Blueprint

MEDIUM CONFIDENCE

Financial read · prepared for Anytown Collision & Refinish

SHOP	PERIOD	REVENUE	NET INCOME
Anytown Collision & Refinish	June 2026	$117,696	$8,329

REPORT NO.	DATE
BP-R0MPXV	09 / 30 / 26

BOTTOM LINE · JUNE 2026

$8,329

61.2%
Gross margin · practical target 45%-50%+

7.1%
Net margin · practical target 12%-18%

52.8%
Overhead · expenses as % of sales

MARGIN SCORECARD

Gross profit by category against the Crunchit reference targets. Your shop's true targets depend on its pay plans.

Parts

$38,192 in sales

31.5% / 30% `+1.5 pts`

Labor

$43,883 in sales

77.7% / 60% `+17.7 pts`

Sublet

$9,015 in sales

-0.4% / 25% `-25.4 pts`

Paint & Materials

$10,481 in sales

2.4% / 45% `-42.6 pts`

REVENUE MIX

Share of sales by category.



Labor	**37%**
Parts	**32%**
Paint & materials	**9%**

Sublet	**8%**

EXECUTIVE SUMMARY

You brought in $117,696 and kept $8,329, about 7.1 cents on the dollar. Gross profit at 61.2% looks great, but paint and materials is nearly wiped out at 2.4% GP against a 45% target, and that gap is eating almost all your net profit. Before you touch labor or overhead, get the paint and materials accounting validated. That's where this month's story is really being written.

FINANCIAL HEALTH

PLAIN ENGLISH

Overall you're keeping 61 cents of every dollar before overhead, which is strong. Labor is running hot at 77.7% GP and parts are healthy at 31.5%. But paint and materials is basically flat at 2.4%, and sublet came back negative at -0.4%. Those two departments are dragging net profit down from a healthy 12%+ to 7.1%. The P&L can't tell you if that cash actually landed in the bank, what insurers still owe you, or whether WIP and deposits are clean. That's a different conversation.

ACCOUNTING TRUTH CHECK

FIX BEFORE TRUSTING THE KPIS

Before we grade the shop, these need a look. They distort the numbers underneath, so treat the departmental and location figures as directional until they're cleared.

$1,006 in financing costs incl. $15 in late fees

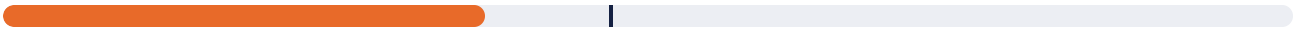
Late fees aren't overhead, they're a cash-pressure symptom - weak cash management or A/P discipline. Worth a cash-flow conversation.

What this means. Any department showing a near-zero or negative margin, like paint and materials at 2.4% and sublet at -0.4%, needs to be checked against your shop management system exports, vendor credits, and month-end WIP before you use these numbers to judge techs, estimators, or growth plans.

YOUR SALES MIX

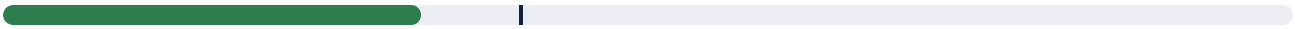
DIRECTIONAL OPERATING VIEW

Labor — $43,883 · 37% · ~47% balanced mix



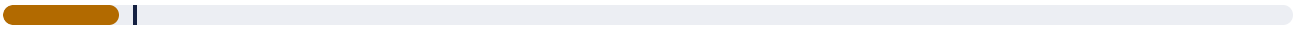
Labor mix is off a balanced ~47%.

Parts — $38,192 · 32% · ~40% balanced mix



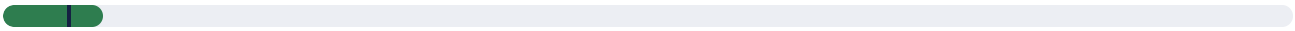
Parts under 40% - you lean repair over replace, which points to strong estimating.

Paint & materials — $10,481 · 9% · trend with refinish



P&M under 10% - likely leaving materials reimbursement on the table.

Sublet — $9,015 · 8% · positive and controlled



Sublet is in the normal 5-8% range.

Labor sitting at 37.3% against a ~47% balanced mix isn't automatically a red flag. It can reflect severity mix, DRP pressure, or a lighter repair month just as easily as missed labor capture, so don't read the mix alone as a performance grade. Combine it with what you see on the shop floor before drawing conclusions.

SALES MIX LEVERAGE

USE ONLY AFTER MARGINS ARE VALIDATED

Labor GP is 77.7% versus parts GP of 31.5%. A 5% shift of total sales from parts into legitimate labor capture would improve gross profit by roughly **$2,719**, assuming total sales stay flat and the category margins are accurate. This is a sensitivity estimate, not a promise.

THE PAINT & MATERIALS OPPORTUNITY

MARGIN GRADE · F

Paint & materials is where shops leak the most. You're keeping 2.4% on it today (a **F** on the collision margin scale); a healthy shop keeps 45%. Closing that gap drops straight to your bottom line.

RECOVERABLE IF PAINT & MATERIALS HITS 45%

$4,466

$250
P&M gross profit today (2.4%)

$4,716
P&M at the 45% target

$12,795
Your new net (10.9%) if you close it

WHERE THE MONEY IS

SEVERITY · HEAVY / MOD / LIGHT

Each line is money already inside your business, ranked by what it's costing you — not by how hard it is to fix.

HEAVY

Paint and materials is basically break-even

PER YEAR

MEDIUM CONFIDENCE

P&M revenue of $10,480.83 is only generating $250.19 in gross profit, a 2.4% margin against a 45% target. Check how your shop management system exports paint materials, whether vendor credits are posting, and whether WIP is adjusted before you assume the paint department is the problem.

```
pm_revenue=10480.83, pm_gp=250.19,
pm_gp_pct=2.4, target=45, recoverable=4466.18
```

HEAVY

Sublet is running negative

VALIDATE FIRST

MEDIUM CONFIDENCE

Sublet gross profit is -0.4% against a 25% target, meaning sublet costs slightly exceed what you're billing for it. Check pre/post scan and towing pass-through pricing and whether COGS entries are matched to the right billed jobs.

```
sublet_gp_pct=-0.4, target=25,
sublet_revenue=9015.44
```

MOD

Net profit is soft against the target

PER YEAR

HIGH CONFIDENCE

Net profit landed at 7.1% versus a 12-18% practical target. Most of that gap traces straight back to paint and materials and sublet margins, not labor or parts, which are both healthy.

```
net_margin_pct=7.08, target=12, gap=-4.9
```

LIGHT

Financing costs plus a late fee showed up

DATA QUALITY

MEDIUM CONFIDENCE

Bank fees, interest, and a late fee totaled $1,006.12 (0.9% of sales) this month. The $15 late fee is small, but it's usually a sign of cash timing pressure worth watching, not an overhead line to cut.

```
bank=364.63, interest=626.49, late_fees=15.00,
total=1006.12, pct=0.9
```

LIGHT

Database subscription may be skewing this month's overhead

ONE TIME

LOW CONFIDENCE

Database Subscription of $2,725.33 posted this month. If this is a yearly charge landing all at once, it's about $227/month on a run-rate basis, and this month's overhead percentage should be read with that in mind.

```
database_subscription=2725.33
```

LIGHT

Labor mix is light against a balanced shop

Labor sales are 37.3% of total mix versus a ~47% balanced reference. Labor GP itself is strong at 77.7%, so this looks like a mix or severity story, not a labor capture problem, but worth confirming sold vs paid hours for the month.

```
labor_mix_pct=37.3, target=47, labor_gp_pct=77.7
```

VALIDATE FIRST

LOW CONFIDENCE

READING EACH NUMBER

RESULT · WHAT IT MAY MEAN · WHAT TO VERIFY

Labor gross profit — 77.7%

STRONG

Practical target: 60%+

Your labor margin is at or above the 60% target.

BEFORE YOU ACT

Make sure PTO, payroll taxes, workers comp, benefits, and other direct labor costs aren't sitting in overhead. If they are, labor GP may be overstated and overhead may look higher than it really is.

Parts gross profit — 31.5%

STRONG

Practical target: 30%+

Your parts margin is at or above the 30% target.

BEFORE YOU ACT

Check your parts matrix and pricing, vendor credits and returns, and how parts are mapped in accounting before assuming it's a volume problem.

Paint & materials GP — 2.4%

WARNING

Practical target: 45%+

Your P&M margin is below the 45% target.

BEFORE YOU ACT

This isn't always a material usage problem. Look at non-included material capture, DRP reimbursement or formula caps, material consumption, and accounting mapping before deciding where the leak is.

Sublet gross profit — -0.4%

WARNING

Practical target: 25%+

Sublet is losing money on the work you're billing.

BEFORE YOU ACT

Review sublet markup and which sublet work (like calibrations) could be brought in-house. Also watch sublet as a share of sales, since a rising sublet mix can pull down overall GP on its own.

Overhead — 52.8% HEAVY

Practical target: 30% or below

Overhead is running heavy compared with sales.

> **BEFORE YOU ACT**
>
> Before cutting expenses, check whether direct labor costs such as PTO, payroll taxes, workers comp, and benefits are being posted here instead of labor COGS. That can make overhead look high while also making labor GP look unusually strong.

CONNECTED INSIGHT

HOW YOUR NUMBERS RELATE

When two numbers tell a related story, they're worth reading together. Accounting truth comes before assuming an operational problem.

Check where labor costs are posted

Your labor GP is unusually strong (78%) while overhead is high (53%). Before treating these as two separate issues, verify where labor-related payroll costs are being posted. If PTO, payroll taxes, workers comp, or benefits are sitting in operating expenses, correcting the classification would lower reported labor GP and overhead at the same time.

Before blaming P&M usage

P&M GP is 2%, below the 45% target. This isn't always a material usage problem. Look at non-included material capture, DRP reimbursement or formula caps, material consumption, and accounting mapping before deciding where the leak is.

WHAT THE P&L CANNOT SHOW

NEEDED FOR FULL FINANCIAL READINESS

A P&L is an income statement. These decide whether a shop actually survives, and they live on the balance sheet and cash-flow statement. This is exactly what a Crunchit Discovery call covers.

Cash flow Whether profit actually reached the bank after debt principal, owner distributions, taxes and equipment purchases.

Accounts receivable How much insurers and customers still owe you, and how old it is.

WIP and open ROs Whether costs and revenue are landing in the same month.

Customer deposits Whether advance payments sit correctly as liabilities until the repair is earned.

Management system vs. QuickBooks Whether your shop management system and your books reconcile logically after supplements, credits, returns and closeout timing.

YOUR ACTION PLAN

IN PRIORITY ORDER

1. Reconcile the P&L to your shop management system sales journals and closed ROs for June, especially paint and materials and sublet lines, before drawing conclusions from the margins.

2. Validate paint and materials sales and costs specifically: confirm vendor credits are posting, check for formula caps, and see if WIP was adjusted at month-end. This is the single biggest lever this month.

3. Check sublet billing against sublet cost for pre/post scans and towing to see if pass-through pricing is set up correctly or if costs are landing in the wrong month.

4. Confirm whether the Database Subscription charge is annual; if so, note the monthly-equivalent so overhead percentage isn't judged off one inflated month.

5. Once paint, materials and sublet accounting are confirmed accurate, build a 90-day plan targeting net profit back toward the 12-18% range, using labor and parts, which are already performing well, as your stable base.

BEST NEXT STEP

Before you make any calls about painters, estimators, or pricing, get the paint and materials and sublet numbers validated against your shop management system and vendor credits. There's a real $4,466 a month sitting in that P&M gap alone if the accounting confirms it's real. That's exactly the kind of thing a Crunchit Discovery call sorts out: establish what's actually true in the numbers first, then build the operating plan on top of it instead of guessing.

How this was built. Every dollar and percentage above is read directly off the P&L you sent and computed from its own totals. Margin targets and benchmarks reflect typical collision shops. Anything your statement doesn't support is listed under "what we can't see yet," never guessed. Nothing here is a filing, an appraisal, or tax advice.

Prepared by Blueprint · by Crunchit Financial Services · report BP-R0MPXV