NORTHSTONE
BOOKKEEPING

ELECTRICIANS FIELD GUIDE TO PROFIT

5 THINGS EVERY ELECTRICIAN SHOULD CHECK BEFORE THE END OF THE SEASON



UNDERSTAND YOUR NUMBERS. GROW YOUR BUSINESS.

01 DO YOU KNOW WHICH ELECTRICAL JOBS ACTUALLY MAKE MONEY?

Two electrical jobs can bring in similar revenue and produce completely different profits.

One may finish close to estimate with predictable labor and material costs. Another may require additional electrician hours, unexpected materials, or extra trips to complete the work. If you're only looking at the invoice total, those differences can disappear.

QUICK CHECK

Pick three recently completed electrical jobs.

Can you identify each of these for every job?

☐ Total job revenue
☐ Labor hours and labor cost
☐ Material costs
☐ Equipment and subcontractor costs
☐ Gross profit

YOUR SCORE: ___ / 5

HOW TO SCORE THIS CHECK

Look at three electrical jobs completed in the last 30 days. Your job-costing report is the best place to start, but you may also find this information in estimates, time records, supplier invoices, purchase orders, receipts, or your accounting software.

Check the box **only if you can confidently identify that number for each job.** If costs are lumped together, materials aren't assigned to individual jobs, or you're relying on what you expected the job to cost instead of what it actually cost, leave it blank.

The goal isn't to get a perfect score. It's to find out how clearly you can see what each job actually earned.

02 ARE MATERIAL COSTS DISAPPEARING INTO OVERHEAD?

Wire, breakers, conduit, boxes, fittings, devices, connectors, and other electrical materials add up fast.

When those purchases get lumped into general supplies—or disappear into truck inventory—it becomes difficult to see what each job actually costs. A job can look profitable on paper while untracked materials quietly eat away at the margin.

QUICK CHECK

Review your material purchases from the last 30 days.

Can you identify:

☐ Materials purchased for specific jobs
☐ Materials pulled from truck stock
☐ Wire, conduit, and electrical components
☐ Returns and supplier credits
☐ Total material cost by job

YOUR SCORE: ___ / 5

Then compare those costs to the jobs actually using the materials.

You don't need a perfect inventory system. The goal is to find costs that are currently invisible when you look at job profitability.

HOW TO SCORE THIS CHECK

Review your material purchases from the last 30 days. Start with your accounting software or expense reports, then use supplier invoices, receipts, purchase orders, and job records to fill in any gaps.

Check the box **only if you can clearly identify the cost and connect it to the job using it.** If materials disappear into truck stock, purchases are buried in a general category like "Supplies," or you can't tell which job ultimately used them, leave it blank.

You're testing whether your material costs are visible enough to understand what your work actually costs.

03 ARE LABOR OVERRUNS EATING YOUR ESTIMATES?

Labor is one of the biggest costs on an electrical job—and a few extra hours can change the profit quickly.

A difficult wire pull takes longer than expected. Existing conditions slow down the work. Another trip is required. A job estimated for two days turns into three.

The invoice may not change, but your labor cost does.

QUICK CHECK

Pick three recently completed electrical jobs.

Can you compare:

☐ Estimated labor hours
☐ Actual labor hours
☐ Estimated labor cost
☐ Actual labor cost
☐ Final gross profit

YOUR SCORE: ___ / 5

HOW TO SCORE THIS CHECK

Compare the labor hours estimated for each job with the hours actually worked. Start with your estimate or job budget, then review time records, payroll reports, job notes, and your accounting or job-management software.

Check the box **only if you can confidently identify that number for each job.** If technician hours aren't assigned to individual jobs, estimated hours aren't documented, or you can't easily compare estimated labor with actual labor, leave it blank.

You're not looking for every job to finish exactly on estimate.

You're looking for patterns that show where labor hours (and profit) are slipping away.

04 ARE YOU GETTING PAID FOR ALL THE WORK YOU DO?

Electrical jobs have a way of changing once the work begins.

Existing wiring creates problems. Another circuit is needed. The customer adds fixtures or devices. Additional repairs are discovered while the electrician is already on site.

Doing the extra work may make perfect sense—but if it isn't documented and added to the invoice, your business absorbs the cost.

QUICK CHECK

Pick five recently completed electrical jobs.

Can you identify each of these?

☐Original quoted or approved work
☐Change orders and additional work
☐Extra labor hours
☐Additional materials
☐Final amount actually invoiced

YOUR SCORE: ___ / 5

HOW TO SCORE THIS CHECK

Compare the original estimate, work order, or approved scope with the final invoice for each job.

Then review electrician notes, time records, material purchases, change orders, and customer approvals for work added after the job began.

Check the box **only if you can confidently identify that information and verify that additional work made it onto the final invoice.** If extra work is documented in one place but billing happens somewhere else—or you're relying on memory to catch changes—leave it blank.

You're looking for work your company paid to complete but never got paid to perform.

05 DO YOU KNOW YOUR CASH POSITION FOUR WEEKS FROM NOW?

A profitable electrical company can still run out of cash.

Payroll, material orders, vehicle payments, equipment, fuel, insurance, and supplier bills don't wait for customers to pay. If you're only looking at today's bank balance, you may not see a cash shortage coming until you're already in it.

Knowing what's likely to happen over the next few weeks gives you time to make decisions before cash gets tight.

QUICK CHECK

Build a simple four-week cash forecast.

Can you confidently identify each of these?

☐ Cash currently available
☐ Customer payments you expect to receive
☐ Payroll and payroll taxes
☐ Supplier, loan, and vehicle payments
☐ Recurring expenses and upcoming material purchases

YOUR SCORE: ___ / 5

HOW TO SCORE THIS CHECK

Look at the next four weeks using your bank balance, open invoices, upcoming bills, payroll records, supplier balances, and accounting software.

Check the box **only if you can confidently estimate that amount and when it will affect your cash.** If you're unsure what's coming in, what's going out, or when either will happen, leave it blank.

You don't need to predict every dollar perfectly.

You're looking for the week where things might get tight.

YOUR PROFIT VISIBILITY SCORE

Add together the scores from each of the five checks.

YOUR TOTAL SCORE: _____ / 25

21–25 ★★★★★ STRONG VISIBILITY

Your numbers are giving you a clear picture of where your profit is coming from. Keep reviewing these areas regularly as your business grows.

16–20 ★★★★ GOOD FOUNDATION

You have a solid handle on your numbers, but a few blind spots may be keeping you from seeing the whole picture.

11–15 ★★★ SOME BLIND SPOTS

Important information is missing or difficult to find. Pick your lowest-scoring area and start there.

6–10 ★★ TIME TO DIG IN

Several areas of your business are difficult to measure. Better tracking could uncover costs or profit leaks you aren't currently seeing.

0–5 ★ LET'S TALK

Your numbers may not be giving you enough information to make confident decisions.

That's fixable.

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Understand Your Numbers. Grow Your Business.

If you'd like a second set of eyes on what you found, reach out.

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