

ROSETTA[®]
SUMMIT
2023

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GROW 

Tools to Help with Profitability

Wet Cast Costing Exercise

Topics

1. Component Costing
2. Costing Tools
3. Major Factors Affecting Cost
4. Overhead
5. Allocating Metrics (Man hours per Form)
6. Pricing Rosetta
7. Optimizing Strategy

Wet Cast vs Dry Cast

Wet cast products are different than dry cast, **so why should they be costed the same?**

Wet cast products don't fit in a cycle format or an equivalent costing method

We need to be **costing** like other precast wet cast products



Step 1

Component Costing

Step 1:

Component Cost – Mix Data

- We need to find out cost of every product
 - Cement
 - Aggregate
 - Color
 - Water
 - Admixture
 - Fiber



Batch Cost**Quantity Material Cost Delivery Cost**

Sand	1082	\$ 2.71	\$ 2.71
Stone	1500	\$ 3.75	\$ 3.75
Alternate Aggregate 1	0	\$ -	\$ -
Alternate Aggregate 2	0	\$ -	\$ -
Cement 1 Cost	565	\$ 40.96	\$ 1.95
Cement 2 Cost	0	\$ -	\$ -
Fly Ash/ Slag Cost	0	\$ -	\$ -
Water Cost	125	\$ 0.06	\$ -
Air Cost	4	\$ 0.09	\$ 0.47
Plastisizer Cost	60	\$ 2.34	\$ 7.03
Accelerator Cost	140	\$ 12.03	\$ 16.41
Admix 4 Cost	0	\$ -	\$ -
Color 1	1	\$ 30.00	\$ 10.00
Color 2	1	\$ 45.00	\$ -
Color 3	0	\$ -	\$ -
Color 4	0	\$ -	\$ -
Totals		\$ 91.95	\$ 42.31

Total Batch Cost

\$ 179.26

Time and Materials Tools



Step 2:

Figure Out Quantity & Time

- How much concrete is needed per form?
- How long will it take me to strip and package?
- How long will it take me to pour and finish?



Concrete Quantities

- Equipment
- Understand your yields (test)
- Reduce waste

Rosetta Concrete Weights

Item	Concrete Weight per Form (lbs)	Concrete Volume per Form (yards)
Outcropping		
	3 x 1	1240 0.32
	3.5 x 1	1500 0.38
	4 x 1	1800 0.46
	4.5 x 1	1900 0.49
	5 x 1	2200 0.56
	5.5 x 1	2300 0.59
	6 x 1	2600 0.66
	2 x 0.5	750 0.19
	3 x 0.5	960 0.25
	4 x 0.5	900 0.23

How Long Does It Take to Make

- Tools
- Man hour per form (MH/Form)

SET

GOAL TIME MOLDS PER PALLET

KODAH	5	3
DIMENSIONAL STEPS	15	6
IRREGULAR STEPS	15	6
OUTCROPPING	30	12
BELVEDERE WALL	14	6
COPING	12	6
DIMENSIONAL WALL	14	5
SUPERIOR STEPPER	12	8
FLAGSTONES	12	8



Optimizing Both

- Both concrete batched and total hours or MH/Form should be recorded daily
- Monitor and adjust
- Understand the effect of reducing labor – adding technology
- Maintenance can affect yield
- Optimize both

Form Costing

The image shows an industrial setting, likely a factory floor, with a purple color overlay. In the center, the text "Form Costing" is written in a large, white, sans-serif font. The background features various pieces of industrial equipment, including a control panel with numerous buttons and switches on the right, and a yellow chair in the middle ground. The overall scene is dimly lit, with the purple overlay creating a monochromatic aesthetic.

Form Cost

- Allocate funds to replace forms
- How much???

		Outcropping	Freestanding
			Outcropping
		(SF)	(SF)
Sets of Molds in Fleet		2	1
Molds/Set		12	6
Molds/Pour		24	6
Yield/Set (ea , lf, sf)		90	21.5
Yield/Pour (ea,lf,sf)		180	21.5
Steel Carrier Cost (Set)		\$78,529.00	\$19,180.75
Rubber Mold Cost (Set)		\$54,471.00	\$22,319.25
Steel Carrier Life (Years)		20	20
Rubber Mold Life (Years)		8	8
Steel Carrier Life (Pours)		4560	4560
Rubber Mold Life (Pours)		1824	1824

Replacement Budget (Per Pour)

Steel Carrier (Year)		\$3,926.45	\$959.04
Rubber Mold (Year)		\$6,808.88	\$2,789.91
Steel Carrier (Pour)		\$17.22	\$4.21
Rubber Mold (Pour)		\$29.86	\$12.24
Steel Carrier (Yield)		\$0.10	\$0.20
Rubber Mold (Yield)		\$0.17	\$0.57
Total Budgeted Cost		\$0.26	\$0.76

Per Cast

Packaging Cost

- User Manual recommendations
- Always think about this
- Don't skimp

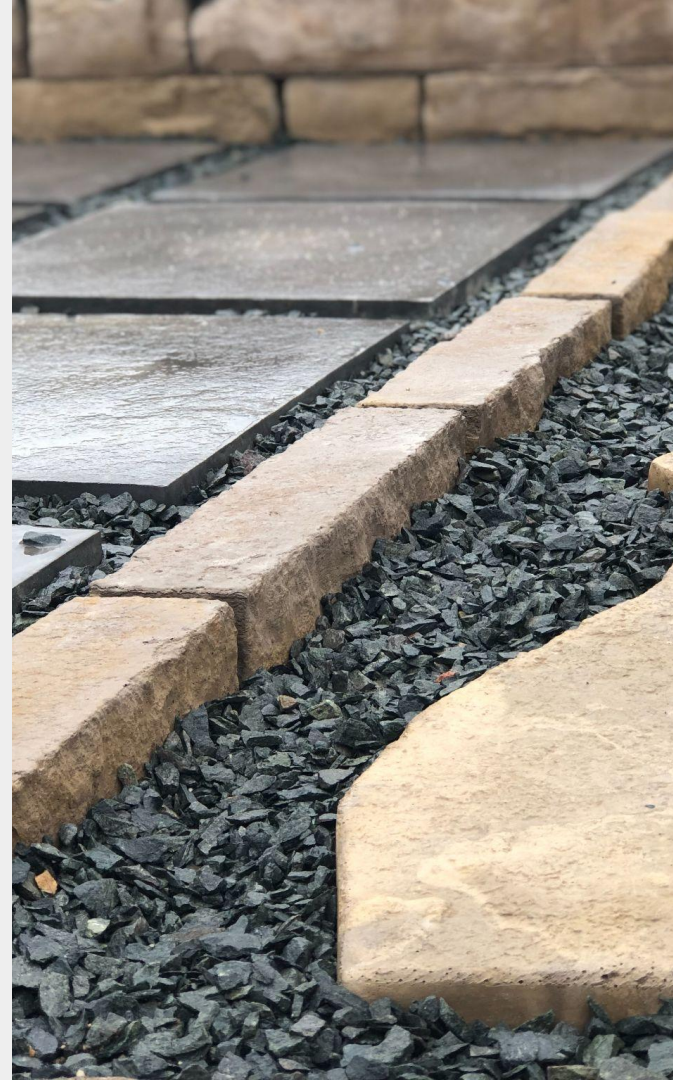


A photograph of a stone-lined path in a forest during autumn. The path is made of dark gravel and is flanked by low stone walls. The trees are covered in orange and yellow leaves, and the ground is covered in fallen leaves. The entire image is overlaid with a semi-transparent purple filter.

Overhead

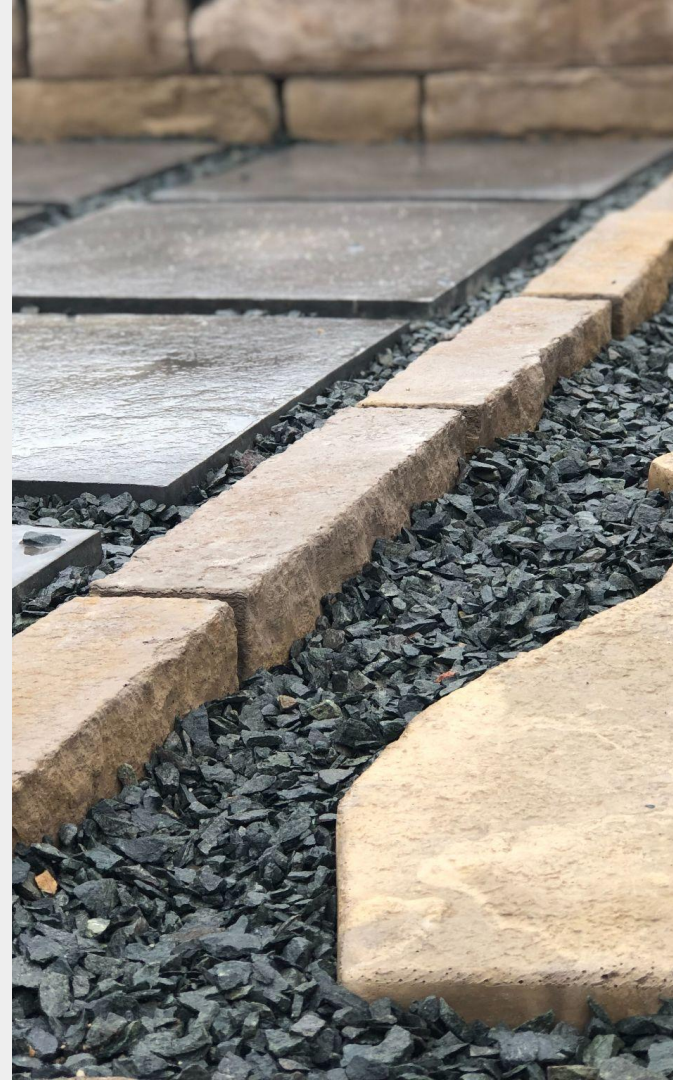
Overhead

- Allocating overhead as percentage of sales vs estimating as percentage of cost
- Adjust constantly, but be conservative
- Factors to include:
 - Office staff (not including sales)
 - Advertising
 - Business insurance (employee insurance and benefits could be)
 - Legal and accounting
 - General upkeep and maintenance



Overhead

- Industry averages on overhead are 15-25% of cost
- However you allocate, allocate consistently
- Common pitfalls
 - Allocating too much or non-applicable overhead
 - Not monitoring
 - Poor reporting
 - Failure to reduce overhead





Plant Cost

- Costs associated with mixer plant
- Can be considered overhead
- Includes:
 - Loan costs
 - Mixer employees
 - Maintenance
 - Extra time to clean and start up
- Make sure this is allocated properly
 - If your mixer feeds 4 different lines, *don't* take total cost and divide by 4

Sales Cost

- Costs associated with selling
- Salaries, travel expenses, literature, etc.
- Be careful on allocation
 - Sometimes literature can be overhead
 - Marketing and trade shows can be overhead
 - Don't divide cost equally on products
 - Figure out percentage allocated to Rosetta



Put It All Together

KODAH

NUMBER OF CASTS/YEAR	228
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Form Volume (cy/set)	0.63
Yield/Set (sf)	21

LABOR RATE/HOUR	\$ 132.00
Man hours/set	0.17

CONCRETE COST/YARD	\$ 90.00
Concrete cost/set	\$ 56.70

OVERHEAD (% OF SALE)	30%
SALES EXPENSE (% OF SALE)	0%
PLANT COST (% OF SALE)	5%

From Labor Costing Tab

From Labor Costing Tab

From Concrete Cost Tab

ESTIMATED RETAIL/sf	\$ 7.45
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Mold Cost/sf	\$ -
Labor cost/sf	\$ 1.05
Concrete cost/sf	\$ 2.70
Packaging/sf	\$ 0.50
Sales Cost	
Overhead	\$ 1.27
Plant Cost	\$ 0.21
Royalty Cost	
Total Cost/sf	\$ 5.73

Profit/sf	\$ 1.72
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Profit Margin	30%
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Total Sq ft/year	4,788.00
Total Annual Revenue	\$ 35,692.49
Profit	\$ 10,707.75

Revenue/Cast	\$156.55
COGS/Cast	\$120.42
Profit/Cast	\$36.13



Pricing Rosetta

What's on the other side?

Reconnaissance on Margin

- **DO NOT LEAD WITH PRICE**
- Focus on end-of-year-over not job-to-job
- Contractor feedback on buying price is key

Gross margin over year above x -
individual margin by job may vary

A photograph of a stone fire pit in a garden, surrounded by wicker chairs with cushions. The scene is overlaid with a semi-transparent purple filter. The fire pit is circular and built from stacked stones. Three wicker chairs with light-colored cushions are arranged around it. The background shows a garden with various plants and a paved area.

Market Research

How Much Can the Market Bear?

Kodah

Price – \$16.50 contractor price = 25 margin (\$12.47 dealer price)

Competing Products

Natural Snapstone \$32.00 contractor = 35 margin (\$20.50 dealer price)

Unilock Cumberland \$16.25 contractor = 25 margin (\$12.19 dealer price)

Techo Bloc Röcka \$26.14 contractor = 25 margin (\$19.54 dealer price)

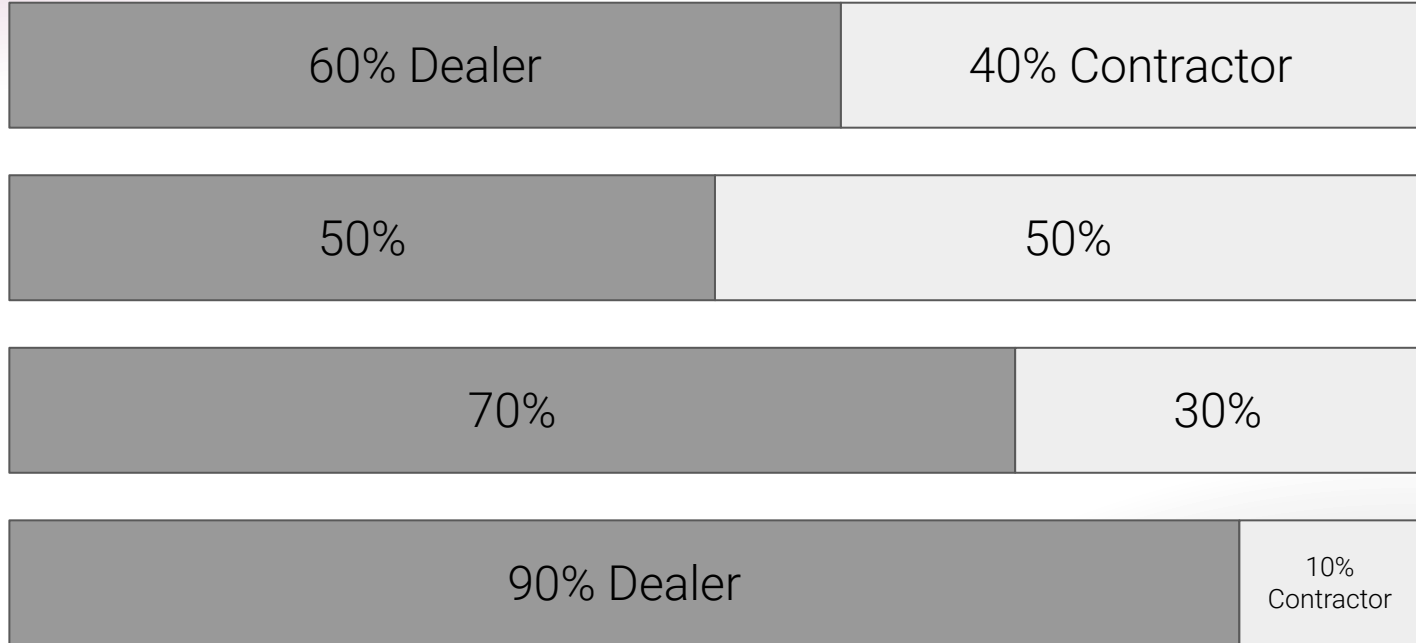
Is Your Sales Strategy Optimized?

- Sales reps selling revenue
- Sales staff spread too thin
- Sales staff has focus one item (dealers, contractors, engineers)

We Need to Optimize Time

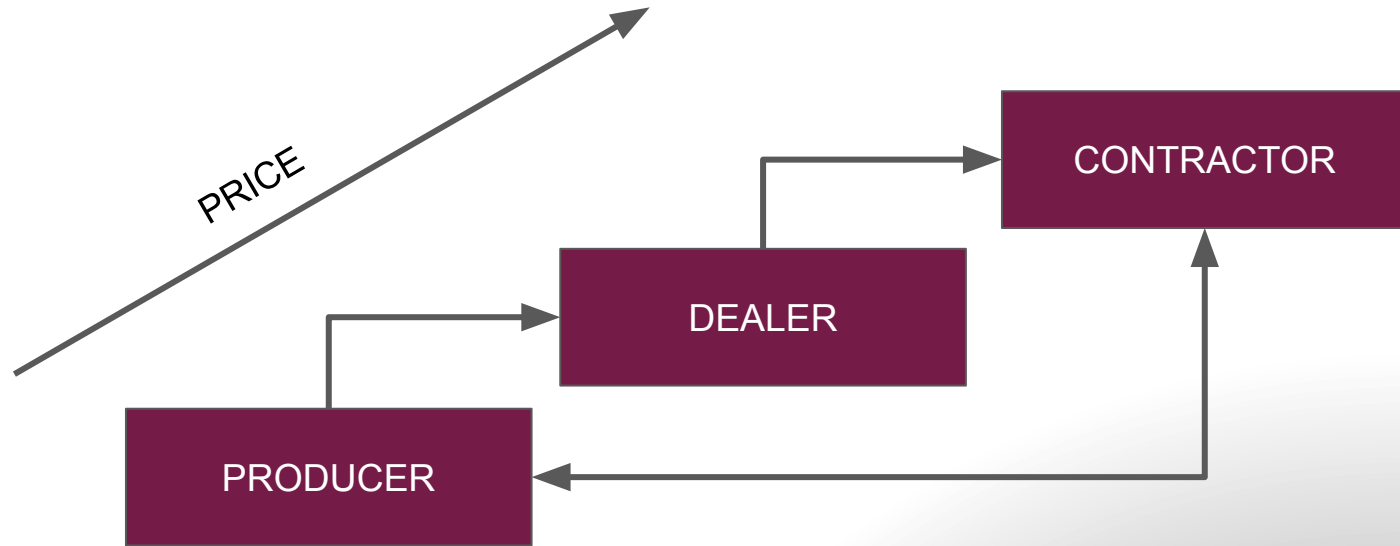


What is the Best Structure?



Supply Chain

How many links are in your chain?



Who Do We Sell Through...Contractor vs Dealer?

Dealers

Pros

- Better outreach / expanded sales force
- Inventory
- Better sales consistency
- Urgency to move product

Cons

- Path of least resistance
- Less control / business mindset
- Yard space competition

Contractors

Pros

- Producer sales staff

Cons

- Producer sales staff
- Inventory
- Higher demand on sales staff

Dealer Pricing vs Contractor Pricing

Dealer Pricing

Price will start lower - 40% Margin Over COGS

Contractor Pricing

Price will start higher - 60% Margin Over COGS

Contractor Dealer Pull Through

- Connect A to B
- Build a network
- Producer sales staff helps bring contractors to dealers
- Force multiplier



Producer Owned Distribution Yards/Stores

- Every step makes own margins
- Better for new outreach
- Splitting time for sales staff
- Better for in-store purchases
(Weekend Warriors)



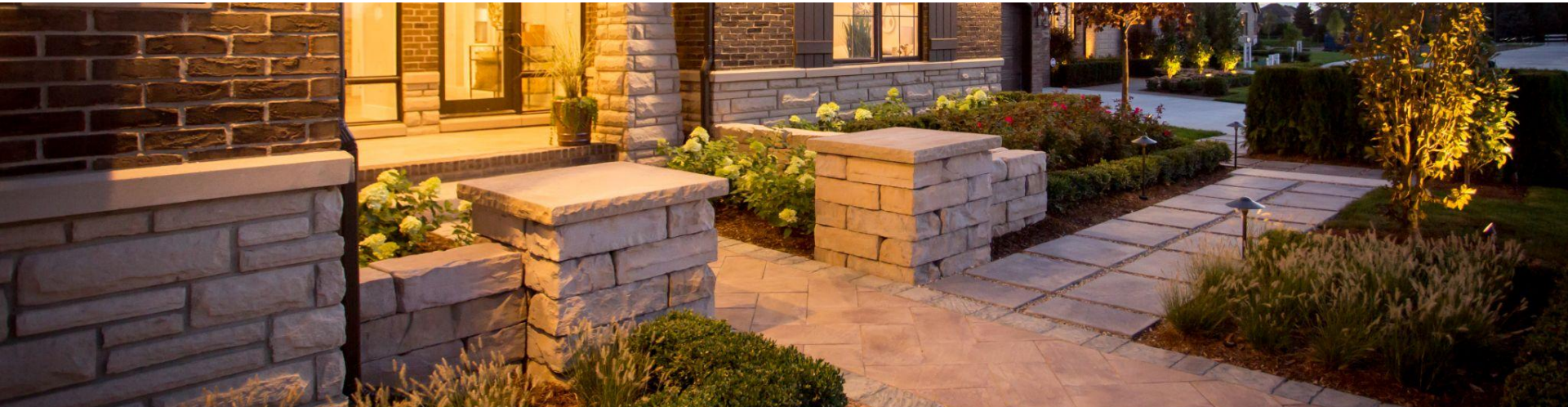
Supply Chain

How many links are in your chain?



Cull Cost/Displays

- This is the “bad stuff”
- Bad product, wrong product shipped, etc etc
- These are all the costs associated with making jobs correct



A photograph of a stone retaining wall with a metal fence, overlaid with a semi-transparent red filter. The wall is constructed from large, rectangular stone blocks stacked in a staggered pattern. A black metal fence with vertical bars runs along the top and left sides of the wall. The background shows a wooden deck and some outdoor furniture. The overall scene is dimly lit, suggesting dusk or dawn.

Take Home

[Costing Tool Link](#)

Metrics

Item to Measure	Metric	Tools
Concrete	Cost per Yard	Concrete Cost Tab
Form	Cost per Pour	Form Cost Tab
Time	Man hours per Form	MH/Form Tracker

Questions?

Reach out via email to aaron.ausen@rosettahardscapes.com

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