

HOW TO RUN A LEAN AND MEAN RATING MACHINE

Energy Rated Homes Midwest

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STAFFING

- PROGRAM DIRECTOR
 - Duties: Sales and Marketing
Rater Support, Field QA
- OFFICE MANAGER
 - Duties: Process (QA) Ratings, Billing
EPA upload, etc, etc, etc
- In House - Part time Clerical/Receptionist
Accountant & Trainer

Previous Operating Process

- Prepare file, copy check, log in, assign #
- Review each rating between paper & disk
- Print each report package and mail
- Upload to EPA Energy Star Program
- Database
- Perform QA on 5% of all ratings

Current Operating Process

- Prepare file, Copy check, Log In, Assign #
- Review paper file v.s. electronic file at random on request
- Batch print multiple rating packages
- Collate, package & mail
- Upload to EPA Energy Star Program
- Database
- 5% field QA

Quality Control

- Compare paper inputs to computer inputs
- Check calculations at random
- Analyze plans to correlate to calcs at random
- Flag files that are suspect
- Perform field QA on 5% of suspect files

PRICING

- In order to set your price you need to know your cost and project your volume.
Assumptions:
 - 3500 ratings/yr - 291.6/mo - 14.6/day
 - \$35.00/rating
- Total annual budget \$122,500.00

PER RATING COST

- Staff time \$8.00/rating
- Sales & QA support \$12.00/rating
- Admin / Overhead \$5.50/rating
- Site Cost \$6.43/rating
- Printer Cost \$.64/rating
- Total \$32.57/rating

PER RATING COST

- Folder \$1.00/rating
- Paper 70 & 80 lb \$.41/rating
- Letterhead \$.05/rating
- Label \$.40/rating
- Certificate paper \$.22/rating
- Brochure \$.29/rating
- Binder \$.06/rating
- Total \$2.43/rating

Total Per Rating Cost

- Cost fixed +1 \$32.57/rating
- Cost variable \$ 2.43/rating
- Total \$35.00/rating

PROFIT AND LOSS

RATINGS	FIXED	VARIABLE	TOTAL	REVENUE	PROFIT/LOSS
		3.07x# ratings	fixed cost+var cost	#ratingsx35.00	revenue-total cost
0	\$ 104,000.00	\$ -	\$ 104,000.00	\$ -	\$ (104,000.00)
500	\$ 104,000.00	\$ 1,535.00	\$ 105,535.00	\$ 17,500.00	\$ (88,035.00)
1000	\$ 104,000.00	\$ 3,070.00	\$ 107,070.00	\$ 35,000.00	\$ (72,070.00)
1500	\$ 104,000.00	\$ 4,605.00	\$ 108,605.00	\$ 52,500.00	\$ (56,105.00)
2000	\$ 104,000.00	\$ 6,140.00	\$ 110,140.00	\$ 70,000.00	\$ (40,140.00)
2500	\$ 104,000.00	\$ 7,675.00	\$ 111,675.00	\$ 87,500.00	\$ (24,175.00)
3000	\$ 104,000.00	\$ 9,210.00	\$ 113,210.00	\$ 105,000.00	\$ (8,210.00)
3500	\$ 104,000.00	\$ 10,745.00	\$ 114,745.00	\$ 122,500.00	\$ 7,755.00
4000	\$ 104,000.00	\$ 12,280.00	\$ 116,280.00	\$ 140,000.00	\$ 23,720.00
4500	\$ 104,000.00	\$ 13,815.00	\$ 117,815.00	\$ 157,500.00	\$ 39,685.00
5000	\$ 104,000.00	\$ 15,350.00	\$ 119,350.00	\$ 175,000.00	\$ 55,650.00
5500	\$ 104,000.00	\$ 16,885.00	\$ 120,885.00	\$ 192,500.00	\$ 71,615.00
6000	\$ 104,000.00	\$ 18,420.00	\$ 122,420.00	\$ 210,000.00	\$ 87,580.00
6500	\$ 104,000.00	\$ 19,955.00	\$ 123,955.00	\$ 227,500.00	\$ 103,545.00
7000	\$ 104,000.00	\$ 21,490.00	\$ 125,490.00	\$ 245,000.00	\$ 119,510.00

Pricing Options

- Volume discounts as per REM/Rate/AEC
 - 0-5000 ratings \$15.00/ea
 - 5001-10000 \$10.00/ea
 - 10001 or more \$ 7.50/ea
- Volume discounts per ERHM
 - over 3000/yr \$30/ea + REM/Rate fee
 - 4000/yr \$25/ea + REM/Rate fee
 - 5000/yr \$20/ea + REM/Rate fee