

Q-STUDY No. 1

VIJAY: Contracted to Code

“10,000 Lines of Code”

Vijay was testy. At one of my job search workshops, he told me that in the course of a six-month project completed the previous year, he “had written 10,000 lines of code” and had been paid for his time. However, he had *no idea* how to establish a value for the work he had done. How the heck was he going to determine his QTNT?

I surprised him when I accepted his challenge and told him that I knew exactly where he was coming from. The fact is, Vijay’s predicament is common for those who do project, contract, or temp work—as well as those who have forgotten all the great things they have done in the past.

I told Vijay that all he had to do was reach out to the person who had supervised him. This person would have had to account for the money that was spent on his contract.

The thought had never occurred to Vijay that even though he was “just a contractor” (his words, not mine), and that someone inside the company would have been held responsible for his work product. (Keep that in mind contractors! Your good work could make somebody’s career and get you the callback or, conversely, your lousy work could kill somebody’s career—and ensure that you never get called back.)

Savings at the ATMs

The customer for this project was a bank with multiple locations across Texas. The bank had hired Vijay to rewrite and implement the software responsible for the bank’s automated teller machine (ATM) security and personal identification number (PIN) system. Vijay was paid \$40 an hour for the work he did over a six-month period of time.

The first thing we have to do here is to determine his total pay.

1040 hours (52 weeks x 40 hours ÷ 2) x \$40 hour = \$41,600 gross pay

When he caught up with his former supervisor, Vijay learned that he had done an outstanding job, which is always good to hear! In addition to having written and installed code that worked the first time, Vijay learned that as a by-product no one had anticipated, he had saved some *400 hours of monthly service calls* on the bank’s ATM’s across the state. This came as a result of the bank having fewer problems with the machines requiring less on-site attention after Vijay’s code had been implemented.

Asked what those savings might amount to, the bank’s IT manager had no idea. This might seem like a problem, but it really wasn’t. Based on what he DID know (400 hours saved), Vijay and I pulled a conservative value out of thin air for an ATM service attendant’s cost to the bank per hour. (You can also search this kind of information

online.) Let's guesstimate that the attendant costs the bank \$100 an hour. This is a very low hourly rate, but because of that, one that would not be challenged.

Just like Vijay, I encourage you to insert your own values as long as they are reasonable and would be accepted by an authority such as, in this case, the bank's ATM manager. In the event you are not certain what "reasonable" might look like, always go with the most conservative numbers so as not to exaggerate any values you claim. Remember, at some point, you can expect to have to defend your calculations.

Here are some items that you might include in this valuation: one employee's rate of pay (we later learned that the bank's ATM service policy always required, at minimum, two people on site) + training + travel/downtime + vehicle expense + equipment + phone and computer + administrative overhead + various insurance and business costs. When you add up all these factors, you can see that \$100 is exceptionally conservative.

\$100 per hour x 400 saved hours = \$40,000 per month in savings

For our purposes here, it's not out of line for Vijay to assume that his work will benefit the bank, at minimum, over the next twelve months. Because this was such a short (6-month) contract, I recommended that he should not calculate his value to this contract for more than 12 months from the time of completion.

\$40,000 monthly savings x 12 months = \$480,000 in savings annually

To determine Vijay's QTNT, all you have to do now is to divide the value of his contribution by his pay. ($C \div P = QTNT$)

Total additional value delivered by Vijay = \$480,000
Payment for ATM security project = \$41,600

Vijay's QTNT for this project = 11.5

As you can see, this was an excellent use of the bank's funds. The results exceeded the Return on Investment (ROI) to the bank by over 11 times.

After doing this very simple math, Vijay was now able to pitch this result to other companies where he might be seeking work. He can even add his QTNT score to his resume. As a result of his code writing skills, he can now share how he was instrumental in saving a bank, with multiple locations statewide, some \$500,000 annually, or 11 times what he was paid for his services.

Can you think of anything you've done lately that could be similarly quantified?

