Average Hourly Labor Rate Calculation

All overhead expenses	1	# of working days in period		#	240	Days		Calculate the number of days open for calls during the period , do not include sick days, vacation days, or holidays.
4 Avg # of techs per period	2	Avg. # hours worked per day	×	#	# 8 Hours			Calculate in the average hours worked per day per tech
5 # of total working hours = # 10560 Hours 6 Technician wages \$357,108 7 All overhead expenses + \$737,358 8 Total Expenses = \$1,094,466 9 CODB per tech hour = \$103.64 Desired Profit * 25% 10 Desired Profit * 25% 11 Efficiency factor ÷ 54% 12 Adi CODB per tech hour = \$241.69 Multiply the number of techs by the working hours per tech Include all other expenses the service deaprtment incurs during the period, do not include parts Total of tech wages plus service department overhead Divide the total expenses(8) by the number of total working hours(5) Insert your desired profit from service operations Multiply your desired profit %(10) by the CODB per tech hour(9) Determine your efficiency factor (completed calls ÷ tech hours worked) Divide CODB per hour worked by the efficiency factor to get your adjusted COD	3	# of working hours per tech	=	#	# 1920 Hours			Working days x hours worked
Fill in your total technician wages for the period Fill in your total technician wages for the period Include all other expenses the service deaprtment incurs during the period, do not include parts	4	Avg # of techs per period	×	#	# 10560 Hours			Insert the number of technicians you had working during the period
7 All overhead expenses + \$737,358 8 Total Expenses = \$1,094,466 9 CODB per tech hour = \$103.64 Desired Profit * 25% CODB per tech hour plus profit = \$129.55 How the ficiency factor	5	# of total working hours	=	#			- -	Multiply the number of techs by the working hours per tech
All overnead expenses + \$/37,358 Total Expenses = \$1,094,466 9 CODB per tech hour = \$103.64 Divide the total expenses(8) by the number of total working hours(5) Insert your desired profit from service operations CODB per tech hour plus profit = \$129.55 Multiply your desired profit %(10) by the CODB per tech hour(9) Determine your efficiency factor (completed calls ÷ tech hours worked) Divide CODB per hour worked by the efficiency factor to get your adjusted COD Divide CODB per hour worked by the efficiency factor to get your adjusted COD	6	Technician wages						Fill in your total technician wages for the period
9 CODB per tech hour = \$103.64 Divide the total expenses(8) by the number of total working hours(5) 10 Desired Profit	7	All overhead expenses	+		\$737,358			Include all other expenses the service deaprtment incurs during the period, do not include parts
Desired Profit * 25% Insert your desired profit from service operations CODB per tech hour plus profit = \$129.55 Multiply your desired profit %(10) by the CODB per tech hour(9) Determine your efficiency factor(completed calls ÷ tech hours worked) Divide CODB per hour worked by the efficiency factor to get your adjusted COD	8	Total Expenses	=		\$1,094,466			Total of tech wages plus service department overhead
CODB per tech hour plus profit = \$129.55 Multiply your desired profit %(10) by the CODB per tech hour(9) Determine your efficiency factor(completed calls ÷ tech hours worked) Adj CODB per tech hour = \$241.69 Divide CODB per hour worked by the efficiency factor to get your adjusted COD.	9	CODB per tech hour	=		\$103.64			Divide the total expenses(8) by the number of total working hours(5)
11 Efficiency factor ÷ 54% Determine your efficiency factor(completed calls ÷ tech hours worked) Divide CODB per tech hour Determine your efficiency factor(completed calls ÷ tech hours worked) Divide CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked by the ef	10	Desired Profit	*		25%	%		Insert your desired profit from service operations
Divide CODB per tech hour = \$241.69 Divide CODB per hour worked by the efficiency factor to get your adjusted COD	÷	CODB per tech hour plus profit	=		\$129.55		→ 1	Multiply your desired profit %(10) by the CODB per tech hour(9)
112 IAdi CODB per tech nour = \$241.69	11	Efficiency factor	÷		54%			Determine your efficiency factor(completed calls ÷ tech hours worked)
	12	Adj CODB per tech hour	=		\$241.69			Divide CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked
13 Avg. Hourly labor rate to bill = \$241.69 Your service rates should be set to deliver the adj CODB per tech hour(12)	13	Avg. Hourly labor rate to bill	=		\$241.69			Your service rates should be set to deliver the adj CODB per tech hour(12)

Service Rates = (tech wage + Overhead + profit) x efficiency $13 = (6 + 7 + 10) \div 11$





Average Hourly Labor Rate Calculation

1	# of working days in period		#	Days
2	Avg. # hours worked per day	×	#	Hours
3	# of working hours per tech	=	#	Hours
4	Avg # of techs per period	×	#	Techs
5	# of total working hours	=	#	Hours
6	Technician wages		\$	
7	All overhead expenses	+	\$	
8	Total Expenses	=	\$	
9	CODB per tech hour	=	\$	
10	Desired Profit	*		%
÷	CODB per tech hour plus pro	=	\$	-
11	Efficiency factor	÷		%
12	Adj CODB per tech hour	=	\$	
13	Avg. Hourly labor rate to bill	=	\$	

	Calculate the number of days open for calls during the period , do not include sick days, vacation days, or holidays.								
	Calculate in the average hours worked per day per tech								
	Working days x hours worked								
	Insert the number of technicians you had working during the period								
կ	Multiply the number of techs by the working hours per tech								
	Fill in your total technician wages for the period								
	Include all other expenses the service deaprtment incurs during the period, do not include parts								
	Total of tech wages plus service department overhead								
	Divide the total expenses(8) by the number of total working hours(5)								
	Insert your desired profit from service operations								
4	Multiply your desired profit %(10) by the CODB per tech hour(9)								
	Determine your efficiency factor(completed calls ÷ tech hours worked)								
	Divide CODB per hour worked by the efficiency factor to get your adjusted CODB per hour worked								
	Your service rates should be set to deliver the adj CODB per tech hour(1.								

Service Rates = (tech wage + Overhead + profit) x efficiency $13 = (6 + 7 + 10) \div 11$



