

NEW CONSULTANTS · PRICING YOUR TIME

Consultant Hourly Rates: How to Determine Your Fee

Not financial, tax, or legal advice. General guidance for pricing your services only. As 1099 income, no tax is withheld for you — confirm your rate, tax set-aside, and quarterly estimates with your own CPA.

Guidance for consultants forming an LLC on setting an ideal hourly rate — weighing desired income, business expenses, experience, project value, and industry benchmarks so your rate reflects your expertise and keeps your practice financially healthy. The companion **Rate Calculator** runs the formula for you.

Initial considerations

Cost & income balancing. Start from your desired income and business expenses, not just a salary conversion. Dividing a previous salary by working hours ignores overhead, taxes, and benefits you now carry yourself — paid time off, health insurance, and retirement contributions.

Experience matters. A proven track record and deep domain experience command a higher rate. Demonstrable success in prior roles, and with past clients, translates directly into value for new ones.

Market research. Research what similar professionals in your field and location charge; colleagues and recruiting partners offer useful insight. Position competitively — but factor in client budgets without undervaluing your services just to win the work.

Value delivered. The biggest lever is the value you create. Experienced consultants can estimate the client's likely ROI and justify a higher rate accordingly — for example, contributing to a BLA/NDA for a candidate with a real probability of approval and commercialization.

A simple way to set your baseline rate

The baseline formula. (Base Salary + Bonus + 40% for fringe benefits) ÷ 2,080 hours = your baseline hourly rate. The 40% uplift covers the benefits an employer used to absorb — payroll taxes, health insurance, retirement, and paid time off — and 2,080 is a full year of working hours.

Example — a \$300k base with a \$60k bonus: $(\$300,000 + \$60,000) \times 1.40 = \$504,000$. Divided by 2,080 hours ≈ **\$242/hour** as a baseline, before adjusting for demand, niche, and the value you deliver.

Volume discount — reward larger commitments

Larger, committed engagements are worth more to you — they reduce business-development time and smooth your cash flow — so it's reasonable to share some of that benefit. A common approach is a 10–15% discount for engagements of 30+ hours. Set the threshold and the discount in advance so it's a deliberate lever, not an ad-hoc concession.

Engagement size	Applied rate (from a \$242 baseline)
Standard (under 30 hours)	\$242 / hr
30+ hours — 10% volume discount	~\$218 / hr
30+ hours — 15% volume discount	~\$206 / hr

Pricing models — choose the structure that fits the engagement

- **Hourly billing** — the client pays for each hour worked.
- **Project-based fee** — a fixed fee for the entire project.
- **Retainer** — a flat monthly fee for ongoing access to your services.

Benchmark ranges — where biotech SMEs land

As an estimated range, subject-matter experts in biotech charge roughly \$150–\$350/hr, with CMO-level MD/ PhD boarded physicians reaching \$600/hr — depending on expertise, drug-development success, and how niche the therapeutic area is.

Consultant level	Estimated rate range
Senior Director	\$150 – \$250 / hr
Vice President	\$250 – \$400 / hr
C-Suite / Board	\$425 – \$500+ / hr

These bands are an estimate and not specific to any one area of development. Education, accomplishments, and modality experience all matter when setting your rate. As 1099 income, set aside roughly 25–35% of earnings for federal and state taxes and pay quarterly estimates — a CPA can confirm your numbers.

Building an independent CMC or Quality practice? Phase 3 Search connects biotech companies with the technical and quality expertise they need. If you consult in this space, it's worth being on our radar.

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