

## ADJUSTING PRICE MODEL

**ABOUT SCHILLING TRUSS INC.** Schilling Truss has over 30 years experience supplying lumber and trusses, pole barns, insulation, windows, doors to homeowners and commercial business. They are located in Beverly, Ohio, and employ 12 people on average. Schilling Truss is family and locally owned and operated.

**THE CHALLENGE.** Schilling Truss Inc. was creating good revenue and doing good work but it seemed as if the profit totals and percentages did not match the potential based on the revenue. It was hard for the client to determine how to price their product and therefore difficult to quote work. This uncertainty led to concerns about profit but also led to unclear goals on time, material, labor, and costs. The decision to reach out for assistance came from the President Jeff Schilling, who contacted OSU South Centers, part of the Ohio MEP and the MEP National Network™.

**MEP CENTER'S ROLE.** A financial analysis was conducted by OSU South Centers through a partnership with Rea & Associates that included a site visit and tour to become familiar with company processes and procedures as it related to the costing and pricing of products. OSU South Towers and Rea also conducted a review of the company financials and assisting with the breakout of costs between company departments/divisions to determine relevant application methodology for both labor and overhead. The team then developed and calculated labor and overhead rates based on the determinations made above. This allowed the client to adjust current pricing model to accurately incorporate labor and overhead into job costs so that an expected margin could be calculated on all quoted jobs and compared back to actuals.

**"The OSU South Centers MEP staff was very knowledgeable and understanding of our situation. The partner, Rea & Associates, they provided was very helpful and knowledgeable. The OSU staff was creative in finding a solution to our problem. I would recommend any manufacturer take the time to work with them and to take advantage of their assistance."**

-Jeff Schilling, President

## RESULTS



\$17,000-34,000 in cost savings estimated



Financial analysis has led to many hours saved in quoting prices to customers

## CONTACT US



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[development.ohio.gov/business/manufacturing/ohio-manufacturing-extension-partnership](https://development.ohio.gov/business/manufacturing/ohio-manufacturing-extension-partnership)



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