

Establish Cost of Services

It is crucial that you know your costs. All other trades charge by time and materials. Are you doing this? By using this form, you will be able to know for certain if you are making money, breaking even or falling behind. **YOU MUST KNOW!!!!** CFI Installers are professionals! We know our costs. We know what we must charge in order to run a profitable business as an independent contractor. This form will just make you more aware of the HIDDEN costs that you might be missing. It is designed to assist you in working more profitably...THE CFI WAY! *(Duplicate this form and use for 10 working days to find out!)*

DAY ONE	DATE _____	TIME SPENT	ITEM COST
Job cancelled AFTER you arrive for work		_____	_____
Driving time to pick up the materials at the retailer/trucking line		_____	_____
Waiting time at the retailer/trucking line/ flooring distributor		_____	_____
Problem with materials / time waiting for decision to install		_____	_____
Driving time to Supply Distributor		_____	_____
Time spent purchasing supplies		_____	_____
Driving time to customer location		_____	_____
Given incorrect address / wasted time		_____	_____
Retailer did not supply diagram / time measuring location		_____	_____
Unloading the truck to prepare for installation		_____	_____
Estimator did not indicate all necessary supplies		_____	_____
Additional driving time and time spent at Supply Distributor		_____	_____
Incorrect merchandise or other problem / store notified		_____	_____
Removal of furniture		_____	_____
Removal of carpet and cushion		_____	_____
Installing or repairing tackstrip		_____	_____
Floor preparation		_____	_____
Installing transitions at doorways		_____	_____
Pulling staples / other floor preparation work		_____	_____
Installing flooring		_____	_____
Excessive seaming required due to lack of flooring material		_____	_____
Vacuuming and cleanup		_____	_____
Driving to unload materials that are to be disposed of		_____	_____
Excessive driving time – location over 25 miles from home		_____	_____
Completing paperwork upon arrival to home		_____	_____
Time spent picking up and returning assistants to home		_____	_____
Additional items		_____	_____
_____		_____	_____
_____		_____	_____
_____		_____	_____

TOTAL HOURS SPENT ON JOB TODAY _____

TOTAL COST OF MATERIALS TO PERFORM WORK _____

1. _____ Your hourly rate x 8 hours worked = _____
 2. _____ Your hourly rate 1.5 x _____ hours worked over 8 hrs. _____
 3. **Add** two figures for total amount you must earn as take-home pay **TOTAL** _____
 4. _____ List the cost of the day's supplies _____
 5. _____ List amount company must earn to pay day's expenses _____
 6. **Add #3, #4 and #5 = TOTAL INCOME for the day should be this figure** _____
 7. Insert the **AMOUNT PAID** for the day's installation services and subtract _____
- Total amount remaining after expenses for the day** _____ **Are you making MONEY? (+ or -?)** _____

To complete the above form, follow these directions:

- (1) Decide what your hourly rate is.
- (2) Multiply the hourly rate by the total hours worked. Remember, anything over eight hours is considered overtime, which is 1 ½ times the normal hourly rate. **Don't forget**, this is the figure that you take home to pay the household expenses. Just like the retailer, this has absolutely nothing to do with the income that your company, as an independent business person must take it to pay the company expenses! This is where the independent business person gets in trouble. Too often, the total figure paid must pay the personal expenses and the business expenses without charging the correct price to do so.
- (3) Add these two figures to determine the amount you must earn as take-home pay
- (4) Insert the cost off your supplies for the day
- (5) Insert the cost of how much your company must be earn today to compensate your assistant, make the truck payment, buy gasoline, the insurance, pay the assistant's taxes, your taxes and all company expenses.
- (6) Add #3, #4 and #5 and place figure in space provided
- (7) Insert the amount you were paid for today's work and subtract from above total
- (8) If your income for the day is less than this figure, YOU LOSE! Now, this is how a business operates. Forget one price fits all! Forget how much per square foot or square yard! If you must, charge by the job or determine after keeping this form for several weeks just what it costs you to install various types of carpet or flooring, and this must reflect on your price list. **ONE PRICE DOES NOT FIT ALL FLOORING INSTALLATIONS!** Are you working every day to get ahead? Are you working everyday because you have dreams of success? Are you working every day for your family's future? WHY DO YOU GO TO WORK? You decide! We all love this work or we would have chosen another career. However, we all MUST make a profit because of our choice. **YOU DECIDE!** This can be fun and when the survey is complete, it may be frightening!!! Remember, you can flip burgers, have benefits, less wear and tear on your body, steady hours for a little more than minimum wage? How do you measure up? It's time to make a profit!!!! When you finish, send us your ideas on working more profitably so we can help each other!!!!
- (9) There are many retailers in this nation who want to be your partner. After you have completed a fair survey of your time and material and established your hourly wage, ask your retailer(s) to sit down with you and review how you are or are not making a fair income for the hours you are installing flooring. Be fair, most retailers do not know how long it takes or how much the materials cost to do certain types of flooring, as you do not understand how long it takes to "close that sale," and the cost involved in doing so. I sincerely believe you will discover that you have a great PARTNER, but always remember this may take time. Retailers must understand that the Customer will pay for legitimate services when they are sold as such. Your job is to deliver them with a pleasant attitude and always do your part to promote that retailer for return business. DO YOUR PART and you will find that this will be the best thing you have ever done for YOUR future!
- (10) This can be a lot of fun knowing that you are taking steps to redesign your installation business in a manner that you find yourself enjoying your daily work. You will find that your attitude is on a much higher level because you are not constantly falling behind financially. We would like to hear from those of you who use the form as to the results that you achieved. If you have other methods that you find successful, let CFI know so we can help each other.