

ARE YOU PRICING THIS RIGHT? HOW MUCH WORK CAN YOU LOSE

MOST WORK YOU CAN LOSE = RAISE ÷ (PROFIT TODAY + RAISE)

Per unit. Gross profit, not revenue. The raise goes to profit dollar for dollar; the cost doesn't move.

SAME REVENUE IS NOT THE SAME MONEY

THE EXTREME CASE (mowing, not our trade)	100 clients at \$50	50 clients at \$100
Revenue	\$5,000	\$5,000
Cost to serve, \$30 each	\$3,000	\$1,500
Gross profit	\$2,000	\$3,500
Clients you could lose, same money by revenue - by profit	50%	71%

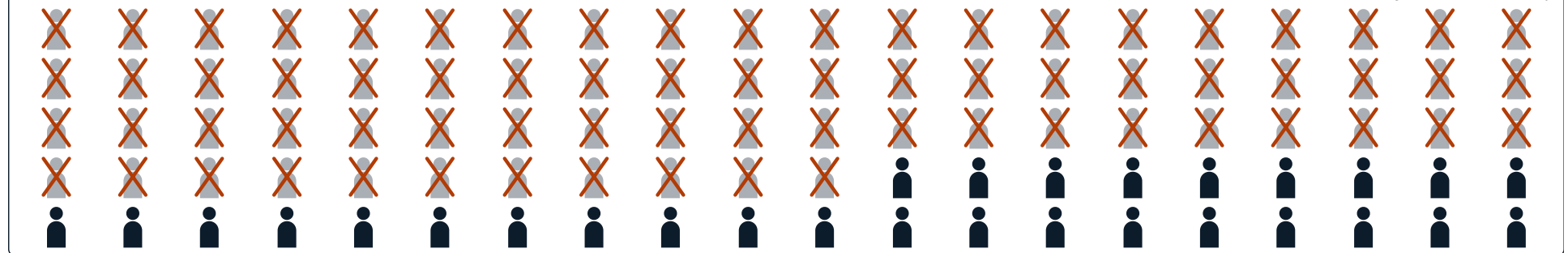
Double the price, lose half: same revenue, 75% more profit, half the work. Profit break-even is 71 lost out of 100, not 50.

RAISE FIRST WHERE THE CEILING WAS LOWEST

YOUR TWO MATERIALS	MULCH \$120 · +8%	MULCH \$120 · +15%	SOD \$450 · +5%	SOD \$450 · +11%
The raise, per unit	\$9.60	\$18.00	\$22.50	\$49.50
Gross profit today	\$42	\$42	\$113	\$113
Gross profit after	\$51.60	\$60.00	\$135.50	\$162.50
Close rate today	40%	40%	40%	40%
Close rate you need	33%	28%	33%	28%
Most work you can lose	19%	30%	17%	31%

Sod gave the least margin (38.9% ceiling) and pays a raise back fastest: 11% more price is 44% more gross profit, because the sod is 61% of the price and the raise never touches it.

100 CLIENTS. CROSS OUT THE ONES THAT WALK.



YOUR NUMBERS

Price / unit \$120 GP / unit today \$42 Raise 8% = per unit \$9.60 ⇒ GP after \$51.60 ⇒ Most you can lose 19% ⇒ Close rate you need 33%

CLOSE RATE YOU NEED = CLOSE RATE TODAY × (PROFIT TODAY ÷ PROFIT AFTER)

40% × 42 ÷ 51.60 = 33% on mulch, 28% on sod. Above it, more money for less work. Ten bids tell you which side you are on.

* Most work you can lose = raise ÷ (gross profit per unit today + raise). Profit, never revenue.

* Gross profit per unit comes from the earlier sheets: mulch \$42 at 1.23 man-hours, sod \$113 at 2 hours.

* The test: new bids only · one service line · same crew, same write-up · only the number moves.

* Wrong move when: overhead is why the price is high · the bids you lose are the good ones · the going rate is real.

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THE NEXT TEN BIDS, AT THE NEW NUMBER

10

#	DATE	THE JOB	OLD PRICE	NEW PRICE	WON / LOST	WHAT THEY SAID
1	9/22	Mulch, 18 yd, Barton Hills	\$120	\$130	won	didn't blink
2	9/23	Mulch, 6 yd, side yard	\$120	\$130	lost	neighbor's guy is \$95
3	9/25	Mulch, 40 yd, new build	\$120	\$130	won	asked about sod too
4						
5						
6						
7						
8						
9						
10						

Bids sent 3 of 10 Won 2 ⇒ Close rate so far 67% Close rate you need (sheet 1) 33%

NEW BIDS ONLY Never a contract mid-season. The next ten quotes, not the book.	ONE SERVICE LINE Mulch or sod. Not everything at once, or you learn nothing.	ONLY THE NUMBER MOVES Same crew, same pitch, same write-up. The price is the experiment.	WRITE WHAT THEY SAID "Too high" and "the other guy was \$400" are different answers. The reasons are the next sheet.
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At 40% today you expect 4 wins in 10. At the break-even (33% on mulch, 28% on sod) you expect 3. Two wins: the market answered, and it cost ten conversations. Four wins: you left the raise on the table all season.

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MULCH \$120 a yard · \$42 gross profit · today = 100

RAISE ↓ BIDS LOST →	0%	10%	20%	30%	40%	50%
+0%	100	90	80	70	60	50
+5%	114	103	91	80	69	57
+8%	123	111	98	86	74	61
+11%	131	118	105	92	79	66
+15%	143	129	114	100	86	71
+20%	157	141	126	110	94	79

SOD \$450 a pallet · \$113 gross profit · today = 100

RAISE ↓ BIDS LOST →	0%	10%	20%	30%	40%	50%
+0%	100	90	80	70	60	50
+5%	120	108	96	84	72	60
+8%	132	119	105	92	79	66
+11%	144	129	115	101	86	72
+15%	160	144	128	112	96	80
+20%	180	162	144	126	108	90

Cell = (1 – bids lost) × (gross profit after ÷ gross profit today) × 100. Red is less money than today. The 100s are the break-even diagonal: circle it, and everything above it is more money for less work.

YOUR GRID

Price / unit

GP / unit today

Raise you are scared of

Bids you think you would lose

⇒ Cell

Cell = (1 – bids lost) × (GP after / GP today) × 100. Over 100 is more money for less work.

RAISE ↓ BIDS LOST →				

WRONG MOVE: OVERHEAD

Your price is high because your overhead is, not your margin. Two shops at 20%: the one carrying 28% overhead loses. Raising makes it worse.

WRONG MOVE: THE WRONG BIDS

The grid assumes every lost bid was average. If the raise runs off the 40-pallet builds and keeps the side yards, look at which, not how many.

WRONG MOVE: A REAL GOING RATE

Five shops quoting the same number. Then the lever is what is in the price (scope, write-up, deposit), not the price.

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