Unit 9.3 Costing The Project

In physical product manufacturing, the cost of producing it is straightforward. However, in multimedia product development, the calculation is not simple.

Why? Because it involves hidden element.

So, in your budgeting activity, be sure you include the hidden costs of administration and management.

For example, you need time to speak to your clients on the telephone. And it is not for free. Remember! Time is money.

You also need time to write progress reports, and to mail invoices. And it is not for free. Remember! Time is money.

Besides that, there may be many people in your workforce who represent specialized skills, for example, a graphic artist, musician, instructional designer, and writer.

And they do not render their service to you for free. Remember! Time is money.

So, estimate the amount of time you need to perform each task in your plan. Multiply this by your hourly billing rate.

Sum the total costs for each task, and you now have an estimate of the project's total cost in term of time.

Your billing rate should be set according to your cost of development plus a reasonable profit margin. I am sure that you need profit, don't you?

There are normal typical billing rates for multimedia production activities. Depending upon the work and the person doing it.

If you hire specialists to help you with your, the billing rate can go much higher.

Moreover, there are various other factors that determine how much you should charge to your client. The factor includes:

- Time to attend client meetings
- Royalty and acquisition of content

- Communications and travel expenses
- Time to do research and proposal preparation
- Project manager salary
- Content creation cost of software, hardware and related services
- Audio and video production
- Testing stage cost
- Distribution cost such as packaging and delivery

This list is just an example. If your project is bigger, the list will grow longer.

In summary, costing needs detailed thought and consideration.

Then you may start working on your multimedia project per se.