

**CORNISH ACCOUNTING SOLUTIONS**  
**Chartered Accountants**  
**Business Specialists**

**Why fixed price and not hourly rates**

1. If we charge time, all the risk is the clients – if the work takes us a long-time, they pick up the tab. We should have the experience to price the work correctly.
2. It is not fair on either party for work to be taken on without knowing what the price would be. Most clients are nervous of giving people an open ended cheque book!
3. Billing for time focuses us on effort and not necessarily on results.
4. Reward based on time encourages inefficiency and ultimately the firm will not be competitive.
5. As time can't be charged, we are constantly looking to demonstrate the value we add by way of our expertise through spotting opportunities to save tax, improve profitability and deliver high levels of service. Typically, these are the only things that clients are willing to pay for.
6. Fixed price agreements encourage us to search out efficiency savings in our work processes. This makes us more competitive and allows us to attract new business, maintain service and grow.
7. Equally there are times through our experience where we save a client, or make a client, a significant sum of money. Whilst it may take us minutes to spot that opportunity it is as a result of years of investing time in ourselves and systems that have enabled us to achieve that. It is therefore unfair on us to have to charge a proportion of one hour for that experience.