



BREAKING DOWN YOUR BUSINESS FINANCIALS

Pest Control by the Numbers

Running a profitable pest control business relies on recognizing the importance of data, understanding your financial figures and being able to use key performance indicators (KPIs) to see how your business is performing relative to the rest of the pest control landscape. Read on to see how financial figures are looking for your peers in the industry and gauge how your own business is performing.

DAILY OPERATIONS AND GROSS PROFIT

A recent survey of over 150 pest control companies explored the **costs and gross profits** of companies in both the residential and commercial verticals, breaking down their costs.

	Commercial % of Income	Residential % of Income
Revenue	100.00%	100.00%
Direct Payroll Cost	26.64%	27.98%
Auto Expense	7.84%	8.03%
Material Costs	9.23%	7.41%
Other Costs	3.51%	3.08%
Total Direct Costs	47.22%	46.50%
Gross Profit	52.78%	53.50%

NOTE → The **direct costs** above are separate from your **operating expenses**.

While direct costs are those that correlate directly with providing service — such as technician payroll, materials and vehicle costs — operating expenses refer to costs that aren't tied to the production of services, like rent, utilities, office staff wages and marketing expenses.

Consider these benchmark figures:

	Expenses % of Income
Selling Expense	3.57%
Marketing Expense	6.30%
General + Admin	32.61%
Total Operating Expense	42.48%

IF THESE NUMBERS SUGGEST

that your costs are taking too much of your revenue, it's time to

ANALYZE DIRECT COSTS

and find opportunities to save while maintaining quality

OPTIMIZE PRICING

to ensure a balance of value and demand; consider bundles

FOCUS ON SATISFACTION

to drive recurring revenue and referrals

ACTIVITY RATIOS

When creating strategies that support your profits, be sure to consider **activity ratios**. These ratios, such as revenue per customer and revenue per employee, are key indicators of financial efficiency. **Higher figures reflect more efficient distribution of technicians and resources, indicating more return on your investments.**

	Residential	Commercial
Average Revenue Per Customer (Annual revenue/total number of active customers)	\$418	\$1,439
Average Revenue Per Employee (Annual revenue/number of full-time employees)	\$107,864	

Numbers were calculated based on Full-Time Equivalents (FTE), where an FTE represents the hours worked by a single employee on a full-time basis.

DAYS SALES OUTSTANDING

Often shortened to **DSO**, your business's days sales outstanding refers to how long invoices are open before the customer pays, on average. It's a strong indicator of how efficient your billing and collections processes are, and a lower DSO facilitates faster cash flow, more predictable access to your funds and better financial flexibility.

The average DSO for pest control businesses is

32.85 DAYS

Shortening your DSO relies on revisiting your billing processes and the way you collect payments.

Processing payments in PestPac streamlines the process with secure payment data storage, automatic account updating and autopay options to **GET YOU PAID FASTER.**

Ready to take control of your business financials and push the needle toward **SCALABLE, SUSTAINABLE GROWTH?**