

Assessment 2 Portfolio Activities - Case Data



Jack's Mowing

Background

In 2019, Jack and his wife Diane, started a lawn mowing business in West Melbourne.

After canvassing potential customers, Jack and Diane determined that their business would focus on providing both basic mowing and premium gardening services.

On online presence quickly provided a steady pipeline of job enquiries from potential customers. Diane managed a simple website and all enquiries while Jack resigned from his employment as a building manager and focused on performing all booked mowing and gardening jobs for the business.

Following increased demand and the establishment of some repeat business, in 2020 Jack and Diane began employing additional gardeners to help meet business needs.

Jack and Diane are now seeking your assistance in evaluating the data that they have captured across their first 3 years of trading.

2 data sets have been provided – Phase 1 which covers the period October 2019 to April 2020, and Phase 2 which covers May 2020 to January 2022. These may be found in the document

CISM4000 A2 Case Study T3 2022



Assessment 2 Portfolio Activities - Case Data

Fees Charged

Jack's Mowing provides 2 services charged at different rates. The rates reflect the level of skill and care provided with the premium service including precision edging, hedge trimming, weeding and complementary soil boosters. Base fees charged by Jack's Mowing:

- Standard service - \$70 per hour
- Premium service - \$120 per hour

All work carried out (both Standard and Premium) is subject to a surcharge when performed in areas outside of West Melbourne. These surcharges have been set to compensate for the additional travel time and distance necessary. Surcharges are currently applied to the total base fee charged for a job.

- Northern Suburbs and Central Melbourne – an additional 10%
- Eastern Suburbs and Southern Suburbs – an additional 20%

For example, a 2-hour Premium service undertaken in the Eastern Suburbs would be billed at:
 $2 \text{ hours} \times \$120 \times 120\% = \288



Assessment 2 Portfolio Activities - Case Data

PHASE 1 – OCTOBER 2019 to APRIL 2020

Throughout Phase 1, all jobs were completed by Jack with management of business operations provided by Diane. Diane managed all inbound calls and collated all job details completed by Jack and maintained the following records:

Exhibit A – Phase 1 Enquiries Register

Diane recorded the Name and Location of each customer who made an enquiry regarding the services provided by Jack's Mowing. Diane then assigned a unique, sequential customer ID to each customer recorded. There were 523 unique customer enquiries, not all of which proceeded with job bookings.

Exhibit B – Phase 1 Job Completion Register

From details provided by Jack, Diane recorded details for each job completed including:

- Customer ID
- Date of completion
- Service type provided (Standard or Premium)
- Number of hours
- Payment method (Cash or Card)
- Amount paid by customer

Business concerns

- Diane is concerned with understanding how well the business is performing in converting enquiries into chargeable jobs, and how well the business retains customers.
- Jack is concerned with understanding the seasonality (if any) of the business, as well as the mix of services provided, which regions the business is generating its revenue from and identifying the drivers of business growth.



Assessment 2 Portfolio Activities - Case Data

PHASE 2 – MAY 2020 to JANUARY 2022

Due to an increased workload and a substantial advertising campaign, Jack and Diane commenced employing additional lawnmowing staff – initially their son Barry, followed by additional subsequent hires. With the increased volume of work, Jack (and the new employees) found that job estimates provided to customers sometimes varied from the time necessary for completion. As result, Diane collated additional details in maintaining the following:

Exhibit C – Phase 2 Enquiries Register

In addition to the information recorded in the *Phase 1 Enquiries Register (Exhibit A)*, Diane also noted whether the customer was requesting work for a private residence (Private) or for business premises (Business). This additional detail was applied to both new and existing customers.

Exhibit D – Job Completion Register

Diane continued to maintain a job completion register with the same data as in *Phase 1 Job Completion Register (Exhibit B)* with additional or amended fields for:

- Hours Billed
- Hours Worked
- Staff Name (who completed the job)
- Payment method (expanded to include Bank Transfers as well as Cash or Card))

Exhibit E – Payroll Register

Due to the rapid growth of the business, a payroll register was maintained summarising monthly time and wage records. Each employee was responsible for submitting claims for hours worked. Wages paid to employees were calculated from claims submitted and the applicable hourly rate.

All staff were to be paid at the same hourly rate (\$45 in 2020, increased to \$50 in 2021 with no further changes). The register included the following fields:

- Date (last day of the month)
- Staff Name
- Hours Claimed
- Hourly Rate
- Wages Paid

Business concerns

- Diane has concerns about the current payroll process, but Jack insists that their staff are all trustworthy. Diane's specific concerns relate to discrepancies in hourly rates as well as the hours claimed relative to the hours worked.
- As the business has grown so quickly, Jack is interested in the services, locations, and types of clients responsible for revenue and revenue growth.
- Both Jack and Diane are interested in identifying growth opportunities to be pursued over the next 2 to 5 years.