Pricing for Profit

Turning Busy Shops into Stronger Businesses

Matt Carroll

HOOVER
ARCHITECTURAL PRODUCTS
Structured for you.

Established 1949

Design, fabrication, and installation of awnings, canopies, and architectural metal and fabric structures.

DATUM

Established 2018

Wholesale design and manufacture of commercial metal canopies and shade structures supplied to the trade.

Driving profit through a busy shop

Two perspectives: Driving Profit & Pricing for Profit

Don’t lose sight of profit levers!

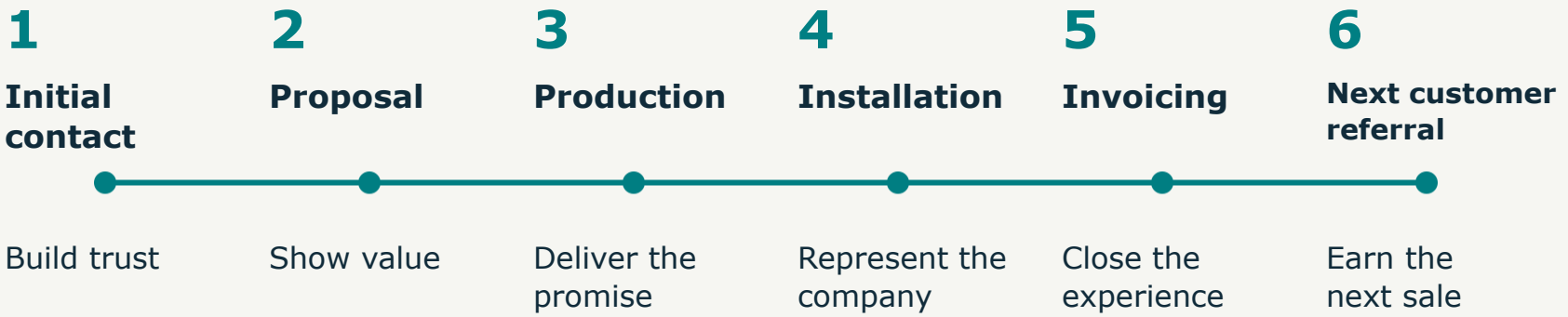
Organizational perspective drives profit

How your systems and employees build customer confidence, deliver value, and help grow profit.

Owner’s perspective prices for profit

How pricing strategies, a true understanding of costs and leadership drive profit.

Every stage is an opportunity to sell profit



Every interaction can add value and help grow profit.

Every employee is a salesperson

Receptionist and salespeople	Responsive, courteous, and knowledgeable. Get the customer to the right person and information quickly.
Production and installation	Organization and realistic commitments build trust. Do what you say you will do.
Billing and follow through	The final experience shapes payment time, reviews, and referrals.

HOW DO THESE THINGS DRIVE PROFIT?

1. Initial contact: a responsive system that builds trust

Respond quickly	Use a CRM. Monitor and answer replies. Be proactive.
Prepare	Ask for photos and ideas. Share AI concepts as quickly as possible.
Organize the meeting	Include all decision makers. Arrive with an initial cost and budget worked up.
Aim to close on site	Use a reliable pricing system to quote at the first meeting when possible.

Demonstrate the organizations value so you can charge for it

2. A proposal that sells and arrives as promised

The proposal should SELL the value: Qualify, sell, and provide clear next steps.

Deliver on time or sooner	Quote at the meeting when possible. Otherwise, commit to a specific delivery date.
Make it a sales sheet	Clear scope, helpful visuals and your competitive advantages. Do you know your CA's?!
Collect paperwork early	Request permit documents and get fabric and design approvals in writing.

A qualified sales person demonstrating value can drive a 5-7% premium.

~ Sell for profit ~

3. Production: organization protects profit

Set realistic expectations	Coordinate materials, fabrication, and installation around customer priorities.
Communicate changes	Deliver when promised. If timing changes, explain and agree on the plan early.
Execute well	Avoid discounts, rework, and expediting costs due To organizational mishaps.

Good production execution protects margin.

What good is pricing for profit if you can’t protect it?

4. Installation: your mobile billboard

Clean and courteous	Introduce the crew, explain the work, and respect the customer’s property.
Deliver the result	Fit the product, solve issues, communicate, and clean up after the work.
Earn the next referral	Your crew’s final in-person impression helps create referrals and sell that customer’s next project.

Strong installers create value beyond the job they complete today.

5. Invoicing: finish the experience well

Make payment simple	Accurate invoice, agreed terms, and clear payment instructions.
Provide care instructions	Include cleaning guidance, warranty information, and a support contact.
Ask for reviews!	Make reviews easy with a QR code.
Ask for the referral!	Follow up with the customer and ASK FOR A REFERRAL

A clear closeout supports prompt payment and future recommendations.

6. The next customer referral grows profit

Trust supports value	A customer referral is 300% more likely to close and pay more than cold lead
Confidence supports options	Referred customers spend on average 25% more Sell the upgrades and drive profit!
Lower acquisition costs	Cold leads cost between $30-$350+ Customer referrals cost $0 – Hence driving profit

The experience your team delivers becomes part of the next sale.

Owner’s perspective: know your costs

Direct job costs	Materials, waste, freight, burdened labor, equipment, and outside services.
Business costs	The margin must also cover overhead, commissions, and retained earnings.
Operating profit	What remains after those costs. Define costs consistently and KNOW each once.

… it rained so installation costs were a little high on this one …
… we cut a panel wrong and that doesn’t usually happen …

REMOVE THE FLUFF AND FOCUS ON THE FACTS

OWNER'S PERSPECTIVE

Job costing—not estimates—proves the profit.

No project closes until every actual cost is assigned and compared with the estimate.

PROJECT REVENUE — **ACTUAL JOB COSTS** — **SELLING COSTS** = **ACTUAL PROFIT**

Contract + change orders

Materials • burdened labor • freight subcontractors • waste & rework

Commission + discounts

Dollars + margin %

THE SYSTEM

1 ESTIMATE EACH JOB

Loaded labor rate, materials, freight, subs and target margin.

2 CAPTURE ACTUAL COSTS

Actual hours and burden, purchases, freight, waste and rework.

3 CLOSE & COMPARE

Final revenue and selling costs versus the original estimate.

4 CHANGE THE BUSINESS

Correct the price, scope, labor standard or operating process.

You cannot PRICE FOR PROFIT without knowing your true costs.

Receivables & Profitability

There is a cost to money. Are you charging for it?

60 days vs. 25 days

Unfinished work, return visits, and frustrated clients can delay payment. A satisfied client and a clean closeout support faster collection.

$100,000 × 9% annual financing cost × 35 ÷ 365

Cost is $863 for 35 extra days

Financing costs reduce profit.

Charge 1-3% more to customers who typically have aging receivables.

PRICE FOR PROFIT

Questions & discussion

Where is profit slipping through your shop?

HOOVER ARCHITECTURAL PRODUCTS
Structured for you.

DATUM

Matt Carroll