

Kehoe & Co. - 2005 Annual Landscape Industry Analysis & Summary Report

Average Findings for: Least vs. Most Profitable Co's - Landscape Construction

Report Criteria:

- Reporting Period: Fiscal-Year-End 2004
- All figures reported in actual US dollars
- Reported sums may not add due to averaging and rounding.

INCOME STATEMENT	LANDSCAPE CONSTRUCTION			
	Least Profitable Co's (Bottom 25%)	% of Sales	Most Profitable Co's (Top 25%)	% of Sales
	\$		\$	
REVENUES				
Total Revenue	4,298,030	100.0%	2,277,364	100.0%
DIRECT COSTS				
Job Materials	1,234,599	28.7%	609,830	26.8%
Subcontractors	380,455	8.9%	144,400	6.3%
Direct Labor - Foremen & Laborers	959,800	22.3%	433,860	19.1%
Direct Labor Payroll Taxes	143,025	3.3%	83,378	3.7%
Total Direct Costs	2,717,879	63.2%	1,271,468	55.8%
INDIRECT COSTS				
Indirect Labor - Including Overtime & Non-Billable	102,556	2.4%	39,786	1.7%
Production Supervisors & Superintendents	228,000	5.3%	35,317	1.6%
Indirect Labor Payroll Taxes	36,467	0.8%	12,600	0.6%
Mechanic Labor & Payroll Taxes	68,000	1.6%	26,900	1.2%
Equipment Repairs, Fuel, Leases, & Depreciation	217,120	5.1%	141,939	6.2%
Uniforms, Licenses, & Permits	55,490	1.3%	7,522	0.3%
Small Tools & Job Supplies	31,780	0.7%	8,767	0.4%
Trash & Dumping Fees	6,878	0.2%	78,497	3.4%
Total Indirect Costs	746,290	17.4%	351,327	15.4%
TOTAL COST OF SALES	3,464,169	80.6%	1,622,795	71.3%
GROSS MARGIN	833,861	19.4%	654,570	28.7%
SELLING, GENERAL, & ADMINISTRATIVE COSTS - SG&A				
Advertising & Marketing	17,650	0.4%	6,056	0.3%
Insurance - Including Workers' Comp	80,920	1.9%	56,867	2.5%
Office Expense - Including Computers & Supplies	13,990	0.3%	13,789	0.6%
Rent and/or Facility Lease	50,620	1.2%	25,038	1.1%
Professional Services	29,170	0.7%	7,900	0.3%
Phone & Utilities	28,040	0.7%	16,011	0.7%
Interest Expense	25,320	0.6%	9,220	0.4%
Misc. Expenses - Dues, Education, Travel, etc.	66,390	1.5%	31,988	1.4%
Salaries - Sales, PJ Mngrs, Designers, Estimators, & Acct Mngrs	234,569	5.5%	125,447	5.5%
Salaries - Sr. Mngrs, Accounting, HR, & Admin	212,656	4.9%	193,150	8.5%
Total SG&A Costs	759,325	17.7%	485,464	21.3%
NET PROFIT (REPORTED)	92,590	2.2%	211,455	9.3%

ASSETS - As of Fiscal-Year-End 2004	LANDSCAPE CONSTRUCTION			
	Least Profitable Co's (Bottom 25%)	% of Assets	Most Profitable Co's (Top 25%)	% of Assets
	\$		\$	
Accounts Receivable	635,656	41.3%	196,556	69.8%
Equipment	176,379	11.5%	210,389	74.7%
Equipment Purchases for 2005 (Estimated)	205,000	13.3%	43,000	15.3%
Total Assets (Reported)	1,538,291	100.0%	281,500	100.0%
RATIO ANALYSIS				
Asset Turnover	2.8	-	8.1	-
Equipment Turnover	24.4	-	10.8	-

AVERAGE STAFFING LEVELS	LANDSCAPE CONSTRUCTION			
	Least Profitable Co's (Bottom 25%)		Most Profitable Co's (Top 25%)	
	\$		\$	
Sales	2.1		1.4	
Estimating	0.4		0.8	
Design	0.4		1.1	
Production, Operations Mngt, Facilities, & Purchasing	1.5		2.3	
Project Management (Installation co's only)	2.1		1.3	
Account Management (Maintenance co's only)	0.8		0.8	
Shop & Mechanic Staff	0.9		0.4	
Accounting Staff	1.5		0.8	
Administration Staff	1.3		1.0	
Human Resources Staff	0.2		0.3	
Average Total Employees - OVERHEAD	11.2		10.0	
SALES PER FTE OVERHEAD	\$ 383,943		\$ 227,736	