

The Five Mistakes That Destroy Margin

Free sample · Chapter 1 of the Pricing Playbook

Coatings Pricing Pro · 2026 edition

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From the Pricing Playbook · the 60-page methodology shipping with the Pricing System bundle.

Most coatings operators do not lose money because their materials are too expensive or their labor is too slow. They lose money because of five specific pricing mistakes, all of which feel reasonable at the moment they happen. Every one of these is fixable.

1. Pricing on material cost only

The most common mistake. The operator looks at a 480-square-foot garage, calculates roughly \$680 in material (epoxy basecoat + polyaspartic topcoat + color flake), doubles it, and quotes \$1,360. Then they spend 14 labor hours and three days of crew utilization on the job. They have just earned \$48 an hour gross and forgotten about overhead entirely.

The fix. Price on material plus labor plus overhead plus margin, in that order. The Pricing Calculator runs the math for you. The point of pricing is not to recoup material · it is to defend the whole economics of the job including the months your crew is not booked.

2. Confusing markup with margin

Operators say “I run a 50% markup” and believe they are earning 50% margin. They are not. A 50% markup (\$680 material becomes \$1,020 sell price) yields a 33% gross margin. A 100% markup yields a 50% margin. A 1.85x multiplier (the default in the Calculator) yields a 46% margin. The gap between the markup the operator says and the margin they earn is where profit dies.

The fix. Know the markup-to-margin formula by heart. Margin equals 1 minus 1 over the markup multiplier. A 1.85x multiplier is a 46% margin. A 2.0x is 50%. A 1.5x is 33%. The Calculator's Quote tab shows both numbers on every quote so you can never confuse them again.

3. Forgetting moisture and prep

The operator walks a slab, sees light cracking, quotes the standard system, and starts the job. On Day 1 they find that the slab is below grade and pulling moisture. The epoxy basecoat will not bond. They have three options · stop and renegotiate, swap to a moisture-tolerant primer at their own cost, or take the L and pray. None of those options should have ever been on the table.

The fix. Every walk includes a moisture test on slabs below grade. Every quote includes a contingency line for prep additions that surface during prep work. The Closing Playbook has the language to set this expectation at quote time so it does not become a fight on Day 1.

4. Underbidding to win volume

The operator is hungry. The quoting pipeline is thin this month. They underbid by 12% on a job they should have walked away from, win it, run it at break-even, and tell themselves it was good for cash flow. They do this four more times that quarter. By month-end they have done \$80,000 in revenue and earned almost no margin. They are working at full capacity and going broke.

The fix. Decide your kill-it price for every job before you quote. If the buyer wants below your kill-it, you walk. The Pricing Calculator shows you the breakeven on every quote so you know exactly where the line is. The Closing Playbook has the script for walking away with the door open · most operators who walk get called back at the real number 30% of the time.

5. Quoting in person without the math

The operator walks the job, the buyer says “what would you charge to do this,” the operator estimates on the spot, and quotes a number \$400 below what the Calculator would have produced. The operator commits to that number in front of the buyer and now cannot raise it without losing trust. The whole job runs at 32% margin instead of 46%.

The fix. Never quote on the walk. “I will send you a written quote by [tomorrow EOD or 24 hours from now]. I do not quote on site because I want to give you a number I can stand behind.” The Closing Playbook has three variations on this script and the framing buyers actually respect.

What's next

That is one chapter. The Pricing Playbook has nine more.

The Pricing Playbook is part of the Pricing System (\$497) which also includes the Pricing Calculator, the Closing Playbook with 17 word-for-word scripts, the Profit and Job Tracker, the Quote Helper GPT, and the Usage Guide.

See the full system at <https://www.coatingspricingpro.com/system>

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