

Pricing

It is not news—and it is not unique to corporate governance projects—that people tend to make a stronger commitment to services for which they must pay than to services they get for free. However, a balancing act is needed, since charging fees for a service that people don't think they need might not result in success.

A basic rule of thumb:

Do not charge fees for activities that:

- Lead the market in the country: where there's a need to convince the players of the importance and value of corporate governance improvements; or

- Provide a public good: policy reforms, educational projects.

Do charge fees:

- To be taken seriously: on a cost-sharing basis with clients; and
- To create a sustainable fee-for-service model that will endure after project exit: with fees as close to market rates as possible.

The SmartLessons in this section address a number of pricing challenges that are encountered over the lifetime of a corporate governance advisory services project.