

# Finance = Price Right



## 6. Job Costing

- a) High profit companies compare actual labor to estimated labor
- b) Manage and motivate the field by sharing allotted labor hours for every job
- c) Job costing improves labor forecasting
- d) Establish your production rates

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## 1. Budget

- a) A skill anyone can learn
- b) Plan your overhead expenses
- c) Forecast labor cost = labor hours x avg wage
- d) Equipment, Materials & Subcontractor cost

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## 2. Overhead Recovery

- a) If you don't budget, you will never understand what your OH costs are
- b) Overhead tends to be underestimated
- c) Overhead must be recovered before any profit is made
- d) Overhead changes from year to year in every company and from month to month in growing companies

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## 5. Sales

- a) High profit sales require a 3 option price system
- b) Forget about being the low bidder – someone will always be cheaper than you
- c) Automate follow up

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## 4. Bidding

- a) Marking up your costs and turning in a number
- b) Winning bids can make you money
- c) Losing bids can prevent you from losing money
- d) Specialize, perfect your process, and repeat

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## 3. Estimating

- a) An exact science
- b) Estimating mistakes kill profit
- c) To predict the future, document every step of the job
- d) Labor and equipment are harder to estimate
- e) Materials and subcontractors are easy to estimate
- f) The most profitable companies use a production rate-based estimating system

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### Double Profits Guidebook

[www.superlawntoolkit.com/double](http://www.superlawntoolkit.com/double)

Job Costing  
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