

# Margin

Margin is a term used in both business and finance to refer to the difference between the price of a good or service and the amount of money required to produce it. It is the amount of money that remains in your pocket once you have delivered a service.

Margin is usually expressed in percentage. Ex: if you sell a product or service for \$1,000 with a 40% margin, you earn \$400.

In Conduite, margins apply to many things:

- Labor (though Daily Rates)
- Budgets
- Contracts
- Projects

## Margin Types

Margin Type	Description
Margin at Signature (\$/%)	The margin computed at the time a contract is signed (provided by the associated <u>Budget Builder</u> ). For a project this is a static value.
Margin Objective (\$/%)	The margin objective that is set for a project. At the beginning of a project that value equals the Margin at Signature. But it can evolve overtime (up or down). In Conduite, setting a margin objective is the primary way to steer the performance of a project.
Expected Margin (\$/%)	The margin that we expect to make on a project at any given time based on what was spent and what we think we need to spend to finish the work.

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