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## The secret to making money? It's overhead

Web site takes in numbers, tells where profit lies

By **CANDACE GOFORTH**  
Akron Beacon Journal

AKRON, OHIO - Mark Lallemand is selling a product that seems certain to find an audience in the business-to-business market: The secret to making money.

Actually, it isn't a secret so much as a mathematical formula.

Lallemand, 34, has come up with a way to calculate a company's exact overhead costs and then use that information to help the company figure how much it should charge for its products and services.

Knowing overhead costs — intangible expenses ranging from rent and utilities to gasoline and office supplies — may seem fundamental to conducting business. But it's often an elusive detail for managers, particularly in a company's earliest stages.

"A lot of people, especially startups, don't understand the nuances and subtleties of overhead issues," Vic Wlaszyn, president of the Akron Area Better Business Bureau, said. "They fly by the seat of their pants."

### Subscription service

Lallemand's company, My overhead.com, is a subscription service that allows clients to calculate their company's fluctuating expenses and sales requirements online.

The monthly fee — \$39.95 per month for six months or \$49.95 on a month-by-month basis — includes unlimited phone support for clients who need to be talked through their numbers.

Overhead does not include the direct costs of building the product or delivering the service. Often, organizations determine their overhead by multiplying their manufacturing costs by an arbitrary figure, or tacking on a random percentage. These methods are inexact and often result in underestimation.

"It's not rocket science," Lallemand said about his patent-pending system. "Clients give me just a little bit of information, and I tell them exactly how

they're doing, and it blows their minds."

Lallemand said his system works for all types of businesses, from retail to restaurant to manufacturing. The monthly subscription format is necessary because figuring overhead is not a one-time thing. The expenses are constantly changing, he said.

## Fixing profit margins

Mike Jerry, vice president and general manager of Halprin Industries in Bedford Heights, Ohio, has been subscribing to Myoverhead.com since November.

The manufacturing company, which cuts and packages fiberglass to clients' specifications, had seen its profit margin erode over the last few years, and Jerry wanted to know why.

He suspected the answer would be found in Halprin's overhead. An Internet search turned up Lallemand's Myoverhead.com in Tallmadge, Ohio.

As a result of working with the online service, Halprin Industries identified its actual overhead costs. In January, the company changed its pricing structure. By March, profit was up 4 percent from the previous year.

"Numbers don't lie," Lallemand said. "They tell you everything you want to know. No matter what, you give me a situation, and I can tell you what's going on and why, just given the numbers. It all breaks down to a mathematical formula. Once you know the formula, it's a guiding light that will give you everything you want to know."

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