

Job Costing & Profitability Diagnostic

Residential Landscaping · Northern New Jersey · ~\$700K Annual Revenue

The Situation in One Number

The owner was drawing **\$80,000** and calling it profit. The business was actually generating **-\$30,391** in true owner return.

*Three pricing changes. No new hires. No lost customers. **+\$141,036** improvement.*

THE SITUATION

A five-employee residential landscaping business in northern New Jersey, ~\$700K revenue, 60/40 split between recurring maintenance (mowing, cleanups) and project work (hardscape, planting, drainage). Three years in, stable crew, repeat customers — everything looked fine. The problem was in the job-level economics, which had never been measured.

WHAT I FOUND	WHAT I RECOMMENDED
<p>Maintenance pricing loses money on every visit</p> <p>The maintenance book — mowing, cleanups, mulch — ran at -12.3% gross margin. Applied to \$420,000 in annual maintenance revenue, that's \$51,660 in gross losses every year. Prices hadn't moved in 2–3 years; costs had.</p>	<p>Raise maintenance prices 35–50% at next renewal</p> <p>Target \$105/visit for a standard mow (up from \$70–\$75). Phase increases over one or two renewal cycles. Even with 20% customer attrition, maintenance swings from -\$52K to +\$89K in gross profit.</p>
<p>One HOA contract was destroying value</p> <p>Each visit was priced at \$150 for a job costing \$244.64 to deliver — a loss of \$94.64 per visit. At 3 visits/month year-round, that's \$3,407 in guaranteed annual gross losses from a single account.</p>	<p>Reprice or exit the HOA contract</p> <p>Breakeven is \$245/visit; the target is \$310. If the HOA accepts repricing, the account becomes profitable. If not, walk away at renewal — the current contract is costing \$3,407/year for the privilege of showing up.</p>
<p>The owner's true return was deeply negative</p> <p>The owner drew \$80,000 and assumed that was his profit. After accounting for 624 hours of field work he never charged to any job (\$21,840 at market rate), the true owner return was -\$30,391. The gap between perceived and actual: \$110,391.</p>	<p>Track owner field hours and fix lighting pricing</p> <p>Owner hours should be charged to jobs at the market foreman rate (\$35/hr). Lighting fixture markup should increase from 17.5% to 28–30%, moving lighting GM from 26.5% to approximately 35%. Together these eliminate the two largest sources of unrecovered cost.</p>

THE BOTTOM LINE

True owner return: **-\$30,391** → **+\$110,645**

A **\$141,036 improvement** with the same five-person crew, mostly the same customers, and zero operational restructuring.

WHAT THIS KIND OF ENGAGEMENT LOOKS LIKE

A custom job-costing model built to the business's specific cost structure (wages, burden rates, equipment, overhead), an analysis memo translating every finding into a specific recommendation with a projected dollar impact, and a one-page owner summary written for a non-financial reader. From data collection to final deliverables: approximately two weeks. **If your trades business has never had this kind of analysis done, I'd be glad to talk.**