

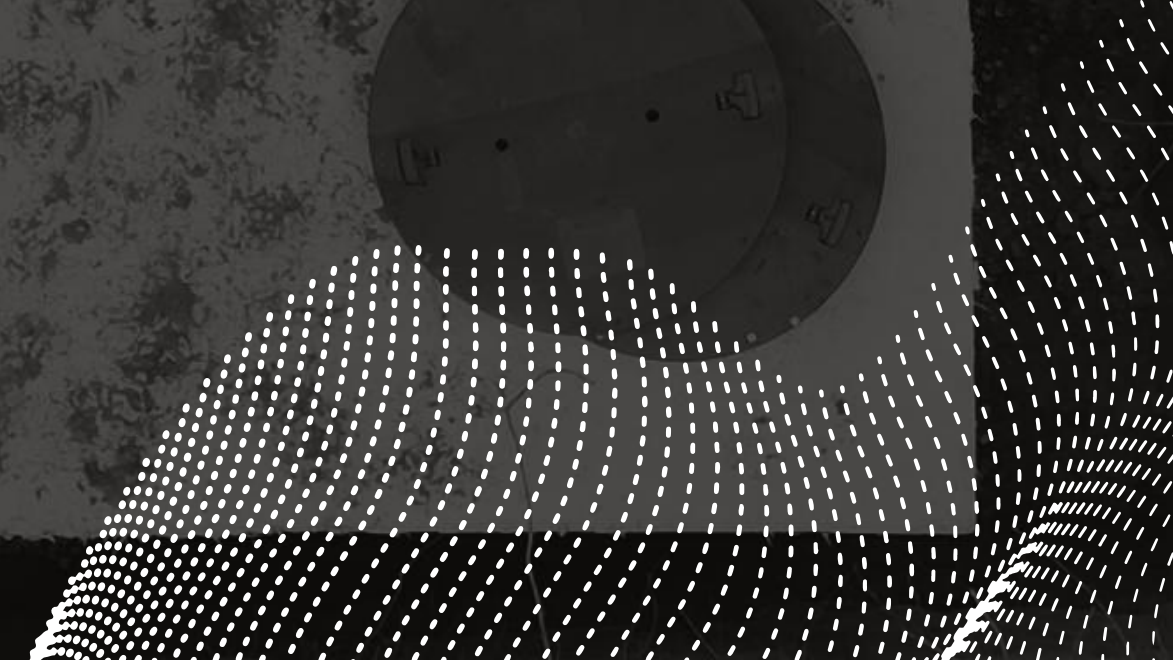
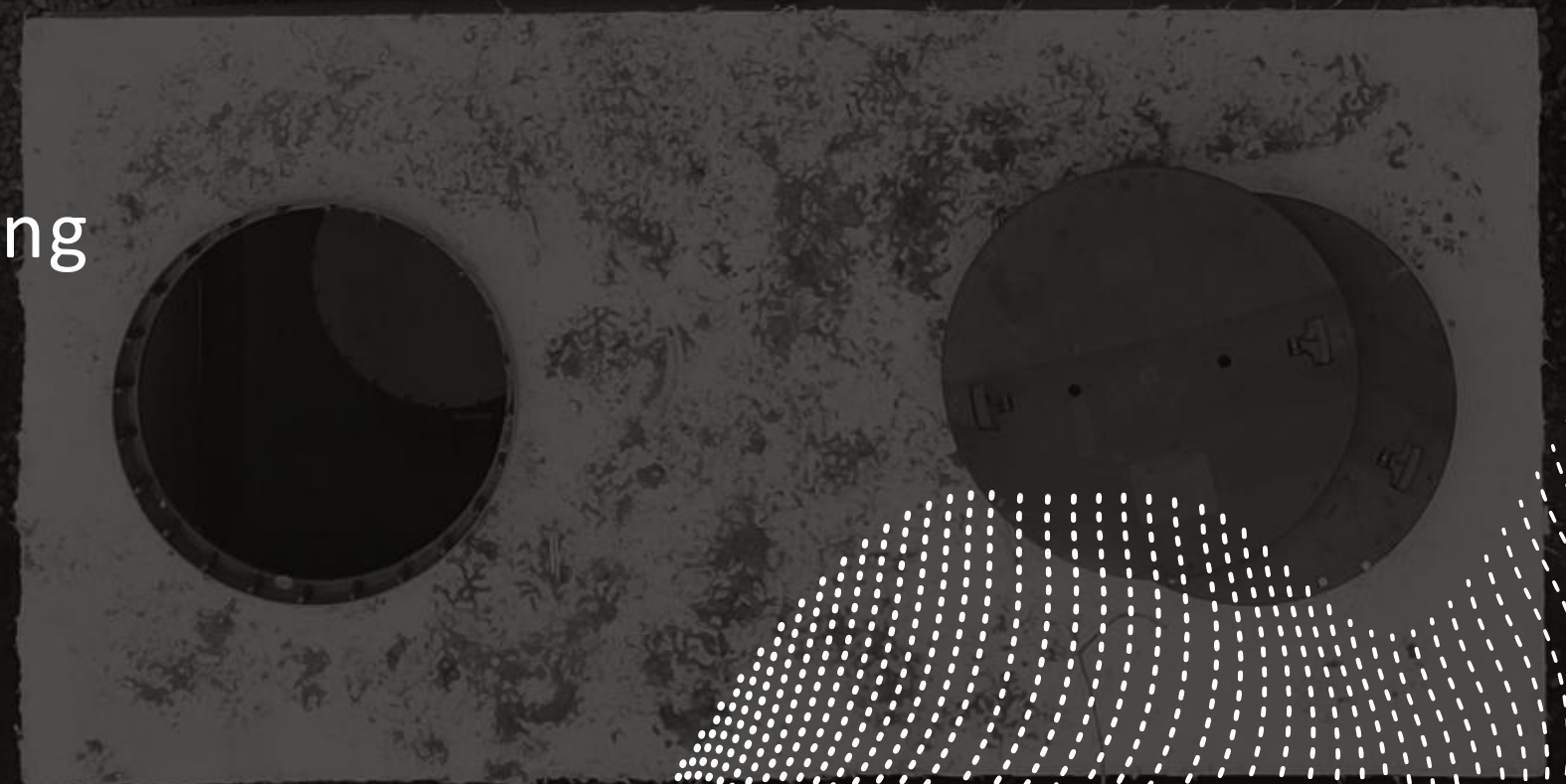


# JOB COSTING

Mastering Job Costs & Strategic Project Pricing  
For Long Term Business Success

JAMES STIKSMA  
CANADIAN SEPTIC INC

 @CANADIANSEPTIC



# DISCLAIMER

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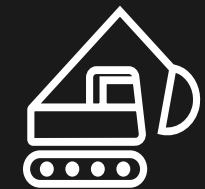
# ABOUT ME



Born & Raised in British Columbia. Currently living in Chilliwack with my wife, 4 kids, & Great Dane



Spent the first 12 years out of High School working in Service & Sales roles.



Incorporated Canadian Septic Inc in 2016 & Purchased the Assets of Septic Expert on Jan 3, 2017



Became a Registered Onsite Wastewater Practitioner in British Columbia in June of 2017 - OW0867



Currently hold Planner & Installer Designations



Joined the WCOWMA-BC Board in March of 2021 & Currently serve as the Vice President



# ABOUT ME

**I LOVE SHARING WHAT WE DO  
WHETHER IT'S AT EVENTS LIKE  
THIS OR ON SOCIAL MEDIA**



# JOB COSTING

Mastering Job Costs & Strategic Project Pricing  
For Long Term Business Success

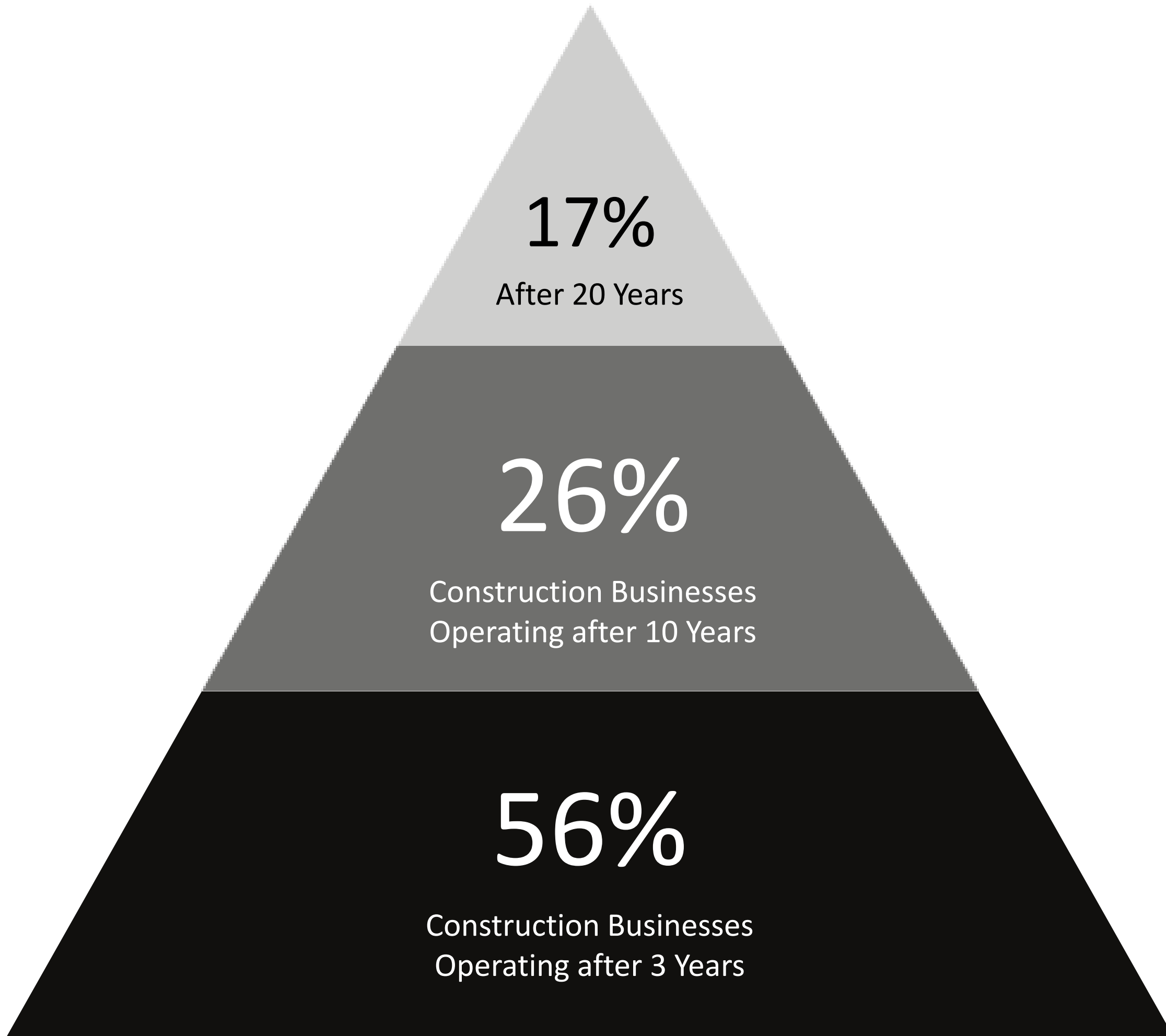


# WHY?

Why do we do what we do?

# HOW?

How do we achieve our why?



# CONSTRUCTION REALITY

The reality is, just having the desire and a purpose isn't enough.

Without the right tools, it can all be taken away





# Stay Profitable

Profit is not a bad word.  
It is the reason we all started our business

# PRICING METHODS

## Hourly

Typically starting point for new excavator operators. Gives a level of confidence that if busy, the operator will make money as they learn.

## Cost+

Gives the client the ability to realize any cost savings during construction but also protects the operator from any unexpected cost overruns.

## Fixed Price

Client gets the comfort of knowing what their bill will be. This is the greatest risk for an operator but also holds the greatest reward if executed effectively

**ARE  
YOU  
MAKING  
\$\$\$**





**DO YOU KNOW  
YOUR  
NUMBERS?**

# JOB COSTING

The process of calculating, tracking, & allocating  
all the costs associated with a project





# EFFECTIVE JOB COSTING

There are a number of factors that must be accounted for in order to understand the true cost a project

## Materials

The staple for everyone who is doing any kind of job costing. Often the largest \$\$\$ when pricing out a project

## Subcontractors

The larger the project, the more likely you're going to need to rely on subcontractors to complete a portion of the job

## Overhead

The most forgotten cost when calculating the priority of a project, while some companies fail to regularly update their labour or machine rates



# WHEN TO JOB COST

## Before

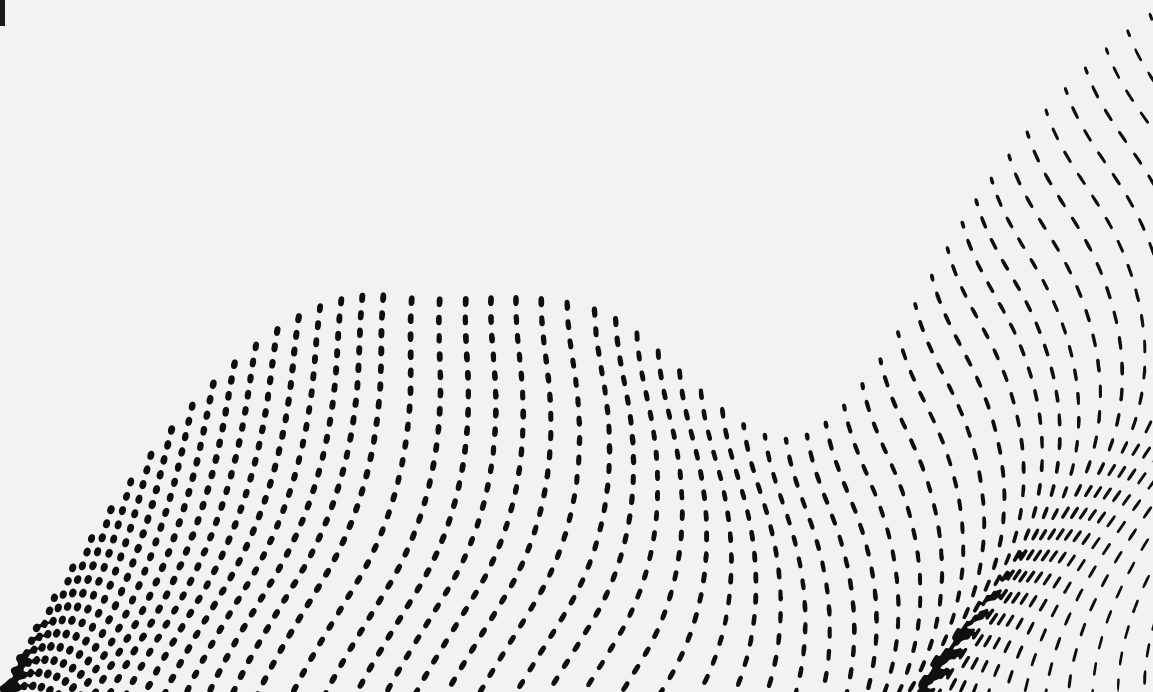
Job costing prior to a project involves gathering all the cost of a project prior to providing a client with a proposal

## During

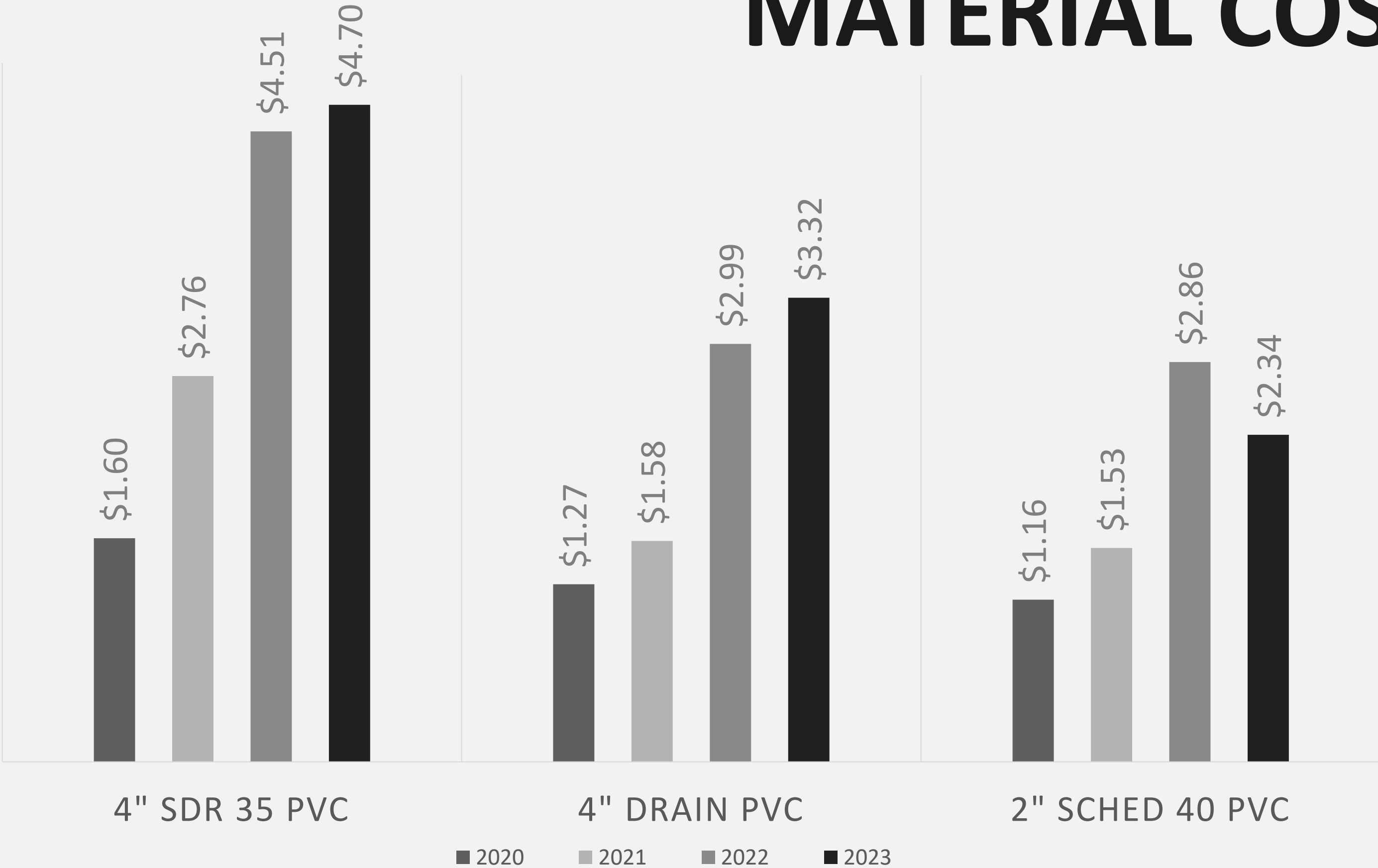
Job costing during a project enables decision-makers with the information needed to complete the project on time and on budget

## After

Job costing after a project is complete allows business owners the opportunity to adapt their processes & procedures if inefficiencies are discovered

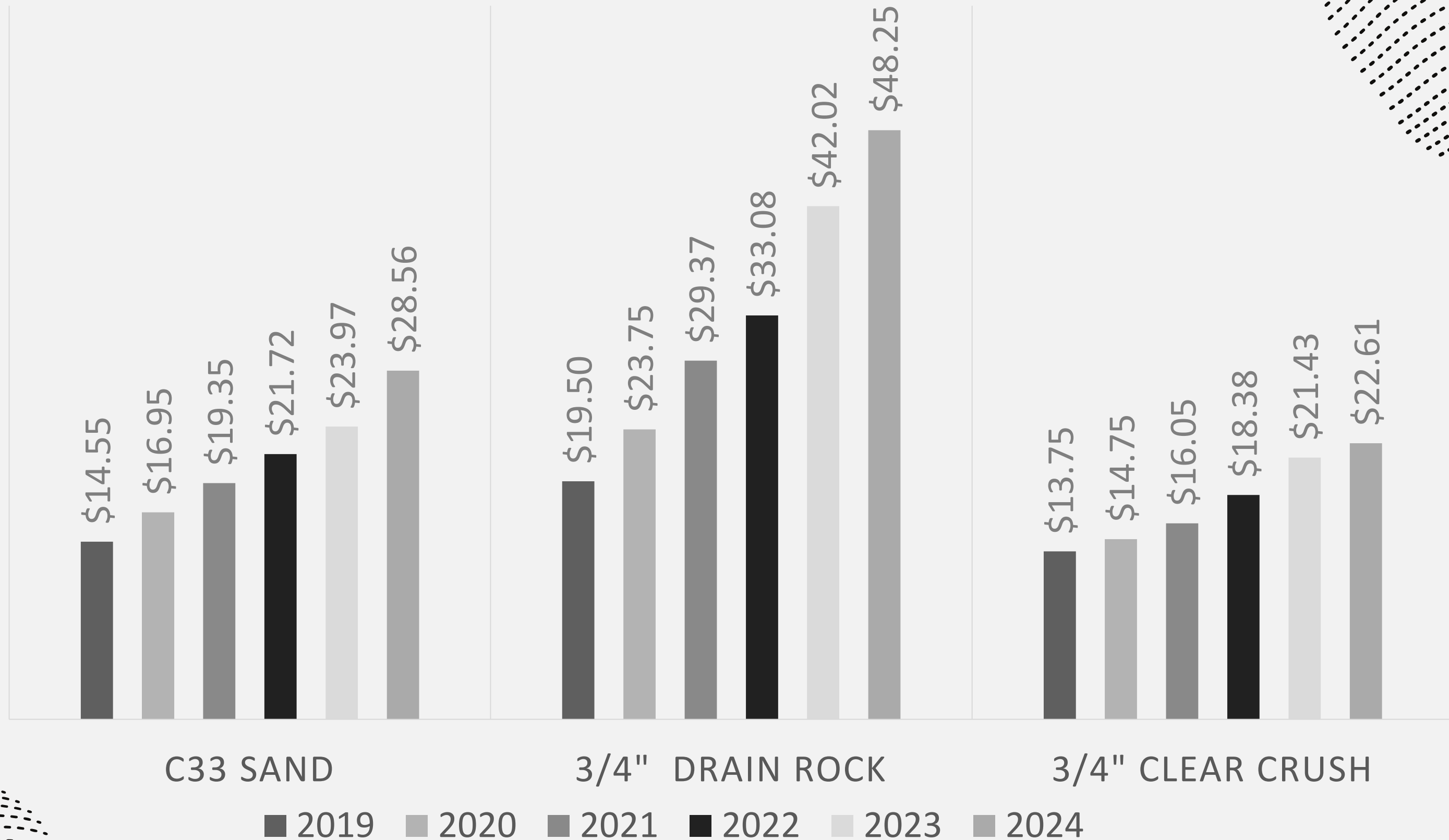


# MATERIAL COSTS





# MATERIAL COSTS

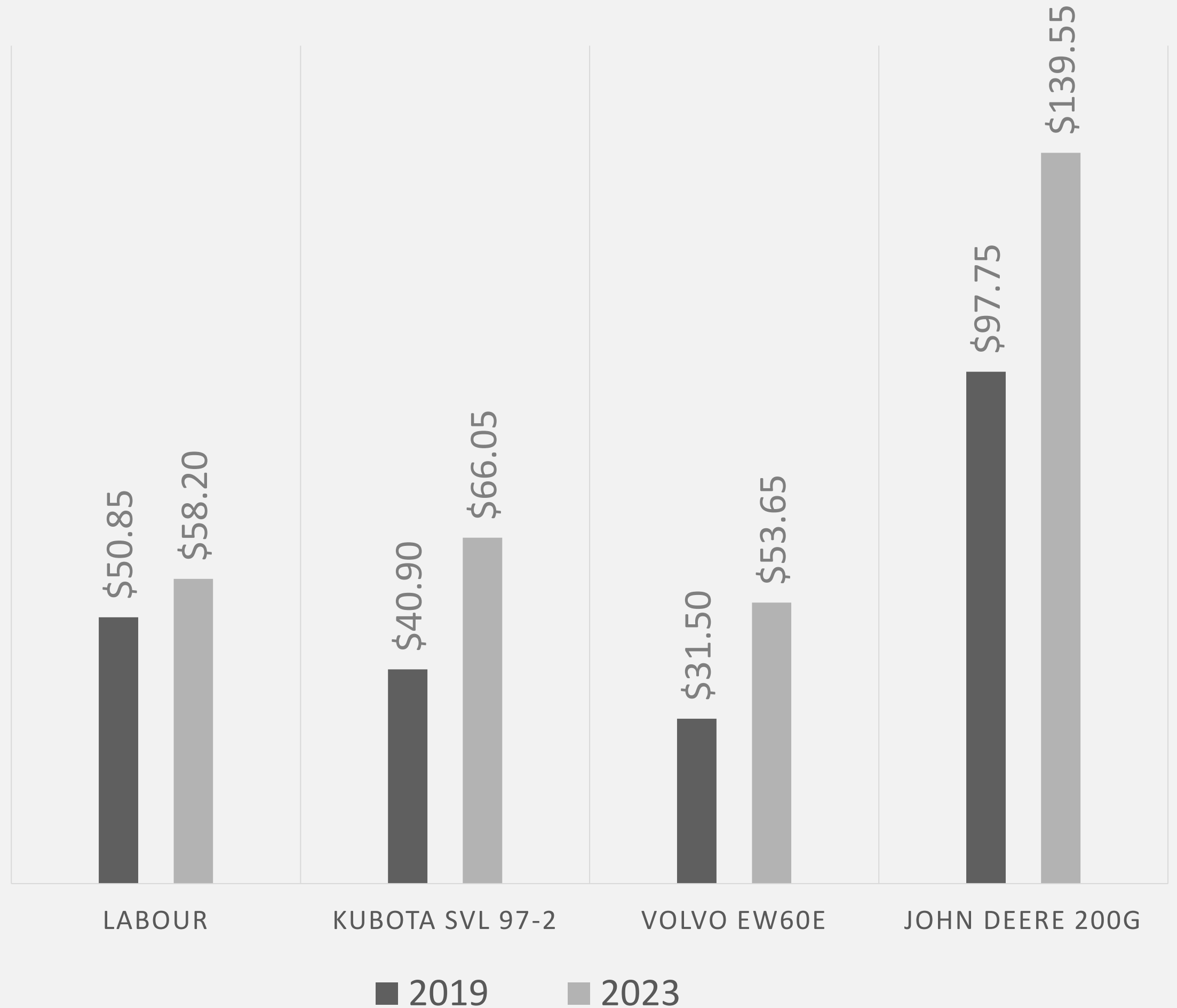


# SUB CONTRACTORS



# LABOUR & EQUIPMENT COSTS

Increased wages, rising equipment prices, & volatile fuel prices have had a significant impact on the cost to complete projects





# OVERHEAD COSTS



Rent



Truck



Insurance



Fuel



Maintenance



Utilities



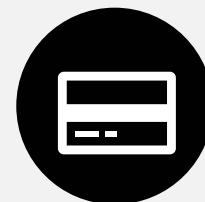
Pro Services



Training



Stationary



Membership



Software



Admin Staff

# CALCULATE YOUR OVERHEAD RATE



Indirect Costs  
(Overhead)

\$100,000



Direct Costs  
(Materials, Subs, &  
Labour)

\$800,000



**12.5%**



# COVERING COST OF OVERHEAD



MARKUP



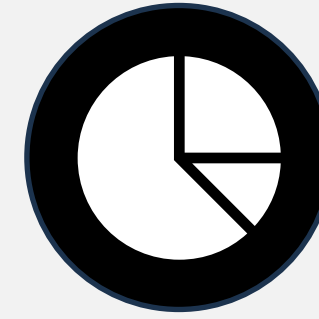
MARGIN





MARKUP

VS



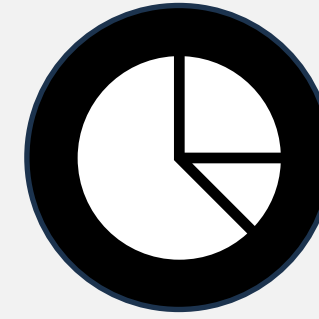
MARGIN

**WHAT'S THE  
DIFFERENCE?**



MARKUP

VS



MARGIN

(Selling Price – Cost)

Cost

(\$10,000 – \$5,000)

\$5,000

100%

(Selling Price – Cost)

Selling Price

(\$10,000 – \$5,000)

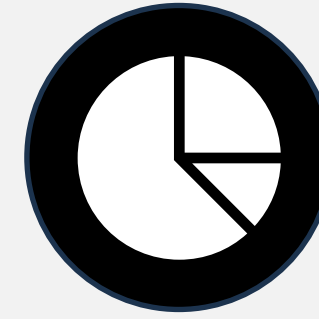
\$10,000

50%





MARKUP



MARGIN

15%
25%
30%
35%
43%
50%

VS

13%
20%
23%
26%
30%
33%

# PRICING A JOB

	Materials	\$18,250
	Subcontractors	\$4,500
	Labour	\$10,250
<hr/>		
	Total	\$33,000
	Markup	\$1,250
	Overhead Rate	12.5%
	Overhead Costs	\$4,125
	Project Price	\$41,250
	Profit	\$18,125
	Actual Profit	\$2,735



# PRICING A JOB

Expected Profit

\$8,250

Realized Profit

\$2,735



# PRICING A JOB

Expected Markup

25%

Realized Markup

8.29%



# PRICING A JOB

Expected Margin

20%

Realized Margin

6.63%



# PRICING A JOB



Materials

\$18,250



PST

\$1,277



Subcontractors

\$4,500



Labour

\$10,250



Overhead Costs

\$4,125

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Total

\$38,402

Markup

25%

Proposed Project Price

\$48,002

**Profit**

**\$9,600**

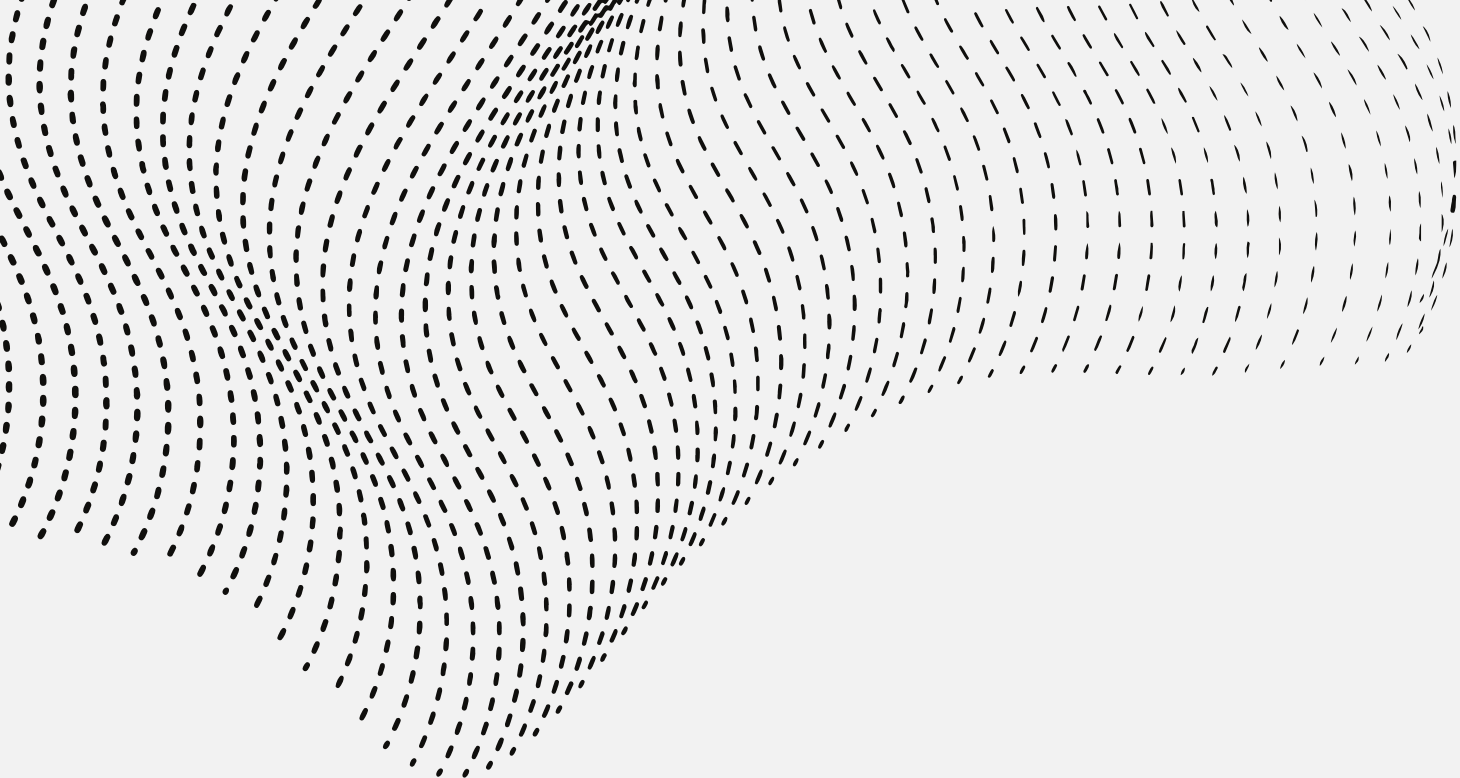


# CONCLUSION

Avoid becoming just another statistic

Know your numbers and accomplish your  
Why





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