

B.018 – Basic Training: Startup Profitability

What amount of profitability can be expected in the first year?

Obviously this amount can vary tremendously depending on several factors. It is not our intention to inflate or create false numbers that would be attractive to potential installers, so the following charts represent a one-year average of several first year installers/contractors. Most second year installers/contractors achieve sales much higher than the figures stated below.

Note: This is not meant as an enticement or for marketing purposes, this is for example purposes only.

| Small Splatter Texture or Trowel Down Slate Job | Per Week |
|--|---------------------|
| Average of two 350 sq. ft. jobs per week at an average sales price of \$4.00 per sq. ft. | Sales: \$2,800.00 |
| Average material cost of \$0.75 x 700 sq. ft. | Material: -\$525.00 |
| | Profit: \$2,275.00 |

| Larger Splatter Texture or Trowel Down Slate Job | Per Week |
|--|---------------------------|
| Average of two 800 sq. ft. jobs per week at an average sales price of \$3.70 per sq. ft. | Sales: \$5,920.00 |
| Average material cost of \$0.75 x 1,600 sq. ft. | Material: - \$1,200.00 |
| | Profit: \$4,720.00 |

| Small Thin Stamped Overlay Job | Per Week |
|--|---------------------------|
| Average of two 350 sq. ft. jobs per week at an average sales price of \$6.00 per sq. ft. | Sales: \$4,200.00 |
| Average material cost of \$1.50 x 700 sq. ft. | Material: - \$1,050.00 |
| | Profit: \$3,150.00 |

| Larger Thin Stamped Overlay Job | Per Week |
|--|---------------------------|
| Average of two 800 sq. ft. jobs per week at an average sales price of \$5.70 per sq. ft. | Sales: \$9,120.00 |
| Average material cost of \$1.50 x 1,600 sq. ft. | Material: - \$2,400.00 |
| | Profit: \$6,720.00 |

Of course those prices can vary. It is not uncommon for splatter textures and trowel down slates to be selling for \$7.00 per sq. ft. or thin stamped overlays to be selling for \$10.00 per sq. ft. We recommend that you call us before bidding any job because the sq. ft. price is simply a tool used to explain pricing to your customer. Never bid a job purely based on square footage. Instead, calculate how much you need to profit per day, add what extra you want to make per day, subtract material cost and divide by the square footage of the job. It is not uncommon to expect to make \$1,000 per day for yourself and \$150 per day per employee when calculating a bid and sq. ft. price.

What other expenses should I be aware of?

Obviously, material cost wont be your only expense. The key of course is to keep your expenses to a minimum and remain lean. Here are a few misc. expenses that you might have.

| Expenses |
|---|
| Health Insurance |
| Business Insurance (liability, workers comp., auto & replacement) |
| Misc. Equipment & Supplies |
| Truck, Van and/or Trailer Payment |
| Marketing & Advertising |
| Telecommunications (mobile phone and internet) |
| Fuel |

Keep in mind, this is just a guide.