

## Positive OPEI Forecast for 2004

*Appliance Magazine, Jan 2004  
by William Harley, president,  
Outdoor Power Equipment  
Institute*

Recent economic stimulus and other positive factors led to a powerful growth spurt in the third quarter of this year and a 7.2% expansion of the U.S. economy. Accordingly, Model Year 2003 ended on a high note for the outdoor power equipment industry, and in turn, OPEI has an optimistic outlook for Model Year 2004. This is also supported by very positive economic news from the U.S. Commerce Department.

For the outdoor power equipment Model Year 2003, which ended August 2003, consumer walk-behind mowers grew over the 2002 Model Year and shipments for all rider categories increased.

Some OPEI members reported that among the best selling products in 2003 were zero-turn mowers, both consumer and commercial, lawn tractors, and commercial mowing equipment. Snow throwers, compact utility vehicles, backpack blowers, and line trimmers also did well.

On the heels of an outstanding finish in 2003, OPEI's forecast for Model Year 2004 looks bright, with some growth expected in most categories. Looking ahead one more year, OPEI expects growth to continue through 2005 in most cases.



## Committing Commerce

If you've been following along through the last six steps, you now have all the figures necessary to calculate an hourly rate that is both fair to your customers and profitable to you. The calculation is easy. Simply divide your service department's total operating expenses by the total billable hours to arrive at the hourly rate you should be charging.

This figure should cover all your service department expenses and associated payroll. Increasing the efficiency rating of your technicians will make your service department profitable.

### Let's look at an example:

We'll use the following to perform our calculation:

- Your total service department expenses are \$124,000
- The total billable hours are 3,120

$$\$124,000 / 3,120 = \$40 \text{ hourly rate}$$

## Summary of Calculating a Profitable Shop Labor Rate

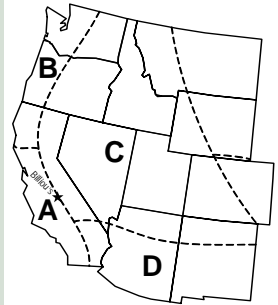
Let's recap what was covered the last seven issues — by taking a look at the financial aspects of your service shop, such as your operating expenses, investments, and payroll costs, you can ensure that you are charging a fair hourly rate for the work provided by your technicians. Remember, follow seven easy steps to determine a fair market price:

1. Determine the yearly operating expenses for the service department
2. Determine the yearly investment costs for the service department
3. Determine the payroll costs for the service department
4. Estimate additional charges incurred by the service department
5. Calculate the total expenses for the service department by adding together the operating expenses, investment costs, payroll costs, and additional charges
6. Identify the total amount of billable hours billed by the service department by first multiplying the total amount of working hours per technician by his efficiency rating. Then multiply the result by the number of technicians
7. Calculate the fair market value rate by dividing the total expenses of the service department by the total amount of billable hours

Next goal is to make your technicians more efficient. The more efficient they are, the more profitable your service shop becomes!

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## Billiou's Marketplace Weather Forecast



**Region A (California):**  
Avg. Temp: 59° (5° > avg.)  
Precipitation: 1" (1.5" < avg.)  
Mar 1-14 Sunny, warm  
Mar 15-24 Cooler; showers  
north, partly sunny  
south  
Mar 25-29 Partly sunny, warm  
Mar 30-31 Showers

**Region B (Pacific NW):**  
Avg. Temp: 47° (avg.)  
Precipitation: 3.5" (avg.)  
Mar 1-7 Seasonal, light rain  
Mar 8-20 Rain and occasional  
sunshine  
Mar 21-25 Rain  
Mar 26-31 Partly sunny,  
scattered showers

**Region C (Rocky Mtns):**  
Avg. Temp: 42° (3° > avg.)  
Precipitation: 1.5" (0.5" < avg.)  
Mar 1-8 Sunny, seasonable  
Mar 9-25 Seasonable, rain  
and snow showers  
Mar 26-31 Sunny, warm

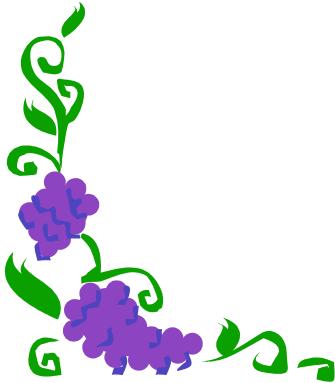
**Region D (SW Desert):**  
Avg. Temp: 61° (5° > avg.)  
Precipitation: 0.1" (0.5" < avg.)  
Mar 1-7 Sunny, warm  
Mar 8-11 Sunny, cool  
Mar 12-17 Sunny, warm  
Mar 18-31 Showers, then  
partly sunny, warm

*Quoted Source: Almanac.com*

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## Humor Is, As Humor Does

### *A Cowboy's Guide to Life*

The biggest troublemaker you'll probably ever have to deal with watches you shave his face in the mirror every morning.

If you get to thinkin' you're a person of some influence, try orderin' somebody else's dog around.

Don't worry about bitin' off more'n you can chew; your mouth is probably a whole lot bigger'n you think.

Don't sell your mule to buy a plow.

Life is simpler when you plow around the stump.

Meanness don't happen overnight.

It don't take a very big person to carry a grudge.

You can't unsay a cruel thing.

Words that soak best into your ears are whispered, not hollered.

Every path has some puddles.

The best sermons are lived, not preached.

Most of the stuff people worry about never happens.

Don't judge people by their relatives.

Remember that silence is sometimes the best answer.

Live a good, honorable life. Then when you get older and think back, you'll enjoy it a second time.

Don't mess with something that ain't botherin' you.

Don't corner somethin' meaner 'n you.

Timing has a lot to do with the outcome of a rain dance.

If it don't seem like it's worth the effort, then it probably ain't.

It don't take a genius to spot a goat in a flock of sheep.

If you're ridin' ahead of the herd, take a look back every now and then to make sure it's still there with ya.

Always drink upstream from the herd.

You can't tell how good a man or a watermelon is 'till they get thumped.

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