



2023 **Portable Sanitation** **Industry Benchmark Report**



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2023 PORTABLE SANITATION INDUSTRY BENCHMARK REPORT

In our 2023 Portable Sanitation Industry Benchmark Report, we've gathered and analyzed data to help you, as portable restroom operators, understand how your business stacks up in today's market. This year, we've seen many of you successfully adapt to new challenges, managing higher costs and evolving customer needs. The report highlights how the most successful operators are updating their practices and strategies in response to these changes.

Our aim with this report is to give you a clear picture of where your business stands and to offer insights to help operators be more efficient and profitable. We recognize the hard work and adaptability you've shown, especially in a year of significant change. As we move forward, it's evident that our industry is growing stronger and more resilient. Here's to continued success in 2024!

Jonah Chilton, CEO of ServiceCore



We were thrilled with ServiceCore's inaugural benchmarking report for the portable sanitation industry. It quickly became a go-to resource for PSAI members, receiving widespread praise and appreciation. The insightful data exposed strategies of the most successful PROs, guiding our members toward excellence. PSAI eagerly awaits the release of the '2023 Portable Sanitation Industry Benchmark Report,' and are deeply appreciative of ServiceCore's commitment to delivering such valuable insights to our community. We can't wait to see what groundbreaking information this year's report will show.

Veronica Crosier, Executive Director, PSAI



ABOUT THIS REPORT

This year, we surveyed portable sanitation operators on all aspects of their businesses, and the data in this report depicts over 400 individual responses.

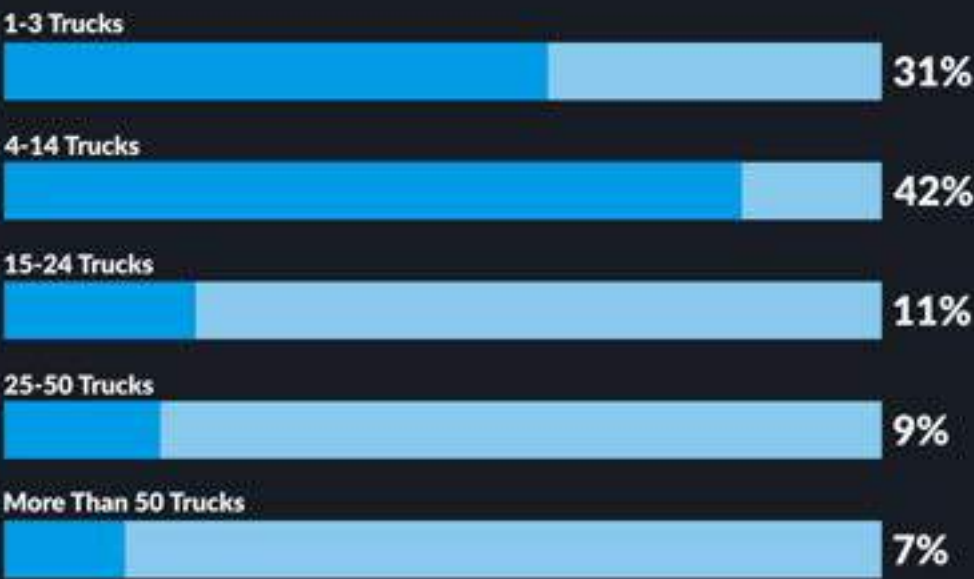


“Top PROs” are defined as portable sanitation businesses that have more than 20% profit margin. We’ll be referencing this throughout the report.

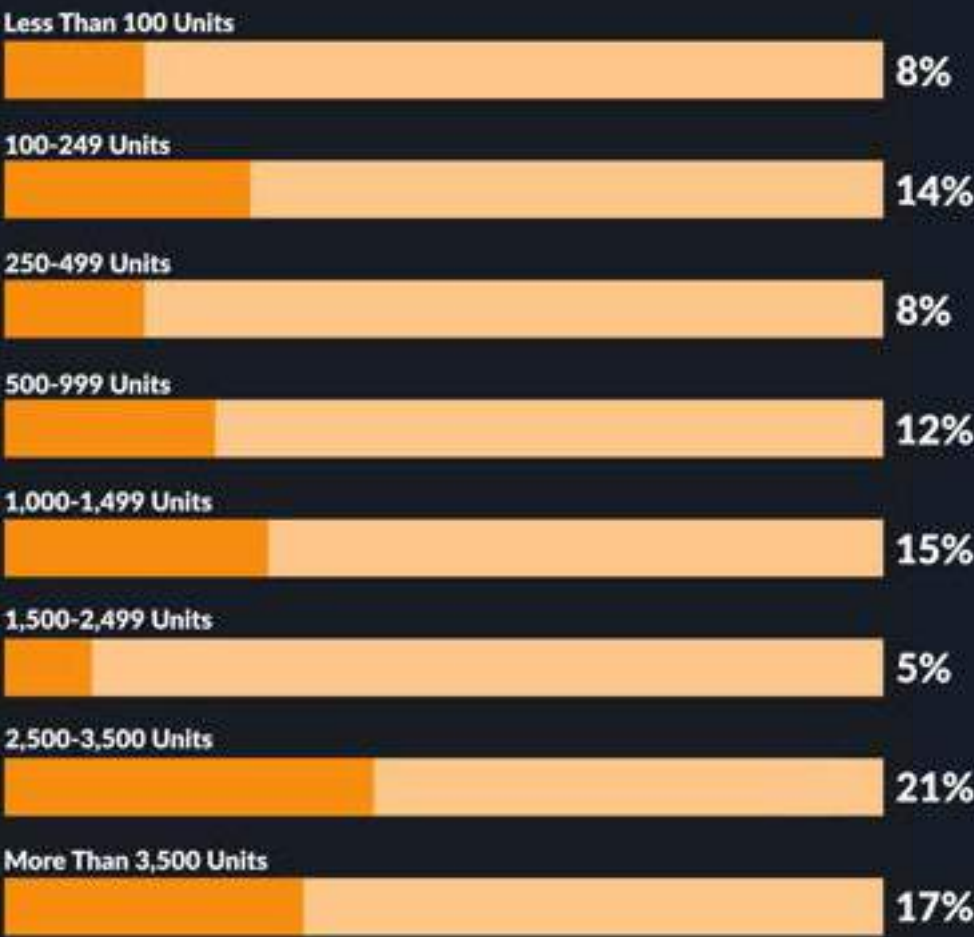
DEMOGRAPHICS

SURVEY RESPONDENTS

SURVEY RESPONDENTS: NUMBER OF TRUCKS



SURVEY RESPONDENTS: NUMBER OF PORTABLE TOILET UNITS



DEMOGRAPHICS

BUSINESS SIZES

SURVEY RESPONDENTS: ROLES



28%
Owner



23%
Ops Mgr.



16%
Office
Mgr.

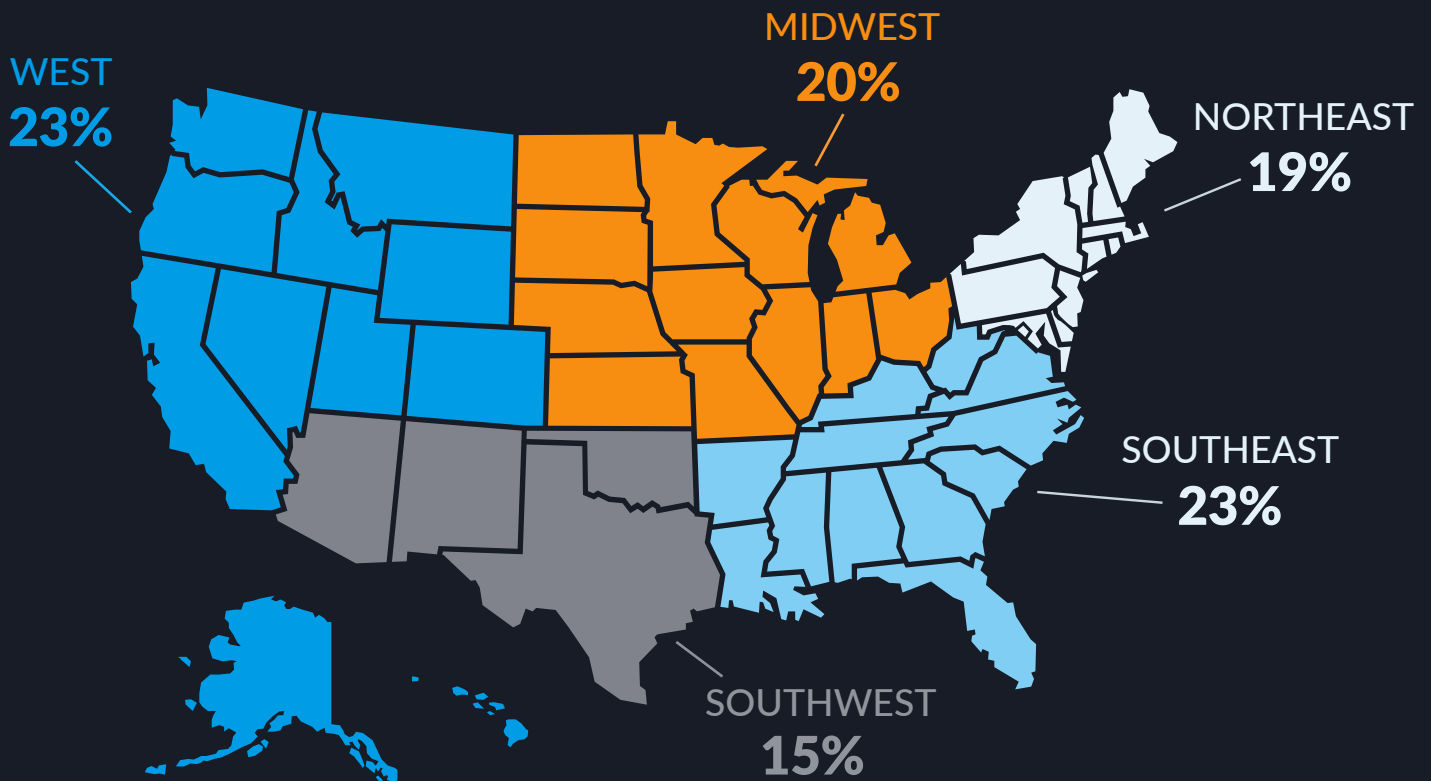


33%
Other



SURVEY RESPONDENTS: AVERAGE YEARS IN BUSINESS

SURVEY RESPONDENTS: REGIONAL BREAKDOWN



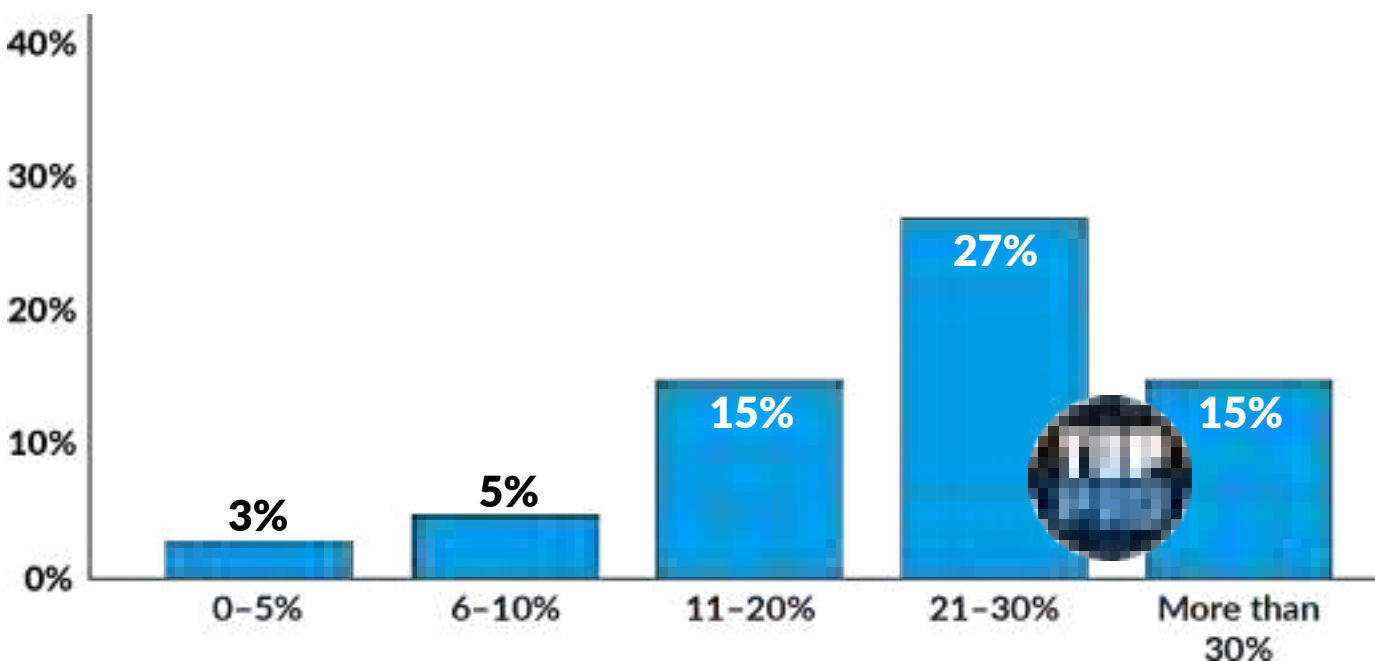


BUSINESS

PROFIT MARGINS

Portable sanitation continues to be a high margin business, despite rising costs. Over a third of the industry has been able to achieve >20% profit margin. The data did not show a correlation between company size and profit margin, so both large and small companies have shown the ability to achieve high margins with an effective pricing strategy.

2023 PROFIT MARGINS



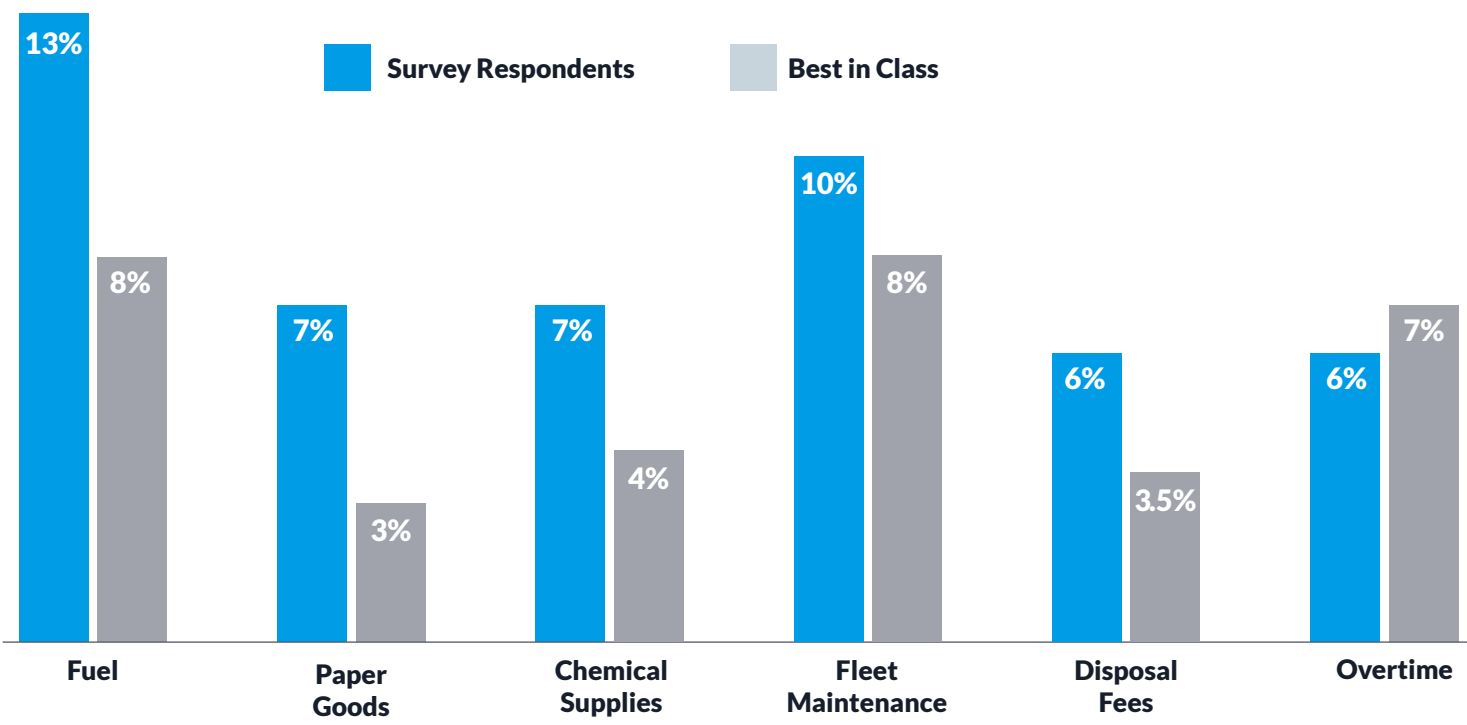


BUSINESS

OPERATIONAL COSTS

We interviewed consultants and operators from some of the largest portable sanitation companies in the US to identify these operational benchmarks. Ideally, the total amount should be less than 34%. **Here's the breakdown:**

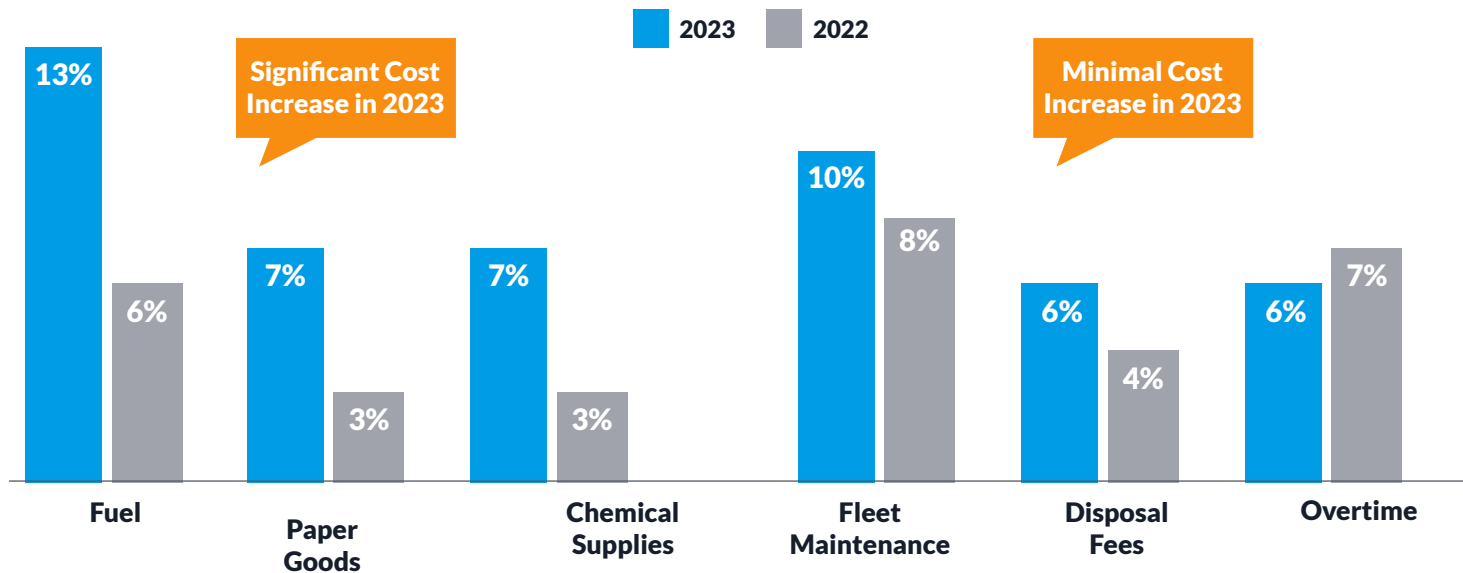
COST AS A PERCENT OF REVENUE



BUSINESS

OPERATIONAL COSTS

YEAR-OVER-YEAR



83% reported increased wait times for parts/equipment

99% reported increased truck prices

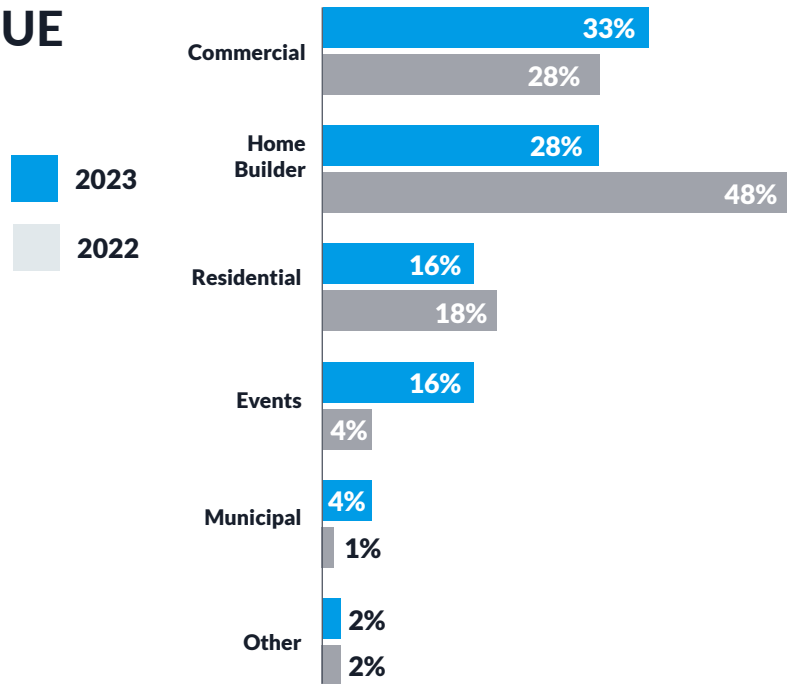


BUSINESS

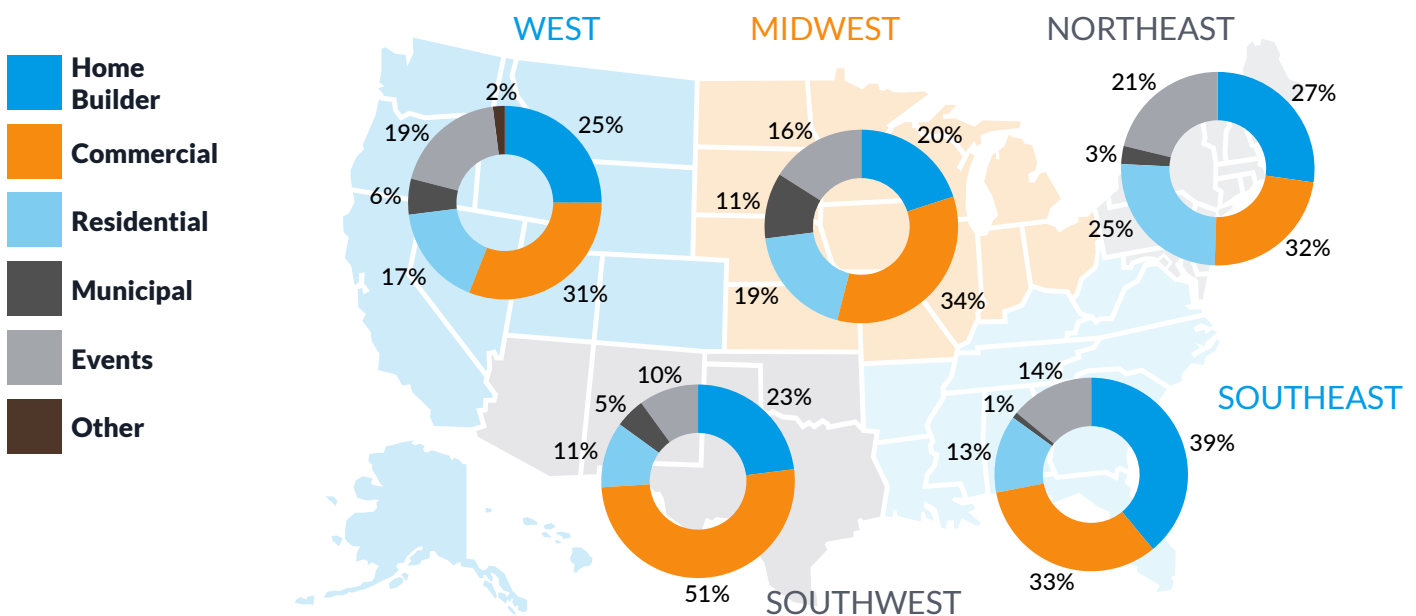
END MARKETS

Commercial construction and **home builders** continue to be the largest drivers of revenue. Home builder revenue has declined significantly from 2022 due to rising interest rates and a softening housing market. Events grew significantly, with people opting to find their fun locally during economic uncertainty rather than spend larger sums on vacation.

BY PERCENT OF REVENUE



BY REGION

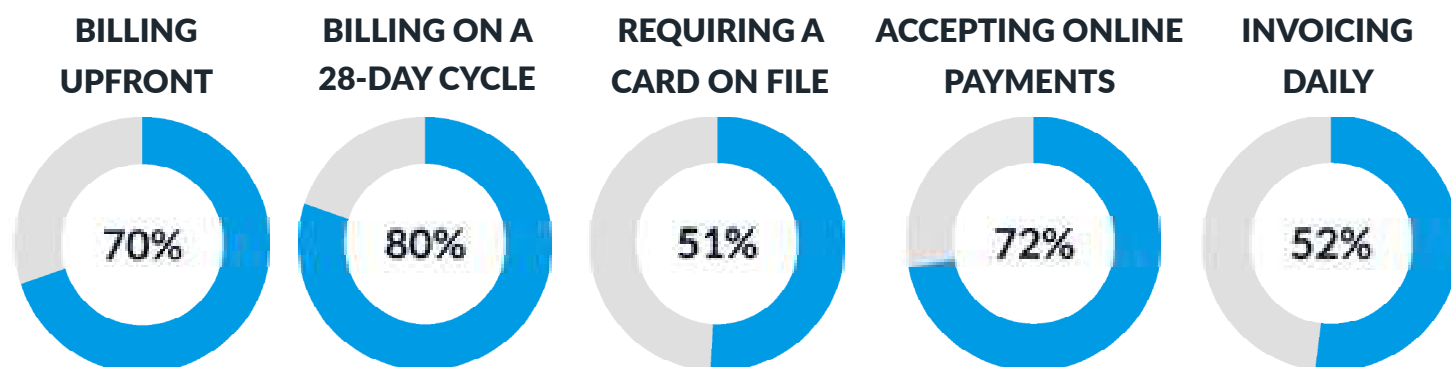




BILLING

BEST PRACTICES

These are the **five pillars of best-in-class billing**. Top PROs are adopting these practices to improve cash flow and reduce accounts receivable.



TOP PROS ALSO CHARGE EXTRA FOR:

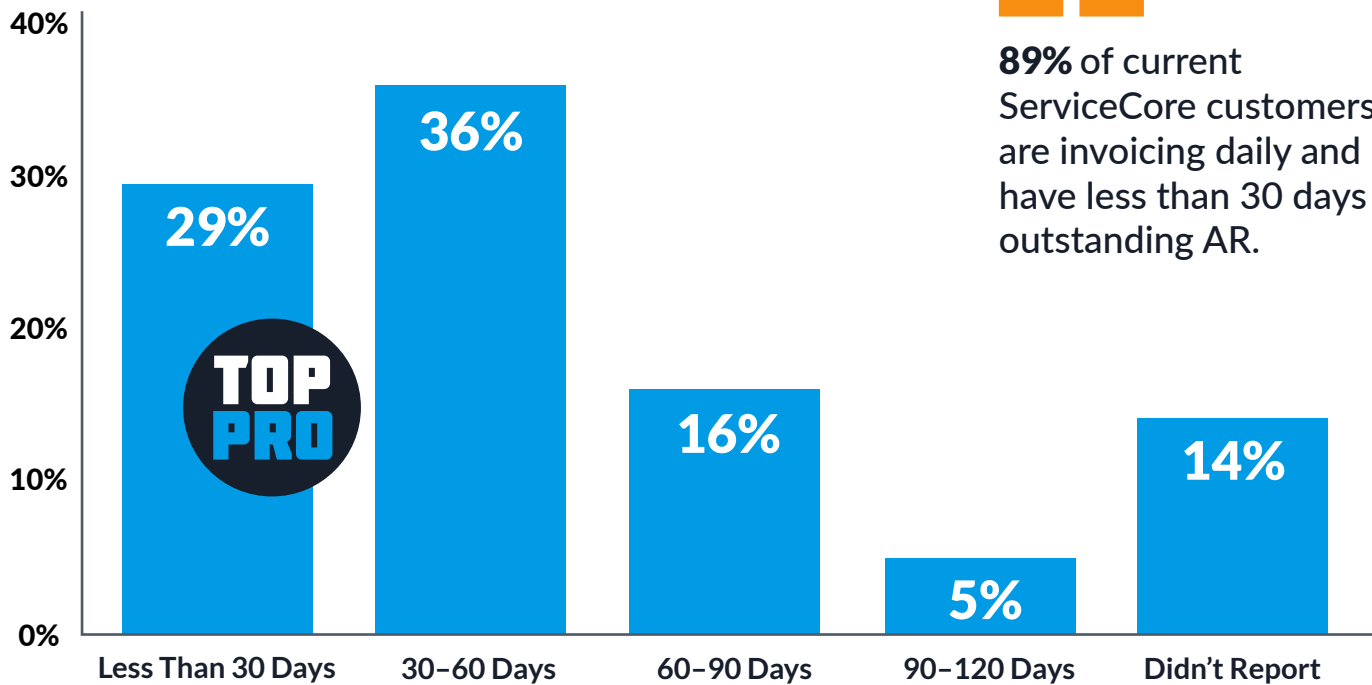
- ☒ Fuel surcharges: **43%**
- ☒ Winterization fees: **28%**

In 2023, PROs that require a credit card on file went up from 28% in 2022 to 50% and PROs that invoice daily went from 45% to 52%

BILLING

ACCOUNTS RECEIVABLE

ACCOUNTS RECEIVABLE BALANCE



89% of current ServiceCore customers are invoicing daily and have less than 30 days outstanding AR.

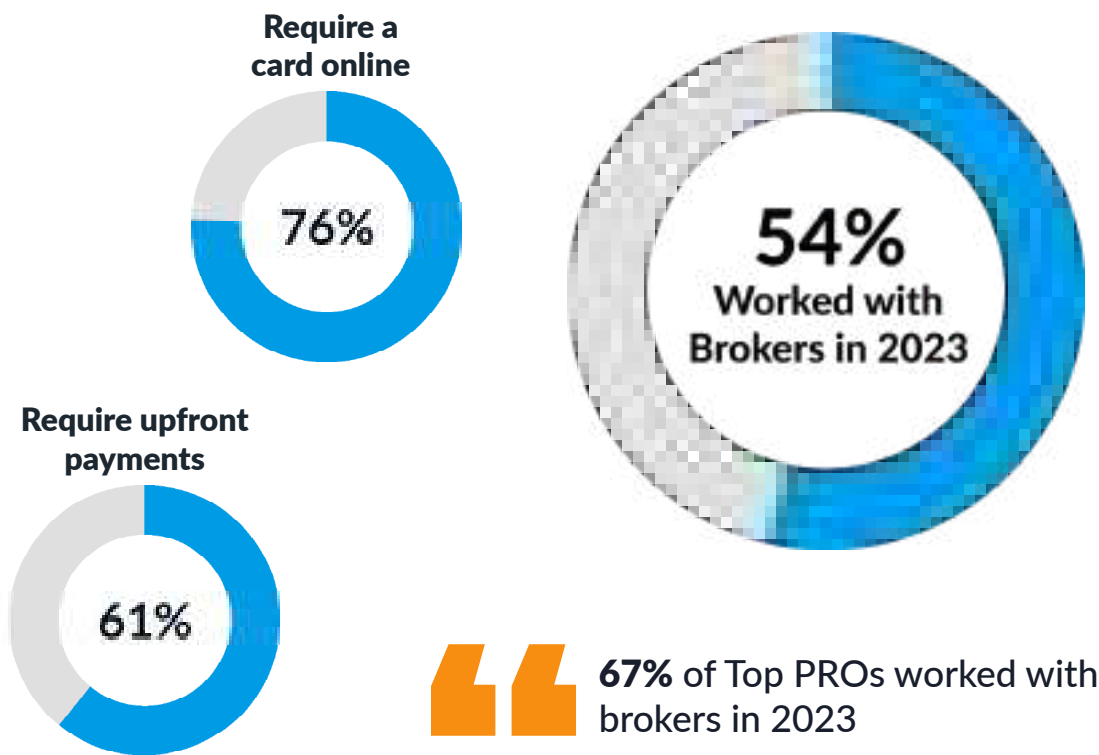


BILLING

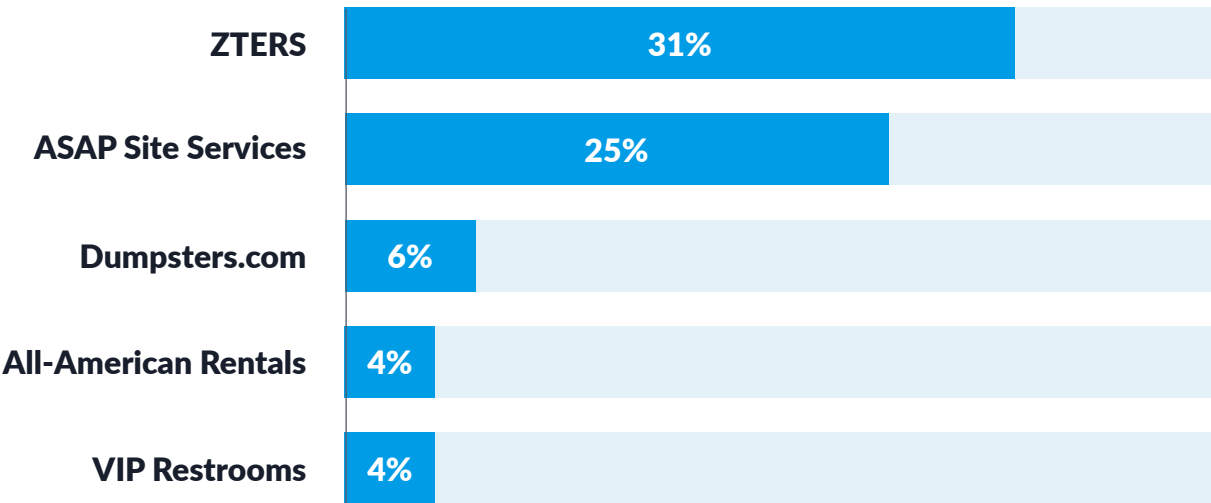
BROKERS

The industry continues to be split on adopting brokers, while Top PROs were more likely to work with them. Most operators require a card on file when working with brokers (76% vs. 51%).

BEST PRACTICES – WORKING WITH BROKERS



TOP 5 BROKERS OF 2023



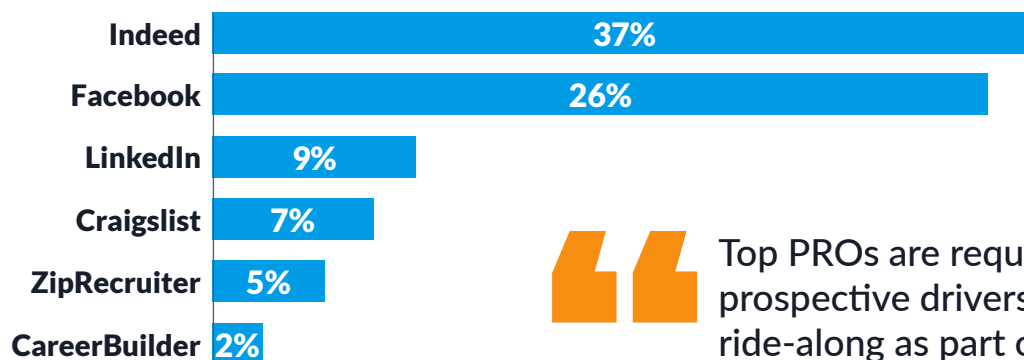
HIRING

Top PROs are proactive in establishing viable candidates, so that comes with preemptive boxes to check such as ride-alongs during the interview & new-hire training processes.

RIDE-ALONG REQUIREMENTS

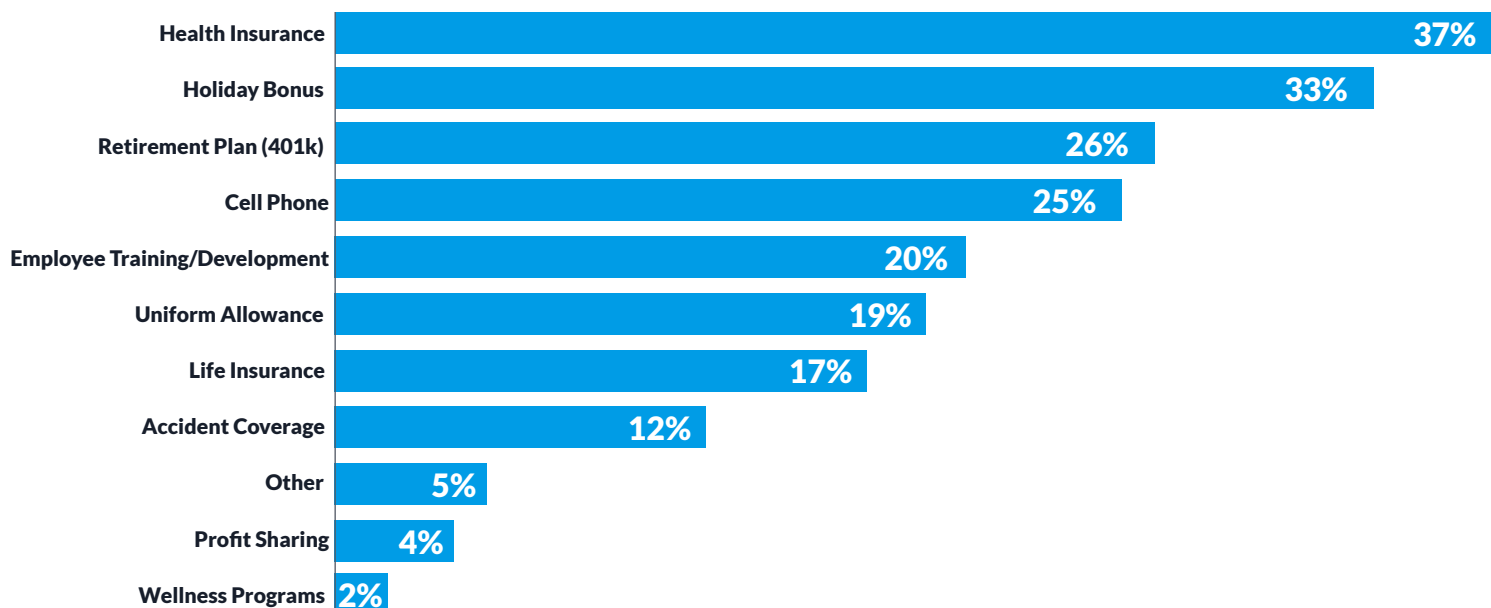


HIRING PLATFORMS



Top PROs are requiring prospective drivers to do a ride-along as part of their interview process as well as throughout their new-hire training programs.

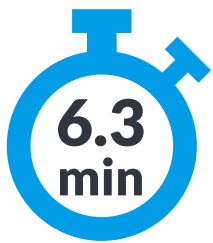
BENEFITS



OPERATIONS

SERVICING

Taking photos on delivery has become the norm, but many PROs are starting to require photos before and after service. This adds time to each service but is a good mechanism to improve customer service and provide your staff the proof of service they need when taking customer calls.



Avg unit service time



9 hours

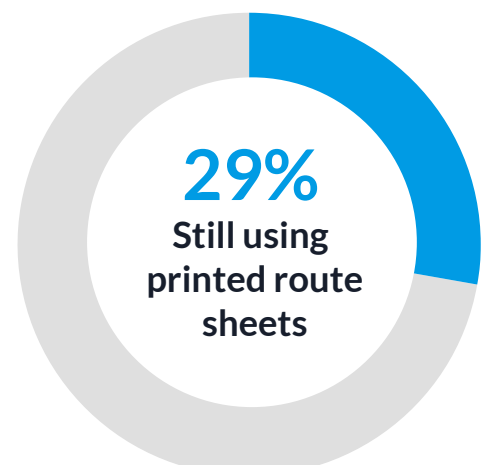
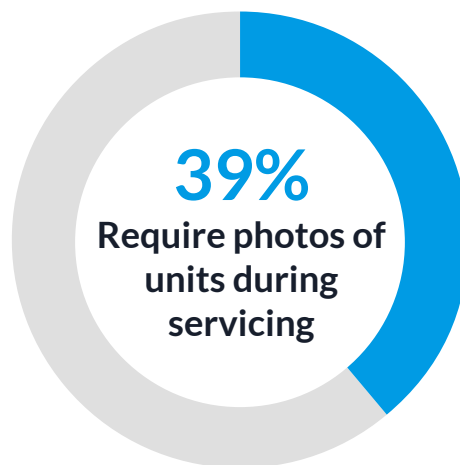
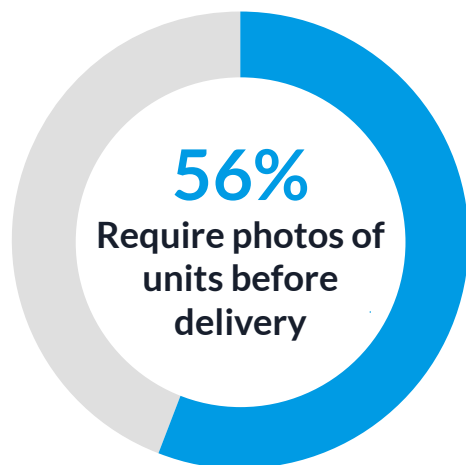
Avg OT paid per week



5 days

Avg days/week running routes

ON-THE-JOB



If your units are overused, taking photos is a great way for your sales team to talk to the site contact about adding units.

The newer the business, the less likely they are to use printed route sheets.

OPERATIONS

TRUCKS



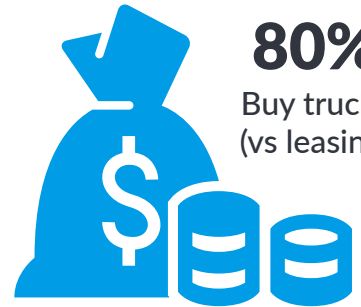
Average age of trucks



**263k
MILES**

Avg mileage of
trucks

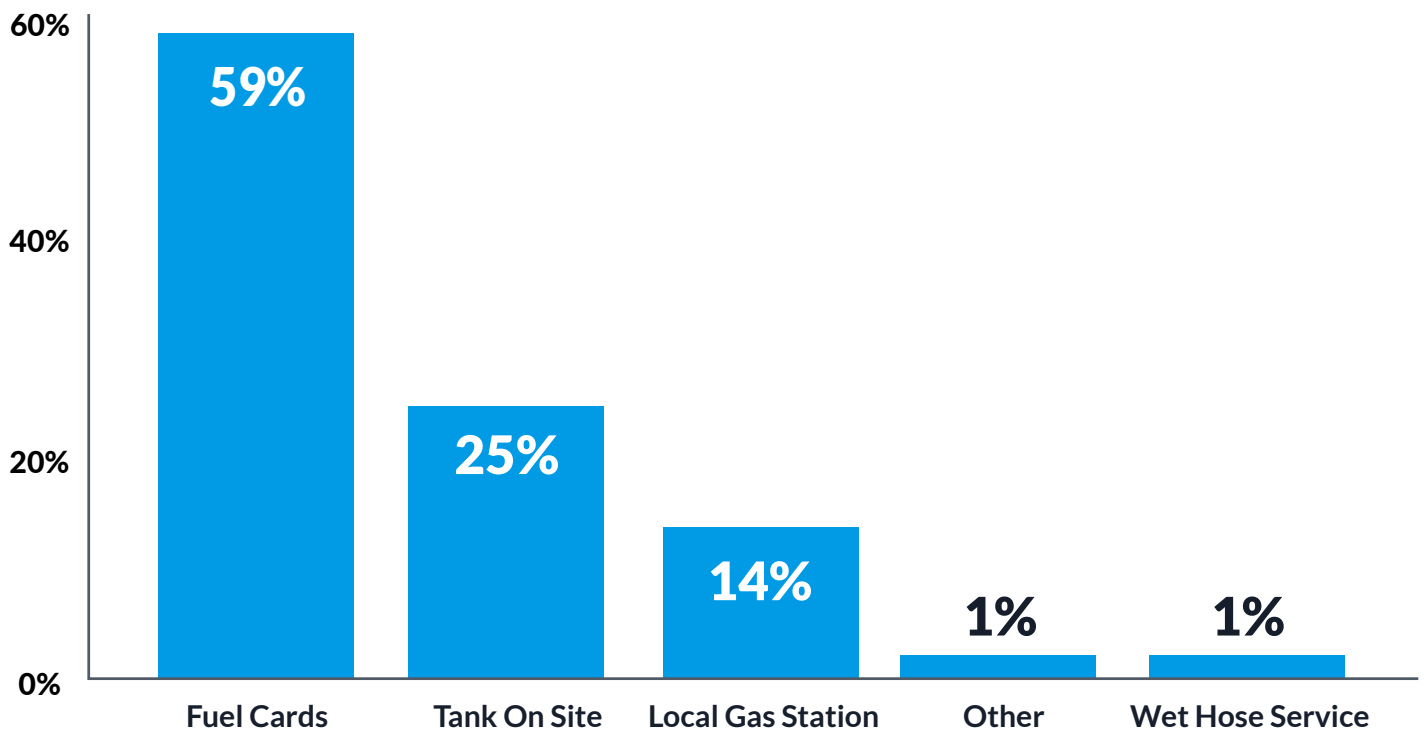
42% said "until it dies"



80%

Buy trucks
(vs leasing)

FUELING PRACTICES



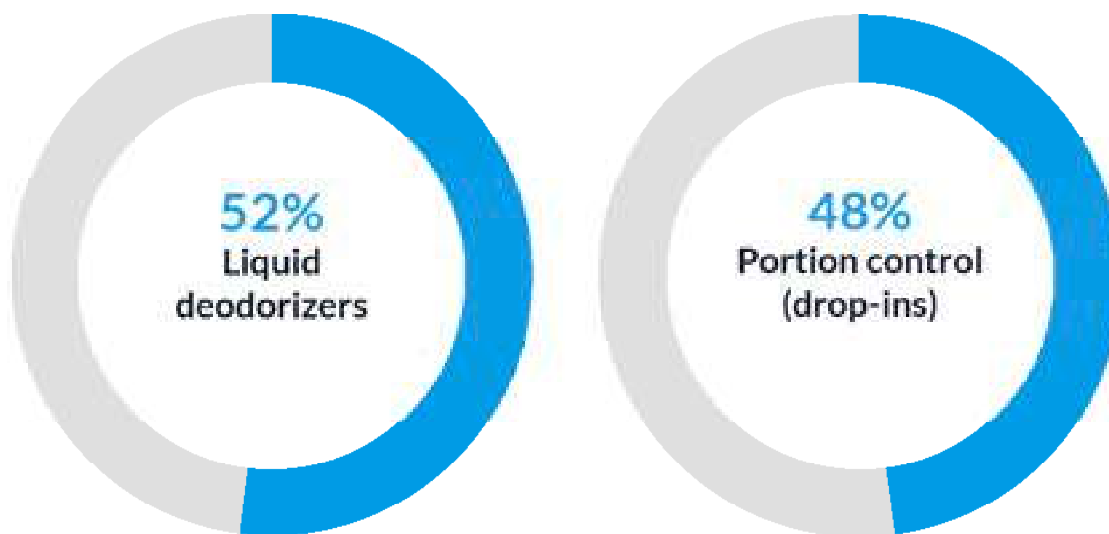
PROs with <3 trucks are running drivers to the dump while those with 4+ trucks are disposing of waste on-site, showing that as you grow it gets more cost-effective to add this on-site.



OPERATIONS

PRODUCTS

Our research shows a shift in the portable restroom industry, with operators increasingly favoring liquid deodorizers over portion control types. This preference is mainly due to their cost-effectiveness, as operators look to balance expenses while maintaining quality. Liquid deodorizers are being chosen even when other options might be easier to use, underscoring the importance of cost considerations in operational decisions.



Newer businesses (those <5 yrs old) put more emphasis on deodorizers that are Environmentally Safe

TECHNOLOGY

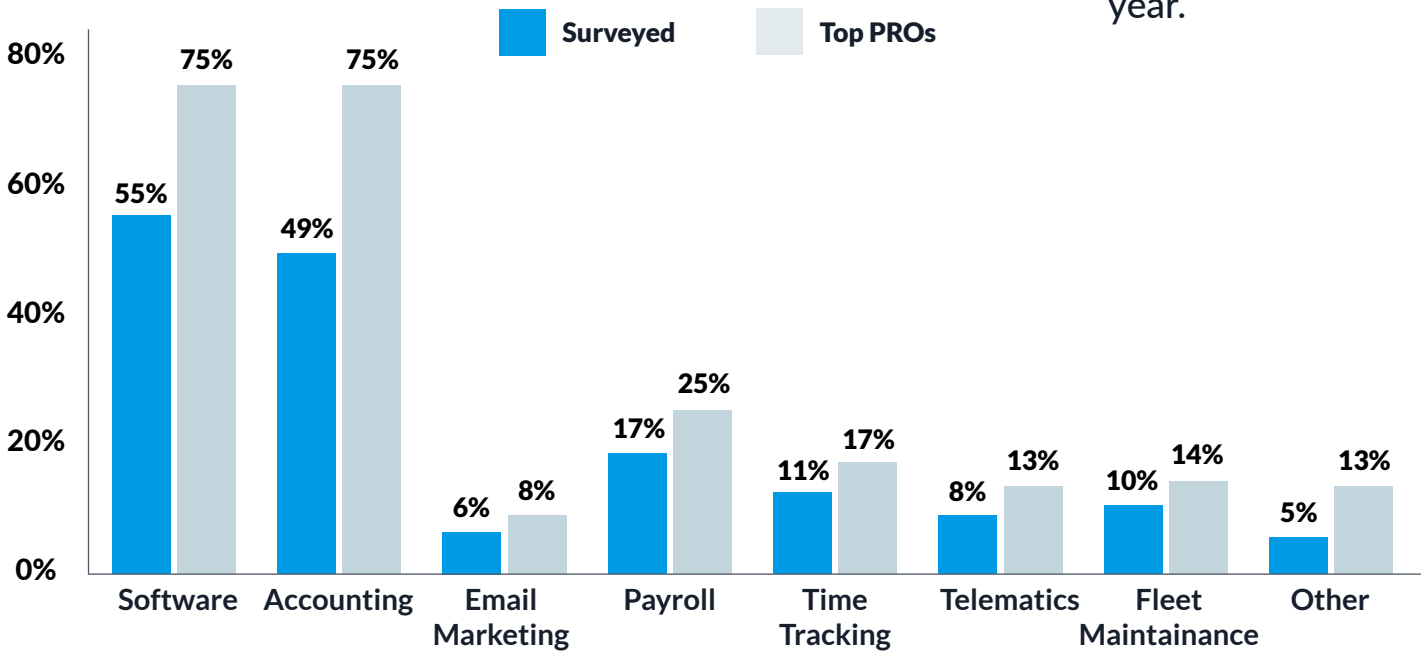
SOFTWARE

The most profitable PROs are using portable sanitation business software to make their operations more efficient. Operators that use traditional spreadsheets or pen/paper had lower profit margins and higher amounts of accounts receivable outstanding.



23% of Top PROs using software expect to grow by >20% in the next year.

TECHNOLOGY USED



Companies <5 years old adopt software/technology far more than the overall industry average.

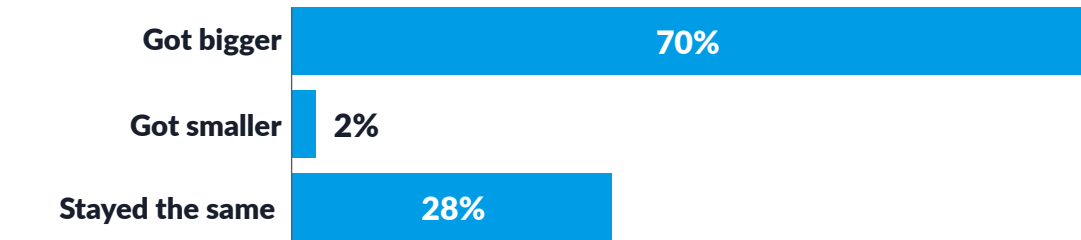
Tipping point for buying business management software is 4-14 trucks.

2023 ECONOMIC RETROSPECTIVE

LOOKING BACK

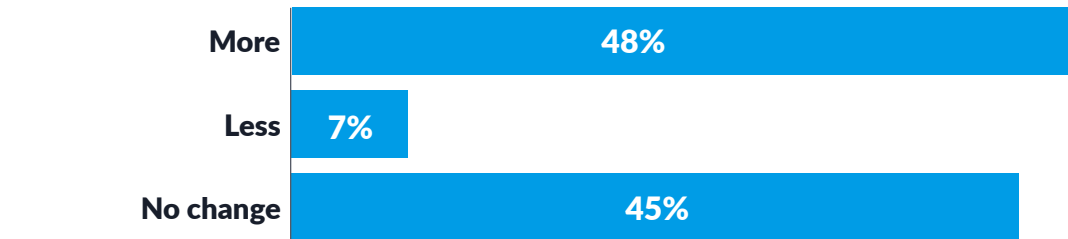
Most portable restroom operators are focusing on growing their businesses by expanding into new service areas, despite the significant initial costs. This strategy is being pursued in response to increasing competition in their current markets, as observed by nearly half of the operators. The related graph below details these industry trends, highlighting the balance between expansion efforts and competitive challenges.

SERVICE AREA IN 2023?



58% of the Top PROs plan to hire more in 2024

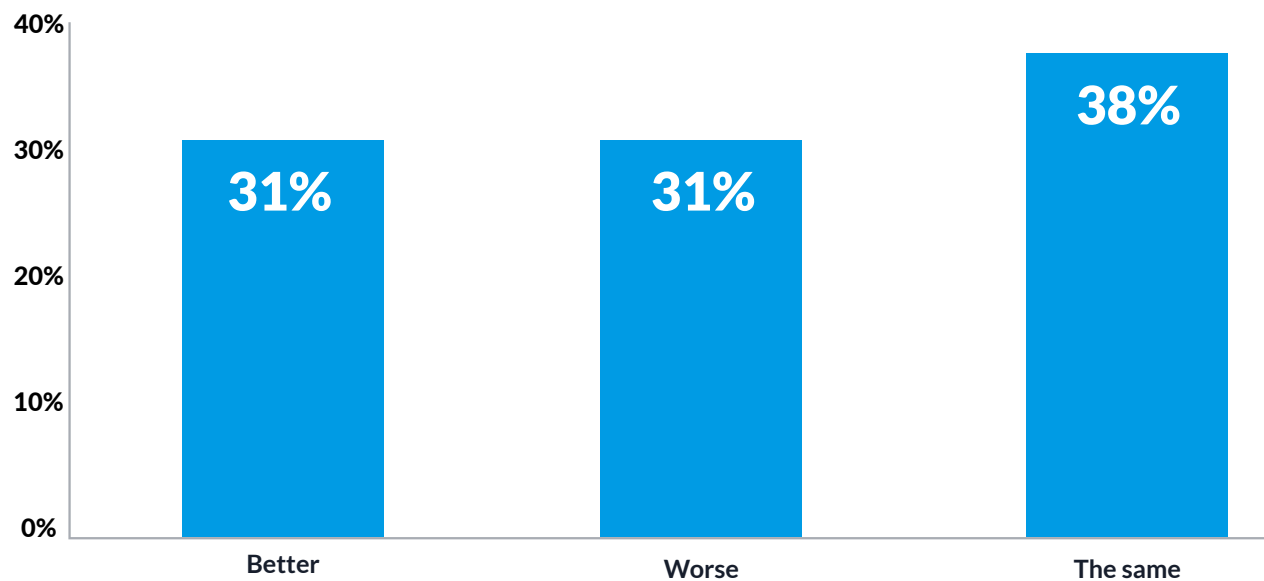
COMPETITORS IN 2023?



ECONOMIC OUTLOOK

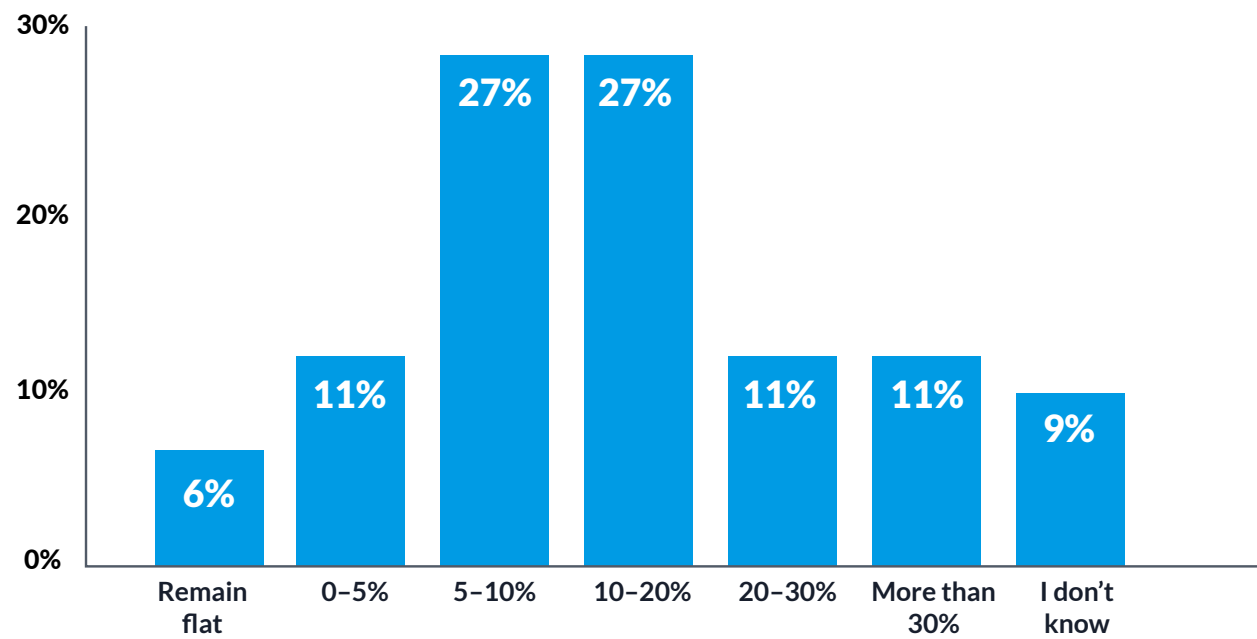
LOOKING FORWARD

ECONOMIC PREDICTIONS FOR 2024



PROs overwhelmingly agree that the least amount of growth is expected in the Commercial end market with the most opportunity to grow being in the Residential end market.

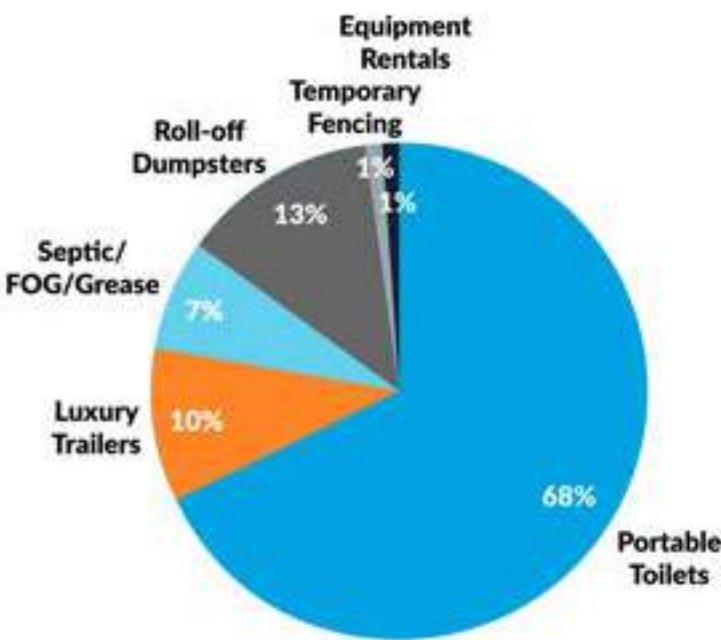
AVG. EXPECTED GROWTH



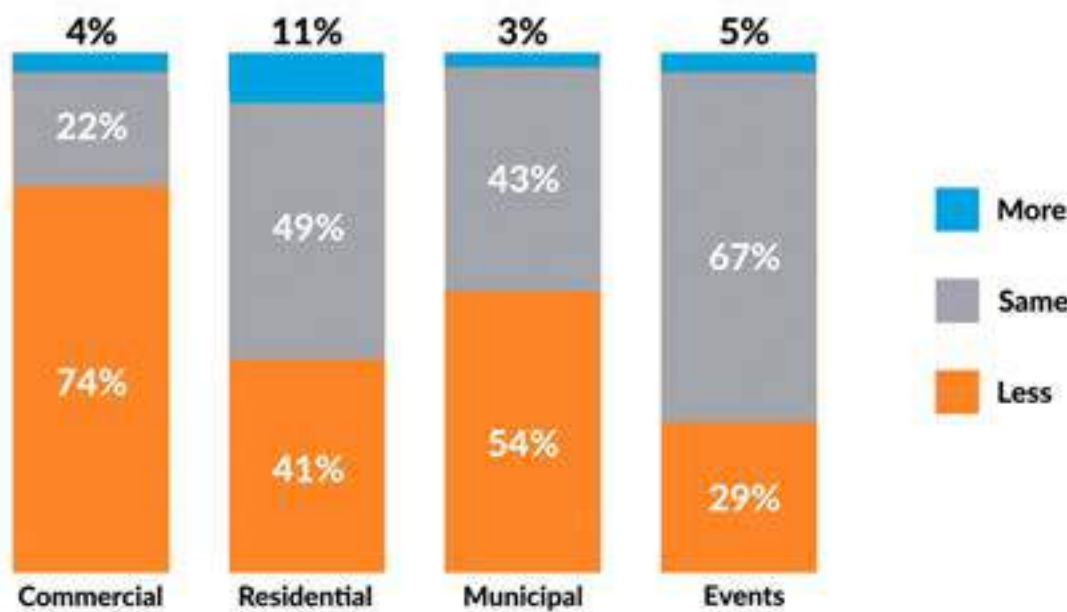
ECONOMIC OUTLOOK

LOOKING FORWARD

GROWTH BY PRODUCT LINE



GROWTH BY END MARKET



ECONOMIC OUTLOOK

GROWTH DRIVERS

EXPECTING TO GROW



EXPECTING TO DECLINE



SUMMARY

5 BENCHMARKS FOR TOP PROS



Fuel, paper goods, and chemicals are the most susceptible to overall economic conditions, and saw a sharp rise in price in 2023 - operators should **focus their cost reduction strategies here**.



The events end-market skyrocketed while home builders saw a significant decline. **"Top PROs" have diversification across end-markets**; maintaining customer relationships across markets has allowed "Top PROs" to capture swings in demand as they occur.



Many more PROs started **requiring credit cards on file and invoicing daily** in 2023 - consider implementing these policies to improve cash flow and reduce your accounts receivable.



"Top PROs" are significantly more likely to **adopt operations/billing, and accounting software** vs the overall market. The data shows that these tools have a significant impact on creating high profit margins.



Overall economic sentiment is mixed, but operators are predicting strong growth in 2024 - "Top PROs" are **expanding their service areas and engaging in acquisitions to achieve high growth rates**.

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/