Stay in the Black:
Budgets & Billing

Richard Harrington - RHED Pixel
www.RHEDPixel.com
Purpose

• Address budgets
• Learn office software that will make this process easier
• Discuss Billing Strategies
• Discuss Collection Strategies
About Me

- Richard Harrington, PMP
  - RHED Pixel (www.rhedpixel.com)
  - Adobe Certified Expert
  - Apple Certified Trainer
  - Avid Certified Instructor & Master Editor
  - Project Management Professional
  - AVMP Top Producer List 2004
  - Teach courses on digital media production and web content creation
Available from CMP Books

30% Off at Show
Order at DV.com or Amazon.com
Available from VASST.com

- $179 List
- $99 with the discount code RHED
- 2 Discs
- 6 Hours
About You

• Primary Job
  > Video Production/Post
  > Motion Graphics
  > Web/Multimedia
  > Management

• Work in Project Management
  > 1 year or less?
  > 2-3 years
  > 3-5 years
  > 5 or more years
The Essentials
The Essentials

- Budgets
- Management
- Billing
- Collections
Creating Budgets
Creating Budgets

- Rates for Services
- Time Estimates
- Material Costs
- Overhead
- Collective Knowledge
Rates for Services

• Competitive Analysis
• Financial Need
  > 40-60% Billable Time
• Three Components
  > People/Gear/Facility
• Charge for the Assumptions
Time Estimates

- Historical Data
- \((1O+4M+1P)÷6\)
- Peer Review
- External Review
Material Costs

- Constantly Change
- Look for Savings
- Think Bulk/Group Leverage
  - DVPA
  - User Groups
- Build Costs In
- Track Usage at Employee Level
Overhead

• Rent
• Leases
• Utilities (Especially Communications)
• Marketing
• Employee Benefits/Recruitment
Collective Knowledge

- Time Estimation
- Incremental Improvement
- Vendor Selection
- Risk Management
Management
Management

• Project Based Billing
• Time Tracking
• Expendable Tracking
• Shipping and Outside Costs
Billing
Billing

- Bid
- Budget
- Change Orders
- Final Bill
Delivering the Bill

- PDF
- Hard Copy
- Fax
- With Deliverables
- Face-to-Face
Accepting the Bill

- Review Changes
- Use Discounts
- Use Deadlines
Fixed Price Contracts
Fixed Price Contracts

- Growing in Popularity
- Protect both parties if written properly
- Frequently favor the client, not vendor
- Important to CLEARLY define the product and service to be delivered
Fixed Price Contracts

• Need to provide protection to you if the scope of the project changes
• Keep accurate time records
• Bottom Line:
  > Say what you are going to do
  > Do what you say
  > Update along the way
  > Track changes and get approval for each as they arise
Collections
Collections

- Run Accounts Receivable Reports
- Call Accounts Payable
- Be Polite
- Call in Advance
- Place into Contracts
- Incremental Billing/Deposits
Resources
Resources

- www.pmi.org
- www.intuit.com
- www.creativecow.net
- www.dv.com
- www.rhedpixel.com
Contact Me

- CMP Books -
  www.cmpbooks.com/photoshopnle

- RHED Pixel - www.rhedpixel.com

- Creative Cow Photoshop Forum-
  www.creativecow.net

- Future Media Concepts -
  www.fmctraining.com
Available from CMP Books

PHOTOSHOP CS for Nonlinear Editors
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by Richard Harrington & Abba Shapiro

AFTER EFFECTS ON THE SPOT
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Stay on Target: Project Management for the Video Industry

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