

Exercise – Task time allocation (2)

In the previous task we considered what was chargeable to the customer. In the lesson we have discussed that all costs somehow need to be charged, or at least accounted for.

In the exercise below we have assumed the direct task is allocated 1 hour and 5 mins to complete. Consider a task in your organisation that takes a similar time and using your answers from exercise 1 fill in some realistic figures for the charge out time.

Task:	Fixed Provision	Travelling time	Chargeable Labour	Allowance (expected losses)
inspecting and replacing brake pads				
Travelling time to and from job				
Getting parts from the stores				
Getting tools from tool station				
Setting up tools on job				
Calling Engineering to resolve a discrepancy				
Printing off drawings				
Performing the direct task			1:05	
Fatigue break necessary because of difficult or awkward access				
Performance shortfall due to task performed by staff in training				
Oversight/supervision of staff in training performing task				
Inspection of installation				
Function check				
Clean up post job complete (vehicle)				
Clear tools away				
Return tooling to tool station				

1. What figure do you charge out to your customer?
2. What figure do you allow in the load and capacity plan?

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Example answer – figures will be different to yours – principle the same.

Task:	Fixed Provision	Travelling time	Chargeable Labour	Allowance (expected losses)
inspecting and replacing brake pads				
Travelling time to and from job		:10		
Getting parts from the stores				:10
Getting tools from tool station	:02			
Setting up tools on job			:01	
Calling Engineering to resolve a discrepancy				:05
Printing off drawings	:03			
Performing the direct task			1:05	
Fatigue break necessary because of difficult or awkward access	:15			
Performance shortfall due to task performed by staff in training				:12
Oversight/supervision of staff in training performing task	:10			
Inspection of installation			:05	
Function check			:20	
Clean up post job complete (vehicle)			:05	
Clear tools away	:03			
Return tooling to tool station	:02			
	0:35	0:10	1:36	0:27

1. In the above example you can see that there is only 1:36 mins (directly) chargeable to the customer, but the organisation must absorb non-chargeable costs of 1:12 mins. Additionally, the task cannot be completed in the direct chargeable time, so planning for only that time will effectively be planning to fail.
2. The time (at present) that needs to be planned to that task is 2:48 to ensure there is adequate time for quality.

*NOTE: You'll see in the factsheet on Productivity that we advocate collecting productivity at the 'chargeable' data stage. In the above example, this means that the person undertaking the task, even if they complete it on time will only achieve 57% output productivity. $(1:36/2:48)*100\%$. This sounds harsh and many advocate that one should consider the time taken, often collected in a booking to the job. This masks the natural inefficiencies in the task and there is a fact that when people read 100% they seek no further improvement needed..... Whereas there is stacks of improvement to be made.*

57% productivity is a measure of the profit you'll make – get the cost down, this rises! That in a nutshell is why we always advocate productivity measures are taken against the billable element only.