

NNEP Real Labor Worksheet

Not machine time. Human time.

How to use this worksheet

Part A — List your wage information once. Work out your Effective Labor Rate by hand: the true hourly cost of running your shop, accounting for every role you and your team perform. Carry that rate into the R section of your PRICE Framework Profit Worksheet or PRICE Quoting Worksheet.

Part B — For any order, write in the minutes for each task. Convert to hours and multiply by your Effective Labor Rate to get your labor cost for that order.

Run Part A once. Update it when wages or hours change. Run Part B on every order type you quote regularly.

NNEP Minimum: \$25.00/hr

If your Effective Labor Rate comes out below \$25.00/hr, your current wages and hours don't cover the NNEP minimum for profitable pricing. Check your inputs first. If they're accurate and the rate is still below \$25.00, your pricing is not covering your real labor cost. That's the gap the PRICE Framework is designed to close.

Part A — Your Shop's Labor Rates (Set Once)

List every person who touches orders or customers in your shop, including yourself at every role you perform.

Role / Person	Hourly Wage (\$)	Hrs/Week	Wks/Year	Annual Cost (\$)
Owner / Operator Roles				
Owner / Operator — Production <i>Your time running the machine, hooping, finishing</i>	\$ _____	_____	_____	\$ _____
Owner / Operator — Customer Comm. / Sales <i>Quotes, emails, calls, approvals, consultations</i>	\$ _____	_____	_____	\$ _____
Owner / Operator — Admin / Non-Production <i>Bookkeeping, ordering, scheduling, invoicing</i>	\$ _____	_____	_____	\$ _____
Employees (leave blank if none)				
Employee — Production 1	\$ _____	_____	_____	\$ _____
Employee — Production 2	\$ _____	_____	_____	\$ _____
Employee — Other	\$ _____	_____	_____	\$ _____
Total Annual Labor Cost (all roles)			\$ _____	
Total Annual Production Hours <i>Sum of all Hrs/Week x Wks/Year across all roles</i>			_____	

YOUR EFFECTIVE LABOR RATE

Total Annual Labor Cost ÷ Total Annual Production Hours

per hour

When You Don't Know Your Exact Numbers

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Hourly wage: think about what you'd have to pay someone else to do what you do. Start at \$25.00/hr and adjust up based on your skill, experience, and market.

Hours per week: use a normal week during a typical production period. If you run embroidery alongside another job, enter only your embroidery hours.

Weeks per year: subtract vacations, holidays, and slow weeks where production stops. 50 weeks is a reasonable starting point.

Part B — Time Audit: Labor Cost Per Order

Pick a real order and write in the actual minutes for each task. Be honest — most shop owners underestimate, especially on setup, customer communication, and quoting.

ORDER REFERENCE (OPTIONAL)

Task	Minutes	Hours	Labor Cost (\$)
Production Tasks			
Machine setup / hoop prep			\$
Thread / bobbin changes			\$
Actual stitching time			\$
Trimming / finishing			\$
Quality check			\$
Rework / fixes			\$
Packing / bagging			\$
Order Handling Tasks			
Reading / understanding the order			\$
Customer communication			\$
Quoting / pricing the job			\$
Art review or file prep			\$
Order entry / admin			\$
Shipping / pickup coordination			\$
Total			\$

LABOR COST FOR THIS ORDER

Total Minutes ÷ 60 x Effective Labor Rate

\$

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This number belongs in the R — Real Labor section of your PRICE Quoting Worksheet. It is one of five inputs — not the whole quote. Production Cost, Intended Profit, Capacity Pressure, and End Customer Value complete the picture.