *your* firstborn, you might consider cutting the bid to make sure you get the gig. And those are only two of many, many factors.

That's why model pricing has always been a bit more art than science.

Until now.

This equations starts with your baseline rate—labor, materials, overhead—and then compares your leverage to your client's leverage to as much as double or halve the baseline (are you an extreme pricer?—simply square the entire equation to make the range greater). Replace the letters in the equation above with numbers, as described below. Then solve to find the perfect bid.

Standard Amount:

- B= the baseline amount you'd charge for this job, without considering client, deadline, or extraneous factors. It should include a minimum profit.

Client's advantages over you:

- L_C = Client's leverage: % of your total work that's for this client
- T_C = In years (or fraction thereof), the length of time you've had this client
- I = How influential/important is this client? (1-10 with 10 being an "Apple" and 1 being "junior co-worker's cousin") Factor in their influence on your shop.
- P_Y = How prestigious would this job be for you? (1-10 with 10 being "to be seen on the Discovery Channel")
- D_Y = Your desperation: 1-10 with 1 being "don't really need the work and it's nice out", 4 being "fits a hole in the schedule", and 10 being "would *be* the schedule."
- C_B = How cheap is the competitive bidder? (10-0 with 10 being "so cheap there oughtta be a law"; 5 being "I'm just glad I don't have work there"; 1 being "a battle of equals" and 0 being "no other bids, woo-hoo!")

Your advantages over the client:

- L_Y = Your leverage: % of client's work of this type that you do
- D_C = Client desperation: take into account the deadline and project's importance to client (1-10 with 10 being "Original model destroyed at client drunken office party, Madison Square Garden already booked for unveiling,
- P_C = How prestigious will the end product be for the client (1-10 with 10 being "They booked Madison Square Garden!")
- T_Y = Years (or fraction thereof) you've been in business.

Other factors

- E = How enjoyable will this project be? (1-10 with 10 being "other models will be brought in to be photographed with our model - but they will be *supermodels!*")
- K = The number of other perks such as client-provided meals, travel and collateral; access to cool stuff, etc.)
- X = Can you buy any nice tools, equipment or materials on the client's tab for this project that you'll get to keep afterwards? Enter 1 for yes and 0 for no.

This equation was prepared especially for the APMM by Garth Sundem, author of "Geek Logik: 50 Foolproof Equations for Everyday Life." You can search for him on YouTube for videos about some of his other equations and the rules of Algebra.

There is an Excel spreadsheet also posted on the APMM website so you can just enter your values for this equation and not have to do math.