



**BRENTWOOD
VALUE CREATOR**

Your First Step in Fixing Cash Flow

Pricing calculator to help you generate
positive, consistent cash flow.



The Price is Right:

When it comes to pricing services, a lot of businesses play a guessing game. They base pricing on:

- What their competitors charge.
- Accepted industry standards.
- What they assume customers will pay.

Setting your prices based on guesswork and gut feelings keeps you from becoming permanently profitable.

Accurate pricing is the first step in fixing your cash flow problems.

And it's not as tough as you might think. You simply need to account for each and every expense associated with each job – everything from vehicle maintenance to employee uniforms.

It's not uncommon for businesses to overlook those less-obvious expenses, but it's critical you factor in every single dollar that goes into a project.

Use the Brentwood Value Creator Pricing Calculator to get a detailed and accurate picture of how to calculate pricing that leads to permanent profitability.

Ready to confidently price each project?

Let's get started!



Get on the Path to Profitability



Access your Pricing Calculator [here](#)

Here are tips for using the Pricing Calculator.

The formulas in this spreadsheet are locked so you can't mess them up. All you have to do is fill in the yellow fields and let the pre-populated formulas work their math magic. Once you've filled in all the yellow fields, you'll know exactly what you need to charge to hit your gross profit margin.

- Fill in the hourly rate of your employees.
- Add in non-billable time or the amount of time your technicians are not delivering services (driving time, training, etc.). You should be able to easily pull this information from your CRM. A good rule of thumb is 50%.
- Note the total hours spent on a job or task. If more than one person is working on the job, be sure to account for that.
- Don't forget all the other expenses associated with labor:
 - o Payroll taxes
 - o Workers' compensation
 - o Health insurance (if applicable)
 - o Number of paid days off (include paid vacation and holidays)
 - o Subcontractors (if applicable)

Section 1: Labor

- Small hardware is anything you don't bill out like washers, screws, or wire nuts.
- For job materials, fill in exactly what you're paying for to complete the job.
- Permit fees (if applicable).

Section 2: Materials

- Make sure you're adding numbers for the specific vehicle used on the job.
- Monthly payment.
- Fuel costs are easy to access if you use fleet or fuel cards.
- Calculate monthly maintenance by dividing the total for the year by 12.
- Tolls or parking (if applicable).
- Annual registration.
- Vehicle insurance.

Section 3: Vehicle

- Any equipment you rent for an individual job.
- Monthly payment for purchased equipment.
- Monthly fuel.
- Monthly maintenance.

Section 4: Equipment

- Small tools and equipment you provide your technicians (calculate this on a per vehicle basis).
- Calculate uniform costs by taking the annual total per employee and dividing it by 12.
- Any incidental repairs (cutting an irrigation line) that you have to pay someone to fix.

Section 5: Other Cost of Goods Sold

The last number to add is your desired gross profit margin. For our clients, we're working toward 60% gross profit margin.

If you're not there yet, that's OK. Start with a goal of 50% and work your way up.



Now that your spreadsheet is complete, you'll see how:

If you're like most business owners we work with, you probably realized you're not charging nearly enough for your services. And, then your next thought was likely, "I can't possibly charge that much. No one will pay those prices!"

It's a common concern, but we're here to tell you that it's simply not true. It's OK to charge a premium. Customers will pay your higher rates.

Of course, not all customers will pay your premium prices – and that's a good thing! You don't want those customers. The customers that question every penny are, let's face it, a pain. Wouldn't it be great if you could trade those problem customers for high-paying customers who truly appreciate your work?

You can. You simply need to sell on value and quality – not on price.

labor
materials
vehicle
equipment
other costs

+

=

**total cost of
goods sold**

What surprised you after using this pricing calculator?

This pricing calculator gives you the permission to do that. When you base your pricing strategy on numbers, it removes the emotion.

The numbers don't lie. You can make pricing decisions with confidence.



What happens if you don't increase your prices?

That's certainly an option but it's definitely not the best one.

Most businesses close because they run out of money. And they run out of money because they aren't pricing their services correctly. It's impossible to be profitable and have a financially healthy business when your pricing strategy is based on guesswork rather than actual numbers.

More revenue won't fix your cash flow problems. You have to get to the root of the issue. And, in our experience, it always starts with adjusting your pricing. It's OK to charge a higher rate. It's OK to be profitable. You want that and so do your customers. If you neglect this issue, the next time your customers need you, you'll be out of business.

Start by getting the price right. Then, you can move onto repairing other aspects of your finances that will lead to positive cash flow and permanent profitability.





Move Your Business Forward with Confidence

Too many businesses struggle with consistent cash flow. At Brentwood Value Creator, we get your business finances on track and then set goals that put you on the path to permanent profitability.

We understand the level of work and investment that goes into running a local company. That's why we're committed to helping business owners become permanently profitable.

Brentwood Value Creator provides financial services and CFO-level advice to businesses in various industries, including plumbing, HVAC, electrical, and landscaping. Each month, we review your financial scoreboard to determine what's working and what's not.

Together, we decide on action items designed to put you on the path to profitability so you can achieve your business goals.

Schedule Your Discovery Call Today

It's the first step toward getting your business financially on track – and keeping it that way.

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