

ARE YOU PRICING THIS RIGHT? SOD – ZOYSIA

SAME FOR ALL THREE

Price / pallet \$450 Sod / pallet \$275 Avg wage / hr \$23 Burden × 1.35

⇒ **Burdened rate / hr** $\text{wage} \times \text{burden}$ \$31 Nothing below this line changes if the price or the crew's pay doesn't.

Sod as a share of the sell price
 $\text{sod} \div \text{price}$

61.1%

Max GP available at zero labor
 $(\text{price} - \text{sod}) \div \text{price}$

38.9%

PICK YOUR MARGIN – THEN LIVE WITH THE CLOCK

	OPTION A	OPTION B	OPTION C
Target GP %	<u>25%</u>	<u>30%</u>	<u>35%</u>
Target GP \$ $\text{price} \times \text{GP}\%$	<u>\$112.50</u>	<u>\$135.00</u>	<u>\$157.50</u>
⇒ Allowable cost $\text{price} - \text{GP \$}$	<u>\$337.50</u>	<u>\$315.00</u>	<u>\$292.50</u>
⇒ Left for labor $\text{allowable} - \text{material}$	<u>\$62.50</u>	<u>\$40.00</u>	<u>\$17.50</u>
MAN-HOURS PER PALLET	<u>2.02</u>	<u>1.29</u>	<u>0.56</u>

* Excludes pickup, travel, hard access and long carry

* Crew output isn't linear as crews grow

* GP is not profit – overhead comes out first

* Check pallet coverage – 450 vs 500 sq ft is 11%

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SHEET 2 OF 3 • REALITY CHECK AND CREW

REALITY CHECK – RUN IT BACKWARDS

Forget what you want to make. Enter what actually happens on the job, then read across.

Actual man-hr / pallet	Labor \$ × rate	Total cost + sod	⇒ Actual GP \$ / %	Price to hit target 35%
2.00	\$62	\$337	\$113 / 25.1%	\$518

CREW SIZE – PALLETS PER 8-HOUR DAY, AT THE REAL PACE

	2 GUYS	3 GUYS	4 GUYS	5 GUYS *
CREW	8.0	12.0	16.0	20.0

Units per day = 8 hours × crew ÷ actual man-hours per pallet. Per worker, not per crew.

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PRICE VS PRODUCTION – WHAT THE GRID ACTUALLY PAYS

Each cell is gross margin at that price and that pace. \$275 sod and a \$31 burdened rate throughout. Write the gross-profit dollars under the cells you circle.

hr / pallet	\$400	\$425	\$450	\$475	\$500
1.60	19%	24%	28%	32%	35%
1.80	17%	22%	26% \$119.20	30%	34%
2.00	16%	21%	25% \$113	29% \$163	33%
2.20	14%	19%	24%	28%	31%
2.40	13%	18%	22%	26%	30%

+\$6.20
7% faster
↑

11% more
+\$50
→

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