

ARE YOU PRICING THIS RIGHT? PRE-FAB STEEL EDGING

SAME FOR ALL THREE

Price / LF \$7.50 Steel / LF \$3.25 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.

Steel as a share of the sell price
 $\text{steel} \div \text{price}$

43.3%

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

56.7%

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>\$1.88</u>	<u>\$2.25</u>	<u>\$2.63</u>
⇒ Allowable cost $\text{price} - \text{GP \$}$	<u>\$5.63</u>	<u>\$5.25</u>	<u>\$4.88</u>
⇒ Left for labor $\text{allowable} - \text{material}$	<u>\$2.38</u>	<u>\$2.00</u>	<u>\$1.63</u>
Man-hours / LF $\text{useless} - \text{flip it}$	<u>0.077</u>	<u>0.065</u>	<u>0.052</u>
FEET PER MAN-HOUR	<u>13.1</u>	<u>15.5</u>	<u>19.1</u>

* Excludes pickup, travel and hard access – the \$93 setup hour is per job, not per foot

* Soil moves this more than the crew – rock, roots, clay

* GP is not profit – overhead comes out first

* Curves, corners and stake count aren't in this number

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REALITY CHECK – RUN IT BACKWARDS

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

Actual LF / man-hr	Labor \$ / LF $\text{rate} \div \text{LF}$	Total cost + steel	⇒ Actual GP \$ / %	Price to hit target 35%
25	\$1.24	\$4.49	\$3.01 / 40.1%	\$6.91

THE HOUR THAT DOESN'T SHRINK – TWO JOBS, SAME PRICE, SAME CREW

Unload, stage, mark the line, tools out, clean up, load out: one hour of a three-man crew, forty feet or four hundred.

Same \$7.50 a foot, same 25 ft per man-hour	40 FT JOB	400 FT JOB
Feet × \$7.50 revenue	\$300	\$3,000
Gross at the pace \$3.01 a foot – what the per-foot math says you made	\$120.40	\$1,204
The setup hour 3 men × 1 hr × \$93	- \$93	- \$93
⇒ Gross after the hour	\$27.40	\$1,111
⇒ Margin on the job $\text{gross} \div \text{revenue}$	9.1%	37.0%
⇒ Price per foot to make 35%, hour in $(\text{steel} + \text{labor} + \text{the hour}) \div 0.65 \div \text{feet}$	\$10.48	\$7.27

Same per-foot margin on both. The hour is \$2.33 a foot on forty feet and \$0.23 on four hundred – it changes by ten times. Under about sixty feet, quote the hour, not the foot.

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

	2 GUYS	3 GUYS	4 GUYS	5 GUYS *
CREW	400	600	800	1000

Units per day = 8 hours × crew ÷ actual man-hours per linear foot. 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. \$3.25 steel and a \$31 burdened rate throughout. Write the gross-profit dollars under the cells you circle.

LF / man-hr	\$6.50	\$7.00	\$7.50	\$8.00	\$8.50
30	34%	39%	43%	46%	50%
27.5	33%	37%	42% \$3.12	45%	49%
25	31%	36%	40% \$3.01	44% \$3.51	47%
22.5	29%	34%	38%	42%	46%
20	26%	31%	36%	40%	44%

+\$0.11
7% faster
↑

7% more
+\$0.50
→

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