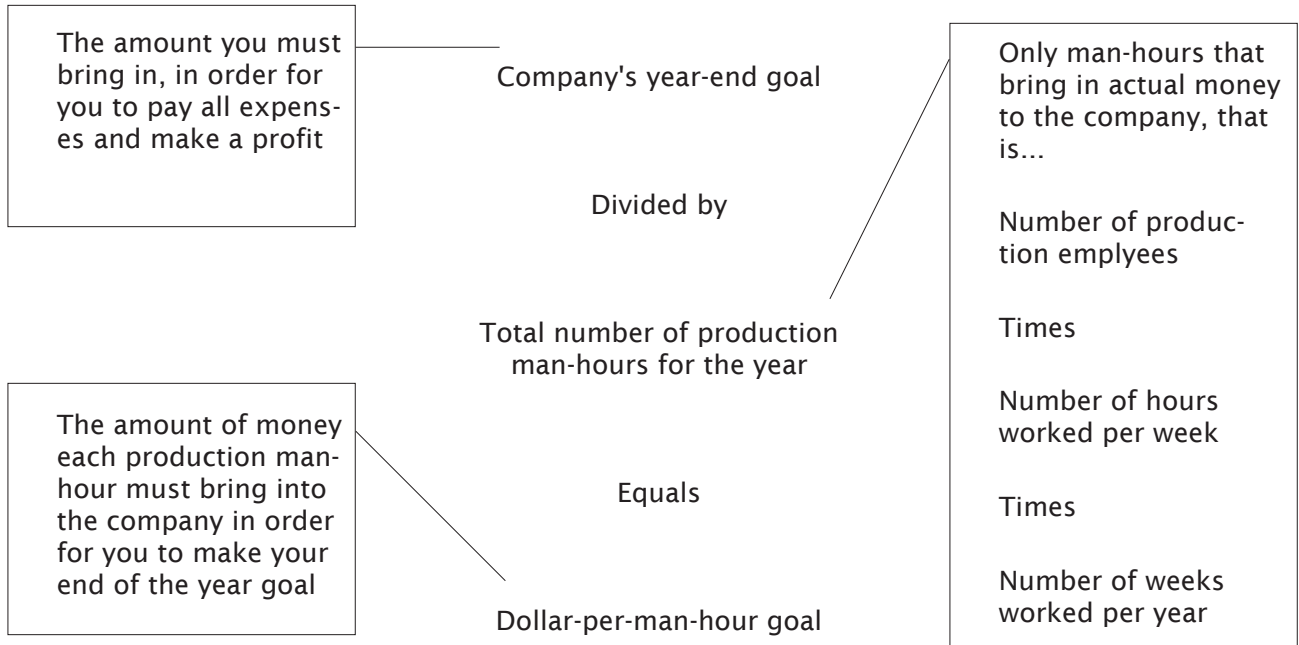


# Calculating the Man-hour Rating

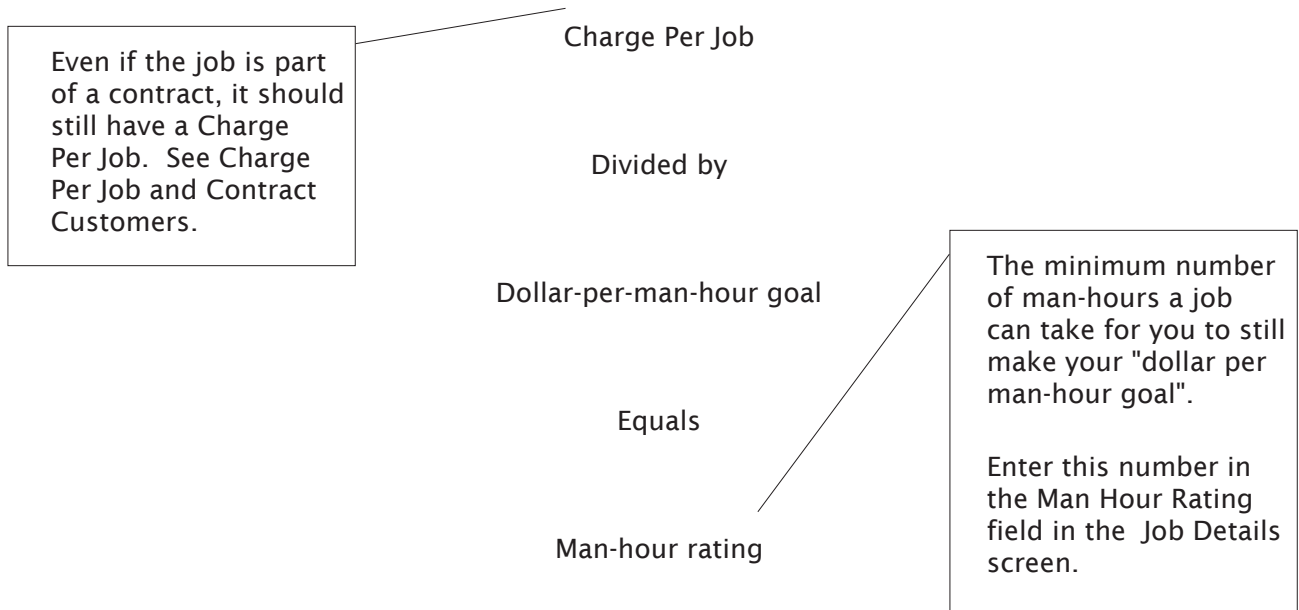
The Man Hour Rating is the minimum number of man-hours a job can take for you to still make your "dollar per man-hour goal". You will use Man Hour Rating to help you determine exactly how profitable each of your jobs is (called job costing).

To determine a job's Man Hour Rating, you must first determine your company's "dollar-per-man-hour goal".

You must then divide the job's Charge Per Job by your "dollar-per-man-hour goal", and you will have the job's Man Hour Rating. The following is a simplified mathematical explanation.



Now you use this "dollar-per-man-hour goal" to determine each job's man-hour rating.



See next page for an example.

## Calculating the Man-hour Rating

Let's say your company has a year-end goal of \$200,00.  
You have four production employees.  
They work on average, 45 hours per week, and 45 weeks per year.  
We must first calculate your dollars-per-man-hour goal.

4	production employees	200,000
X		
45	hours worked per week	Divided by
X		
45	weeks worked per year	8,100
=		
		Equals
8,100	production man-hours per year	24.69

Now take your \$24.69 per-man-hour goal, and calculate the man-hour rating for a job for which you are charging \$40.00 per job.

40.00  
Divided by  
24.69  
Equals  
1.62

You would now enter 1.62 (hours) as the Man Hour Rating for this job. This field is located on the Job Details screen.

Charge per Job: 30.00 Calc1 / E  
Man Hour Rating: 0.00 Calc2  
Charge Per Hour: 0.00 Bill Type  
Job Area: 0  
Tax Type: D  
Average Time: 0.00 Calc