

The margin you need, and the markup that gets you there

How Anthony Reid priced and won a \$35K deck rebuild, from first visit to signed contract. One page to keep by your desk.

LFP PARTNERS × HANDOFF

Implementation partner: Me3 AI Consulting

1 Markup is not margin

Markup is what you add to cost. Margin is what you keep of the price. The same job has a higher markup than margin, every time.

MARKUP

$$\text{(Price - Cost)} \div \text{Cost}$$

MARGIN

$$\text{(Price - Cost)} \div \text{Price}$$

PRICE FOR A TARGET MARGIN

$$\text{Cost} \div (1 - \text{Margin})$$

WORKED EXAMPLE

A job costs you **\$24,000**. You bid it at **\$30,000**.
That is a **25% markup** and a **20% margin**. Price it by the margin you need, then check the markup that gets you there.

MARKUP YOU ADD	MARGIN YOU KEEP	PRICE ON \$24K COST
10%	9.1%	\$26,400
15%	13.0%	\$27,600
20%	16.7%	\$28,800
25%	20.0%	\$30,000
30%	23.1%	\$31,200
35%	25.9%	\$32,400
40%	28.6%	\$33,600
50%	33.3%	\$36,000
67%	40.0%	\$40,000

Cost means everything the job costs you: materials, labor, subs, permits, overhead share. If overhead is not in your cost, your real margin is lower than this table shows.

2 How Anthony worked up the \$35K job

Homeowner asked for a partial deck repair. He advised a full rebuild for resale value, and she agreed.

- 1 Capture the site walk by voice
- Every note and video recorded on site. Voice capture caught details he would have missed.
- 2 Load it into Handoff
- Videos and notes go in. Handy builds the estimate in minutes.
- 3 Check every line, set the price
- Handoff drafts. Anthony owns the numbers, the markup, and the margin he keeps.
- 4 Present three options
- Good, better, best, plus a mockup. The homeowner sees the possibilities and picks her scope.
- 5 Revise as often as they ask
- Each new version takes minutes, so every change request gets a yes.

What he still checks by hand

- Local labor rates and sub quotes against the draft
- Materials the site walk could not see: footings, framing condition, drainage
- Permit and inspection costs for the county
- Overhead share and the margin he is keeping, not just the markup

When your patience is running thin with clients who haven't spent a dime, think about how easy it would be if your estimating timeframe didn't play a factor.

ANTHONY REID, LFP PARTNERS

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Handoff drafts the estimate. The contractor checks every line and sets the price.

One job is one job. Your numbers will differ.