A SOLOLEDGER BONUS · COMPANION GUIDE

HOW TO PRICE FREELANCE PROJECTS

Without Guessing

Understand your real effective rate, protect your margin, and price every project with confidence.

PROJECT FEE		DIRECT COSTS		CONTRIBUTION
₹80,000	→	₹16,600	→	₹63,400

Reads alongside the Rate & Project Profit Calculator.

CHAPTER 1

What this calculator does

Most freelancers price by gut feel, then wonder why a "good" project left them exhausted and underpaid. This tool replaces the guessing with three simple habits.

1. **Estimate** a project's economics *before* you send the quote — fee, costs, hours and your effective hourly return.
2. **Compare** your estimate to what actually happened after delivery, so reality teaches you.
3. **Improve** the next price using what you learned — a little sharper every time.

> You don't need accounting knowledge. Type a few numbers into the gold cells and the green cells do the maths.

CHAPTER 2

Project fee ≠ project profit

A big fee feels like a big win — but the fee is not what you keep. Costs come out first.

PROJECT FEE		− DIRECT COSTS		CONTRIBUTION
₹80,000	→	₹16,600	→	₹63,400

And even **contribution isn't your final profit** — it's what a single project adds before your tax, GST and general overhead. We'll keep those separate so the numbers never mislead you.

> One clear rule for this whole guide: **fee → minus direct costs → contribution.** Everything builds on that.

CHAPTER 3

What "direct cost" means

A direct cost is money you spend **because of this specific project** — if the project vanished, so would the cost.

- Contractors / freelancers you hired for it
- Project-only tools, stock, fonts, plugins, templates
- Travel for the project
- Payment gateway / platform transaction fees

> **Quick test:** "Would I have paid this if this project didn't exist?" If no, it's a direct cost.

CHAPTER 4

What NOT to include as direct cost

General **overhead** keeps your whole business running — it isn't tied to one project, so don't subtract it here.

NOT A PROJECT COST

- Your laptop & monthly internet
- Always-on subscriptions (design suite, email)
- Rent, personal expenses
- Income tax & GST

WHY IT MATTERS

If you subtract overhead *per project*, you'll double-count it and think every job is unprofitable. Overhead is handled at the whole-business level, not here.

CHAPTER 5

Contribution, explained simply

Contribution is the single most useful number for judging one project:

PROJECT FEE		DIRECT COSTS		CONTRIBUTION
₹80,000	→	₹16,600	→	₹63,400

It answers: **"After the out-of-pocket costs of doing this job, how much did this project add to my business?"** Higher contribution means more of the fee survived to fund your time, your overhead and eventually your profit.

> Contribution is not take-home pay. It's the raw fuel a project provides — before tax, GST and overhead.

CHAPTER 6

Effective hourly contribution

Two projects with the same contribution can be wildly different — because one ate twice the hours. So divide contribution by the hours it really took:

CONTRIBUTION		÷ HOURS		PER HOUR
₹63,400	→	40	→	₹1,585

This is your **effective hourly contribution** — the truest measure of whether a project respected your time. Compare it to a target you set (say ₹1,500/hr) and you instantly know if a quote is healthy.

> The whole game is protecting this number. Everything that goes wrong on a project shows up as a lower effective rate.

CHAPTER 7

A worked ₹80,000 example

Client: Bright Studio · Brand identity · fee ₹80,000 · expected 40 hours.

Line	Amount
Contractor help	₹10,000
Software / assets	₹2,000
Travel	₹3,000
Payment fee (2%)	₹1,600
Total direct cost	**₹16,600**

CONTRIBUTION
₹63,400

→

MARGIN
79%

→

PER HOUR
₹1,585

> At 40 hours this is a healthy quote. The next chapters show how quickly that can change.

CHAPTER 8

Expected vs actual

The estimate is a plan. The lesson is in what actually happened. Same project, real numbers:

EXPECTED	ACTUAL
40 hours → ₹63,400	55 hours → ₹60,900
contribution → **₹1,585/hr**	contribution → **₹1,107/hr**

The project still made money — but each hour of your time earned **~30% less** than planned. That gap is the most valuable number in this whole system.

> Making money and respecting your time are two different tests. A project can pass one and fail the other.

CHAPTER 9

Scope creep

Scope creep is the quiet margin killer — extra hours nobody agreed to pay for.

PLANNED		ACTUAL		CREEP
40 hrs	→	55 hrs	→	+37.5%

At a ₹1,500 target, those 15 extra hours quietly consumed **₹22,500** of your working value. The fee didn't change — but the value of every hour dropped.

> Fix it upstream: tighter scope, clearer deliverables, and a written line on what counts as extra.

CHAPTER 10

Revision creep

"Just one more small change" is rarely one, and rarely small. Uncounted revisions bleed hours.

Item	Value
Included revisions	2
Actual revisions	5
Extra rounds	3
Avg hours / revision	2.5
Hidden revision cost (7.5 hrs × ₹1,500)	**₹11,250**

> State included revisions in every quote, and price extra rounds. Clients respect clear limits.

CHAPTER 11

The real cost of a discount

A discount comes off your **contribution**, not your costs — so it hurts far more than it looks.

FULL PRICE	20% OFF
₹1,00,000 − ₹20,000 costs = ₹80,000 → **₹2,000/hr**	₹80,000 − ₹20,000 costs = ₹60,000 → **₹1,500/hr**

A **20%** price cut caused a **25%** drop in contribution — because your costs didn't shrink with the discount.

> Before you discount, offer less scope instead. Protect the contribution, not just the headline price.

CHAPTER 12

Deposits & cash flow

Two different things get confused constantly — keep them separate:

PRICING ECONOMICS

Is the project *worth it* — contribution & effective rate. That's what this calculator measures.

PAYMENT TIMING

When the money reaches you — deposits, milestones, terms. That's a cash-flow question.

> A well-priced project can still wreck your month if it's paid 60 days late. Use deposits and milestones (see the Client Payment Recovery System bonus) to fix timing.

CHAPTER 13

Lean · Standard · Premium

Offer the same outcome three ways. The biggest price isn't automatically the best deal for you.

Option	Price	Hours	Contribution	Per hour
Lean	₹65,000	32	₹56,000	₹1,750
Standard	₹80,000	40	₹65,000	₹1,625
Premium	₹1,10,000	48	₹88,000	₹1,833

Premium has the best hourly return *and* highest contribution here — but ask which is easiest to deliver, protects your time, and still works if hours rise 20%.

CHAPTER 14

When a high-paying project is still bad

A large fee can hide a poor deal. Watch for these:

- It swallows 100+ hours, crushing your effective rate
- Payment lands 45–60 days late
- Endless revisions and daily messages
- Heavy contractor cost eats the contribution

> A ₹2,00,000 project at ₹700/hr, paid late, can be worse than a clean ₹60,000 one. Always divide by the hours.

CHAPTER 15

When a small project is great

Small fees can be excellent when they're tight, fast and cheap to deliver:

FEE		COSTS		PER HOUR
₹45,000	→	₹2,000	→	₹4,300

₹45,000, 10 hours, ₹2,000 of costs → ₹43,000 contribution → **₹4,300/hr**. That quietly beats many "bigger" projects.

> Chase effective rate, not headline fees. Small-and-sharp often wins.

CHAPTER 16

Project review checklist

Two minutes after every project, before you quote the next one:

1. What did I underestimate?
2. What caused the revisions?
3. Which costs surprised me?
4. How many hours went to client communication?
5. Was payment smooth — or slow?
6. Would I take this project again at the same price?

CHAPTER 17

Your one-page pricing workflow

ESTIMATE fee, costs, hours → **STRESS TEST** +20% hours → **QUOTE** healthy signal → **TRACK ACTUALS** real hours → **REVIEW** what changed → **IMPROVE** next price

> **Estimate → Stress test → Quote → Track → Review → Improve.** Run this loop and every quote gets sharper.

REAL EXAMPLES

Designer & Developer

DESIGNER — LOGO & BRAND SYSTEM

Fee ₹75,000 · expected 30 hrs

Assets	₹3,000
Contribution	₹72,000
Expected rate	₹2,400/hr
Actual hours	44
Actual rate	₹1,636/hr

LESSON

Extra revisions dropped the rate. Raise the price or cap revision rounds.

DEVELOPER — WEBSITE PROJECT

Fee ₹1,50,000 · expected 60 hrs

Contractor	₹30,000
Tools	₹5,000
Contribution	₹1,15,000
Actual hours	58
Actual rate	₹1,917/hr

LESSON

Tightly scoped and on time. This pricing structure is sustainable — keep it.

REAL EXAMPLES

Social Media Manager & Video Editor

SOCIAL MEDIA MANAGER — MONTHLY

Fee ₹40,000 · expected 20 hrs

Tools	₹2,000
Contribution	₹38,000
Expected rate	₹1,900/hr
Actual hours	35
Actual rate	₹1,086/hr

LESSON

Daily WhatsApp requests + extra content halved the rate. Define communication & deliverable limits.

VIDEO EDITOR — PROJECT

Fee ₹50,000 · expected 25 hrs

Direct cost	₹4,000
Contribution	₹46,000
Actual hours	26
Actual rate	₹1,769/hr
Payment	45 days late

LESSON

Economics are healthy but payment quality is weak. Fix timing with deposits & terms.

> This guide and calculator are planning tools with educational estimates — not tax, accounting or legal advice.