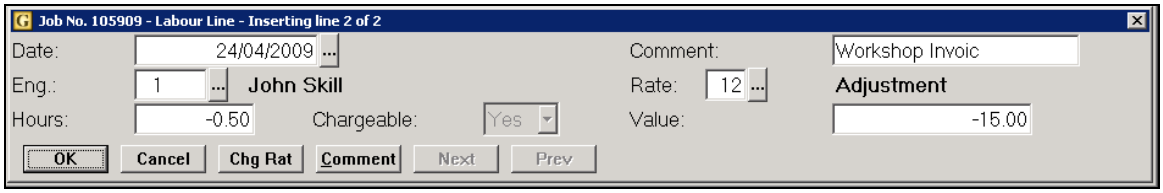
T 01202 714200 | F 01202 733552 | www.ibcos.co.uk
Support 01202 730522 | goldsupport@ibcos.co.uk

Efficiency Report

The Efficiency Report is designed to show, for each engineer, the profit made on labour sales by taking the total Sales value and deducting the total Cost value to give a profitability percentage.

It also shows how efficient each engineer has been by comparing the hours taken to complete a job to the hours that could be charged on to the customer.

Note: it is important to set up a labour rate to use for negative hours in order to achieve the best results from this report.
In the Company Control File, Workshop, General enter a rate "Labour Rate for Negative Hours", e.g. 12.
If it is necessary to reduce the number of hours added to a customer workshop job before raising the invoice, enter a new labour line on the job using labour rate 12. Hours can be entered as zero to reduce the value only or a negative number of hours can be entered, e.g. -.50 to calculate the Efficiency Percentage. The value entered should have a minus sign, e.g. –15.00.



Calculation of Efficiency Percentage

An efficiency percentage deducts any negative or reversed labour hours from the hours booked to workshop jobs to represent the actual hours charged to the customer compared to full hours worked on the job.

Example

$$\frac{\text{Hours Sold}}{\text{Hours Taken}} \times 100 \qquad \frac{56.24}{57.79} \times 100 = 97.40\%$$

Calculation of Profitability Percentage

The profitability percentage calculates the margin made on the workshop job as a percentage based on the Actual Sales Value of the workshop job (i.e. after any reduction in labour has been made)

Example

$$\frac{\text{Margin (Sales – Cost)}}{\text{Sales}} \times 100 \qquad \frac{1549.63}{2805.22} \times 100 = 55.24\%$$

T 01202 714200 | F 01202 733552 | www.ibcos.co.uk
Support 01202 730522 | goldsupport@ibcos.co.uk

Calculation of Recovery Rate

A Recovery Rate per Hour takes the Actual Sales Value and divides this by the actual hours sold to the customer.

For example if 10 hours was taken at a standard hourly rate of £10.00 the total sales value would be £100.00. If however, only 8 hours could be charged to the customer the actual sales value is £80.00 and the recovery rate per hour is only £8.00.

Example

Sales Value	2805.22		
----------	----------	=	£49.88
Hours Sold	56.24		

Calculation of Recovery Percentage

The Recovery Percentage divides the Recovery Rate per Hour by the Standard Hourly Rate and reports this as a percentage. This shows the percentage of the standard hourly rate that is actually being recovered from the customer.

This figure could change, for example, if overtime hours were booked to the job at higher rates.

Example

Recovery Rate per Hour		49.88		
----------	x 100	---------	=	95.01%
Standard Hourly Rate		52.50		

From Date : 01-Oct-09 to Date : 31-Oct-09
From Posting Date : 01-Oct-09 to Date : 31-Oct-09

Inv. Type	Invoice Type Description	Hours Sold	Hours Taken	Efficiency %	Sold Value	Cost Value	Margin Value	Profit %age	Recovery Rate	Recovery %age
Employee : 0003 MB										
11	SV Cont & Op Tr Cst	4.00	4.00	100.00	160.00	37.80	122.20	76.38	40.00	100.00
12	Internal Workshops	2.50	2.50	100.00	87.50	23.63	63.87	72.99	35.00	100.00
13	W/Shop no History	4.16	4.16	100.00	194.49	39.32	155.17	79.78	46.75	89.05
14	W/Shop with History	56.24	57.79	97.40	2805.22	1255.59	1549.63	55.24	49.88	95.01
15	Warranty - J Deere	10.27	10.27	100.00	302.64	97.06	205.58	67.93	29.47	63.50
18	Warranty - Other	5.37	5.37	100.00	45.00	50.74	-5.74	-12.76	8.38	34.92
33	COMMERCIAL JOBS	1.40	1.40	100.00	70.00	13.23	56.77	81.10	50.00	100.00
Employee 3 MB		85.49	85.49	100.00	3664.85	817.37	2847.48	77.70	42.87	87.77