Ops 5: Booked Out but No Cash? Capacity, Hiring & Pricing Confidence

Fix Cash Without Hiring (First)

1) 24■hour timesheets • 2) Raise rates on new work (10–15%) • 3) Rush fee for ASAP starts • 4) Minimums/mobilization • 5) Enforce change orders • 6) Bridge with subs.

Hire Only When the Math Says So

Break■even Billable Hours/Week = Weekly Loaded Cost ÷ (Bill Rate − Variable Cost)

Hire when backlog > 3–4 weeks at new rates AND you consistently leave > (break■even + 20%) of hours on the floor.

Price Labor Into Every Project

For T&M; use role rates from Ops 2. For Fixed Fee convert hours → price with $(L/U)/(1-GM)$, document scope, enforce triggers.

> ■ **How J&B; LLC can help**
>
> • Build a quick capacity model & hiring rule
> • Pilot a price rise + rush fee without churn
> • Evaluate sub vs. hire with a 6–8 week test

Key Takeaway: Capacity ≠ cash. Realization, pricing, and scope control come first—then headcount.

Try It Yourself

Role	Weekly Loaded $	Bill Rate	Variable $	Break■even h/wk
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Backlog weeks: _____ | Avg unbilled capacity: _____ h/wk

Reflection

• If we raised rates 10–15%, where would we lose zero clients? _____

• If we hired one role, which would unlock the most revenue? _____

■ **Action Step:** Pilot a new rate on the next two quotes and measure win rate + gross margin.