

A FRANK PLAN

Southside Steel and Engineering

SAMPLE PLAN
NAMES INVENTED

PREPARED FOR TONY · SOUTHSIDE STEEL AND ENGINEERING

14 OCTOBER 2026

THE SHORT OF IT

At unchanged sales, restoring your old profit margin means closing a yearly gap of about \$620,000 a year.

\$14.2 million

last year's sales

**about
\$370,000**

last year's profit

2.6%

reported profit margin

01 LOOK HOW FAR YOU'VE COME

You grew the business, Tony.

Before anything else, the crew wants to say well done.



MARK · THE MARKETER

You increased sales last year.

That is real progress. The next step is helping that work earn its keep.

Tony, growing a steel business takes effort. You deserve a clearer view of what that effort is returning.

FRANK AND THE CREW

02 WHAT FRANK FOUND

G'day Tony.

What Frank's crew found when they went through your numbers.

IN A NUTSHELL

Tony, Southside Steel and Engineering has grown sales and stayed profitable. The honest bit: more work is leaving much less behind.

THE ONE THING THAT CHANGES THE PLAN

Dates must match; overtime and overruns may overlap

If periods match annually, eliminating the entire bill leaves $\$624,000 - \$410,000 =$ about $\$214,000$ of the benchmark gap. Removing every overtime dollar is an arithmetic ceiling, not achievable savings: necessary overtime remains. Direct overtime spending differs from wider rework costs; overlap with the 18% hours overrun has not been established.

What Frank learnt

- 1 Higher sales do not show which work pays.
- 2 Poor quotes and difficult builds can produce the same symptom.
- 3 Knowing job costs helps protect good builder relationships.



FRANK'S TAKE

Tony, find the job pattern before making a business-wide change.



ROCK'S CORNER · THE COACH

A quote approved without you is only helpful if the risk rules are clear.

03

03 WHAT'S GOING WELL

First, the good news.

Start here. These are the things already working for you.

45

STAFF

An established operation

You have built a substantial fabrication business.

Make more of it: Keep trials narrow.

Positive

REPORTED RESULT

A business to build on

Last year's reported result was a profit.

MAKE MORE OF IT

Focus on profit kept.

Quoted versus actual

HOURS ALREADY COMPARED

A useful starting clue

You already have a fixed-price hours comparison.

MAKE MORE OF IT

Start with those jobs.

“ Steel is heavy enough without carrying guesswork.

FRANK

04

04 WHAT CAN BE BETTER

Where it could get better.

Honest, and on your side. Each one comes with an idea for what could help.

1 Find the expensive job types

A BEST GUESS

\$18,000

ILLUSTRATIVE LABOUR
EXPOSURE PER QUOTED
LABOUR BASE

WHAT'S GOING ON

The hours result does not identify which work loses money.

WHAT TO DO INSTEAD

Compare completed job types, including materials, outside costs and approved changes. Rank profit per job and earnings per dollar of labour.

QUICK IDEAS

- Separate job families
- Include outside costs
- Match drawing revisions

2 Separate rework from the Friday rush

A BEST GUESS

**\$79,000 a
year**

OPTION B CONDITIONAL
FIRST-YEAR NET GAIN

WHAT'S GOING ON

Earlier work only saves wages when paid costs fall.

WHAT TO DO INSTEAD

Separate overtime causes using existing records. Test Thursday readiness where those records show dispatch pressure.

QUICK IDEAS

- Confirm drawings before cutting
- Check material readiness
- Protect dispatch promises

3

Make quotes clearer, not merely faster

A BEST GUESS

\$88,785 a yearOPTION C CONDITIONAL
FIRST-YEAR NET GAIN

WHAT'S GOING ON

Quotes over \$5,000 wait for you; turnaround is about two weeks. Lost orders and underpricing are unknown.

WHAT TO DO INSTEAD

Test standard hours from sound completed jobs. You set approval limits and which exceptions return to you.

QUICK IDEAS

- Separate incomplete enquiries
- Reuse proven estimating hours
- State scope clearly

STOP, PARK OR SAY NO TO FOR NOW

- **Park the blanket price rise.** Protects good builders while the weak job types become clear.
- **Park new tracking software.** Avoids spending before existing job and payroll records reveal what is missing.

Option B conditional first-year
net gain

\$79,000

Option C conditional first-year
net gain

\$88,785

What each fix could be worth a year

WHAT IT COULD BE WORTH, IF THE ESTIMATES HOLD

about \$620,000 a year

Your goal gap, not a saving already established.

05

HOW YOU COMPARE

Where you sit among similar businesses.

Your numbers against similar businesses, and the locals down the road.

05

Who's down the road

Hangan Steel ¹

Advertises fast quotes, but complete drawings make the comparison fair.

8 Star Metal Engineering

⁷

Publishes drawing sign-off before cutting, a useful release check.

A.C. Steel ²

Separates tender scope, labour, materials and delivery documents.



FRANK'S TAKE

Local offers support testing clarity and response speed; published prices do not establish a sound like-for-like price benchmark.

MORE FROM FRANK'S TEAM



Doug · The Digger

A TIP

Compare the same profit

Keep tax and owner pay treatment consistent.

06 YOUR OPTIONS

The ways forward, costed.

Every option costed in dollars. The call is yours.

06

FRANK'S PICK

A

Evidence first

Option A suits the current uncertainty. Use existing records before choosing a production or pricing pilot; no profit gain is priced.

COSTS

About \$150 internal time

COULD BRING

Not yet priced

WHEN

Before committing spend

YOUR TIME

Assumed owner time: 2 hours

B

Overtime pilot

Conditional on evidence of avoidable paid overtime. Model removing 10%, 20% or 30% of the reported bill, less trial costs.

COSTS

About \$3,000 internal time

COULD BRING

\$38,000 to \$120,000 a year

WHEN

After evidence and capacity

YOUR TIME

40 total internal hours assumed, including 2 owner hours; staffing and availability unconfirmed.

C

Targeted new-quote pricing

Conditional on proven underpriced work. Model a 3% rise on 10%, 25% or 40% of sales, allowing 1% lost volume and trial costs.

COSTS

About \$6,000 internal time

COULD BRING

\$31,900 to \$145,700 a year, yearly

WHEN

After evidence and capacity

YOUR TIME

80 total internal hours assumed, including 2 owner hours; staffing and availability unconfirmed.

F.

FRANK'S TAKE

Tony, the records could favour either pilot, but reaching 7% by your target date is not yet demonstrated. Options, not orders. Your call.



07 DOUG'S WORKINGS

Test all three overtime causes

These allocations are hypothetical, not findings. No cause is proven largest; recoverable value is not known yet.

Hypothetical splits and separate labour exposure

Measure	Case 1	Case 2	Case 3
Rework share of overtime	25%	50%	75%
Friday rush share	50%	25%	15%
Other causes share	25%	25%	10%
Separate assumed annual quoted labour	\$500,000	\$1 million	\$2 million
Extra labour at 18%	\$90,000	\$180,000	\$360,000

Each overtime column totals 100%. These are spending allocations, not avoidable savings. Labour exposure is a separate test and may overlap overtime.

Quickest checks using existing records

- ✓

Accounts: match reporting dates and clarify profit, including tax and owner pay.
- ✓

Payroll and job records: check overtime causes, included costs and overlap.
- ✓

Completed jobs: start with the largest overruns and compare job families.



DOUG · THE DIGGER

Tony, the assumed splits count as \$0 towards gains. Existing payroll and job records can test them without another diary.

08

08 DOUG'S BENCHMARK COMPARISON

What each pilot leaves to find

\$14,200,000 benchmark sales × 7% = \$994,000 target profit. Less about \$370,000 reported profit leaves about \$624,000 annually, rounded to \$620,000.

Separate conditional full-year scenarios

Annual amount	Lower gain	Middle gain	Higher gain
Option B gain	\$38,000	\$79,000	\$120,000
Option B remaining gap	\$586,000	\$545,000	\$504,000
Option C gain	\$31,914	\$88,785	\$145,656
Option C remaining gap	\$592,086	\$535,215	\$478,344

These are separate conditional full-year scenarios, not additive gains or forecasts for the target financial year. Gaps use the unrounded \$624,000 benchmark.

09

09 WHAT HAPPENS NEXT

The next 12 months.

What could come next, season by season. Possibilities, not a programme.

MARCO FOUND THIS · THE EXPLORER

The bigger factory was not the answer

LaserBond in New South Wales faced something familiar: sales rose, but margins did not keep pace. Its improvement provider reports that moving to a larger factory had not fixed the old operating problems, so the business tried small workshop-led changes instead. It recorded the time and purchases spent on improvement separately, then extended useful changes into production, scheduling and warehousing. The provider's published account reports fewer machine stoppages, although its financial measure is not defined clearly enough to borrow as a forecast.

THE LESSON

Tony, the useful clue is to test a small change and count its cost before spreading it. [8]

DIARY DATE · PROTECT BUILDER RELATIONSHIPS

A targeted change can preserve competitive quotes on sound work. Ask what each builder values before assuming price is the only reason they buy.

Spring 2026

Confirm the baseline and the strongest supported cause before committing time.

A GOOD PLACE TO STARTSummer 2026–
27

Test one pilot where capacity allows. Its full-year scenario is not this quarter's gain.

Autumn 2027

Compare actual gains with the scenario, then decide whether wider changes fit.

Winter 2027

Compare achieved annual profit with the benchmark and identify what still needs to improve.

MORE FROM FRANK'S TEAM

**Penny** · The Costing Clerk**ASK THIS**

Ask the coating supplier

Which specification details most often change your first price?

10

10 SIGNS IT'S WORKING

Numbers worth knowing.

The few numbers that show the plan is working, whenever you feel like a look.

What to watch	Where it is now	What it means	Good looks like	If it's off, next move
Reported profit margin	About 2.6% last year	What remained from sales under your current profit definition.	Your goal: about 7% for the agreed target financial year	Compare completed-job earnings before chasing more volume.
Overtime spending	About \$410,000; reporting period unconfirmed	A cost to explain, not wholly avoidable spending.	Less avoidable spending over the same confirmed reporting period	Separate necessary overtime from rework and dispatch pressure.
Fixed-price hours overrun	Fixed-price jobs ran roughly 18 percent over on hours.	Actual hours above quoted hours in the reported sample.	Lower overruns on comparable completed jobs	Check scope changes, estimating hours and actual production.
Quote turnaround	About two weeks; measurement period unspecified	How long builders wait for a price.	Shorter turnaround for complete, comparable enquiries	Separate missing information from approval waiting.

F.

HOW TO USE IT

Nothing to fill in. If you're curious how things are tracking, these are the numbers that tell you. On target, carry on. Off target, the last column has an idea for what to try next.

11 THE WORKINGS

How Frank worked out the numbers.



Only if you like the detail. Every money figure in this plan, with the sum behind it, so you can check any of them against your own records.

How to read these sums. Every number comes from your own answers and documents unless it's marked **Frank's estimate** (a reasoned guess: swap in your own number and the result changes the same way) or **research** (with its source number). Improvements are illustrations, not money already found. The sums are checked by code, not by eye.

Your goal gap at unchanged sales

\$624,000 a year

HOW IT WAS WORKED OUT

\$14.2 million sales at 7%	\$994,000
Less reported profit	about \$370,000
Annual benchmark gap	about \$624,000
Rounded annual benchmark gap	about \$620,000

WHAT YOU TOLD FRANK

Sales	\$14,200,000
Your target margin in percent	7%
Profit	\$370,000

Target profit is \$994,000 at unchanged sales. The approximately \$624,000 gap rounds to \$620,000. This is a goal benchmark, not an achievable gain forecast.

Option B conditional first-year net gain

\$79,000 a year

An estimate, not money already found. It holds only if what Frank assumed holds.

HOW IT WAS WORKED OUT

Conditional overtime cost removed	\$82,000
Less trial allowance	\$3,000
Middle-case first-year net gain	about \$79,000

WHAT YOU TOLD FRANK

Overtime	410,000
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WHAT FRANK ASSUMED

Cut	20%
Total internal trial hours	40
Hourly cost	75

RANGE \$38,000 a year to \$120,000 a year. Conditional range about \$38,000 to \$120,000 in the first full year. Assumes real paid cost removal without replacement labour, lost output or delivery damage. Not added to overrun exposure.

Option C conditional first-year net gain

\$88,785 a year

An estimate, not money already found. It holds only if what Frank assumed holds.

HOW IT WAS WORKED OUT

Extra price on retained eligible work **about \$105,000**

Less contribution lost with volume **about \$11,000**

Less pricing trial allowance **\$6,000**

Middle-case first-year net gain about \$89,000

WHAT YOU TOLD FRANK

Sales **\$14,200,000**

WHAT FRANK ASSUMED

Eligible share **25%**

Lost volume **1%**

Rise **3%**

RANGE \$31,914 a year to \$145,656 a year. Conditional range about \$32,000 to \$146,000 for a full year of eligible work. Timing, scope, customer response and actual job contribution require evidence. Not additive to option B.

The other figures in this plan

Figure	Amount	The sum
Illustrative labour exposure per quoted labour base	\$18,000	Quoted labour \$100,000 Frank's estimate × Overrun 18% = \$18,000. includes Frank's estimate
Option A illustrative internal time cost	\$150	Hours 2 × Hourly cost \$75 = \$150. All Frank's estimates.
Option B trial cost allowance	\$3,000	Hours 40 × Hourly cost \$75 = \$3,000. All Frank's estimates.
Option C trial cost allowance	\$6,000	Hours 80 × Hourly cost \$75 = \$6,000. All Frank's estimates.
Illustrative total labour exposure	\$180,000 a year	Quoted labour \$1,000,000 Frank's estimate × Overrun 18% = \$180,000 a year. includes Frank's estimate

Gap remaining even if the entire overtime bill disappeared **\$214,000 a year**

Sales	\$14,200,000
× Target margin in percent	7%
= Step 1 result	\$994,000
less Profit	\$370,000
less Overtime	\$410,000
= Result, a year	\$214,000

Annual benchmark gap after separate option B scenarios **\$545,000 a year** includes Frank's estimate

Sales	\$14,200,000
× Target margin in percent	7%
= Step 1 result	\$994,000
Overtime	\$410,000
× Cut <i>Frank's estimate</i>	20%
= Step 2 result	\$82,000
Hours <i>Frank's estimate</i>	40
× Hourly cost <i>Frank's estimate</i>	\$75
= Step 3 result	\$3,000
Result of step 2	\$82,000
less Result of step 3	\$3,000
= Step 4 result	\$79,000
Result of step 1	\$994,000
less Profit	\$370,000
less Result of step 4	\$79,000
= Result, a year	\$545,000

Annual benchmark gap after separate option C scenarios \$535,215 a year includes Frank's estimate

Sales	\$14,200,000
× Target margin in percent	7%
= Step 1 result	\$994,000
The whole	100%
<i>less</i> Lost volume <i>Frank's estimate</i>	1%
= Step 2 result	99%
Sales	\$14,200,000
× Eligible share <i>Frank's estimate</i>	25%
× Result of step 2	99%
× Rise <i>Frank's estimate</i>	3%
= Step 3 result	\$105,435
Sales	\$14,200,000
× Eligible share <i>Frank's estimate</i>	25%
× Lost volume <i>Frank's estimate</i>	1%
× Lost contribution <i>Frank's estimate</i>	30%
= Step 4 result	\$10,650
Hours <i>Frank's estimate</i>	80
× Hourly cost <i>Frank's estimate</i>	\$75
= Step 5 result	\$6,000
Result of step 3	\$105,435
<i>less</i> Result of step 4	\$10,650
<i>less</i> Result of step 5	\$6,000
= Step 6 result	\$88,785
Result of step 1	\$994,000
<i>less</i> Profit	\$370,000
<i>less</i> Result of step 6	\$88,785
= Result, a year	\$535,215

GO READY WHEN YOU ARE

Request the existing records

Uses records already held to distinguish pricing trouble from production trouble.

EMAIL, READY TO SEND · WHOEVER HOLDS THE ACCOUNTS AND JOB RECORDS

Subject Southside job review

Please send existing estimates and actual costs for the completed jobs behind our hours comparison. Include materials, outside work and approved variations. Please include payroll detail behind the overtime total, its dates and included costs. We need to distinguish rework, Friday pressure and other causes without counting costs twice. Please confirm the accounts periods, what profit includes, and the date intended by our target. Existing exports are fine; no new report is needed.

Who sends it Tony **Suggested timing** Within the next week, if it suits

Copy it, change anything you like, and send it if it suits.

MORE FROM FRANK'S TEAM



Penny · The Costing Clerk

A TIP

Include late supplier credits

Assign credits to the jobs they concern.

12

FRANK'S RESEARCH PICKS

12

Worth your time.

Real people, real research. Frank opened every link the day this plan was built.

People worth following

Shane**Williams**

YouTube ·

@ManufacturingTechAU

Australian technology adviser and Manufacturing Tech Australia co-host

Follow his shared channel for manufacturing discussions before considering software or equipment spending.

youtube.com/@ManufacturingTechAU/videos

Paul**Mason**

YouTube ·

@ManufacturingTechAU

Mechatronics engineer and Manufacturing Tech Australia co-host

On the same shared channel, Paul brings an engineering view to factory systems and manufacturing technology.

youtube.com/@ManufacturingTechAU/videos

Worth a read

Choose a pricing strategy

Australian Government, business.gov.au

Competitor prices are a guide, not proof that a job pays. The article combines full costs with customer value, which fits your targeted quote trial.

“Ask your customers what they value most and adjust your pricing to match.”

Australian Government, business.gov.au

business.gov.au/products-and-services/choose-a-pricing-strategy

Create a budget

Australian Government, business.gov.au

Your 7% goal and your likely result are different things. This article explains why a budget sets the aim while a forecast follows current evidence.

“A forecast uses your current financial data and recent trends to estimate what's likely to happen next.”

Australian Government, business.gov.au

business.gov.au/finance/financial-tools-and-templates/create-a-budget



Bill · The Rulebook
WORTH KNOWING

Keep welding controls

WorkSafe covers fumes, electrical risks and fire. Preserve controls during layout trials. [6]



Ada · The Tech Guide
A TIP

Make revisions unmistakable

Distinguish approved drawings from superseded copies.



Mark · The Marketer
ASK THIS

Ask a good builder

Besides price, what makes you choose a steel quote?



Doug · The Digger
A TIP

Other costs could change priorities

Materials, subcontracting, freight, premises and other costs were not supplied.



Penny · The Costing Clerk
A TIP

Tonnes miss complexity

Light steel with complex connections can still demand substantial labour.

Welding

WorkSafe Victoria

A faster workshop still needs safe separation and sound controls. WorkSafe explains risks to nearby workers as well as the person welding.

“However, other people in the workplace may also be exposed to UV radiation”

WorkSafe Victoria

worksafe.vic.gov.au/welding

Did you know?

WorkSafe lists reflected welding radiation as a risk, not just direct exposure to the arc.

Welding

The government's profit statement guide says to label estimates and clearly state whether figures include GST.

Set up a profit and loss statement

13 BEHIND THE PLAN

The fine print, kept short.

Who to talk to, where the numbers came from, and the small print.

Free official help

Building and Plumbing Commission

START HERE, FREE

Call

1300 067 088

Whether they cover Southside's arrangements remains unknown.

ASK THEM

1. Do the current construction payment rules cover our supply arrangements?
2. What should our scope and variation approval wording record?
3. Which existing payment terms warrant review?

Where this came from

1. Structural Steel Fabrication in Bayswater
hangansteel.com.au/structural-steel/fabrication
2. Commercial Structural Steel Fabrication Melbourne
acsteelconstruction.com.au/commercial-structural-steel
3. Manufacturing and Associated Industries and Occupations Award 2020
awards.fairwork.gov.au/MA000010.html
4. Changes affecting construction contracts
bpc.vic.gov.au/builders/security-of-payment/changes-to-the-sop-act/changes-affecting-construction-contracts
5. Fatigue
worksafe.vic.gov.au/fatigue
6. Welding
worksafe.vic.gov.au/welding
7. Heavy-Duty Structural Steel Fabrication Melbourne
8starmetalengineering.com.au/structural-steel
8. LaserBond: Business Process Improvement using Lean
performedrivers.com.au/articles/laserbond-lean-case-study
9. Find my award
fairwork.gov.au/employment-conditions/awards/find-my-award

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Frank Plans, a trading name of Empire Concepts Pty Ltd, ABN 35 110 696 574 · Plan SAMPLE · 14 October 2026

THE LAST WORD

Over to you, Tony.

IF YOU'D LIKE A PLACE TO START

- Request the existing job and payroll evidence
- Choose the strongest supported pilot
- Set your quoting exception rules

Tony, you've built a substantial business doing demanding work. There is a clearer path now, without betting the workshop on a guess. Give yourself room to improve one part before changing the whole operation.

Frank

FRANK · AI PLANNING ASSISTANT · SIGNED OFF FOR TONY



You do not have to fix everything to make the next decision well.

ONE LAST THING FROM FRANK