



ADDMORE SERVICES

Think Outside the Box and **Outsource: AutoCAD Shop Drawings, Quantity Take-offs and Cost Estimates**



Outsourcing

OUTSOURCING AUTOCAD SHOP DRAWINGS AND QUANTITY SURVEYING SERVICES: SELECTING THE RIGHT PRICING MODEL

- Computer aided design (CAD) services to develop design drawings
- 2D drafting, shop drawing services
- Conversion of paper drawings into a digitized format
- Architectural visualization services (3D rendering or 3D visualization)
- Material Quantity take offs
- Bills of Quantities
- Commercial support and contract administration

When engaging with a partner for an outsourced project, selecting the right pricing model can be confusing.

You have to balance the risk and reward for both parties, while ensuring that your outsourcing partner is guaranteeing that you're getting the:

most value for your investment.

Outsourcing organizations have a number of pricing models to choose from when structuring their outsourcing agreement. In our opinion the top three pricing models that deliver maximum value for outsourced projects areas follows

1. Fixed Price Models



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Fixed-price contracts put all of the risks associated with the project not being completed on the outsourcing partner by waiting to pay them until the work is completed, conveniently protecting your budget as well. Fixed-price models are perfect for long-term projects with a high value to the outsourcing partner since it incentivizes them to complete the work more efficiently and derive more value from the contract. However, be prepared for your partners to ask for flexibility in payment terms.

Outsourcing providers will ask you to pay a percentage of the contract price based on the achievement of certain milestones, like completing the front end design including an upfront advance payment /deposit Since they will be assuming all of the risks, they will want to make sure they are not losing money. If you're too rigid on terms you may end up costing your business more in the long run as some outsource companies will build the cost of risk management into their pricing.

2. Time and Materials (T&M)



This model works really well if your teams are great at outlining your project needs. That way your outsourcing partner will spend less time reworking problems hence shortening your project completion time and saving you money. Be ready to build effective project management teams to ensure the entire project gets finished on time and budget.

You will need to tightly track project performance and avoid costly project delays. Keep in mind, building in a cushion can help you should the project go over time or budget.

3. Incentive-based Pricing Models



Often an add-on to the more traditional models described above, incentive-based models contain bonus payments to the outsourced partner as a reward for meeting performance goals above and beyond what's written in the contract agreement.

Incentives can make up for limitations in fixed-price or T&M models ensuring your partner's motivations stay in line with your own.

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Adding complexity to your engagement model means you'll need to rigorously ensure that your partner drives measurable benefits for your business.

Remember, Outsourcing is a team partnership and neither party should enter into the discussion attempting to take advantage of the other.

Always ensure you are clearly communicating your expectations and choosing the right pricing model can go a long way to achieving success.

4. Fixed Fee Monthly Rate



This Model Suits company that wants to have a department offshore but managed by ADDMORE services i.e we recruit the staff, provide the facilities, and hire the staff locally taking care of all local payroll legislation.

This enables companies a direct cost saving on their fixed overhead whilst retaining direct control of their staff offshore.

Please contact us for further details on this pricing model.

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