

CONTRACTOR SCALER HUB · TOOLKIT

Grow Profit, Not Just Revenue

The course's checklists, worksheets and templates in one file: 3 to print or fill in on your phone, and 2 spreadsheets sent with it.

MotionOps

How to use this toolkit

One file per lesson of **Grow Profit, Not Just Revenue**, in the order of the course. Each starts with the lesson it belongs to and what to do with it. The tinted rows are the lessons' examples; your numbers go in the blank ones.

Use it lesson by lesson, or go straight to the one you need this week. Nothing here needs an account, and every file says when to check a number with an accountant, an attorney, your licensing board or an insurance agent.

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LESSON 1 · PROFIT MARGINS 101: IS YOUR GROWTH ACTUALLY MAKING MONEY?

Job Profit Review Worksheet

For lesson 1, Profit Margins 101. Work out the gross margin your business needs once a year, check every closed job against it, and compare two periods to see whether your growth paid. Take the numbers from your accounting software. The examples are made up to show the method.

1. The gross margin your business needs

Required gross margin = (overhead + target net profit) ÷ expected revenue. Put your own salary in overhead at what you'd pay someone to do your job. If you leave it out, the margin looks healthy while you work for less than an employee would.

Line	Example (made up)	Your numbers, next year
Expected revenue	$2,400,000	
Overhead: owner's salary, office staff, trucks, insurance, rent	$480,000	
Target net profit	8% = $192,000	
Gross profit needed (overhead + target net profit)	$672,000	
Required gross margin (gross profit needed ÷ expected revenue)	**28%**	

Your floor: every job priced below it pulls the company below its goal, unless another job makes up for it. It's your floor for estimating and the number you compare every closed job against. A job taken below it needs a reason, written down.

2. Review one closed job

JOB _____ JOB TYPE _____ CREW _____

CUSTOMER _____ CLOSED ON _____ REVIEWED BY _____

First, check that the costs are complete. If your books put some job costs in overhead, or the other way round, fix the categories before you act on the margin.

- [ ] All labor for this job is on the job, not in overhead

- [ ] Every material receipt and supplier invoice for this job is on it
- [ ] Every subcontractor invoice for this job is on it
- [ ] Equipment, rentals and other costs for this job are on it
- [ ] No overhead (office staff, rent, insurance, vehicles, software, owner salary) is booked as a job cost
- [ ] Revenue is everything invoiced for this job

Line	Example: a $10,000 job (made up)	This job
Revenue: invoiced for this job	$10,000	
Labor		
Materials		
Subcontractors		
Equipment, rentals and other direct costs		
Direct job costs (the four lines above)	$6,800 in labor, materials and subs	
Gross profit (revenue − direct job costs)	$3,200	
Gross margin (gross profit ÷ revenue)	32%	
Your required gross margin (part 1)		
Above or below it, in points		
If you allocate overhead: overhead as a share of revenue	24%	
Net result (gross margin − overhead share)	About 8%	

BELOW YOUR FLOOR? WHERE IT LOST MARGIN: A NEW CREW OR NEW PEOPLE, A NEW KIND OF WORK, A DISCOUNT OR A TIGHT BID, MORE SUBCONTRACTED WORK

TAKEN BELOW THE FLOOR ON PURPOSE? THE REASON, WRITTEN DOWN

WHAT CHANGES ON THE NEXT ESTIMATE FOR THIS JOB TYPE

3. Is your growth making money?

Pull your last two years, or your last two six-month periods, from your accounting software and fill in the two right-hand columns.

	Example: last year	Example: this year	Your earlier period	Your recent period
Revenue	$1,600,000	$2,200,000		
Direct job costs	$1,088,000	$1,606,000		
Gross profit and gross margin	$512,000 (32%)	$594,000 (27%)		
Overhead	$380,000	$520,000		
Net profit and net margin	$132,000 (8.3%)	$74,000 (3.4%)		
Monthly break-even revenue (monthly overhead ÷ gross margin)	About $99,000	About $160,500		

1. DID GROSS MARGIN HOLD? IF IT FELL, WHICH JOB TYPES, CREWS OR CUSTOMERS PULLED IT DOWN?

2. DID OVERHEAD GROW FASTER THAN GROSS PROFIT? WAS IT PLANNED INVESTMENT, OR DID IT CREEP IN?

3. DID YOUR BREAK-EVEN POINT MOVE? DID IT RISE FASTER THAN REVENUE?

4. Where growth can eat margin

Where	What to check	What you found
New crews and new people	Actual vs. estimated labor hours, by crew	
New kinds of work	Gross margin by job type	
Filling the schedule	Margin on jobs won at a discount vs. at full price	
Bigger jobs	Gross margin and cash timing on your largest jobs	
Overhead added ahead of revenue	Monthly overhead ÷ monthly gross profit	

5. The gap, and what you'll change

REQUIRED GROSS MARGIN, NEXT YEAR

ACTUAL GROSS MARGIN, RECENT PERIOD

THE GAP, IN POINTS

- [ ] **Price from actual hours:** compare estimated and actual costs on every job (lesson 2) and feed the results into your estimates
- [ ] **Gross margin floor** set at your required margin; a job below it needs a written reason
- [ ] **No discounts to fill the schedule** unless the job still covers its direct costs and a share of overhead
- [ ] **Prices raised** first for new customers and the job types where your margin is weakest
- [ ] **Overhead watched monthly:** every new salary or vehicle comes with the revenue and gross margin it needs to pay for itself

THE FIRST CHANGE, WHO OWNS IT, AND BY WHEN

What to review every month

- Gross margin by month and by job type
- Overhead as a share of revenue
- The gap between your required and your actual gross margin

LESSON 2 · SPREADSHEET · BUDGET-VS-ACTUAL-JOB-COST-WORKSHEET.XLSX

Budget vs. Actual Job Cost Worksheet

Spreadsheet budget-vs-actual-job-cost-worksheet.xlsx came with this toolkit. Open it in Excel, Numbers or Google Sheets (File > Import). Yellow cells are yours to type; gray cells calculate. This page says what is in it.

Budget vs. actual, line by line

Example: a bathroom remodel. All numbers are made up to show the method: replace them with your job. Use the same cost lines you estimated with. Labor goes in hours by phase, and the sheet prices it at your burdened hourly cost. Lines without hours (subs, materials, rentals) go in dollars. Approved changes come from signed change orders. Without that column, every change order looks like an overrun.

- The job
- Cost lines
- The job's result
- Variance by cause

Check while the job is running

For jobs longer than a week, check each labor phase at fixed points: the end of each phase, or every Friday. If a phase is half done and 70% of its hours are gone, there's still time to act. Ask the crew lead, not just the numbers.

Closed jobs: planned vs. actual gross margin

Once a month, list the month's closed jobs. It shows patterns no single job can: one job type that always runs long, one crew that's always on budget. Share it with the estimator and the crew leads. Planned cost is the revised budget from the first tab.

- Overruns by cause this month

Margin Leakage Checklist

For lesson 3, Margin Erosion. Run part 1 on every job before the final invoice goes out. Do parts 2 to 6 once, on your last 10 closed jobs, with the crew leads and whoever invoiced them: find your two biggest leaks and fix those first.

1. Before the final invoice

- [ ] Every hour of time is recorded on the job
- [ ] Every receipt and supplier invoice is on the job
- [ ] Every extra done on site has a change order
- [ ] Every approved change is on the final invoice
- [ ] Rework is coded on timesheets and receipts, with a reason
- [ ] Walkthrough done with the customer before the crew left

2. Where margin leaks, stage by stage

Each leak sits at a stage of the job, and so does its fix. Use it on any job that came in under its bid margin.

Stage	Common leaks	Question to ask	Found here?
Estimate	Labor hours guessed rather than taken from past jobs; missing items; no waste factor; old material prices	Did similar jobs run over on the same line?	
Sale	Discounts to win the job; vague scope that turns into "I thought that was included"	Was the scope written clearly enough to say no to an extra?	
Readiness	Wrong or late materials; permits or inspections not lined up; schedule gaps	Did the crew lose time on day one?	
Work	Rework; extras done without a change order; waiting on other trades, deliveries or decisions; supply-house runs	How many hours on this job didn't move it forward?	
Closeout	Receipts not on the job; time not recorded; approved changes not on the invoice; return trips for the punch list	Is every approved change and every cost on the final invoice?	

Stage	Common leaks	Question to ask	Found here?
Payment	Late payment; disputes over undocumented extras; write-offs	Did we collect the full invoice, on time?	

3. Your last 10 closed jobs

The actual margins come from the Budget vs. Actual Job Cost Worksheet (lesson 2). Mark the three with the biggest gap.

Job	Bid gross margin	Actual gross margin	Gap (points)	One of the 3 biggest?
Example Kitchen remodel, $48,000	35%	29.1%	5.9	

4. Where did the money go?

Go through each of the three jobs with the crew lead and whoever invoiced it, using part 2 as the list of places to look. Put a dollar amount on each leak, even a rough one. Labor in the example is at an assumed burdened cost of $45 an hour.

Job	Leak	What happened	Profit lost
Example Kitchen	Unbilled extras	Customer asked for an extra outlet and under-cabinet lights; the crew did it, nobody wrote a change order	$260, never invoiced
Example	Rework	A cabinet door measured wrong, reordered and reinstalled	$410 materials + 6 h = $680
Example	Waiting	The countertop template was two days late; the crew left and came back, losing set-up and drive time	10 h = $450
Example	Extra supply runs	Missing fittings and trim, three separate trips	8 h = $360
Example	Price increase	Cabinet hardware and two appliances went up between the quote and the order	$540
Example	Punch list return visits	Two extra visits for small items that could have been caught at the walkthrough	8 h = $360
Example	Small purchases not estimated	Caulk, blades, fasteners, shims	$190
Example	**Total**	Gross profit $13,960: a 29.1% margin instead of the 35% bid	**$2,840**

5. Tally the leaks by type

Add up the three jobs by leak type. Often two or three types account for most of the money.

Leak type	Job 1	Job 2	Job 3	Total
Unbilled extras				
Rework				
Waiting and supply runs				
Price increases				
Missed costs at closeout				
Punch list return visits				
Estimating gaps, including small purchases not estimated				
Other:				
Total				

6. Fix the top two, not all of them

Tick the two leak types that cost the most in part 5. Give each fix an owner and a start date.

Leak	The fix	Top two	Owner	Start by
Unbilled extras	No work outside the scope without a change order, with a limit the crew lead can approve on site			
Rework	A rework code, a reason, and a fix for the most common reason			
Waiting and supply runs	A readiness check before the crew is scheduled: materials confirmed, decisions made, other trades booked			
Price increases	Quotes valid for a set period; prices on long-lead items confirmed before the order			
Missed costs at closeout	A closeout check before the invoice: time, receipts and every approved change on the job			
Punch list return visits	A walkthrough with the customer before the crew leaves			
Estimating gaps	Estimates built from your own past jobs, not memory			

7. Make rework visible

- [ ] A rework code on timesheets and receipts: "rework" or "callback", on the job it belongs to
- [ ] A one-line reason on every rework entry: measured wrong, wrong material ordered, failed inspection, damage, unclear instructions
- [ ] Rework totaled every month: hours as a share of all labor hours, and cost in dollars

Month	Rework hours	All labor hours	Rework share	Rework cost	Most common reason

When the same reason keeps repeating	Fix this first
Measuring errors	A measuring and checking step
Wrong materials	The handoff between the estimate and the order
Unclear instructions	What the crew gets before the job

What to review every month

- The gap between bid and actual gross margin, job by job and as a monthly average
- Rework hours as a share of labor hours
- Approved changes not yet invoiced at closeout

LESSON 4 · SPREADSHEET · 13-WEEK-CASH-FLOW-TEMPLATE.XLSX

13-Week Cash Flow Template

Spreadsheet 13-week-cash-flow-template.xlsx came with this toolkit. Open it in Excel, Numbers or Google Sheets (File > Import). Yellow cells are yours to type; gray cells calculate. This page says what is in it.

Example: adding a third crew

All numbers are made up to show the method. A contractor with two crews adds a third: the new crew starts in week 3, with a truck down payment and tools in week 2, and its first job pays a progress payment in week 7. The question before any growth decision: what does it do to the lowest balance in the next 13 weeks?

- Change the plan before the crew starts

Your cash flow forecast, 13 weeks ahead

One row per week. Start with today's real bank balance. Cash in comes from signed work only, in the week you expect the money, not the week you'll invoice. Unsigned proposals go in the Likely column, which isn't added to the balance. Payroll on your pay dates, materials before the job starts, subs on their terms. Ask your accountant which estimated tax payments you owe and when. Every Friday: copy last week's numbers to the Forecast vs actual tab, type today's real balance, copy weeks 2 to 13 one row up (copy and paste, not cut), and fill in the new week 13.

- The low point
- Look hardest before any decision that spends cash before it earns it

Last week's forecast vs. what actually happened

Every Friday, copy last week's forecast here and type what actually happened. After a few weeks, the misses tell you which customers pay late, which jobs start later than planned and which costs you keep forgetting.

When the money will really arrive

Take each signed job's payment schedule and put each payment in the week you expect the money. If a customer usually pays ten days after the invoice, put it ten days later. When the money arrives, type the date: Days late shows who pays later than forecast.

LESSON 5 · ESSENTIAL KPIS EVERY CONTRACTOR NEEDS TO ASSESS MONTHLY: A ONE-PAGE SCORECARD

Monthly KPI Scorecard

For lesson 5, the monthly KPI scorecard. Set it up once: cut the KPIs that don't fit your business, and give each one a target from your own numbers and an owner. Then the owners fill it in before the same 45-minute review every month.

1. Set up your KPIs

#	KPI	How to calculate it	Suggested owner	Your target	Your owner
1	**Revenue: booked and collected**	Signed work this month; cash received this month	Owner		
2	**Gross margin**	(Revenue – direct job costs) ÷ revenue, on jobs closed this month	Owner or operations manager		
3	**Margin variance**	Actual gross margin – estimated gross margin, on jobs closed this month	Estimator		
4	**Gross profit per crew hour**	Gross profit ÷ crew hours, by job type	Owner		
5	**Backlog**	Signed work not yet done, in crew-weeks	Sales or owner		
6	**Close rate**	Proposals signed ÷ proposals sent, by count and by value	Sales or estimator		
7	**Days to invoice**	Days from work finished to invoice sent, averaged	Office		
8	**Receivables over 30 days**	Total unpaid invoices more than 30 days past their date	Office		
9	**Cash low point**	The lowest balance in your 13-week cash flow forecast	Owner		
10	**Rework hours**	Rework and callback hours ÷ all labor hours	Operations or crew leads		

Targets are yours. Set them from your own numbers: your required gross margin (lesson 1), your minimum cash balance (lesson 4), your own past close rate. Service-heavy businesses (HVAC, plumbing, electrical service) can swap one or two KPIs for **first-time fix rate** (jobs finished on the first visit ÷ all jobs) and **repeat customer rate**.

2. Example scorecard

A three-crew remodeling company; all numbers are made up. **Green**: on target. **Amber**: slightly off, watch it. **Red**: clearly off, needs an action this month.

KPI	Target	Last month	This month	Status	Note
Example Revenue booked / collected	$190k / $180k	$205k / $172k	$176k / $194k	Amber	Booking dipped; collections caught up
Example Gross margin	30%	29.4%	27.8%	**Red**	Two deck jobs well under
Example Margin variance	−1 pt or better	−2.1 pts	−4.0 pts	**Red**	Same two decks: labor over estimate
Example Gross profit per crew hour	$40	$41	$37	Amber	Pulled down by the decks
Example Backlog	8 to 12 crew-weeks	11	9	Green	
Example Close rate (by value)	35%	38%	31%	Amber	Lost two large kitchens on price
Example Days to invoice	2	3	5	**Red**	Timesheets late on three jobs
Example Receivables over 30 days	under $15k	$21k	$12k	Green	
Example Cash low point (13 weeks)	over $40k	$52k	$38k	Amber	Dip in week 7: insurance renewal
Example Rework hours	under 3%	2.6%	3.4%	Amber	Cabinet install errors on one job

3. This month's scorecard

MONTH

NUMBERS IN BY (BEFORE THE MEETING)

REVIEW DATE

WHO ATTENDS

KPI	Target	Last month	This month	Status	Note
Revenue: booked and collected					
Gross margin					
Margin variance					
Gross profit per crew hour					
Backlog					
Close rate					
Days to invoice					
Receivables over 30 days					
Cash low point					
Rework hours					

Status: **Green**, **Amber** or **Red**. A number with no target can't be red or green, so it never triggers a decision.

4. The monthly review: 45 minutes

1. **Before the meeting (owners of each KPI):** fill in this month's number and a one-line note. Nobody fills in numbers in the meeting.
2. **10 minutes: the scorecard.** Read it top to bottom. Skip the greens.
3. **20 minutes: the reds.** For each one: what caused it, one action, one owner, a date.
4. **10 minutes: last month's actions.** Done, not done, did it work?
5. **5 minutes: one decision about the work you take on.** Chase, reprice, stop or refer out one type of job.

In the example, the reds are the two deck jobs behind both margin rows (estimate or field?) and the late timesheets behind days to invoice.

Red KPI	What caused it	One action	Owner	Date

Last month's action	Owner	Done?	Did it work?

One decision about the work you take on

- ☐ Chase
- ☐ Reprice
- ☐ Stop
- ☐ Refer out

JOB TYPE _____ OWNER _____ BY WHEN _____

5. Once a quarter: by job type

Break gross margin, gross profit per crew hour and close rate down by job type, and make one decision about your work mix.

Job type	Jobs	Gross margin	Gross profit per crew hour	Close rate	Decision
Example Bathrooms	14	34%	$52	41%	Market more; raise prices slightly
Example Kitchens	6	29%	$44	22%	Review why the large bids are being lost
Example Decks	9	22%	$31	48%	Reprice: winning half of all bids at this margin suggests the price is too low
Example Small repairs	31	38%	$18	70%	Set a minimum charge, or refer them out

- [ ] The best margin percentage with the worst use of crew time? (Small repairs in the example: travel and set-up eat the hours.)
- [ ] Work won too often at too low a margin? (Decks in the example: a pricing problem, not a sales success.)

What to review

- **Every month:** the reds, and whether last month's actions moved them
- **Every quarter:** the job type breakdown, and one decision about your work mix

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Back to the course

Every file in this toolkit follows a lesson of **Grow Profit, Not Just Revenue** on the Contractor Scaler Hub: when a lesson's example changes, its file changes too. Reread the lesson when a file asks for a number you do not have yet.

All six courses: **motionops.com/scaler-hub**

Spreadsheets in this toolkit

- **Budget vs. Actual Job Cost Worksheet**: budget-vs-actual-job-cost-worksheet.xlsx
- **13-Week Cash Flow Template**: 13-week-cash-flow-template.xlsx

See every job in one system

Book a demo. A MotionOps specialist shows you how your office and crews run every job in one place, from the first request to the final payment. **motionops.com/demo**