

# STOP THE PROFIT LEAKS

The Roofing Contractor's Guide to Cash Flow & Control

## The "400 Yards, Still Lose" Problem

You can be booked solid and still feel broke because profit gets lost in **silent turnovers**—mistakes you don't see when you're busy climbing ladders and managing crews.

## The 3 Levers to Change the Game

- **1. Stop the Leaks:** Know your break-even floor and stop underpricing jobs immediately.
- **2. Raise Prices Correctly:** Implement adjustments without losing your best customers.
- **3. Add Recurring Revenue:** Build a safety net so slow weeks don't crush your cash flow.

THE ONE NUMBER THAT MAKES PRICING EASY

**Break-Even Revenue =**

**Monthly Overhead ÷ Gross Margin %**

*"If you don't know your break-even floor, every price you quote is just a guess."*

## The "Messy Books" Reality

**You do not need perfect QuickBooks to get a useful answer.** Most roofers wait months for a clean P&L. Don't wait. A break-even range can be built from **real bank statements + payroll data** right now, even if your categories and job costing are sloppy. Cash truth is better than accounting perfection.

## The 5 Silent Turnovers (What to Fix First)

These are the leaks draining your account while you're busy working.

### 1. Underpricing Overhead

**Symptom:** Jobs "look" profitable on paper, but cash never stacks up in the bank.

**Fix:** Install a **Profit Floor** calculator so every single estimate covers its share of the rent, insurance, and truck payments.

### 2. Untracked Labor Burden

**Symptom:** Overtime, rework, and drive time quietly eat your margin.

**Fix:** Watch labor burden weekly as a raw percentage of revenue. Don't just track hours; track efficiency.

### 3. Costs Not Tied to Work

**Symptom:** Materials, subs, and fuel land in your books with no job name attached.

**Fix:** Simple vendor rules. No PO or Job Name? No payment. Force tagging for the big buckets.

### 4. The Cash Gap

**Symptom:** You pay subs/suppliers now, collect from homeowners later, and get surprised by a low balance.

**Fix:** Strict deposit rules + a basic 13-week cash view to predict the dip before it happens.

### 5. The Late Scoreboard

**Symptom:** You learn the truth 20 days after the month ends.

**Fix:** Close jobs on a schedule. Review a "Flash Report" every Friday, not just a P&L every month.

## Your Weekly Scoreboard

Stop drowning in data. Watch these 3 numbers every Friday:

1. **Overhead Run-Rate** (Monthly)
2. **Break-Even Revenue Goal** (Monthly)
3. **Overhead Recovery** (Per Job or Per Crew Day)

# The Profit Multipliers

Strategies most roofers ignore that allow you to scale profitably.

## 1. Price Increases That Don't Kill Sales

Use a "pricing adjustment," not a surprise jump. Announce it early and tie it to service quality and cost reality.

### The Simple Playbook:

- **Set your floor:** Break-Even + Desired Profit Buffer.
- **Add 3 Options (Good / Better / Best):** Make customers compare *your* packages, not competitors.
- **The Script:** "Starting [DATE], we're updating pricing to match today's material costs and to maintain the warranty and response times you expect."

## 2. Recurring Revenue: The Roof Care Plan

**Basic** 1-2 inspections/year + debris check + photo report.

**Standard** **(Most Popular)** Basic + minor repairs + discount on larger repairs.

**Premium** Standard + priority emergency service + extended coverage.

**How to launch in 7 days:** Put the plan as an "Add-On" line item on every repair invoice. Sell it when the roof is top-of-mind (at the end of a job).

## 3. The Customer Filter

When you raise prices and offer Maintenance Plans, you naturally filter out bad leads.

### Stop Chasing

- "Lowest bid" hunters
- Customers who skip maintenance
- One-off transactional repairs

### Start Targeting

- Homeowners asking about warranty
- Property managers valuing speed
- Clients who buy the "Standard" plan