

Ops 3: Show Your Client Why Underutilization Hurts (in Dollars)

Show Underutilization in Dollars

Report: Capacity, Tracked, Billable, Utilization, Effective Rate, Idle Hours, Idle Labor Cost, Idle Revenue Lost.

Client Narrative

"We planned 40h/week; billable was 20h. That 20h gap equals ~\$2,400/week at \$120/hr. Here are 3 changes to lift utilization without hiring..."

Try It Yourself — Standard Resource Worksheet

Fill Inputs for each person, then compute the Results. (Use your overhead per hour from the calculator or the Inputs tab.)

Resource Name	Type (Salaried/Hourly)	Paid Hours/week	Annual Allocation (\$)	Hourly Cost (\$)	Bill Rate (\$/hr)	Billed Hours/week

Cost (\$)	Cost per Paid Hour (\$)	Overhead per Paid Hour (\$)	Weekly Overhead Cost (\$)	Total Weekly Cost (\$)	Utilization (Billed/Paid)	Revenue This Week (\$)

Cost (\$)	Idle Revenue Lost (\$)	Profit This Week (\$)	Gross Margin %	Potential Revenue @ 100% (\$)	Profit @ 100% (\$)	Margin @ 100%	Rate (\$/hr)

Reflection

- Which resources are underutilized and by how many hours each week?
- What is your biggest driver of lost profit: rate, utilization, or overhead?

■ **Action Step:** Choose one resource and improve either billed hours (+10) or rate (+10–15%) for the next two weeks—then rerun this worksheet.