The Man Hour Rating is the minimum number of man-hours a job can take for you to still make your "dollar per man-hour goal". You will use Man Hour Rating to help you determine exactly how profitable each of your jobs is (called job costing).

To determine a job's Man Hour Rating, you must first determine your company's "dollar-per-man-hour goal".

You must then divide the job's Charge Per Job by your "dollar-per-man-hour goal", and you will have the job's Man Hour Rating. The following is a simplified mathematical explanation.

\[
\text{Charge Per Job} \div \text{Dollar-per-man-hour goal} = \text{Man-hour rating}
\]

Now you use this "dollar-per-man-hour goal" to determine each job's man-hour rating.

\[
\text{Charge Per Job} \div \text{Dollar-per-man-hour goal} = \text{Man-hour rating}
\]

Even if the job is part of a contract, it should still have a Charge Per Job. See Charge Per Job and Contract Customers.

The minimum number of man-hours a job can take for you to still make your "dollar per man-hour goal".

Enter this number in the Man Hour Rating field in the Job Details screen.
Calculating the Man-hour Rating

Let's say your company has a year-end goal of $200,000. You have four production employees. They work on average, 45 hours per week, and 45 weeks per year. We must first calculate your dollars-per-man-hour goal.

\[
\begin{align*}
4 \text{ production employees} & \times 45 \text{ hours worked per week} \times 45 \text{ weeks worked per year} = 8,100 \text{ production man-hours per year} \\
\end{align*}
\]

\[
\begin{align*}
200,000 \text{ Divided by } 8,100 &= 24.69 \\
\end{align*}
\]

Now take your $24.69 per-man-hour goal, and calculate the man-hour rating for a job for which you are charging $40.00 per job.

\[
\begin{align*}
40.00 \text{ Divided by } 24.69 &= 1.62 \\
\end{align*}
\]

You would now enter 1.62 (hours) as the Man Hour Rating for this job. This field is located on the Job Details screen.