

# CODB Hourly Labor Rate Calculation

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	x #	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	x #	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	Hourly labor rate to bill customer	\$		Your service rates should be set to deliver the adj CODB per tech hour(12)

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

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