

- It should also be pointed out here that, depending on your “experience mod” (your company’s Workers’ Comp claims and loss ratio over time), your rate could be even higher than the generally assessed rate for SIC 7349 in your state.

- Based on the numbers we’ve discussed in connection with payroll burden items, what starts out at \$10/hour will be a total payroll cost ranging from a low of \$11.77 to as much as \$15.00 (depending on your state and location within the state). It’s important to note that house cleaning prices typically average well over \$15.00 per hour in the United States today.

- **WARNING:**

If you’re going to be in the house cleaning business, you’re going to have to accept the expense of Workers’ Compensation insurance as a cost of doing business in the U.S. (If you’re doing business outside the U.S., this will depend on local labor laws and regulations in your industry). But we’re not here to tell you that. We’re here to tell you that you should consider the following:

While not common, injuries to house cleaning employees can and do happen. Here are the most common injuries that house cleaners can sustain on the job:

- **Types of Injuries and Associated Costs**

Back Injuries: Typical injuries include back bending or lifting. Average cost of medical treatment based on Workers’ Comp insurance coverage is about \$10,000.

Knockdowns: An insurance underwriter recently told us that this is the most common claims with an average payout of \$10,000 for medical reimbursement.

➤ **Hand and Wrist Injuries:** Injury to hands and wrists caused by repetitive motion. Typical cost for surgery ranges from \$20,000 to \$30,000.

➤ **Trips and Falls:** Cleaners can trip over vacuum cleaners, fall from stairways or off step ladders, slip on wet floors or icy sidewalks, or fall in showers or bathtubs. Medical costs for these incidents can range from a few hundred dollars well up to six figures.

➤ **Automobile Accidents:** Needless to say, this can be one of the costliest incidents, particularly when two or three of your employees are involved. If they’re injured in an automobile

accident going to, from or between clients, any injuries sustained will be considered work related.

- It may appear that we've digressed from the subject at hand: Payroll. However, since Workers' Compensation Insurance is such a large part of your Payroll Burden it is important to discuss this subject this time.
- If you didn't carry Workers' Comp you could be liable in the event of injuries to your employees as a result of incidents similar to the one just referenced. Even if Workers' Comp was not mandated in your state, not having it could expose you and your company to substantial financial liability that could wipe you out.
- In reality, the fact that your employees are covered by Workers' Compensation Insurance is a good thing. If you were a cleaning arsenal and potential clients were to hire you for cleaning your company not covered by Workers' Comp, you could be liable for a substantial financial loss if someone was injured while working for you. You can bet that a lot of your competitors probably include many small cleaning companies that are not carrying Workers' Comp.
- The long and the short of it is you can go many years without ever incurring a Workers' Comp claim. One example is *The Clean Team* in Wisconsin. They have been in business since 1979 and have never had a Workers' Comp claim. At least it, even though they clean homes every year.
- Conversely, Wisconsin's *Handmaid* had an employee fall down stairs in its home cleaning service. The employee filed a Workers' Comp claim in this state for \$50,000. The owner of this cleaning service had to pay for the claim and the insurance.
- You may have been driving for 10 or 20 years and never had an accident. But you would not even consider driving your vehicle without insurance. So don't even think about trying to find a way out of carrying Workers' Comp, either.
- It is extremely critical that "nonproductive" travel time be included in your overall pricing structure; not just actual cleaning time. With a team of three cleaners, every 20 minutes of travel during any given day equates to one extra hour of time that needs to be allocated among that day's clients.
- A team of three cleaners spends an hour on travel during the day, at a total payroll cost of \$11/hour/person, that's another \$33 that needs to be included in the total labor cost calculation for that day. Assuming the team cleans five homes this day, this means an average

of \$6.60 that needs to be included in the "P" part of the equation of the formula for each of those five clients.

- To sum up the "P" part of the POM = CP formula:

P = The gross wages the team will earn for the job, as determined by the amount of time you calculate the client will spend relative to the job (including an allocation for time). In the next chapter we'll discuss how to calculate cleaning

+ Payroll burden (FICA, FUTA, SUTA and Workers' Compensation)

"O" = Overhead

- The second part of the formula, overhead, includes material costs and operating expenses that also need to be factored into your pricing structure. Too few house cleaning businesses consider this factor when pricing their services, and do not operate profitably because they fail to budget for future increases in the business as it grows.

CLEANING SUPPLIES AND MATERIALS

- The cost of cleaning supplies should be a very minor. If equipment, maintenance, and supplies for cleaning product costs exceed 2% of sales, your pricing is either too low or your team is using the wrong products or other than their assigned tasks. For example, not using durable cleaning products and daily chemicals should generally be under 2.5%.

Another way to determine whether or not you are charging enough for the services, your cost of cleaning products, equipment, and tool supplies is costing you 5% of sales, even if your price is too low and a lot of product is walking out the door. This also means you're overpaying for your supplies. Check all three possibilities.

MARKETING COSTS

Marketing costs need to be absorbed into your pricing structure, just like material costs. However, it is far more difficult to get a near-term return on marketing costs as a percentage of sales.

- Example:
 - If you invest \$100 to \$150 in advertising to get a new client, your immediate advertising cost might be 50% to 100% of revenue — or more (depending, of course, on the price you

charge for the first-time cleaning)! There may be instances where the cost would be more than the price you charge for the first-time cleaning, too.

- However, if that new client becomes a \$120 bi-weekly client and stays with you for a year, this would result in \$6,240 in revenues. That initial \$150 advertising investment now represents an advertising cost of less than 2% for the year.

- Some clients will stay with you much less than a year, but others will stay with you for many years. This factor must be taken into account when determining overall marketing cost as a percentage of sales. You will need to estimate that it will average in the neighborhood of 10% over the long term (although it could be higher or lower).
- Advertising and other marketing costs should be considered when pricing your services. The idea is that you can get more business by reducing your prices by 10% (assuming you are not increasing advertising, is not a wise business decision). **After all, how many times do you think you can clean an entire house for only \$100, how many houses do you think you can clean if not at all about your service? If you don't advertise your marketing services, not too many people will hear about you and your business will be slow and painful.**

OPERATING EXPENSES

- Operating expenses include the costs of running your business (such as payroll, rent, utilities, and workers compensation). These expenses are not limited to:

✓ Advertising expenses (office and/or management salaries)

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- *NOTE: This list of operating expenses is not meant to be all-encompassing. This subject is discussed in detail in The Chart of Accounts chapter.*

It's VERY important to include and allow a cost for these and other expense items when arriving at a price to charge for your service — even if you don't currently incur them in the operation of your business.

Why allow for expenses I'm not incurring at the moment?

- It's VERY important that you allow for expenses you're not incurring but that you're likely to incur in the future. Let's take an example:
- Let's say you're starting your business from your home. Right now you're not currently incurring an expense for rent or other occupancy costs you'll incur when you do rent commercial space in the future. If you don't build this cost into your pricing, how are you going to pay for this expense when you locate in commercial space? You'll just have to go back to your clients and boost their cleaning prices to recover the occupancy cost.
- Perhaps you don't have any employees at the office when you first starting out. Right now you're not paying for any salaries that way for long if you're in a low mode. Some employees are between 40 and 60 per hour when you're going to start thinking about hiring. If you have a classmate who suddenly add \$400 or more a week to your list of clients, or between \$8 to \$10 per hour. Don't you have to look to the well and ask all of your clients to add a 10 per cent surcharge to cover this new expense?

Another other reason for this is that when you hire an employee, you can pay yourself that \$8 or \$10 per hour as a "benefit" part of the formula. It won't be included in the cost of the service, but you're able to extract from the client's payment the "M" – it can provide immediate cash flow for the business is growing.

To get more new clients and advertise for and train new employees, what you're allowing for but not spending on rent or other occupancy costs can be invested in advertising for new clients and employees – over and above what you might normally allocate for advertising.

- perhaps the most important reason of all:
 - whatever expense you build into your price that you're likely to incur in the future, but are not currently incurring, can be used to build a fund that will enable you to grow the business from within. It will give the business the opportunity to fund its own growth,

hopefully, with a lower infusion of additional working capital – perhaps even without *any* additional capital.

- You can arrive at an average Overhead number to allocate to each cleaning job by adding up the cost of each expense item and dividing this number by the number of cleanings you do each month.
- For example, if you're doing 200 cleanings a month, your telephone bill and utilities average \$300 a month, then on average you need to allocate \$1.50 per cleaning for these costs.
- Office rent might cost \$1,000 per month for an area for you to work in suitable for your business. If you're doing 200 cleanings per month, this would work out to \$5 per cleaning for office costs. A good example where even if you're working from your home, you should allow a reasonable rent to be built into your cleaning price.
- You need to include a number of other expenses in the equation, also, although they will not usually be used for all of your "office" time on formal business activities (if you're working out of your home you still need to allow for a separate advertising expense, for example, in the \$5 range, at least).
- You're not sure what the overhead of this business is going to fall somewhere in the middle, so you set it to \$5 per cleaning. If you don't yet know what your actual number is going to be, use your business sense to set your base number until you get an actual number, which is what it really is. You'll find it will be close to your number, perhaps a couple of dollars either

Why is there an "O" in the formula to every cleaning?

- While the "P" factor on each cleaning will vary, based on how long each job takes, thereby varying your labor and other burden expense accordingly, the overhead (or "O") expense remains the same for each cleaning regardless of how much work you do.
- There is essentially the same amount of administration, bookkeeping, and other expense in maintaining a client who pays you \$85 a visit as it does for one who pays you \$150 a visit. The only difference is the labor involved on the part of the people doing the cleaning.

The POM = CP Formula So Far:

P

+

O

Total payroll cost for team cleaning labor and travel time in connection with the job (including payroll burden comprised of FICA, FUTA, SUTA and Workers' Compensation Insurance)

\$30.00

(for now, until [redacted] time as a more precise [redacted] information can be arrived at [redacted])

"M" = Markup

- No one goes into business to lose money or break even. If you use a formula that will provide a profit for your business, all expenses are taken into consideration. The formula will help you build-in a predetermined margin in your pricing structure on every cleaning job.
- Depending on such factors as your geographic location, your total payroll burden, your state's inflation rate, your state, economic conditions in your area, and prices charged by other "professionals" in your area, we recommend a markup (the "M" part of the formula) for your jobs, most ranging between 25% and 33%. If you use a 25% markup on your cost, it should result in a profit of 20%. If you use a 33% markup, you're really making a 20% profit you'll only need to add 10% to your total.

Sample M=CP

The following table shows how the M=CP formula works.

Cleaning Time (in hours)	Travel Time (in hours)	Manpower	Hourly Rate	Payroll Burden (5%)	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
1.00	0.50	2.00	\$11.00	\$4.13	\$20.63	\$30.00	\$16.71	\$67	25%
1.50	0.50	2.00	\$11.00	\$5.50	\$27.50	\$30.00	\$18.98	\$76	25%
2.00	0.50	2.00	\$11.00	\$6.88	\$34.38	\$30.00	\$21.24	\$86	25%
3.00	0.50	2.00	\$11.00	\$8.25	\$41.25	\$30.00	\$23.51	\$95	25%
4.00	0.50	2.00	\$11.00	\$9.63	\$48.13	\$30.00	\$25.78	\$104	25%
5.00	0.50	2.00	\$11.00	\$11.00	\$55.00	\$30.00	\$28.05	\$113	25%
6.00	0.50	2.00	\$11.00	\$12.38	\$61.88	\$30.00	\$30.32	\$122	25%
7.00	0.50	2.00	\$11.00	\$13.75	\$68.75	\$30.00	\$32.59	\$131	25%
8.00	0.50	2.00	\$11.00	\$15.13	\$75.63	\$30.00	\$34.86	\$140	25%
9.00	0.50	2.00	\$11.00	\$16.50	\$82.50	\$30.00	\$37.13	\$150	25%
10.00	0.50	2.00	\$11.00	\$17.88	\$89.38	\$30.00	\$39.39	\$159	25%

Note 1: Cleaning time = total man hours (3.00 hours would be 1.50 hours total for 2 people; 1 hour total for 3 people)

Pricing for Profit

Note 2: Total average team travel time averaging 10 minutes per cleaning (30 minutes total for 3 people)

Note 3: Although we illustrate 1 and 1 1/2 hour cleaning times, we suggest you charge a minimum price (such as \$75) to send out a team.

In illustration B, we've used an average hourly wage of \$11. If this was a 3-person team, this may mean that the team leader is at \$12/hour, the kitchen person at \$11/hour and the bathroom person at \$10/hour for an average of \$11/hour/person.

Illustration B

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
1.00	0.5	1.50	\$11.00	\$16.50	\$4.13	\$20.63	\$30.00	\$16.71	\$77.34	25%
1.50	0.5	2.00	\$11.00	\$22.00	\$5.50	\$27.50	\$30.00	\$18.98	\$76.48	25%
2.00	0.5	2.50	\$11.00	\$27.50	\$6.88	\$34.38	\$30.00	\$21.25	\$85.63	25%
2.50	0.5	3.00	\$11.00	\$33.00	\$8.25	\$42.25	\$30.00	\$23.52	\$95.77	25%
3.00	0.5	3.50	\$11.00	\$38.50	\$9.63	\$50.13	\$30.00	\$25.79	\$105.92	25%
3.50	0.5	4.00	\$11.00	\$44.00	\$11.00	\$58.00	\$30.00	\$28.06	\$116.06	25%
4.00	0.5	4.50	\$11.00	\$49.50	\$12.38	\$65.88	\$30.00	\$30.33	\$126.21	25%
4.50	0.5	5.00	\$11.00	\$55.00	\$13.75	\$73.75	\$30.00	\$32.59	\$136.35	25%
5.00	0.5	5.50	\$11.00	\$60.50	\$15.13	\$81.63	\$30.00	\$34.86	\$146.49	25%
5.50	0.5	6.00	\$11.00	\$66.00	\$16.50	\$89.50	\$30.00	\$37.13	\$156.63	25%
6.00	0.5	6.50	\$11.00	\$71.50	\$17.88	\$97.38	\$30.00	\$39.39	\$166.77	25%

Let's assume that the cleaning time is three man hours to perform a team cleaning. If you're in the home for an hour and a half, then the person team leader is in the home for an hour and a half. The total time, regardless of the number of people, is three hours in this example.

Illustration C

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
3.00	0.5	3.50	\$11.00	\$38.50	\$9.63	\$48.13	\$30.00	\$31.63	\$109.76	25%

to assume that travel time allocated is 10 minutes ... 3 people traveling 10 minutes is a total of 1/2 hour of time that needs to be calculated in the cleaning price (Illustration D).

Illustration D

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
3.00	0.5	3.50	\$11.00	\$38.50	\$9.63	\$48.13	\$30.00	\$31.63	\$109.76	25%

Total time to be charged for this cleaning is 3 ½ hours (Illustration E).

Illustration E

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M"	"CP"	% PROFIT
3.00	0.5	3.50								

Our targeted wage is an average of \$11/hour (Illustration F)

Illustration F

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
3.00	0.5	3.50	\$11.00							

...so we're establishing a team of 4 for this job of 3 hours of cleaning (Illustration G)

Illustration G

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
3.00	0.5			\$ 38.50						

Let's assume that the client is responsible for providing workers comp, and all the other expenses combined are 7% of payroll, which would add \$9.63 to the total (Illustration H)

Illustration H

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
3.00	0.5									
										\$ 9.63

Total = \$48.13 (Illustration I)

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
3.00		3.50	\$11.00	\$ 38.50	\$ 9.63	\$48.13				

Now we add our Overhead factor, which we've predetermined will be \$30 per cleaning (Illustration J).

Illustration J

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	"CP"	% PROFIT
3.00	0.5	3.50	\$11.00	\$ 38.50	\$ 9.63	\$ 48.13	\$ 30.00		

Add the totals of P and O, which would be \$48.13 plus \$30.00 (we haven't included a totals column for the systems). Markup = 13 X 33% for our Markup (Illustration K)

Illustration K

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M"	"CP"	% PROFIT
3.00	0.5	3.50	\$11.00	\$ 38.50	\$ 9.63	\$ 48.13	\$ 30.00	\$ 25.78		

....add the Markup to the Total and Overhead cost and we arrive at a Cleaning Price, or CP, of \$104.00 rounded up to the nearest dollar (Illustration L).

Illustration L

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
3.00	0.5	3.50	\$11.00	\$ 38.50	\$ 9.63	\$ 48.13	\$ 30.00	\$ 25.78	\$104	

Our final selling price is \$104.00. Our markup of \$25.78, which works out to 25% of \$104.00.

Illustration M

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	PLUS "M" @ 33%	"CP"	% PROFIT
3.00	0.5	3.50	\$11.00	\$ 38.50	\$ 9.63	\$ 48.13	\$ 30.00	\$ 25.78	\$104	25%

Note how, using this formula, the profit remains constant at 25% (Illustration N).

Illustration N

Cleaning Time (in hours)	Travel Time (30 min)	Total Time	Team Average Wage	Team Share	Payroll Burden @ 25%	TOTAL "P"	PLUS "O"	"CP"	% PROFIT
1.00	0.5	1.50	\$11.00	\$16.50	\$4.13	\$20.63	\$30.00	\$67.13	25%
1.50	0.5	2.00	\$11.00	\$22.00	\$5.50	\$27.50	\$30.00	\$57.50	25%
2.00	0.5	2.50	\$11.00	\$27.50	\$6.88	\$34.38	\$30.00	\$64.38	25%
2.50	0.5	3.00	\$11.00	\$33.00	\$8.25	\$41.25	\$30.00	\$71.25	25%
3.00	0.5	3.50	\$11.00	\$38.50	\$9.63	\$48.13	\$30.00	\$78.13	25%
3.50	0.5	4.00	\$11.00	\$44.00	\$11.00	\$55.00	\$30.00	\$85.00	25%
4.00	0.5	4.50	\$11.00	\$49.50	\$12.38	\$61.88	\$30.00	\$91.88	25%
4.50	0.5	5.00	\$11.00	\$55.00	\$13.75	\$68.75	\$30.00	\$98.75	25%
5.00	0.5	5.50	\$11.00	\$60.50	\$15.13	\$75.63	\$30.00	\$105.63	25%
5.50	0.5	6.00	\$11.00	\$66.00	\$16.50	\$82.50	\$30.00	\$112.50	25%
6.00	0.5	6.50	\$11.00	\$71.50	\$17.88	\$89.38	\$30.00	\$119.38	25%

First-Time/One-Time

You may enter a multiplier on the formula for first-time or one-time cleaning jobs. You may add dollars to generate new business, but this increases the OVERHEAD factor in the formula to \$1.00 per hour of time savings. This may also help to compete for business so you designate to go out on initial contracts to sell your services.

When pricing services have been and used, the first-time or one-time charges in the column are pretty much in line with those of regular cleaning companies who choose to lose money on their first visit (to get the client's business).

First-time cleanings can take a whole lot longer and require a lot more than regular, light house cleaning visits. We'll be discussing this in detail in the next chapter.

Team Share

In the "Compensation" chapter we discuss various compensation methods. The one we recommend is paying by predetermined "Team Share."

- Team Share compensation is determined by calculating the total time, including travel time, that the job entails. It's important that your calculations be fairly accurate because you're then going to assign

your "target" average hourly wage to the time. In the example we just discussed, we were targeting for an average of \$11/hour/employee.

- In the example we just used, we determined that total time required was 3.5 hours. Our target average hourly wage was \$11, for a total of \$38.50 to be split among the team members at a "fixed rate" for this client. If the team works more efficiently and actually completes the work in less than 3 ½ hours, their average wage will turn out to be higher than the \$11/hour average. Should you be more efficient, or you underestimate the required time, they will receive something less than an average of \$11/hour.
- It's important to note that the team share is split based on the time each team member spends on the job.
 - ✓ The team leader would receive 36.36% of the team share gross amount (clearly, the team leader would receive more than 36.36% of the team share).
 - ✓ The kitchen person would receive 33.33% of the team share and the bathroom person would receive 30.30%.

TEAM MEMBER POSITION	DESIRABLE TARGET	% SPLIT WOULD BE*
Team Leader	\$2.00/hour	36.36%
Kitchen Person	\$1.00/hour	33.33%
Bathroom Person	\$1.00/hour	30.30%
Team Share Total	\$3.00/hour	100.00%

*The percentages above are to be allocated team share that each team member would receive. In the above example, if the total team share (before overhead) is \$25.78, then the team leader would receive \$9.33, the kitchen person would receive \$8.57 and the bathroom person would receive \$7.88. **Person having worked 1 hour and 10 minutes, including overhead.** Of course, if the team finishes the work in less than 3.5 hours, their hourly income increases proportionately. Your target for this particular job would be \$25.78 after total overhead expense allocation.

You could choose to alter the % split. It just so happens if you wanted the desired team split to work out to exactly \$12, \$11 and \$10 as in our example, the above uneven percentages apply. If you made it an even split, say 37%, 33% and 30%, the allocated hourly split would be \$12.21/hour for the team leader, \$10.89/hour for the kitchen person and \$9.90/hour for the bathroom person to achieve the target of an \$11/hour/average.

In the case of a 2-person team, you might split the team share 53%/47% between the team leader and kitchen person, respectively.

The forgoing are merely an examples of how the team share compensation system works and you can modify the splits and percentages as you wish.

Summary

- There are several advantages to using the Team Share Compensation method concurrent with the $POM=CP$ formula:
 - a. Paying a predetermined fixed “share” to the team allows you control labor costs and provides an incentive for the team to work efficiently;
 - b. Unlike paying a percentage, the job’s total costs do not automatically increase if the client increases the scope of the job you pay based on a fixed share. If the job you need to do increases your price by \$500 for additional costs, you will increase profits, you will raise the share by \$500 on a fixed share percentage. That’s not the case with $POM=CP$.
 - c. Building in a “minimum standard” factor distributes this cost evenly over cleanings. It is as much to administer a 45 minute cleaning as it is to administer a 45 hour cleaning. The only difference is in your overhead, which is calculated separately.
 - d. You can adjust the overhead part of the formula as the situation changes. For example, you need a \$2 per cleaning for a new hire. If you revise the formula, you can adjust the price increase to the situation. This is not the case with $POM=CP$. You can monitor individual team members by dividing the overhead by the number of cleanings per month.
 - e. The formula “allows” you to allow for marketing and other expenses rather than trying to pay for them “out of pocket.”
 - f. The formula builds in a predetermined percentage of profit on every cleaning assuming labor and other costs are properly confined to the allocated amounts.
 - g. The overhead factor can be adjusted to accommodate the additional initial expenses involved with advertising for and recruiting to the first-time or one-time client – with the additional funds being clearly earmarked for that purpose.