



Ten Contracts for Your Next Development Effort

"Fixed-scope contracts make learning slow and expensive. The secret to a successful collaboration is in the people."

- 1 Fixed-Price, Fixed-Scope**
The winner is the master of the change request game.
- 2 Fixed-Scope, Cost Ceiling**
The client gets a discount if the supplier finishes early.
- 3 Fixed Scope, Bonus/Penalty Clauses**
High risk when the result cannot be defined in advance. Does the client really care about the deadline?
- 4 Fixed-Scope, Fixed Profit**
Share the risk; incentivize both parties.
- 5 Price per story point**
Encourages optimizing on the measure, not the result.

*Not Agile/Fake Agile
These cause pain*

- 6 Time and Materials (T&M)**
Works when the trust is high but lacks risk management.
- 7 Time and Materials with a Cost Ceiling**
Works if you can deliver tangible results every sprint
- 8 Money for Nothing, Changes for Free**
Lots of hype but where are the experience reports?
- 9 Fixed Price Sprints**
Fixed-team, fixed duration, goals defined in the sprint
- 10 Phased Development**
A product goal, and a budget for each phase, but no fixed scope; periodic renewal.

Potentially agile, but don't address important risks

Aligns what clients buy with what service companies sell

Has worked nicely for me

