

# Day Rate Trends: The Narrowing Gap

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## Abstracts

### Introduction

'Man-day rates', or more simply 'day rates', the prices charged for individual IT personnel used within an outsourced project or IT service, are a fundamental part of overall contract pricing for suppliers looking to manage their profitability. For clients, this price can determine whether vital enhancements or technology refreshes are affordable.

### Scope

- \* Pricing data in this report is from UK contract engagements over the past nine years.
- \* Data comes from a mix of negotiated rate cards and supplier proposal materials.

### Highlights

Clients are now getting 'more for less'. Day rates for outsourcing staff have fallen at a CAGR of -1.4% over the past eight years, during which the retail price index grew around 3%. Offshore deflation and recessionary pressures related to the global financial crisis are the main contributors to this.

### Reasons to Purchase

- \* Day rates are a fundamental part of overall contract pricing for suppliers looking to manage their profitability.
- \* For clients, this price can determine whether vital enhancements or technology refreshes are affordable.

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