**Company Name**

**Address**

**City, State Zip**

**Executive Summary Analysis of Operations**

**For the** 6 **Months Ending**

June 30, 2012

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The firm-wide **utilization rate** based on dollars is 65.11% or 16.49% over plan of 48.62% and is 6.24% more than last year. The utilization rate based on hours for technical only is 70.92% or -3.39% under the 74.32% plan and is 5.57% more than last year. The firm-wide utilization rate based on standard hours is 57.25%. This is -0.53% under the plan rate of 57.78% and is 4.57% more than last year. Direct labor is $56,476 over the plan and indirect labor is $(127,601) under plan. Total labor is $(71,126) under plan and is $(84,528) less than last year.

Total **full time equivalents** of 19.25 is 0.61 over the 18.63 plan and is 0.02 more than last year. Total net overtime hours of 194.0 is 0.19 full time equivalents. Technical **full time equivalents** of 15.39 are 0.90 over plan of 14.49 and is 0.02 more than last year. Technical overtime percentage of 1.23% represents 0.19 full time equivalents. Technical direct hours of 11,349 are 65 hours over the 11,284 plan and is 905 hours more than last year. The firm wide **overtime percentage** of 0.98% is 0.11% more than last year. The ratio of technical full time equivalents to non-technical full time equivalents based on hours is 3.98 to 1. This is 0.49 over the 3.50 plan and is 0.01 more than last year.

**Total revenue** of $1,343,390 is $(826,996) under the $2,170,386 plan and is $148,668 more than last year. Total revenue is 147.72% of net revenue compared to 169.67% last year. The actual percentage is -39.99% under the 187.71% profit plan.

**Net revenue** of $909,417 is $(246,826) under the $1,156,244 plan and is $205,261 more than last year. The favorable **volume variance** of $6,660 is the result of 65 direct labor hours over plan at $102.47 per hour. The unfavorable **price variance** of $(253,487) is the result of 11,349 direct hours at $(22.34) under the $102.47 plan. Net revenue **per direct hour** of $80.13 is $12.71 more than last year. The **net multiplier** of 2.53 is (1.29) under plan of 3.81 and is 0.65 more than last year. Net revenue **per full time equivalent** of $47,247 is $(14,804) under the $62,052 plan and is $10,624 more than last year. Net revenue **per technical full time equivalent** of $59,105 is $(20,699) under the $79,804 plan and is $13,277 more than last year.

The **revenue factor** of 1.65 is (0.21) under the 1.85 plan and is 0.54 more than last year. Based on the planned revenue factor, net revenue should be $114,921 more than actual--calculated by multiplying actual labor times the planned revenue factor or total labor should be $(61,968) less than actual--calculated by dividing actual net revenue by the planned revenue factor.

**Direct labor** of $359,628 is $56,476 over the $303,153 plan and is $(15,288) less than last year. The **average direct labor rate** of $31.69 is $4.82 over the $26.87 plan and is $(4.21) (4.21) less than last year. **Total labor** is 60.74% of net revenue. This is 6.81% over the 53.92% plan and is -29.71% less than last year. The **volume variance** of $1,746 is the result of 65 direct hours over the planned direct labor rate at $26.87 per hour. The **price variance** of $54,729 is the result of 11,349 direct hours at $4.82 over the planned direct labor rate.

**Overhead** of $525,480 is $(141,338) under the $666,818 plan and is $(146,500) less than last year. Indirect labor is $(127,601) under plan compared to $(69,240) less last year. The volume variance of $3,841 is the result of 65 direct hours over plan at $59.09 per hour. The price variance of $(145,179) is the result of 11,349 direct labor hours at $(12.79) under the $59.09 plan. Overhead per direct hour of $46.30 is $(12.79) under the $59.09 plan and is $(18.04) less than last year. The **overhead rate** of 1.46 is (0.74) under the 2.20 plan and is (0.33) less than last year.

The **break-even multiplier** of 2.46 is (0.74) under the 3.20 plan and is (0.33) less than last year. The **break-even rate** of $77.99 per direct hour is $(7.97) under the $85.96 plan and is $(22.25) less than last year. The break-even multiplier and rate is composed of direct labor and overhead.

**Operating profit** of $24,309 is $(161,964) under the $186,273 plan. This is $367,048 more than last year. The **operating profit multiplier** of 0.07 is (0.55) under the 0.61 plan and is 0.98 more than last year. **Operating profit per direct hour** of $2.14 is $(14.37) under the $16.51 plan and is $34.96 more than last year. Operating profit/ (loss) is 2.67% of net revenue compared to -48.67% last year. This is -13.44% under the 16.11% profit plan percentage. The operating profit variance of $(161,964) is composed of a net favorable volume variance of $1,073 and a net unfavorable price variance of $(163,037). **Operating profit per full time equivalent** of $1,263 is $(8,734) under plan of $9,997 and is $19,089 more than last year. **Operating profit per technical full time equivalent** of $1,580 is $(11,277) under the $12,857 plan and is $23,886 more than last year.

The **cash balance** of $(24,207) is $5,906 more than last year. **Accounts receivable** of $176,132 is $(220,871) less than last year. Accounts receivable over 90 days is $11,231 and is 6.38% of the total. Last year's accounts receivable over 90 days was $(11,141) or -2.81% of the total.