

2022

**Portable Sanitation
Industry Benchmark Report**

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2022 PORTABLE SANITATION INDUSTRY BENCHMARK REPORT

Until now, the portable sanitation industry has lacked benchmarking data to help operators understand how their business compares to others. In the past, you've probably talked shop with operators at conferences and on Facebook groups, but those outlets lack objective data on the portable sanitation industry as a whole. That's why we've created this Portable Sanitation Industry Benchmark Report.

In the last year, we've seen a rapid trend of operators modernizing their business practices, and the benchmarks from our inaugural report reflect that. The data shows that the most profitable portable sanitation businesses are improving their processes and upgrading their tools.

With this report, our goal is to make it easy for you to see how your business compares to others, and provide insights into where your business could make improvements. We hope you find the data useful, and we wish you great success in 2023.

- Jonah Chilton, CEO of ServiceCore



We're delighted that ServiceCore created a benchmarking report for the portable sanitation industry. This information is extremely valuable to our members, and shines a light on what the most successful PROs are doing. It aligns with our mission to expand and improve portable sanitation facilities worldwide.

Veronica Crosier,
Executive Director, PSAI



ABOUT THIS REPORT

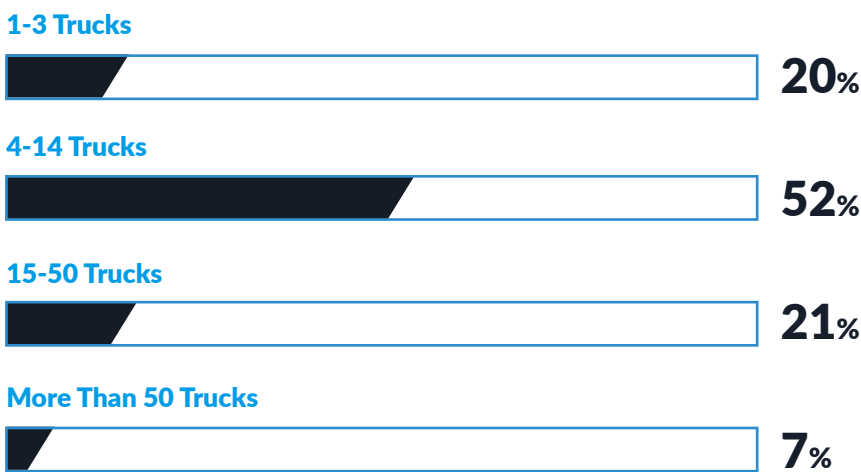
We surveyed portable sanitation operators on all aspects of their businesses and the data in this report depicts 292 individual responses. For each category we've highlighted what the "Top PROs" are doing.



"Top PROs" are defined as portable sanitation businesses that have more than 20% profit margin.

DEMOGRAPHICS

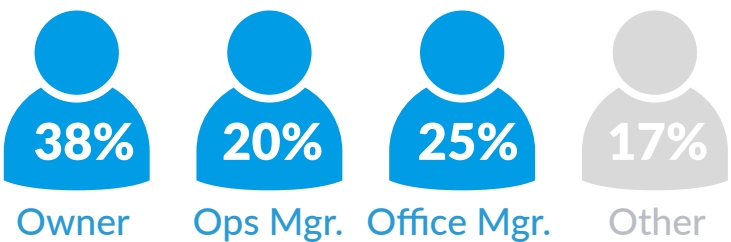
Survey Respondents: Business Sizes



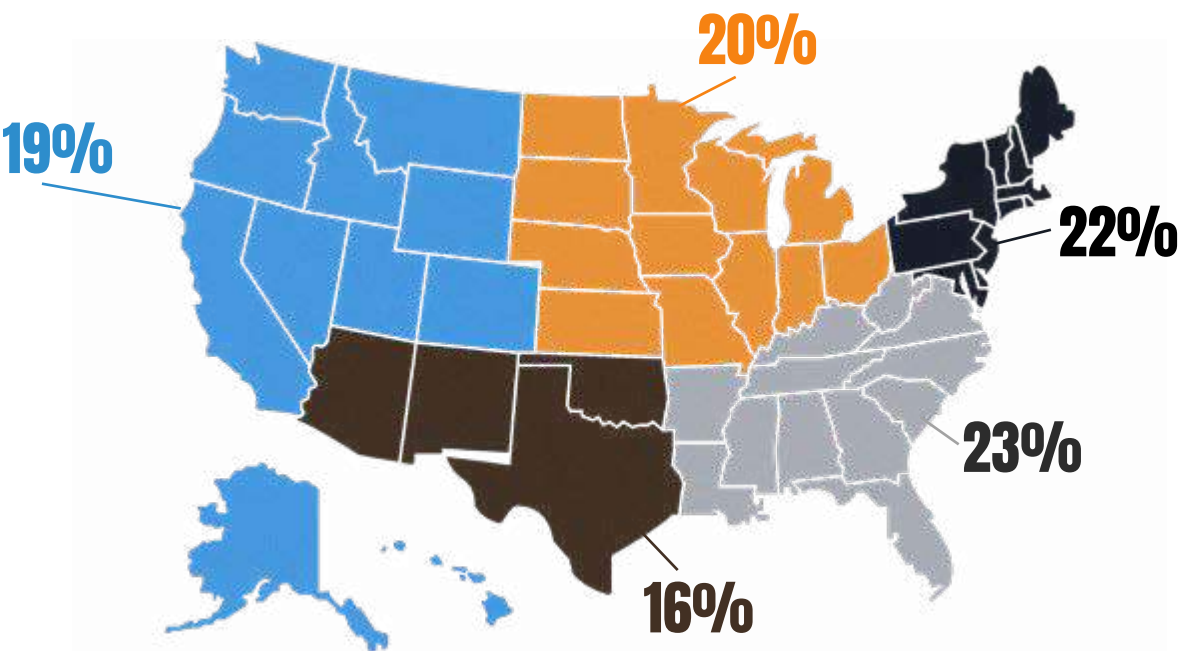
8.5 YEARS

Survey Respondents:
Average Years In Business

Survey Respondents: Roles



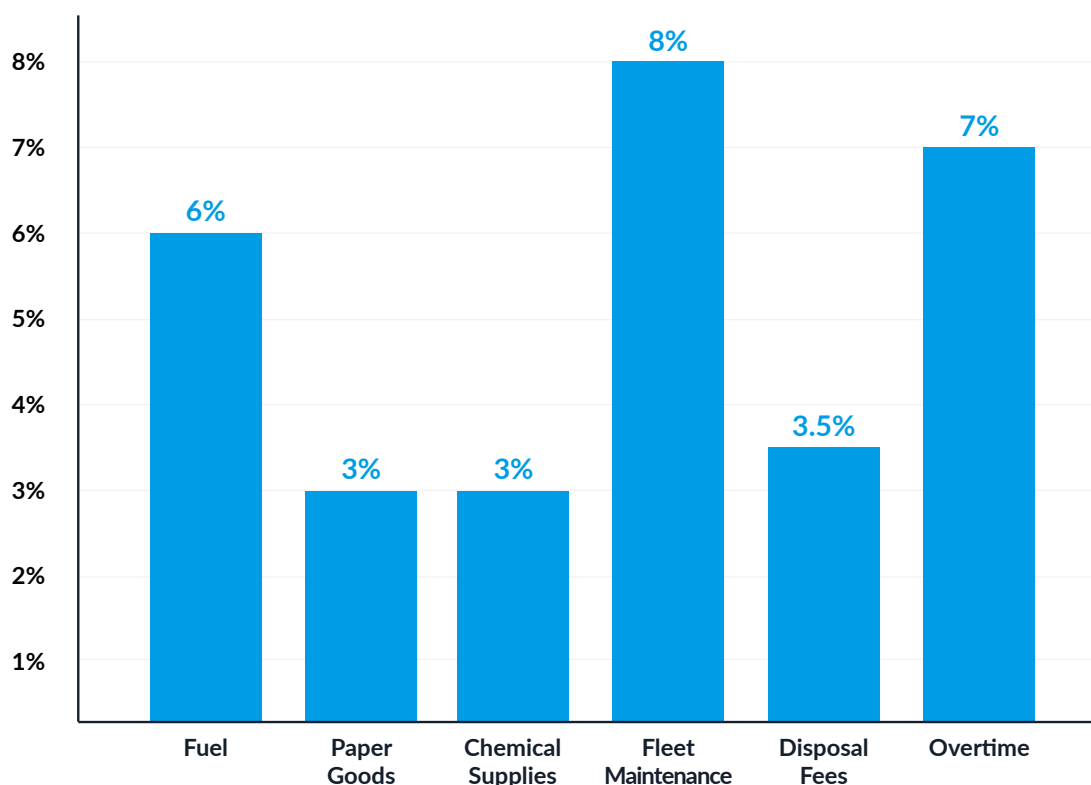
Survey Respondents: Regional Breakdown



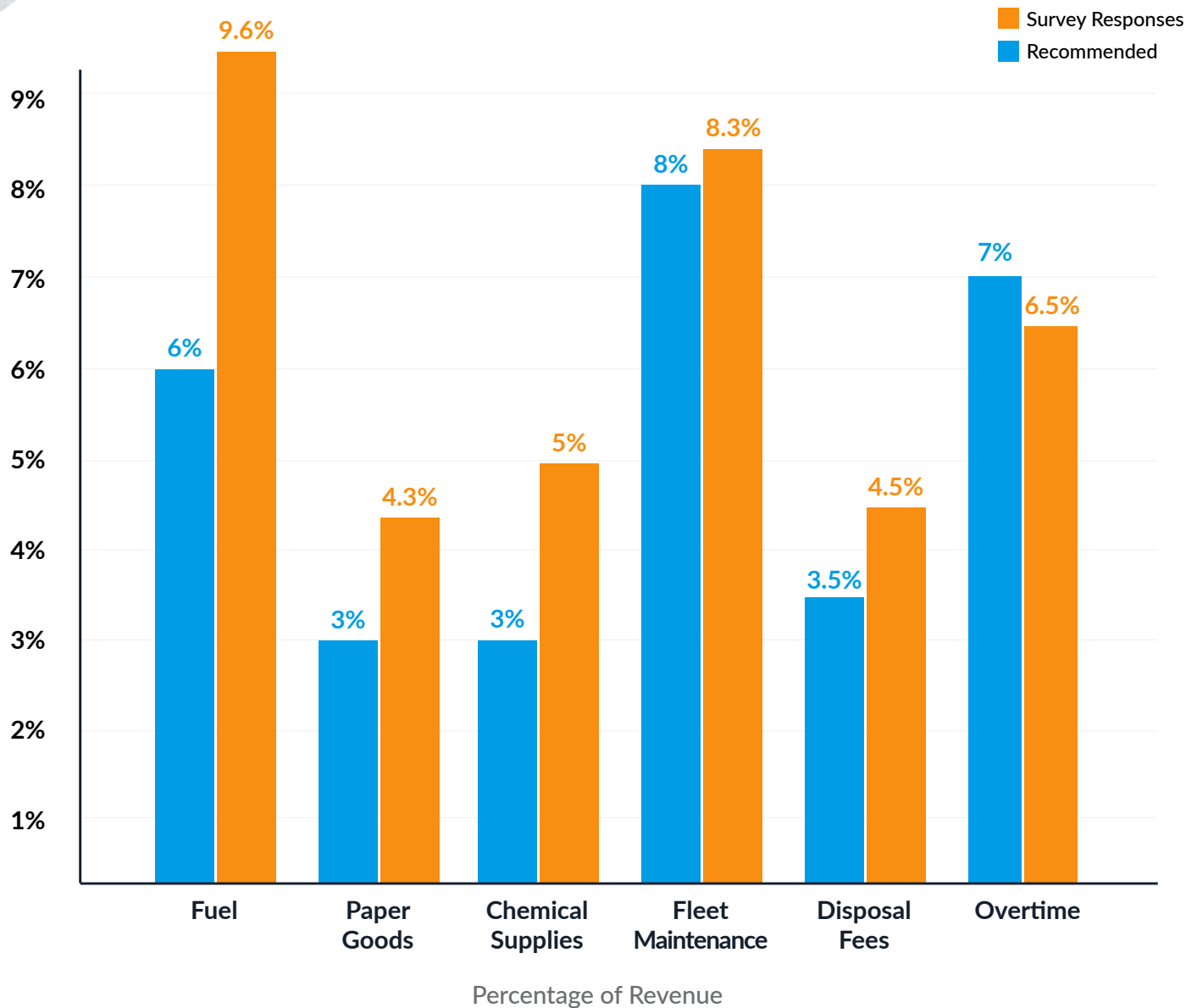
THE 6 MEASURABLE BENCHMARKS OF OPERATIONS

We interviewed consultants and operators from some of the largest portable sanitation companies in the US to identify these 6 measurable benchmarks of operations. Ideally, the total amount should be less than 30.5% of your total revenue. **Here's the breakdown:**

PERCENT OF TOTAL REVENUE SPENT ON EACH OF THE FOLLOWING



COMPARISON

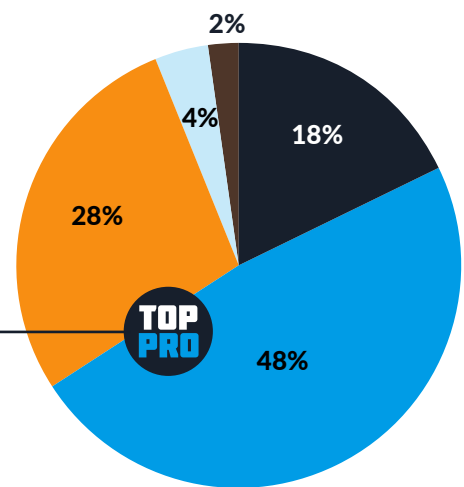


The chart above highlights the fact that the cost of goods skyrocketed in 2022. For most of the year, fuel prices were sky high and supply chain issues drove prices up across the board. We've seen diesel prices drop, but they are still 31% higher than Jan. '22. Survey respondents said that supply chain issues have slightly eased or stayed the same. You can't control the supply chain, but there are benchmarks on this list that you *can* control ([see revenue drivers p.11](#)).

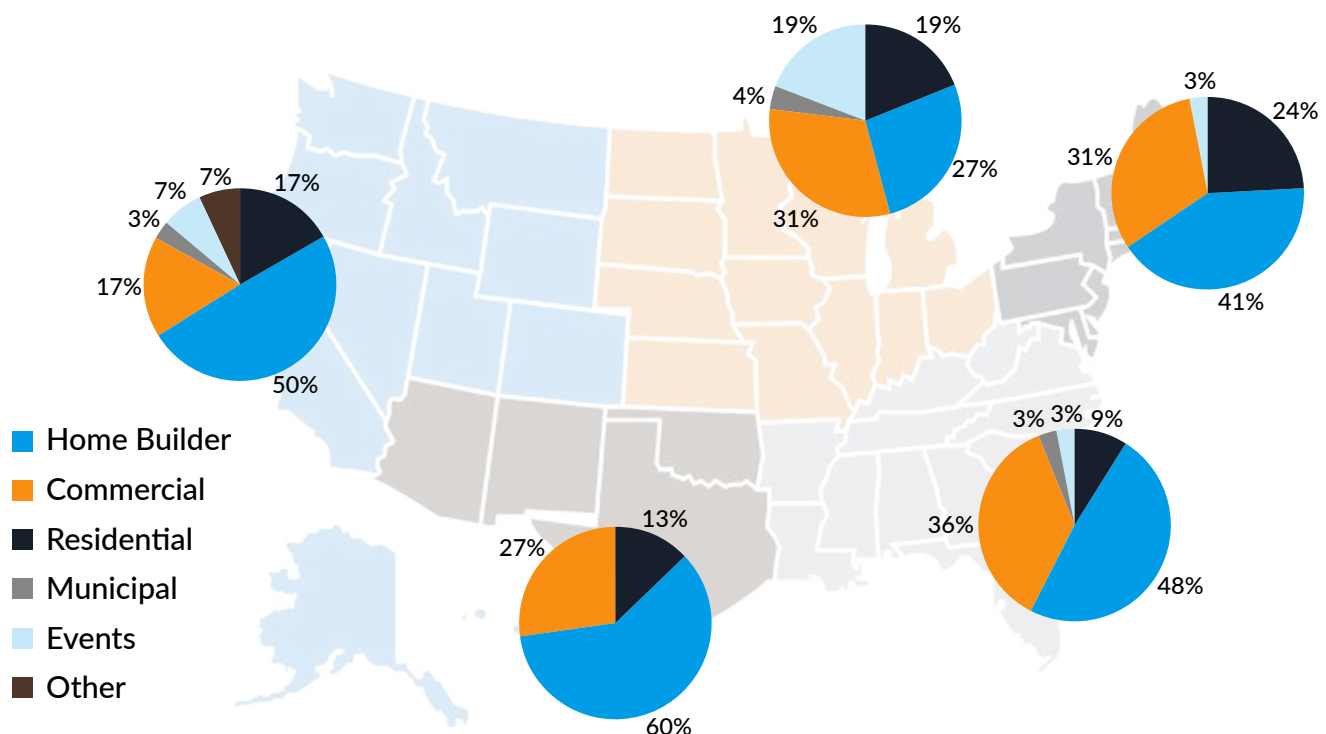


REVENUE DRIVERS IN 2022

The most profitable portable sanitation businesses (those that had more than 20% profit margins) got their revenue primarily from the **home builder** and **commercial** categories. In this section we'll review the tools, tactics, and processes that resulted in the highest profit margins.



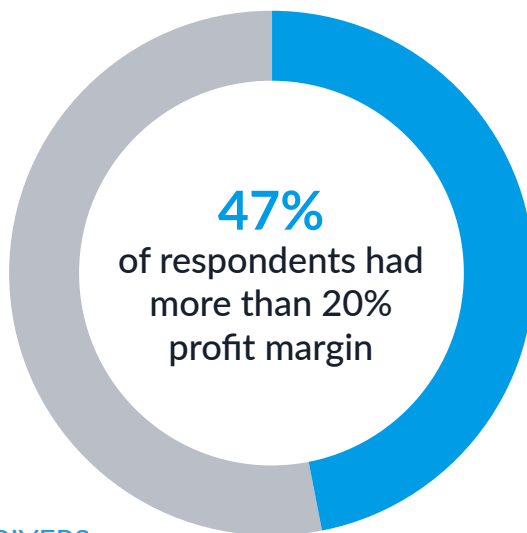
REVENUE DRIVERS BY REGION



PRODUCT LINES

Portable sanitation businesses that offer 2 or more services had the highest profit margins. For example, a portable restroom business that offers roll-off dumpster rental, and temporary fencing.

1 PRODUCT LINE



2+ PRODUCT LINES

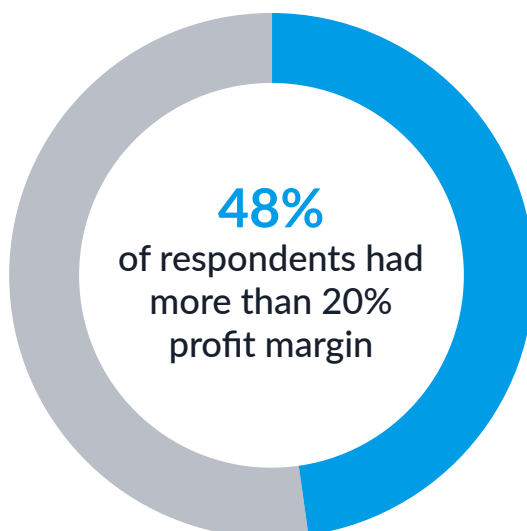


REVENUE DRIVERS

TOOLS

The most profitable portable sanitation businesses are using tools to make their businesses run more efficiently. Operators that use spreadsheets or pen/paper had lower profit margins and higher amounts of accounts receivable outstanding.

SPREADSHEETS OR PEN/PAPER

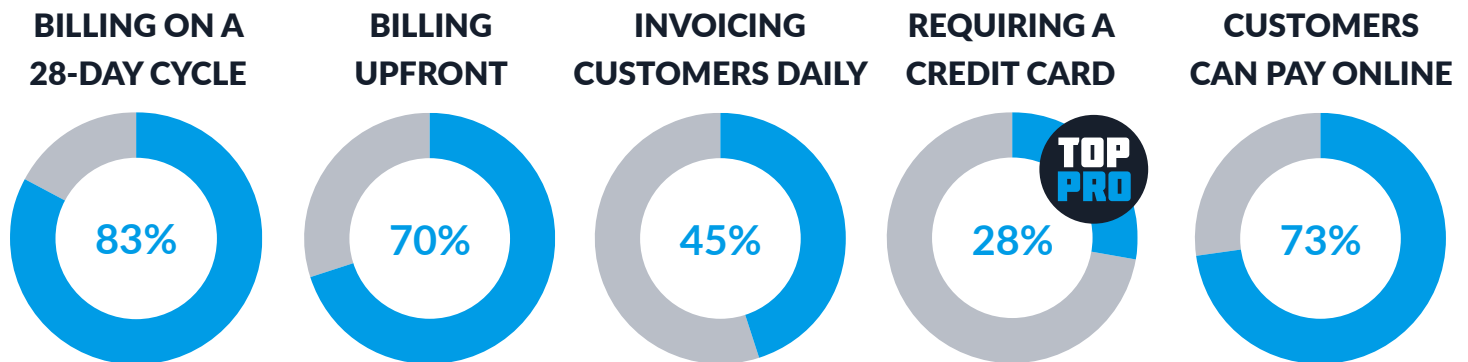


SOFTWARE



BILLING PRACTICES

The most profitable survey respondents are billing their customers upfront, on a 28-day cycle, and keep their accounts receivable under 60 days outstanding. They're also not leaving money on the table by charging extra for things like weekends, after hours, and emergency jobs.

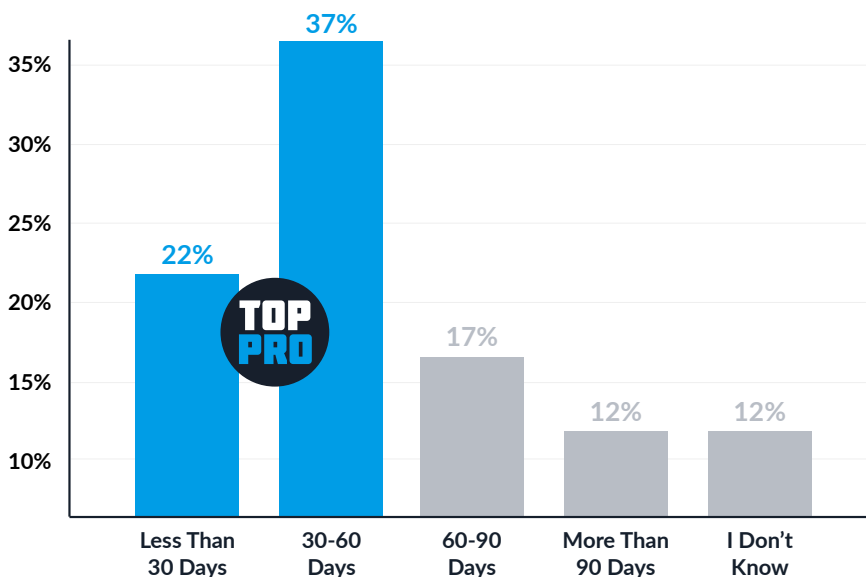


The portable sanitation businesses that required a credit card on file had the lowest accounts receivable outstanding.

WHAT PERCENT OF TOP PROS ARE CHARGING EXTRA FOR:

- | | |
|---|--|
| ☒ Weekends: 73% | ☒ Difficult handling: 61% |
| ☒ After hours: 67% | ☒ Emergency: 84% |
| ☒ Multi-person job: 48% | ☒ Out of service area: 79% |
| ☒ Attendant on site: 54% | ☒ Smaller truck required: 19% |

ACCOUNTS RECEIVABLE BALANCE



REASONS TO INVOICE CUSTOMERS DAILY

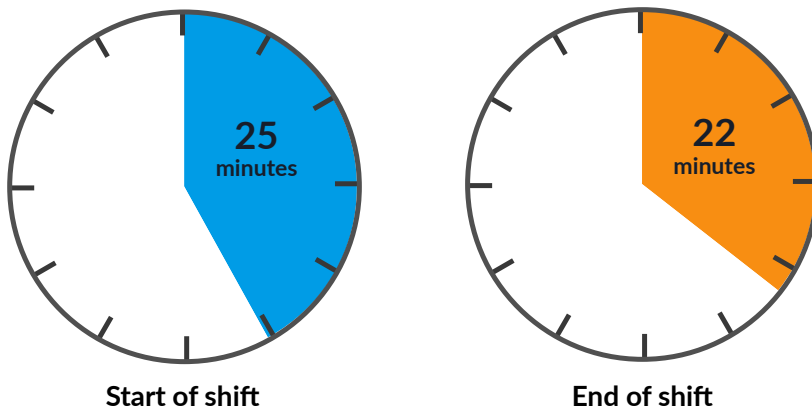
If billing your customers takes hours or days, you aren't using the right tools. Look for a solution that lets you batch bill your customers in minutes each day. This will:

- Make billing a quick exercise vs periodic chaos.
- Reduce mistakes
- Smooth cash flow
- Reduce accounts receivable

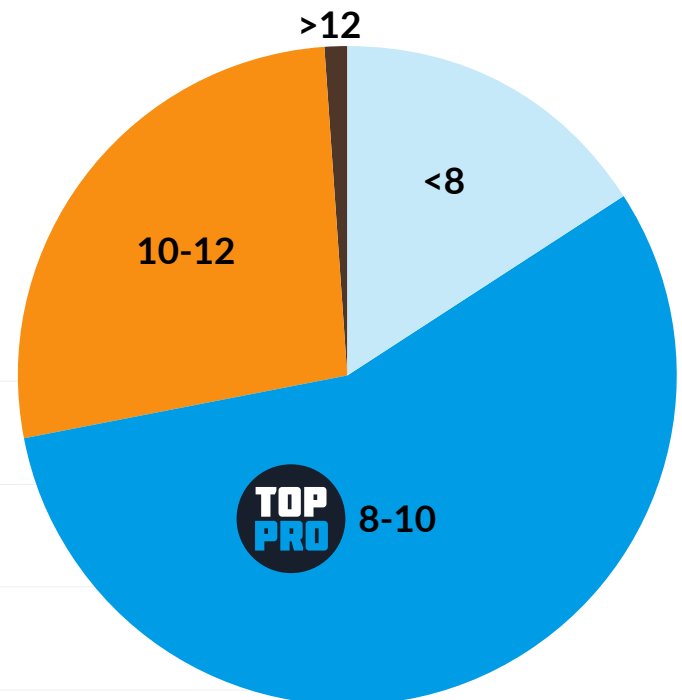
DRIVERS

The most profitable portable sanitation businesses keep overtime and fuel costs in check. How? They're using tools that optimize their routes. That cuts down on vehicle maintenance, fuel, and overtime while increases profits ([see growth, p.13](#)).

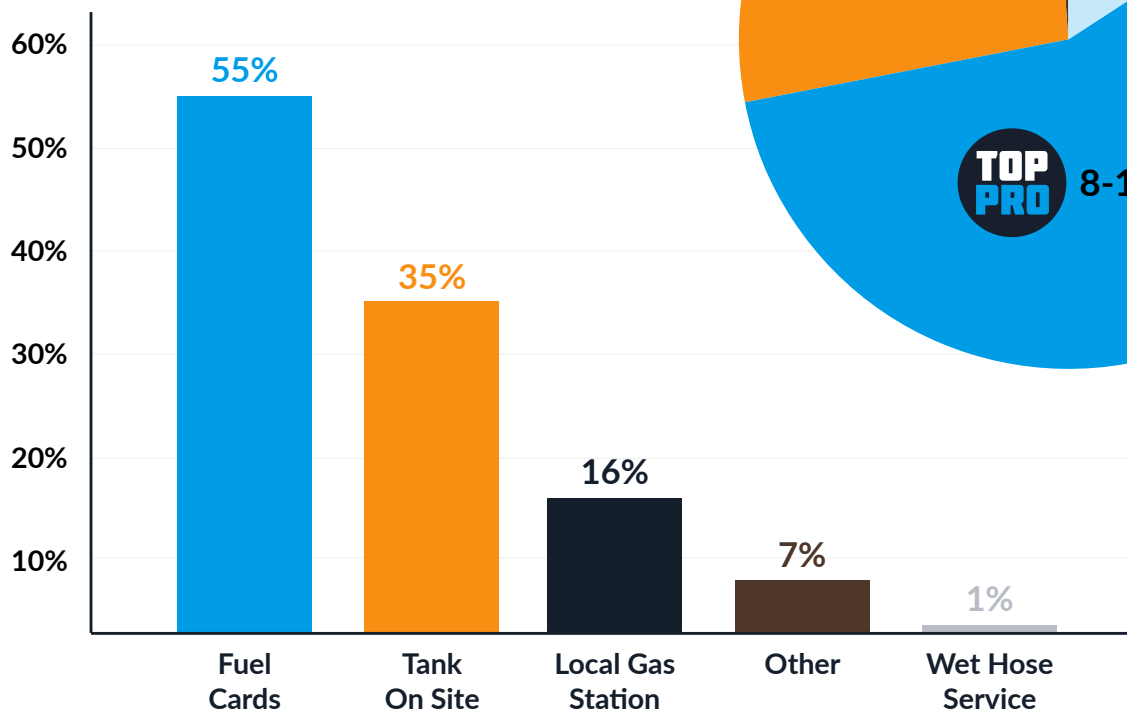
AVERAGE DRIVER STEM TIME



DRIVER HOURS ON THE ROAD



FUELING PRACTICES



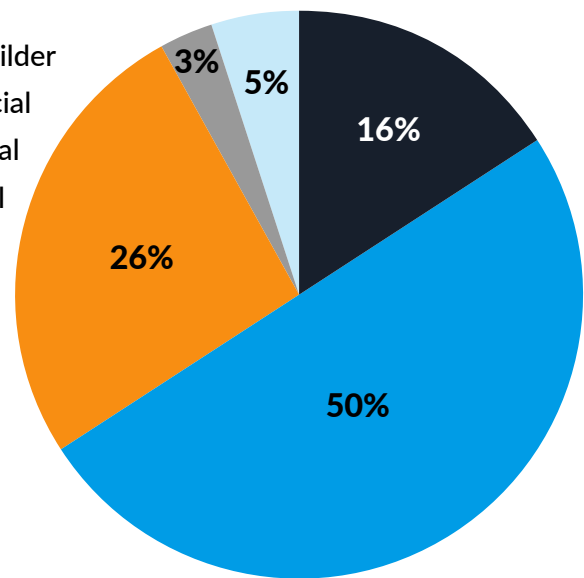


ECONOMIC OUTLOOK

When we asked survey respondents where they expected the most growth to come from in 2023, the operators that had > 20% profit margins said that they expected the most growth from the home builder and commercial categories.

- Home Builder
- Commercial
- Residential
- Municipal
- Events

WHERE WILL THE MOST GROWTH COME FROM IN 2023?



ECONOMIC OUTLOOK



You should keep a close eye on the commercial category in 2023. Why? Well, it has to do with the bipartisan \$1.2 trillion Infrastructure Investment and Jobs Act (IIJA).

The IIJA allocated \$550 billion for new initiatives repairing and upgrading U.S. infrastructure over a 5 year period, starting in 2021. **And the vast majority of these projects will require portable sanitation!**

To learn more about the IIJA visit www.infrastructurereportcard.org.

GROWTH

While the majority of survey respondents think that the economy will be worse than 2022, they're planning on hiring more in 2023. Operators also saw more competitors in 2022 (that's a trend to keep an eye on). 57% of operators using software to run their business expect to grow revenue by 20% or more next year, compared to only 39% of their peers using pen, paper, and spreadsheets..

ECONOMY IN 2023?

Worse

Same

Better

PLANNED HIRING IN 2023?

More

Same

Less

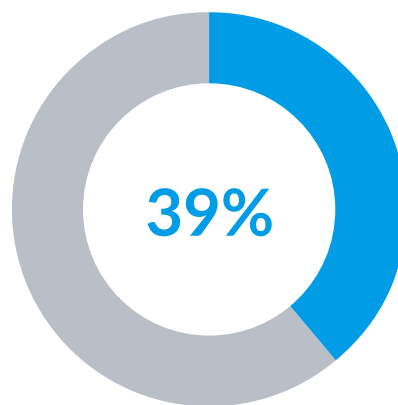
COMPETITORS IN 2022?

More

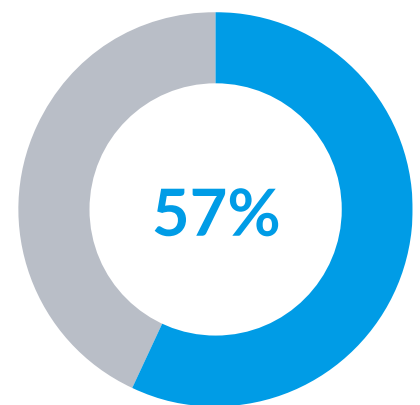
Same

Less

EXPECTING > 20% GROWTH USING SPREADSHEETS, PEN/PAPER



EXPECTING > 20% GROWTH USING SOFTWARE

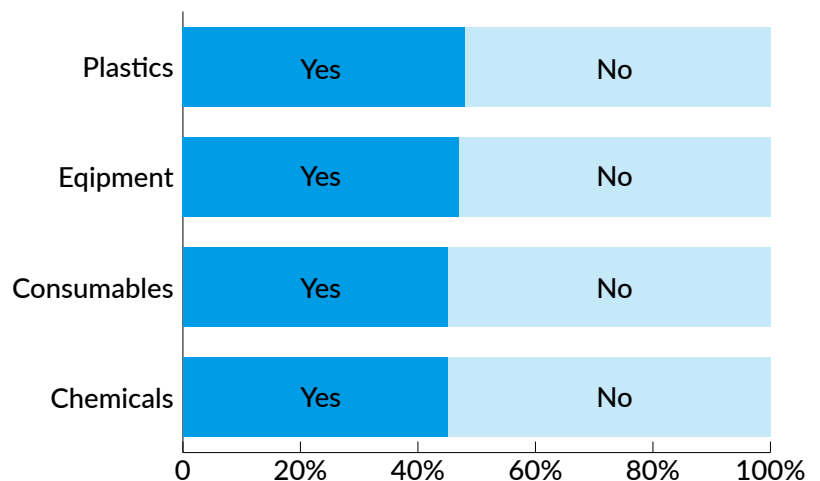


ECONOMIC OUTLOOK

SUPPLY CHAIN

Since the pandemic hit in 2020, the supply chain has been a total mess. In 2022 portable sanitation operators reported that they started to see the supply chain get better, but the majority have not seen wait times improve.

HAVE WAIT TIMES IMPROVED?



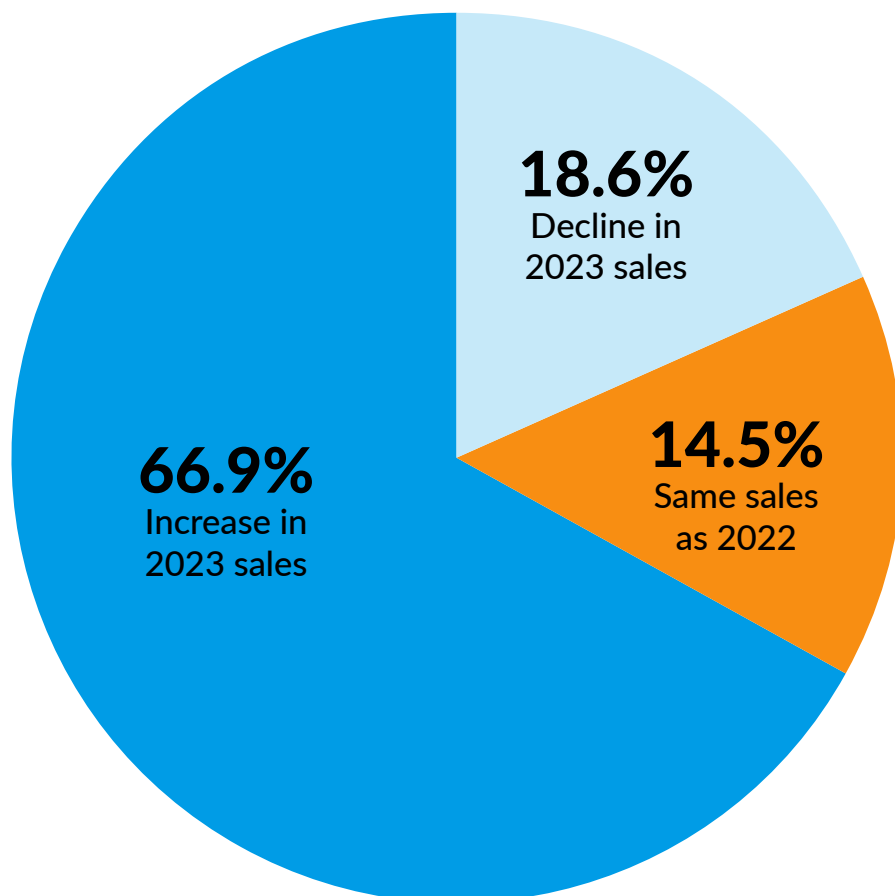
LOOKING AHEAD

The only certain thing about the economy in 2022 was that the economic outlook was uncertain. So, how will all of this uncertainty about our economy affect the portable sanitation industry? While we don't have a crystal ball, let's explore the economic outlook for the home builder category since it drove the most revenue for portable sanitation operators in 2022.

HOME BUILDERS IN 2023

According to *Pro Builder's* 2023 Readers' Forecast Survey, "despite continuing shifts in housing market dynamics, home builders are generally optimistic about the year ahead." So much so that **only 18.6%** of those surveyed said that they expect a decline in sales in 2023. That's good news for PROs since the most profitable get a good chunk of their business from home builders.

EXPECTED HOME BUILDER SALES IN 2023



SUMMARY

Now that you've reviewed the benchmarks, let's put it all together.
Here are 5 key benchmarks that Top PROs had in common.

5 BENCHMARKS FOR TOP PROS:



Revenue streams from the home builder and commercial categories drove the most profits for portable sanitation businesses in 2022.



And, the most growth in 2023 is expected to come from the home builder and commercial categories.



The most profitable portable sanitation businesses offer 2 or more services.



Top PROs are billing their customers upfront, on 28-day cycles, and keep their AR under 60 days outstanding.



Portable sanitation businesses that run their business on software have higher profit margins than those on spreadsheets or pen & paper.

We hope this report has helped you compare how your portable sanitation business is doing compared to others. We'd like to thank all of the operators that took the time to fill out our benchmark survey. Without you this report wouldn't have been possible!

ABOUT SERVICECORE

Get More Done. Stress Less.

Make your portable sanitation business more efficient. Cut wasted time, manage jobs, optimize routes, track inventory, and automate billing. All with one tool.

If you'd like to make your business more efficient and profitable, request a demo today at servicecore.com/schedule-a-demo/

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