

ROI Example

Year 1 Revenues	_____
Year 2 Revenues	_____
Increase	_____
Avg. profit margin	_____
Net margin increase	_____
Marketing expenses	_____
Net margin less expenses	_____
ROI	_____

Overhead Rate:

Example:
 What is the overhead rate for firm ABC Engineering Co.?

Direct labor: _____

Total overhead costs: _____

_____ ÷ _____ = _____

Bill-Out Rate

Example:
 Calculate the bill-out rate for a project manager with an annual salary of \$85,000. The company's combined overhead rate is 150%, and their desired profit is 20%.

_____ + _____ + _____ = _____

Charge (Target) Multiplier

Example:

What is the charge multiplier for a Principal that is billed at \$175 per hour and has an annual salary of \$115,000?

_____ ÷ _____ = _____

Net Labor Multiplier

Example:

What is the net multiplier for firm ABC Engineering Co.?

Direct labor: _____

Net Revenues: _____

_____ ÷ _____ = _____

Net Profit Ratio

Example:

ABC's net profit (after taxes) is _____ and its net revenues are _____; the net profit ratio is _____.