

XACTIMATE OR TIME AND MATERIALS?

3 minute read



Commercial restoration invoicing options usually come down to two basic choices: Xactimate or Time and Materials. Either you can use the popular program for your billing or attempt to go the more thorough but lesser known route. That option is yours. However, when making that choice, you should make sure that you are well versed in both methods to guarantee a successful, [profitable outcome](#) for your company.

OPTIONS

Let's look at both invoicing options and analyze the good and bad in both. First, we will look at Xactimate. This program is what is known as a "unit cost" model. This means that the program allocates an amount of money for your company based on their own internal analysis per a given unit of measurement (linear foot, square foot, length of time, etc.). They determine how long they think each task should take and build into their pricing an amount for labor, tools, and consumables. As long as you can guarantee that your teams can work at the rate established by the program (or better), then this method is an effective way of invoicing. It requires little documentation other than photos and some equipment logs and moisture readings.

SECRET

The trick is to make sure your company is performing at the expected rate. There are so many things that can occur on a large loss that can disrupt your rate and making sure that you are aware of them makes the entire difference. That is the "secret sauce" you must be aware of.

CHOICE

When making your choice between Xactimate or [Time and Materials](#) for your invoicing, it is best to make that decision at the very start of the loss. Your walkthrough on the initial visit must take things into account that will slow or delay your activities.

Determine the location of the access and egress for your teams, establish the path for debris removal, and most of all find out if there will be operating businesses or residents/guests staying within the facility during your work. If any of these answers are going to cause issues with your work, then there is only one option: Time and Materials.

DOCUMENTATION

If T&M is the route, then your primary responsibility must start with a road for documentation. Everything you do on this project will have to be proven to get paid, so thorough documentation of every action, hour and piece of equipment is a must. Make sure that someone is assigned to all this work, as your money depends upon their success. They will have to get every worker to fill out a daily sign-in sheet, stating



their arrival and departure times and signing them to prove their work. Every day, this person must walk the project site and document the presence of every piece of equipment for billing purposes. Finally, when the crews use plastic, trash bags, filters, and other consumables they need to document that as well so they can be billed.

SIMPLE

Time and Materials invoicing is a simple collection of this data, with a basic invoice and a ton of proof. On the other hand, because of its methodology, Xactimate requires little documentation other than some agreement on scope and moisture readings.

Whatever road you choose, make sure your decision is based on facts and prudence rather than expediency or a desire to make it easier for you. A lot of companies take the Xactimate path because they are [afraid of the unknown](#). They are comfortable with the program and are willing to accept the number it generates, even when all common sense tells them they are giving up a lot of money. Avoid falling into this trap - get what you deserve.

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