



Your Expenses Just Increased by 5%.
What New Labor Rate Do You Charge
To Keep Your Profits the Same?

Not sure? The Variable Rate System can help.

To answer this question, use the VRS Labor Rate & Profit Calculator

1

Enter your shop's key P&L numbers into the calculator.
(In this example, the shop had about \$26,000 in profits this month.)

Profit & Loss Statements	
	Your Shop
Sales	\$ 252,300
Cost of Sales	\$ 151,380
Gross Profit	\$ 100,920
Percent	40.0%
Your Goals	40.0%
Expenses	\$ 74,800
Operating Profit ¹	\$ 26,120
Percent	10.4%
Your Goals	10.0%

5% cost increase

Expenses	\$ 78,540
Operating Profit ¹	\$ 22,380

2

Then, enter the 5% increase in your expenses.
(In this example, the shop's expenses increased from \$74,800 to \$78,540, thereby lowering profits to \$22,380.)

3

Now, using the calculator, increase your labor rates until your projected P&L shows the profit number you want.
(In this example, the shop's original body and paint labor rates were \$48/hr. Increasing rates to \$49.50 brought the shop back to the \$26,000 profit needed.)

	Labor Rate (\$/Hr)
Body	49.50
Paint	49.50

	Custom Rates
Sales	\$ 256,415
Cost of Sales	\$ 151,380
Gross Profit	\$ 105,035
Percent	41.0%
Your Goals	40.0%
Expenses	\$ 78,540
Operating Profit ¹	\$ 26,495
Percent	10.3%
Your Goals	10.0%

*Behold the Turtle.
He makes progress only
when he sticks his neck out!
- James Bryant Conant*



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www.NationalAutoBodyResearch.com***

About NABR and VRS

National AutoBody Research (NABR) is a research and technology company committed to restoring the free market in the collision repair industry by helping shops understand and properly price their labor rates. As an independent company not owned by insurance companies or auto body shops, the Company provides the industry with trusted, unbiased labor rate data from its VRS Real-Time Labor Rate Surveys.

NABR created and developed the Variable Rate System (VRS) technology, a set of powerful online tools specifically designed to help collision repair shops break through the labor rate barrier by surveying labor rates in their market area, understanding their own cost of doing business, and calculating the right labor rates to charge to earn healthy and sustainable profits for their individual shop.

By actively using the VRS tools, subscribing shops have successfully increased their labor rates, driving their business to sufficiently profitable levels, for the benefit of the industry, the shops, their employees and their families.

The VRS currently contains labor rate data from 40 states and expects to have all 50 states included in early 2015, creating the collision repair industry's first and only independent, third-party, objective source of real-time, national labor rate data and making the VRS the industry standard for prevailing competitive pricing.

To inquire about the VRS system, initiate a survey for your state association, or engage our Strategic Consulting Practice to maximize your labor rates, please contact us using the information below. We are eager to help you earn the profits you deserve.

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