

Pricing Properties > Cost Field

Time, Material, and Time + Material

The “Time Cost only” setup allows the user to estimate the cost of a Service based on the time spent in completing the service. This setup is usually used with labor-intensive services.

The “Material Cost only” setup allows the user to estimate the cost of a Service based on the material quantity of the service. Materials used in producing a job and purchased in quantities are usually set up as “Material Cost only”. Some businesses prefer this method also to set up some or all of their labor intensive services. You will see examples of different service setups later in this chapter.

Some services are best defined when they are set up as “Time Cost and Material Cost”. The rest of this section explains these three setup types.

The selection in the **Cost** field of a Service determines the above setup types.

“Time Cost only” Setup

Service No: 181 - Category No: 402 - Category Name: Fold - Category Type: Other

Service Fold: Folding Active

General Properties

Service Name: Folding Sales Dept: Finishing

Invoice Name:

Popup Reminder:

Default Note:

Pricing Properties

Quantity: Finish Size Sheets (no waste)

Divide by...: 0 Sheets of 20# Bond

Multiply by: 0 < or ask How many? >

Cost Time Cost only

Cost / Hour \$ 48.00

Price Cost + Markup

Markup... % or # 25

Adjust... Bid Rush Special Multiply Markup

0.75 1.5 2

Minimum Price 0.00 Modified... 6/25/2012

Setup Table

Per	Minutes	Mat. Cost
Lot (1)	8.00	

Run Table

QtyBreak	Units/Hour	Mat. Cost
1	5300.00	

Method between QtyBreaks: Linear

Annotations:

- “TIME COST ONLY” IS SELECTED IN THE **COST** FIELD. (THIS SELECTION ENABLES THE **TIME** COLUMN OF SETUP AND RUN TABLES ON THE RIGHT.)
- ENTER THE BUDGETED HOURLY COST RATE FOR THIS SERVICE.
- ENTER SETUP TIME IN MINUTES.
- ENTER SPEED IN UNITS PER HOUR.
- SEE “SETUP AND RUN TABLES” IN THIS CHAPTER FOR MORE INFORMATION ON SETTING UP THESE TABLES.

Pricing Properties > Cost Field

The cost of a "Time Cost only" Service is calculated as the following:

$$\text{Total Cost} = \text{Total Time} * \text{Cost/Hr}$$

$$\text{Total Time} = \text{Setup Time} + \text{Run Time}$$

Setup Time = Calculated from the Setup Table.

Run Time = Total number of units / Units per Hour (from Run Table)

"Material Cost only" Setup

Service No: 546 - Category No: 1 - Category Name: Design - Category Type: Other

Service Design: Stock Photo ● Active

General Properties

Service Name: Stock Photo Sales Dept: Graphics

Invoice Name: _____

Popup Reminder: _____

Default Note: _____

Pricing Properties

Quantity: --- not used ---

Divide by...: 0 Sheets of 20# Bond

Multiply by: 0 < or ask How many? >

Round-up to: 0

Cost: Material Cost only

Multiplier...: 1.5

Price: Cost + Markup

Markup...: % or #

3/20/12

Setup Table

Per	Minutes	Mat.Cost	Setup P
Lot (1)		8.00	

Run Table

QtyBreak	Units/Hour	Mat.Cost	Run Price
1		10.00	

Mat.Costs and Run Prices are: **Per Each**

Method between QtyBreaks: **Step**

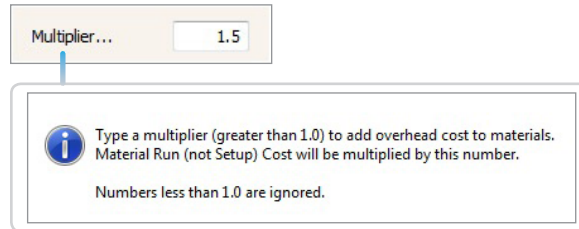
Note

Callouts:

- "MATERIAL COST ONLY" IS SELECTED IN THE **COST** FIELD. (THIS SELECTION ENABLES THE **MATERIAL COST** COLUMNS OF SETUP AND RUN TABLES ON THE RIGHT.)
- MULTIPLIER ADDS AN ESTIMATED OVERHEAD COST. (SEE THE EXPLANATION FOLLOWING THIS FIGURE.)
- ENTER SETUP COST IF ANY.
- SELECTION HERE DETERMINES IF RUN TABLE COST IS PER EACH OR PER THOUSAND UNITS OR THE TOTAL COST FOR THE QUANTITY IN THE **QTYBREAK** COLUMN.
- ENTER COST. YOUR SELECTION IN THE **MAT. COSTS AND RUN PRICES** ARE FIELD TELLS PRINTER'S PLAN HOW TO USE THIS COST IN CALCULATIONS.
- SEE "SETUP AND RUN TABLES" IN THIS CHAPTER FOR MORE INFORMATION ON SETTING UP THESE TABLES.

Multiplier:

Click the field name to open the following window that briefly explains this field.



Material Services usually do incur additional costs that result from time spent in activities, such as searching the right product and the right price, contacting the vendor, filling out and sending the order form, and receiving the shipment. The “Multiplier” is used to cover these additional costs by increasing the material cost of a Service by a fraction.

The multiplier is multiplied by the Setup Cost and Run Cost of a Service to arrive at the Total Cost of the Service.

A multiplier value of “1.0” will not increase the cost since a number multiplied by 1.0 is equal to the number itself.

Cost of a “Material Cost only” Service is calculated as in the following:

$$\text{Total Cost} = (\text{Setup Cost} + \text{Run Cost}) * \text{Multiplier}$$

$$\text{Setup Cost} = \text{Calculated from the Setup Table}$$

$$\text{Run Cost} = \text{Total quantity of this Service} * \text{Unit Cost}$$

(NOTE: Unit Cost is divided by 1,000 if “Per M (1000)” is selected in the *Mat.Costs and Run Prices are* field.)

“Time Cost + Material Cost” Setup

This type of setup is more suitable for copiers and digital printers because such equipment has both a relatively large overhead cost and a material cost incurred by per click charges by the equipment vendor.

Service No: 160 - Category No: 301 - Category Name: Printer - Category Type: Digital Printer/Copier

Service Printer: Digital Printer ● Active

General Properties

Service Name: Digital Printer
 Invoice Name:
 Popup Reminder:
 Default Note:
 Sales Dept: Digital - Color
 Colors / Side: Digital (1 click/side of RunSize)

Pricing Properties

Quantity: Impressions

Setup Table		
Per	Minutes	Mat. Cost
Lot (1)	3.00	

Run Table

QtyBreak	Units/Hour	Mat. Cost	Run Price
1	3000.00	40.00	

Mat. Costs and Run Prices are: Per M (1000)

Method between QtyBreaks: Step

Cost Time Cost + Material Cost

Cost / Hour \$ 60.00
 Multiplier... 0

Price Use Price Table

Annotations:

- "TIME COST + MATERIAL COST" IS SELECTED IN THE **COST** FIELD. (THIS SELECTION ENABLES BOTH THE **TIME** AND **MATERIAL COST** COLUMNS OF SETUP AND RUN TABLES ON THE RIGHT.)
- HOURLY COST OF THE EQUIPMENT
- PRINTER SPEED
- SETUP TIME (PER JOB)
- COST PER THOUSAND CLICKS
- MULTIPLIER IS USUALLY ZERO BECAUSE THE OVERHEAD COST IS COVERED BY THE VALUE ASSIGNED TO THE **COST/HOUR** FIELD.