**TARI®**

TARI® (Target Average Rate Index), the concept underlying ‘Good Invoice-Bad Invoice®, was invented and developed by Accounting Professor, Dr Keith Cleland, and his IT partner Trevor Watters.

Of the numerous activities taking place within a business, SEA TARI identifies and tracks the key activity fundamental to bottom-line profitability, measuring input, output and the added value result of the activity, with the ability to handle relevant IoT devices feeding in data at an enormous rate. This would all work automatically with the help of AI systems for front end applications to make it easy, transparent, and automatic.

Despite the successes and the glowing testimonials from people who have actually put TARI to use, TARI has not achieved the scale it deserves, because current accounting systems do not store the activity data that it needs. (TARI has been implemented in software, but not as an integral part of a general accounting package.) SEA++ would fix the missing data problem by building activity data into the core of all relevant accounting records, and thus make TARI available to everyone.

TARI should be in universal use for the betterment of business and people's lives. SEA++ will make that possible.

## Why ‘Good Invoice-Bad Invoice®?

Because at the stroke of a key:

1. the bottom-line impact of any invoice or quote is revealed;
2. there is a real-time ‘fix’ on where the business is ‘at’ compared with target.

## How is this achieved?

Sales, cost of sales, added value/gross profit and the number of units driving output,[[1]](#footnote-1) are extracted, permitting comparison of the bottom line impact of an invoice with target and total invoices with target for period to-date.

## Where could this lead?

Good Invoice-Bad Invoice**™** will provide licensedcommercial softwaredevelopers with a unique opportunity to boost the bottom line of their clients.

## Example: calculating TARI® for business engaged in manufacturing/trade/service

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| A | Targeted expenses for year | = |  | $390,000 |
| B | Targeted profit for year | = |  | $100,000 |
| C = (A + B) | Target added value/gross profit for year | = |  | $490,000 |
| D | Hours paid for year | = | 10,000 |  |
| E | Targeted Productivity % | = | 70 |  |
| F = (D × E) | Target hours billable | = |  | 7,000 |
| G = (C ÷ F) | Target Ave GP per hour (Tari®) | = |  | = $70 |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Invoice No.** | **Sales** | | **Cost of Mat’ls** | | **AV/GP** | **Units (Hrs)** | **Av AV/GP per unit** | | **Tari®** | | **Variance Per Unit** |
|  | **A** | | **B** | | **C = A - B** | **D** | **E = C ÷ D** | | **F** | | **G = E - F** |
| 100097 | 2,475 | | 980 | | 1,495 | 21 | 75 | | 70 | | +5 |
|  | |  | |  |  |  | |  | |
| **Total to date** | | 420,877 | | 168,132 | 252,745 | 4,212 | | 60 | |
| **Target to date** | | 500,000 | | 200,000 | 300,000 | 4,286 | | 70 | |
| **Variance** | | **79,123** | | **31,868** | **47,255** | **74** | | **-10** | |

Good Invoice but total output units (hours) and Av/GP per unit (hour) behind target.

TARI has delivered many successes. Some are described in Keith’s latest book [Improving Profit | Using Contribution Metrics to Boost the Bottom Line](http://www.apress.com/us/book/9781430263074). The [TARI Info Testimonials](http://www.tariinfo.com/about/testimonials.htm) cover more.

Much more about TARI is available through the many books and papers published by Keith, as listed in the Company page of TARI Info.

1. (production hours, number of sales, meals served, tons/km, etc) [↑](#footnote-ref-1)