



The Break-Even Revenue Guide

Break-even is not the goal, it is the floor. This guide shows the revenue a crew needs just to cover its costs, and the larger number it actually needs to hit a real margin.

Break-even revenue answers one question: how much does this business need to bring in just to cover what it already spends. It is a floor, not a target. A business running at exactly break-even is working for free, every dollar past that floor is what actually funds profit, growth, or the owner's own pay.

Two costs, one number

Break-even revenue adds two things together: fixed costs for the period (insurance, equipment payments, overhead that does not change with the workload) and the labor cost of the crew-hours committed for that same period. The sum is the revenue floor, fall short of it and the business is losing money even if every job gets done.

This is a whole-business number, not a per-job one. Minimum Profitable Job Price answers "what should this one job cost," Break-Even Revenue answers "what does the whole operation need this week or month," a different altitude on the same underlying math.

A worked example

Take a 2-person crew, 40 hours a week, at a \$20 base wage (loaded to \$26.00/hour at the 30% burden default), plus \$2,000 a week in fixed costs. Labor cost for the week: $80 \text{ crew-hours} \times \$26.00 = \$2,080$. Add the \$2,000 fixed cost and break-even revenue for the week is \$4,080.

That is the floor, not the goal. At the site's 35% target margin default, actual required revenue is $\$4,080 / (1 - 0.35) = \$6,276.92$, about \$2,200 more than break-even. The gap between those two numbers is exactly what a target margin is for, the cushion that turns a business that survives into one that actually profits.

Where this number actually gets used

Break-even revenue is a planning number, not a per-bid one. Check it monthly or seasonally against actual booked revenue to see whether the business is on pace, and use Required Revenue per Crew-Hour to translate the same floor into a per-hour billing bar every job and every crew-hour should clear.

Key takeaway. Break-even is the floor a business survives on, not the number it should aim for. Always check actual revenue against the target-margin figure, not just break-even.

Assumptions

- The worked example uses a \$2,000 weekly fixed-cost figure and a \$20 base wage, both illustrative, not claims about typical costs.
- Break-even revenue covers fixed and labor costs only, it does not include profit, that is what the target-margin figure adds on top.

Frequently asked questions

Is break-even revenue the same as the minimum price on a single job?

No. Minimum Profitable Job Price prices one job at a target margin. Break-Even Revenue is a whole-business or whole-crew number for a period, the floor before any profit target is applied at all.

What counts as a fixed cost here?

Costs that do not change with how many properties get serviced that week: equipment payments, insurance, and other overhead that is billed the same whether the crew works 20 hours or 50. Materials and per-job costs are not fixed costs, they scale with the work.

Why does the target-margin revenue look so much higher than break-even?

Because dividing by $(1 - \text{margin})$ grows faster than most people expect at higher margins. At 35% target margin, required revenue is roughly 54% higher than break-even, not 35% higher, that gap is exactly what funds real profit rather than just survival.

How often should I recheck this number?

Whenever fixed costs, crew size, or wages change meaningfully, and at least at the start of each season, since equipment payments and insurance premiums often reset annually.

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