

# Average Hourly Labor Rate Calculation

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.
2	Avg. # hours worked per day	×	8	Hours	Calculate in the average hours worked per day per tech
3	# of working hours per tech	=	1920	Hours	Working days x hours worked
4	Avg # of techs per period	×	5.5	Techs	Insert the number of technicians you had working during the period
5	# of total working hours	=	10560	Hours	Multiply the number of techs by the working hours per tech
6	Technician wages		\$357,108		Fill in your total technician wages for the period
7	All overhead expenses	+	\$737,358		Include all other expenses the service deaprtment incurs during the period, do not include parts
8	Total Expenses	=	\$1,094,466		Total of tech wages plus service department overhead
9	CODB per tech hour	=	\$103.64		Divide the total expenses(8) by the number of total working hours(5)
10	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)
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)

Service Rates = (tech wage + Overhead + profit) x efficiency

$$13 = ( 6 + 7 + 10 ) \div 11$$



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

$$\text{Service Rates} = (\text{tech wage} + \text{Overhead} + \text{profit}) \times \text{efficiency}$$

$$13 = (6 + 7 + 10) \div 11$$

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