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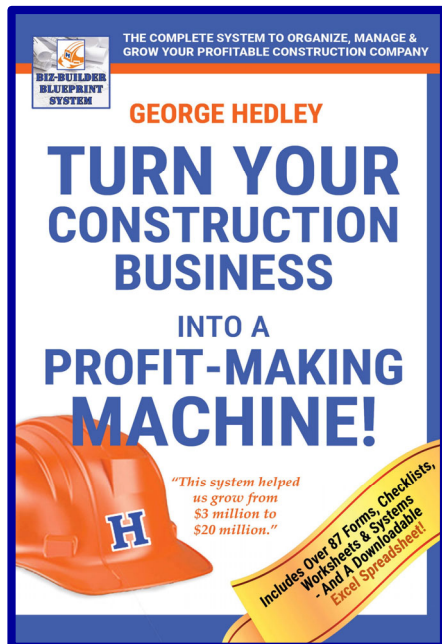
CONTRACTOR PROFIT CALCULATOR WORKBOOK

George Hedley
Hardhat BIZCOACH

Thanks For Watching My YouTube Video!

As a Construction Business Coach, Consultant and Mentor,
My Goal Is To Help Contractors Get Organized, Grow & Always Make A Profit!
I would like to discuss working together to help improve your business.

Please Email Blueprint@HardhatBizcoach.com To
Schedule a Time for an **Introductory Zoom Coaching Session**



Available @ Amazon.com



Email: Blueprint@HardhatBizcoach.com
To Schedule a BIZ-Improvement Coaching Session
To Help Develop Your Profit Plan



ACCURATE
ESTIMATES

NO PROFIT MARGIN FADE

BUILD
CAPACITY

SCALE-UP

IMPLEMENT
BIZ-BUILDER
BLUEPRINT

GET YOUR BIZ TO WORK

GROW
& PROFIT

KNOW YOUR
NUMBERS

BUILD A BEST
IN CLASS BIZ

Complementary Coaching **FREE** & Hands-On Consulting Session



- Identify Issues, Find Solutions & Improve
- Get Organized, Systemized & In-Control
- Steps To Increase Profits & Production
- Draft Your Financial & Mark-Up Plan
- Build A Strong Team & Delegate



With
George Hedley
Hardhat BIZCOACH

Please Email Blueprint@HardhatBizcoach.com To
Schedule a Time for an **Introductory Zoom Coaching Session With George**
COACHING PROGRAMS OFFERED By George Hedley – Hardhat BIZCOACH

BIZCOACH ACCELERATOR

Hands-On Fast-Track Coaching - Retainer Program

- Regular BIZCOACH Zoom Sessions With George
- Pro-Active Coaching For Construction BIZ Owners
- Improve Systems, Strategy, Results & BIZ-PLAN

George Hedley HARDHAT BIZCOACH



PROFIT-MAKING MACHINE Annual Package

BIZ-BUILDER Deep-Dive Total Coach Program

Build An Organized, Self-Managed, Growing & High Profit BIZ

- Zoom Sessions + Onsite Management Team Meeting
- Hands-On Coaching, Advisor & Analyze Operations
- Strategic Planning & Improvement Initiatives
- Targets, Goals, Systems, Strategy & Plans

George Hedley HARDHAT BIZCOACH



PROFIT-BUILDER CIRCLE

Contractor Zoom Mastermind Peer Group

- Monthly Interactive Group Coaching Sessions
- Solutions To Your Issues & Challenges
- Education, Mentoring & Coaching



GEORGE HEDLEY
HARDHAT BIZCOACH



Draft Your Construction Company BIZ-PLAN



Work 1 On 1 With George Hedley As Your Coach & Mentor
Includes 6 Hours of Zoom Sessions + Worksheets & Templates
Transform Your BIZ Into A Profit-Making Machine!
Breakthrough Your Growth & Profit Barriers

Develop, Draft, Determine & Implement Your:

- ✓ 3 To 5 Year BIZ-PLAN, Financial Plan, Vision, Values, Targets & Goals
- ✓ Core FOCUS - High Margin Clients, Projects & Services
- ✓ Action Steps - Profit, Talent & Systems



George Hedley CPBC CSP
HARDHAT BIZCOACH
Construction Executive Business Coach



The BIZ-BUILDER BLUEPRINT SYSTEM

The Complete System To Organize, Manage & Grow A Profitable Construction Company

1. Implement step-by-step Strategies and Systems to Organize, Grow, Manage and Build a Highly Profitable Construction Company that Produces Results.
2. Get Organized and In-Control, Delegate, Let Go and Hold People Accountable.
3. Replace Yourself with Proven Standardized Systems, Processes, Checklists & Templates.
4. Stop the Stress & Chaos, Move Up to a Better Level, Make Money and Get Your Life Back.
5. Draft and Implement your 5-year Business and Financial Plan, Vision, Values & Goals.
6. Install Field and Project Management Systems to Finish Jobs On Time & Under Budget.
7. Improve Field Crew Production with Job Cost Scorecards and Proactive Schedules.
8. Design your Organizational Chart with Job Descriptions and a Talent Development Plan.
9. Know and Manage your Numbers Including Markup, Overhead, Profit, Job Cost and Sales.
10. Design a Marketing and Sales Program to Win More High Margin Customers and Contracts.
11. Stop Selling Low Prices, Develop Accurate Estimates and Present Winning Bids & Proposals.
12. Develop a Plan to Build Wealth, Passive Investment income and Freedom.



George Hedley is available to help you improve and reach your goals.

If you are looking for a **Professional Construction Business Coach** to help you move to the next level and reach your goals, you are at the right place.

As a Construction Business Coach, George helps construction company owners build, grow and improve their company's profit, finances, talent, management, operations, field production, sales, estimating and bottom-line results.

If you are ready to invest in your future, we can hold a no-charge initial Introductory Discovery Zoom Session to discuss how we can work together, and I can help as your coach, mentor, and advisor. We can explore your issues, challenges, and performance, plus your goals for a coaching program.

To Schedule an Introductory BIZCOACH Session with George

- Email Blueprint@HardhatBizcoach.com

With your email, please tell me:

- ✓ Your Name & Email
- ✓ Company, Location & Website
- ✓ Annual Sales Revenue & # Of Employees
- ✓ Type Of Work Performed
- ✓ Areas Needing Improvement



Got Profit? - Know & Track Your Numbers!



PROFIT = Financial Gain Or Return On Investment From Investing Capital / Money

- **REWARD** For Taking BIZ RISK - ROI (Return On Investment)

- Every BIZ Is Entitled To Make A Profit & ROI



Construction Accounting 101

- **SALES** = Total Revenue Collected, Earned (Accrual) Or Due - *Including Retention*
- **JOB COSTS** = Cost Of Sales = **ACTUAL** Direct Field Job Cost To Build Projects
 - Supervision, PM, Field Production, Labor, Burden, Benefits, Fringes, Vacations, Holidays
 - Field Equipment Total Cost To Own, Maintain, Fuel & Operate On Jobs
 - Construction Materials & Products Installed, Subcontracts & Field Services
- **OVERHEAD** = Your "NUT" = Actual Cost Of **DOING** Business = Fixed G & A Indirect Expense
 - Indirect Fixed Cost Of Operating Business - Cost To Keep Open Without Any Work, Office, Shop & Yard
 - General & Administrative Expense - Management - Sales - Mktg. - Accounting - Estimating - Admin - Pres
- **GROSS PROFIT MARGIN** = OVERHEAD + PROFIT As % Of SALES
- **MARK-UP** = OVERHEAD + PROFIT As % Of COSTS
- **NET PROFIT** = Sum Remaining After All Direct & Indirect Costs Are Deducted From Earned Income
- **ACCRUAL VS CASH BASIS ACCOUNTING METHOD** = EARNED VS. PAID

Keep OH Rate As LOW As Possible!



- **ACCRUAL Method Accounting** = Revenue Is Accounted for when It Is Earned (Not Paid).
 - Expenses against Earned Revenue are Recorded & Booked as Due Whether Paid Or Not.
 - Requires WIP Schedule To Calculate Over & Under-Billing To Balance & Adjust Revenue Earned.
- **CASH Basis Accounting** = Revenue Is Reported on Income Statement Only When Money Is Paid / Received.
 - Expenses are only recorded when bills are paid out versus due.

- **ASSETS** = Total BIZ Resources - Cash, Notes, AR, Stock, Inventory, Equipment, Real Estate
- **LIABILITIES** = Total Outstanding Obligations OWED - Debts, Loans, Mortgages & Payables
- **EQUITY** = **RETAINED EARNINGS** = **CAPITAL** Or **NET WORTH** = Total Assets - Total Liabilities
 - = Initial Investment PLUS What You Started Fiscal Year With & Cash Reserves
- **WORKING CAPITAL** = **NET QUICK**



Current Assets - Cash & Assets Plus Everything You Can Collect In 30 days

- **Current Liabilities** - Everything You Owe & Must Pay This Month

= Working Capital

- **RETURN** = **ROI** = **ROE** = $\frac{\text{Annual Net Profit}}{\text{Equity @ Beginning Of Fiscal Year}}$
- **CASH** = \$\$\$ In Your _____ !

- **OWNER'S COMPENSATION** - **SALARY** = Compensation For Owner's Work Performed

- **DISTRIBUTION** = Owner's Return For Taking BIZ Risk = ROI

Working Capital Required To Get Bonded:

NAHB	5% Volume
BONDING CO	10% Backlog
CASHFLOW GC	10% Volume
SUB	20% Volume



ACCURATE
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NO PROFIT MARGIN FADE

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OVERHEAD - G & A - INDIRECT FIXED EXPENSES

Know Your Nut! - Annual Fixed Cost Of Doing BIZ!

Indirect G & A Annual Fixed Expenses General & Administrative OVERHEAD Costs	Mid-Size Company	
	Monthly Budget	Annual Budget
Salaries & Benefits - Overhead G & A - Non-Job Charged		
- President	\$ 10,000	\$ 120,000
- OH Staff - Managers, Estimating, Accounting, HR, Sales, Admin, Project Admin, Marketing, Safety	\$ 35,000	\$ 420,000
- <u>Overhead Only</u> - Burden + Fringes	\$ 12,000	\$ 144,000
- <u>Field Employees</u> - Labor + Burden Net To OH	\$ 0	\$ 0
- Field Labor & Burden Total Costs	\$1,100,000	
- Field Labor & Burden Job-Charged	\$1,100,000	
- Non-Job Charged - PM, Gen Supt, Supts, Fore, Training	\$ 3,000	\$ 36,000
Equipment & Vehicles		
- Overhead Vehicles - Non-Job-Charged	\$ 2,500	\$ 30,000
- Field Equip & Vehicles <u>Net</u> Costs To OH	< \$ 8,000 >	< \$ 96,000 >
- Equip Cost - Mgr, Mech, Shop, Drivers, etc.	\$ 404,000	
- Field Equip - Job-Charged Income	\$ 500,000	
- Depreciation - Included In Equip Rates		
Office & Facility - Rent, Shop, Yard, Maint & Furniture	\$ 5,000	\$ 60,000
- Office & Shop - Supplies, Printing, Ship & Equip	\$ 2,500	\$ 30,000
- Utilities, Phones	\$ 2,000	\$ 24,000
Software, Internet, Website, Computers, Apps & IT	\$ 2,000	\$ 24,000
- Website, SEO, Upgrades & Social Media	\$ 1,500	\$ 18,000
Estimating - Bid Costs, Pre-Const & Proposals	\$ 2,000	\$ 24,000
Sales, B-D, Marketing, Commission, Promo & Entertain	\$ 3,000	\$ 36,000
HR, Training, Talent Develop, Recruit, Software	\$ 2,000	\$ 24,000
Insurance - OH Liability & Property Non-Job Charged	\$ 1,500	\$ 18,000
- Construction General Liability Insurance	\$ 0	\$ 0
Interest, Banking & Line Of Credit	\$ 500	\$ 6,000
Professional, Legal, IT & CPA Accounting	\$ 2,000	\$ 24,000
Service, Closed Job & Warranty Work	\$ 1,500	\$ 18,000
Associations, Membership, Travel & Trainings	\$ 1,500	\$ 18,000
Travel Costs - Non-Job Charged	\$ 500	\$ 6,000
BIZCOACH, BIZGROUP & Strategic Planning	\$ 1,000	\$ 12,000
Contribution & Charity	\$ 333	\$ 3,996
Miscellaneous	\$ 0	\$ 0
Income Taxes - Not Included In Overhead Budget	\$ 0	\$ 0
TOTAL OVERHEAD	\$ 83,333	\$ 1,000,000



Smaller COMPANY Annual Budget	Our COMPANY Annual Budget
\$ 96,000	\$ _____
\$ 200,000	\$ _____
\$ 75,000	\$ _____
\$ 0	\$ _____
\$ 18,000	\$ _____
\$ 3,000	\$ _____
\$ 0	\$ _____
\$ 24,000	\$ _____
\$ 9,000	\$ _____
\$ 3,000	\$ _____
\$ 12,000	\$ _____
\$ 9,000	\$ _____
\$ 6,000	\$ _____
\$ 12,000	\$ _____
\$ 1,000	\$ _____
\$ 4,000	\$ _____
\$ 0	\$ _____
\$ 3,000	\$ _____
\$ 12,000	\$ _____
\$ 4,000	\$ _____
\$ 3,000	\$ _____
\$ 2,000	\$ _____
\$ 2,000	\$ _____
\$ 2,000	\$ _____
\$ 0	\$ _____
\$ 0	\$ _____
\$ 500,000	\$ _____



**Our Annual Fixed Cost of Doing Business
Indirect Expenses, G & A, Overhead Nut Is**

\$ _____

Sales Revenue	\$ 10,000,000
Job Costs	\$ 8,500,000
Gross Profit	\$ 1,500,000
Overhead	\$ 1,000,000
Net Profit	\$ 500,000
(OH + P) MARK-UP	_____ %
Gross Profit MARGIN	_____ %

How Much **PROFIT** Should You Make? ?



The Right **TOTAL** MARK-UP? - What You Can _____

The Right **OH** MARK-UP? - What You _____

The Right **PROFIT** MARK-UP? - What You _____

MARK-UP VS. Gross Profit MARGIN

MARK-UP = OH & P / _____

Gross Profit MARGIN = OH & P / _____

17.64% MARK-UP = ??? % Gross Profit MARGIN

MARK-UP % = ? % Gross Profit MARGIN

1 + MARK-UP

.1764 = 15.00% Gross Profit MARGIN

1.1764

- How Do You Determine Your Overhead & Profit Mark-Up?

MARK-UP Is _____ Than GROSS PROFIT MARGIN

Super Secret Formula
Convert Mark-Up To
Gross Profit Margin %

Bid Calculation %

Job COSTS	\$ 100,000
OH & P MARK-UP	17.64%
Mark-Up OH & P	\$ 17,640
Total BID	\$ 117,640
Gross Profit MARGIN	15.00%

GROSS PROFIT MARGIN % = OH + P / SALES = 15.00 %

MARK-UP = OH + P / COSTS = 17.64 %

BREAK-EVEN = Recover 100% of Annual OVERHEAD = \$ 1,000,000

Annual SALES to Break-Even = $\frac{\text{OH}}{\text{GP MARGIN \%}}$ = $\frac{\$ 1,000,000}{15.0\%}$ = \$ _____

Make A PROFIT = Earn 100% of OVERHEAD & PROFIT = \$ 1,500,000

Annual SALES to Hit OH + P Goal = $\frac{\text{OH + P}}{\text{GP MARGIN \%}}$ = $\frac{\$ 1,500,000}{15.0\%}$ = \$ _____



Our Average OH & P Mark-Up _____ % Our Break-Even Sales \$ _____

Our Ave. Gross Profit Margin _____ % Our Sales Goal: \$ _____

Our Overhead Nut: \$ _____ Our Net Profit Goal: \$ _____

ACCURATE ESTIMATES

NO PROFIT MARGIN FADE

BUILD CAPACITY

SCALE-UP

IMPLEMENT BIZ-BUILDER BLUEPRINT

GET YOUR BIZ TO WORK

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KNOW YOUR NUMBERS

BUILD A BEST IN CLASS BIZ

BIZ-BUILDER BLUEPRINT SYSTEM



OVERHEAD P & L ROOH 12 Step Formula To Always Make A Profit

OVERHEAD - INDIRECT G & A EXPENSES

Know Your Nut! - Fixed Cost Of Doing BIZ!

Indirect Expenses - General & Administrative	Monthly Budget	Annual Budget
Salaries & Benefits - Overhead G & A - Non-Job Charged		
- President / Owner / Officers	\$ 10,000	\$ 120,000
- Mgmt, PM, Est, Acctg, Admin, Mktg, Sales	\$ 35,000	\$ 420,000
- Labor Burden & Fringes For Overhead Only	\$ 6,250	\$ 75,000
- Labor & Burden - Field Employees (Net To OH)	\$ 1,000	\$ 12,000
- Field Labor & Burden Total Costs	\$2,812,000	
- Field Labor Burden Job-Charged	\$2,800,000	
Equipment & Vehicles		
- Overhead Non-Job-Charged	\$ 1,500	\$ 18,000
- Field Equipment & Vehicles Net Costs	\$ 1,000	\$ 12,000
- Field Equipment Costs (G, M, I, etc.)	\$ 412,000	
- Field Equipment Job-Charged Income	\$ 400,000	
Facility, Rent, Utilities, Furniture & Fixtures	\$ 5,000	\$ 60,000
Office & Shop Supplies, Printing & Equipment	\$ 3,000	\$ 36,000
Telephone, Communications, Postage & Ship	\$ 1,500	\$ 18,000
Internet, Website, Computers & IT Service	\$ 2,000	\$ 24,000
Estimating, Bid Costs & Proposal Expenses	\$ 1,000	\$ 12,000
Sales, Marketing, Promotion & Entertainment	\$ 2,500	\$ 30,000
Insurance - OH Liability & Property - Non Job-Charged	\$ 2,000	\$ 24,000
- Construction Liability Insurance - Non-Job Charged	\$ 2,000	\$ 24,000
Interest & Banking	\$ 500	\$ 6,000
Professional, Legal & Accounting	\$ 2,000	\$ 24,000
Service, Closed Job & Warranty Work	\$ 2,500	\$ 30,000
Associations, Personal Development & Training	\$ 500	\$ 6,000
BIZ-COACHING & Strategic Planning Retreat	\$ 1,000	\$ 12,000
Hardhat Executive Mastermind Peer BIZ-GROUP	\$ 500	\$ 6,000
Contribution & Charity	\$ 1,000	\$ 12,000
Miscellaneous, Taxes & Depreciation	\$ 1,583	\$ 19,000
TOTAL OVERHEAD	\$ 83,333	\$1,000,000



Super Secret Formula
Convert Mark-Up To Gross Profit %

Mark-Up VS. Gross Profit Margin

$$\text{Mark-Up} = \text{OH \& P} / \text{C}$$

$$\text{Gross Profit Margin} = \text{OH \& P} / \text{S}$$

$$17.64\% \text{ Mark-Up} = ???\% \text{ Gross Profit}$$

$$\text{Mark-Up \%} = ?\% \text{ Gross Profit}$$

$$1 + \text{Mark-Up}$$

$$\frac{.1764}{1.1764} = \text{Gross Profit}$$

Net Profit Annual Targets & Goals

	Minimum	Excellent
1. Return On OH	_____ %	_____ %
2. Return On EQUITY	_____ %	_____ %
3. Net Profit Margin	_____ %	_____ %

12 Step Formula To Always Make A PROFIT!

Return On OVERHEAD = ROOH

Annual P & L

Income Statement

		Margin	Mark-Up
Income	\$ 10,000,000	100%	
Job Costs	\$ 8,500,000	85%	
Gross Profit	\$ 1,500,000	15%	17.64%
Overhead	\$ 1,000,000	10%	11.76%
Net Profit	\$ 500,000	5%	5.89%
OH + P Mark-Up		15.00%	
Gross Profit Margin			



1. Projected Annual Indirect Fixed OVERHEAD Expenses \$ 1,000,000
2. Return On Overhead Goal (What You Want = 20% to 750%) X 50%
3. Projected Annual NET PROFIT (Before Taxes) (1 x 2) = \$ 500,000
4. Projected GROSS OH + PROFIT Margin (OH + P) (1 + 3) \$ 1,500,000
Average Anticipated OH + P MARK-UP % On Cost 17.64%
5. Average GROSS PROFIT MARGIN % (OH + P / Sales) 15.0%
6. Projected Annual SALES Volume Required (4 / 5) \$ 10,000,000
7. Average Projected JOB SIZE \$ 400,000
8. Projected # JOBS - Annual (6 / 7) 25
9. BID-HIT Win RATIO Projected 5 : 1
10. Annual # Bids Required (9 x 8) 125
11. Annual BID VOLUME Required (10 x 7) \$ 50,000,000
12. # BIDS / MONTH Required 10.5 Bids / Month



Annual Net PROFIT GOAL Worksheet

Minimum

Good

Excellent



ROOH = RETURN On OVERHEAD = *Annual Net Profit / Overhead*

Subcontractor Goals	20% ROOH	40% ROOH	75% - 100% ROOH
General Contractor Goals	25% ROOH	50% ROOH	75% - 100% ROOH



Our Annual OVERHEAD \$ _____ \$ _____ \$ _____

Our Net Profit Goal \$ _____ \$ _____ \$ _____

ROE = RETURN On EQUITY (ROI) = *Annual Net Profit / Equity*

ROI ROE Goals	15% ROI	25% ROI	50% ROOH
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Our Company EQUITY \$ _____ \$ _____ \$ _____

Our Net Profit Goal \$ _____ \$ _____ \$ _____

Same MARK-UP? JOB #1 JOB #2

Labor	\$ 50,000	\$ 10,000
Materials	\$ 50,000	\$ 90,000
Equipment	\$ 10,000	\$ 10,000
Subcontractors	\$ 10,000	\$ 10,000
SUBTOTAL	\$120,000	\$120,000
Overhead Markup @ 17%	\$ 20,400	\$ 20,400
Profit Markup @ 8%	\$ 9,600	\$ 9,600
TOTAL BID	\$150,000	\$ 150,000
Schedule	4 Months	1 Month
OH & P Per Month	\$ 7,500	\$ 30,000

JOB SIZE MARK-UP DISTRIBUTION PLAN

Job Size	# Jobs	GP	MU	Total GP	SALES
\$1,000,000	1	11.1%	12.5%	\$ 111,111	\$ 1,000,000
\$ 750,000	3	13.0%	15.0%	\$ 293,478	\$ 2,250,000
\$ 500,000	6	16.7%	20.0%	\$ 500,000	\$ 3,000,000
\$ 250,000	10	20.0%	25.0%	\$ 500,000	\$ 2,500,000
\$ 100,000	8	23.1%	30.0%	\$ 184,615	\$ 800,000
\$ 50,000	8	25.9%	35.0%	\$ 103,704	\$ 400,000
\$ 25,000	8	28.6%	40.0%	\$ 57,143	\$ 200,000
\$ 10,000	8	33.3%	50.0%	\$ 26,667	\$ 80,000
Total Projected		17.4%	21.1%	\$ 1,776,718	\$10,230,000
GOAL Required		15.0%	17.6%	\$ 1,500,000	\$10,003,401



TRACK YOUR BID-HIT-WIN RATIO



BID-HIT-WIN RATIO

By Customer

Customer	# Bids	# Hits	Bid/Hit
1	12	4	3 : 1
2	15	5	3 : 1
3	8	1	8 : 1
4	21	3	7 : 1
Others	69	12	6 : 1
Total	125	25	5 : 1

BID-HIT-WIN RATIO - *Total # Jobs Bid To # Hit* - *Total \$\$\$ Bid To \$\$\$ Hit*

Bid Date	Job Bidding	Bid \$\$\$\$\$	% Markup	# Competitors	Sub Bid Coverage	Results
4/2	A	50,000	25.0%	6	2.5	5th
4/7	B	60,000	22.0%	3	3.2	3rd
4/12	C	40,000	28.5%	4	2.9	4th
4/22	D	90,000	20.0%	5	4.2	1st
4/27	E	80,000	21.5%	4	3.8	2nd

APRIL \$ 320,000 / 5 = \$64,000 Ave. = **5 : 1 = 20%**

Total \$\$\$ Bid To \$\$\$ Hit = \$90,000 / \$320,000 = **28%**

Track Your
Bid-Hit-Win Ratio
By:

- Total Jobs
- Customer Type
- Project Type
- Contract Type
- Competitors
- Location
- Job Size
- Mark-Up



12 Step Formula To Always Make A PROFIT!
ROOH - RETURN On OVERHEAD



My Company

1. Projected Annual Fixed OVERHEAD Expenses	\$ 1,000,000	\$ _____
2. Return On OVERHEAD Goal (What You Want)	X 50%	X _____%
3. Projected Annual NET PROFIT (Before Taxes) (1 X 2) =	\$ 500,000	\$ _____
4. Projected GROSS PROFIT Margin (OH + P) (1 + 3)	\$ 1,500,000	\$ _____
Average Anticipated MARK-UP On Cost %	17.64%	_____%
5. Average GROSS PROFIT Margin % (OH + P / Sales)	15.00%	_____%
6. Projected Sales VOLUME Required (4 / 5)	\$ 10,000,000	\$ _____

7. Average Projected JOB SIZE	\$ 400,000	\$ _____
8. Projected # JOBS (6 / 7)	25	_____
9. BID - HIT - WIN RATIO Projected	5 : 1	_____
10. # BIDS Required (9 X 8)	125	_____
11. BID VOLUME Required (10 X 7)	\$ 50,000,000	\$ _____
12. # BIDS / MONTH Required	10.5 Bids/Mo.	_____ Bids/Mo.



Bid Volume / Month

\$4,166,666/Mo. \$ _____/Mo.
@ \$400,000/Job @ \$ _____/Job
@ 17.64% Mark-Up @ _____% Mark-Up

BREAK-EVEN SALES VOLUME (OH / GP%)



\$ 1,000,000 / 15% = \$ 6,666,666

My Company Breakeven \$ _____

Growth Multiplier

Annual Growth	2 Years	5 Years
10 + 3%	128%	184%
15 + 3%	139%	229%
20 + 3%	152%	282%
25 + 3%	164%	344%

ACCURATE ESTIMATES

NO PROFIT MARGIN FADE

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INCOME STATEMENT - Profit & Loss

Statement of Income & Retained Earnings For Year Ending _____

ACCRUAL	% GP MARGIN	
Constr. Contract REVENUE / Sales	\$ 10,100,000	100.0%
- Gross Billings Including Retention		
- Adjustment For Over/Under Billing	- \$ 100,000	
Direct JOB COSTS - Costs of Sales	\$ 8,500,000	85.0%
GROSS PROFIT (OH + P)	\$ 1,500,000	15.0%
OVERHEAD - Indirect G & A Expense	- \$ 1,000,000	10.0%
NET PROFIT - Construction Net Profit	\$ 500,000	5.0%
Other Income - Interest, Discount, Misc.	\$ 0	
Net INCOME - Before Taxes	\$ 500,000	5.0%
Income Taxes	- \$ 100,000	1.0%
Net PROFIT / Income Earned	\$ 400,000	4.0%
Retained Earnings - Previous	+ \$ 1,300,000	
Retained Earnings - Ending	\$ 1,700,000	

Return On EQUITY - ROE *Pre Tax*

Net Income	\$500,000	
Retained Earnings	\$1,300,000	
	=	38%

Return On OVERHEAD - ROOH *Pre Tax*

Net Income	\$500,000	
Overhead	\$1,000,000	
	=	50%



Profit Targets & Goals

	Minimum	Excellent
1. Return On OVERHEAD	_____ %	_____ %
2. Return On EQUITY	_____ %	_____ %
3. Return On SALES	_____ %	_____ %



ANNUAL FINANCIAL TARGETS & GOALS

Sales Goal: \$ _____	OH & P Mark-Up % _____ %
Overhead Nut: \$ _____	Ave. G. P. Margin % _____ %
Net Profit Goal: \$ _____	% Break-Even Sales \$ _____

BALANCE SHEET Financial Statement

For Fiscal Year Ending _____



Current Assets

Cash In Bank	\$ 250,000
Accounts Receivable	
• Regular	\$ 1,500,000
• Retention	\$ 500,000
Un-Billed Work In Progress	200,000**
Total Current Assets	\$ 2,200,000

Long Term Assets

Property & Equipment	\$ 400,000
Other Non-Current Assets	\$ 0
Total Long-Term Assets	\$ 400,000
TOTAL ASSETS	\$ 2,600,000

Current Liabilities

Accounts Payable	
• Current	\$ 1,150,000
• Retention	\$ 400,000
Receivables - Billed In Advance	\$ 250,000**
Total Current Liabilities	\$ 1,800,000

Long-Term Liabilities Debt

• Line of Credit Drawn	\$ 100,000
• Equipment	\$ 300,000
Total Long-Term Liabilities	\$ 400,000
TOTAL LIABILITIES	\$ 2,200,000

STOCKHOLDER'S EQUITY / Capital

Initial Capital, Cash, Common Stock	\$ 200,000
Retained Earning From Income Stmt	\$ 1,700,000
Total EQUITY (Net Worth)	\$ 1,900,000

WORKING CAPITAL - Net Quick

Current Assets	\$ 2,200,000
- Current Liabilities	- \$ 1,800,000
= Working Capital	\$ 400,000

ACCURATE ESTIMATES
NO PROFIT MARGIN FADE
BUILD CAPACITY
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BIZ-BUILDER BLUEPRINT SYSTEM

Accurate Job Costs TIMECARD - Labor - Equip - CREW

Weekly Job TIMECARD

RECAP

Job: XYZ Foundation Project Crew Size: 8 Foreman: John

Job Cost Code: M T W Th F

Date: 6/1 6/2 6/3 6/4 6/5 TOTAL

COMPANY EMPLOYEES

General Conditions

0101 Supt / Fore	8	8	8	8	8	40
0102 Proj. Mgmt.	2	2	2	2	2	10

Concrete Foundation - Crew Labor

1001 Layout	16	4				20
1002 Forming	24	24	24			72
1003 Excavation	8	12				20
1005 Set Embeds	8	12	24	8		52
1006 Pour Concrete				40		40
1007 Strip Forms				8	40	48
1008 Clean-up		4	8		16	28

COMPANY EQUIPMENT

9001 Pickup Truck	16	16	16	16	16	80
9002 Flatbed Truck	4	8			8	20
9003 Generator	8	8	8	8	8	32
9004 Storage Bin	8	8	8	8	8	40
9005 Job Trailer	8	8	8	8	8	40

RENTAL EQUIPMENT

- Toilet	8	8	8	8	8	40
- Backhoe	4	8				12

MATERIALS

- Sand Delivery	32cy					
- Concrete			40cy			

SUBCONTRACTORS

- Electrical	8	8	8			
- Plumbing	8	8	8			

Signed: Employee: _____ Foreman: _____

QUANTITY

INSTALLED

LABOR COST

Foreman

BASE PAY Per Hour \$40.00

Taxes - FICA	8.0%	\$ 3.20
- SUTA/FUTA	9.0%	\$ 3.60
Workers Comp Insurance	10.0%	\$ 4.00
Health Insurance - Empl	7.0%	\$ 2.80
Dental Insurance	0.0%	\$ 0.00
Life Insurance	0.0%	\$ 0.00
Liability Insur. - Job Cost	0.0%	\$ 0.00
Vacation/PTO - 1 Weeks	2.0%	\$ 0.80
Holidays - 7 Paid	2.8%	\$ 1.12
Union Dues	0.0%	\$ 0.00
Un-Billable -	0.0%	\$ 0.00
Small Tools	1.0%	\$.40
Overtime - 8 Hrs/Wk	10.00%	\$ 4.00
Training - 20 Hr/Year	1.0%	\$.40
Safety	0.5%	\$.20
P/PS/401K / Bonus	4.0%	\$ 1.60

TOTAL BURDEN 55.8% \$22.32

Total COST \$ 62.32 / Hr.



CREW LABOR COST

Bid Rate = MH / JOB Estimate

Build Crew Rates for Each Estimate

Foreman @ \$40	\$ 62.32
Journeyman @ \$35	\$ 54.25
Journeyman @ \$30	\$ 46.50
Apprentice @ \$25	\$ 38.75
Apprentice @ \$20	\$ 31.00
5 Person Crew / Hour	\$ 232.82 / Hr
SUPT. @ 20% @ \$50 / Hr =	\$ 15.50 / Hr

Subtotal Total Crew Cost \$ 248.32 / Hr

DOWNTIME FACTOR ??? + 10%

Total Crew Cost \$ 273.15 / Hr

Crew Size 5

Average Crew COST Rate = \$54.63 / Hr

EQUIPMENT COST

PICKUP CREW TRUCK - Assume Life = 6 YEARS



Purchase Cost + Racks & Bins	\$ 75,000
Interest ROI, Finance & Depreciation @ 10% /Yr	\$ 45,000
Insurance - 6 Years	\$ 9,000
Maintenance & Tires @ \$2,250 / Year	\$ 13,500
Gas - 40,000 Miles/Yr x 6 Yrs @ 15 MPG @ \$5.00 / Gal	\$ 80,000

TOTAL COST Over 6 Years \$ 222,500

BILLABLE Hours Per Year = 2,000 Hours

Equipment LIFE X = 6 Yrs

Total BILLABLE Hours Over Equip. Life = 12,000 Hours

	COST/Hr	Cost/Day	Cost/Wk	Cost/Mo
@ 2,000 Billable Hrs / Yr	\$ 18.54	\$148.	\$742.	\$3,150.

@ 1,500 Billable Hrs / Yr \$ _____ \$ _____ \$ _____ \$ _____

@ 1,000 Billable Hrs / Yr \$ _____ \$ _____ \$ _____ \$ _____

CREW Total COST Per Day

Field Crew Labor	\$ 248.32 / Hour
Crew Pickup Truck	\$ 18.54 / Hour
Small Job Tools	\$ 5.00 / Hour
Misc. Equipment	\$ 10.00 / Hour
Misc. Supplies Etc.	\$ 10.00 / Hour

TOTAL CREW COST \$ 292. / Hour

Total Crew Cost \$ 2,336. / Day

PLUS OH & P MARK-UP @ 25%

Total COST \$ 365. / Hr

Total COST \$ 2,920. / Day



Profit & Loss - Income Statement **EXAMPLE**

ANNUAL BUDGET

Accrual

ACCRUAL BASIS

% Of Revenue

% Of Job Cost

SALES REVENUE From Construction

TOTAL

MARGIN

MARK-UP

Gross Contract Billings Including Retention	\$9,986,604			
Adjustment For Contracts Over-Billed (From WIP)	(\$46,526)	Over-Billed Reduces Income		
Adjustments For Contracts Under-Billed (From WIP)	\$59,922	Under-Billed Increases Income		
TOTAL REVENUE EARNED From Construction	\$10,000,000	\$10,000,000	100.00%	100.00%

DIRECT CONSTRUCTION CONTRACT JOB COSTS (Cost Of Goods Sold)

Job Charged Labor - Co. Employees & BURDEN Costs	\$1,500,000	(\$400,000 Labor Burden Included)		
Contract & 3rd Party Labor	\$50,000			
Materials	\$1,500,000			
Company Equipment Charged To Jobs	\$500,000	Job Charged From OH Equip Division		
Rental Equipment	\$300,000			
Subcontractors	\$4,300,000			
General Liability Insurance	\$100,000	OH Or Job Charge?		
Contract Bond Premium	\$50,000			
Other Miscellaneous Direct Job Costs	\$200,000			
TOTAL DIRECT JOB COSTS	\$8,500,000	\$8,500,000	85.0%	

GROSS (OH + P) PROFIT FROM CONSTRUCTION

\$1,500,000	15.00%	17.50%
	MARGIN	MARK-UP

General & Administrative OVERHEAD (Expenses) (COGS)

Salaries - Overhead G & A Employees - NON-JOB CHARGED (Without Burden)

- Officers, President, Owner (Non-Job Charged)	\$120,000			
- Management	\$150,000			
- Accounting & Administration	\$80,000			
- Other G & A Employees	\$38,000			
- Estimating & Pre-Construction	\$75,000			
?? - Project Management & PE (Non-Job Charged Portion)	\$25,000	Non-Job Charged Portion		
?? - General Superintendent (Non Job Charged Portion)	\$30,000	Non-Job Charged Portion		
- Safety Manager	\$0			
- Equipment Manager, Mechanic, Truck Driver	\$0	See Equipment Division Below		
- Marketing, Sales, Website, Social Media	\$45,000			
- Sales Commissions	\$25,000			
- Field Employees Charged To OH (Non Job Charged Portion)	\$36,000	Non-Job Charged Portion		
- Training Time For Field (Non Job Charged)	\$12,000	Non-Job Charged Portion		
- Shop Manager, Shop Labor & Delivery Driver	\$0			
- Bonuses	\$36,000			
- Overhead Contract Employees & 3rd Party Labor	\$10,000			
TOTAL SALARIES - G & A Overhead	\$682,000	\$682,000		

Labor Field Employees	\$1,100,000
Labor Field Employees Job Charged	(\$1,100,000)

Labor BURDEN Expenses - Entire Company

- Payroll Taxes - FICA SUTA FUTA	\$210,000			
- Worker's Compensation Insurance	\$170,000			
- Health, Dental & Life Insurance	\$140,000			
- Vacation, PTO & Holidays	\$0	Included In Payroll Rates		
- Employee Liability Insurance	\$45,000			
- Union Dues	\$0			
- Small Tools	\$36,000			
- Training & Safety	\$40,000			
- Uniforms	\$12,000			
- Pension / Profit Sharing / 401k	\$40,000			
TOTAL Labor Burden EXPENSES - Entire Company	\$693,000			
Labor BURDEN REVENUE - Charged To Direct Job Cost Labor	(\$400,000)	Job Charged		
NET Labor Burden Expenses To Co. Overhead	\$293,000	\$293,000		



VEHICLES & EQUIPMENT DIVISION EXPENSES - Entire Company

- Overhead Vehicle Expenses & Car Allowances	\$18,000		
- OH Vehicle & Equipment Maintenance	\$6,000		
- OH Gas & Oil	\$12,000		
- OH Vehicle Payments, Interest & Cost Of Investment	\$12,000		
- OH Vehicle Insurance	\$6,000		
- Field Equipment & Vehicles - Job Charged			
- Field Equipment & Vehicle Maintenance	\$50,000		
- Field Equipment Gas & Oil	\$52,000		
- Field Equipment Insurance	\$16,000		
- Field Equipment Payments, Interest & Investment Return	\$90,000	Partially Balances With Depreciation	
- DEPRECIATION	\$40,000		
- Equipt Div. Manager / Admin / Mechanics	\$60,000		
	\$40,000		
Total Vehicles & EXPENSES - Entire Company	\$402,000		
Vehicles & Equipment REVENUE - Charged To Job Cost	(\$500,000)	Job Charged	
NET VEHICLE G & A EXPENSES To Company Overhead	(\$98,000)	(\$98,000)	

INVENTORY - Net Expenses Vs Charged To Job \$0 \$0

OVERHEAD (G & A) BUSINESS EXPENSES

- Office, Facility, Shop, Yard, Rent, Maintenance & Utilities	\$48,000		
- Telephone, Internet, Cell Fax & Communications	\$12,000		
- Office & Shop Supplies, Stationary, Printing & Forms	\$20,000		
- Office Machines, Equipment, Furniture & Fixtures	\$10,000		
- Postage & Shipping	\$6,000		
- Software, Computers, Apps, Software, Internet, Train & IT	\$12,000		
- Website & SEO, Social Media	\$12,000		
- Furniture & Fixtures	\$12,000		
- Shop Supplies & Equipment	\$6,000		
- Estimating, Pre-Construction, Bid, Plans & Proposal Costs	\$18,000		
- Pre-Construction Expenses	\$10,000		
- Sales, Marketing, Commission, Social Media & Promo	\$24,000		
- Business Development, Networking & Entertainment	\$12,000		
- Associations, Conventions, Membership & Personal Development	\$6,000		
- BIZ-COACH, BIZGROUP & Strategic Planning Retreat	\$16,800		
- Travel Costs	\$6,000		
- Training Expenses, HR, Talent Development & Recruiting	\$10,000		
- Contribution & Charity	\$15,000		
- Interest & Banking	\$6,000		
- Professional, Legal, Accounting & IT	\$18,000		
- Service, Closed Job & Warranty Work	\$24,000		
- Depreciation	\$10,000		
- Income & Property Taxes	\$1,200		
- Miscellaneous	\$12,000		
TOTAL OVERHEAD BUSINESS EXPENSES	\$327,000	\$327,000	

INSURANCE

- Property Insurance Cost - Entire Company	\$12,000		
- Liability Insurance Cost - Entire Company	\$124,000		
- Liability Insurance REVENUE - Job Charged To Projects	(\$100,000)	Job Charged	
NET INSURANCE Expense	\$36,000	\$36,000	

TOTAL INDIRECT Gen & Admin OVERHEAD Expenses \$1,240,000 **MARGIN 12.40%** **MARK-UP 14.59%**

NET INCOME / NET PROFIT FROM OPERATIONS \$260,000 **2.60%** **3.06%**

OTHER INCOME

Interest Income	\$3,000		
Rental Income From Equipment To Outside Customers	\$24,000		
Material Sales To Outside Customers	\$0		
Discounts	\$18,000		
Bad Debt Uncollected Receivables	(\$30,000)		
TOTAL Other Income	\$15,000	\$15,000	0.15% 0.18%

NET INCOME BEFORE TAXES \$275,000 **2.75%** **3.24%**

INCOME TAXES (\$100,000)

NET PROFIT EARNED \$175,000 **1.75% 2.06%**
MARGIN MARK-UP