

TLC MASTERMIND

PROFIT MASTERY

SECRETS

ELEVATE YOUR SERVICE

AMPLIFY YOUR PROFITS



DEAR SERVICE BUSINESS OWNER

I want to share a secret that's fueled my company's growth in HVAC, plumbing, and more, skyrocketing our revenue to \$150 million a year — **It's all about focusing on Key Performance Indicators (KPIs).**

KPIs are vital—they give a clear picture of your company's performance and guide wise decision-making. I'm convinced that making KPIs central to your business can boost your team, profits, and peace of mind.

5 BUSINESS TIPS YOU NEED TO KNOW BEFORE YOU IMPLEMENT KPIs

1. CLEARLY DEFINE YOUR OBJECTIVES

What You Need to Know: Embarking on a journey with KPIs begins with establishing solid, realistic goals. Your objectives should be your anchor, keeping you grounded and giving you direction.

Lessons I Learned Along the Way: Gather your leadership team and engage in thoughtful dialogue to carve out clear, strategic objectives. Having this steadfast foundation is crucial for measuring your progress accurately and effectively.

2. ZERO IN ON WHAT MATTERS MOST

What You Need to Know: Distillation is key. Opt for the KPIs that are truly relevant, eliminating unnecessary ones that can cloud your vision and create chaos.

Lessons I Learned Along the Way: Choose KPIs that are in harmony with your specific goals and operational needs. Keeping your approach simplified and focused ensures a coherent understanding and avoids unnecessary complexity.

3. CULTIVATE AN “ALWAYS GROWING” CULTURE

What You Need to Know: Evolution is paramount in business. Embedding a culture that values constant learning and growth is where KPIs shine.

Lessons I Learned Along the Way: Invest time in enlightening your team about the significance of KPIs, fostering an environment where knowledge is treasured, and continuous learning is encouraged. Open, informed discussions are the building blocks of a progressive work culture.

4. KPIS ARE TO BUILD YOUR TEAM UP, NOT TEAR THEM DOWN

What You Need to Know: KPIs are not about undermining or “beating your people down”; they are about empowerment. Providing clear, constructive insights helps in molding resilient and informed teams, well-coached technicians, and high-performing companies. Remember, we are always first “in the people business” before anything else.

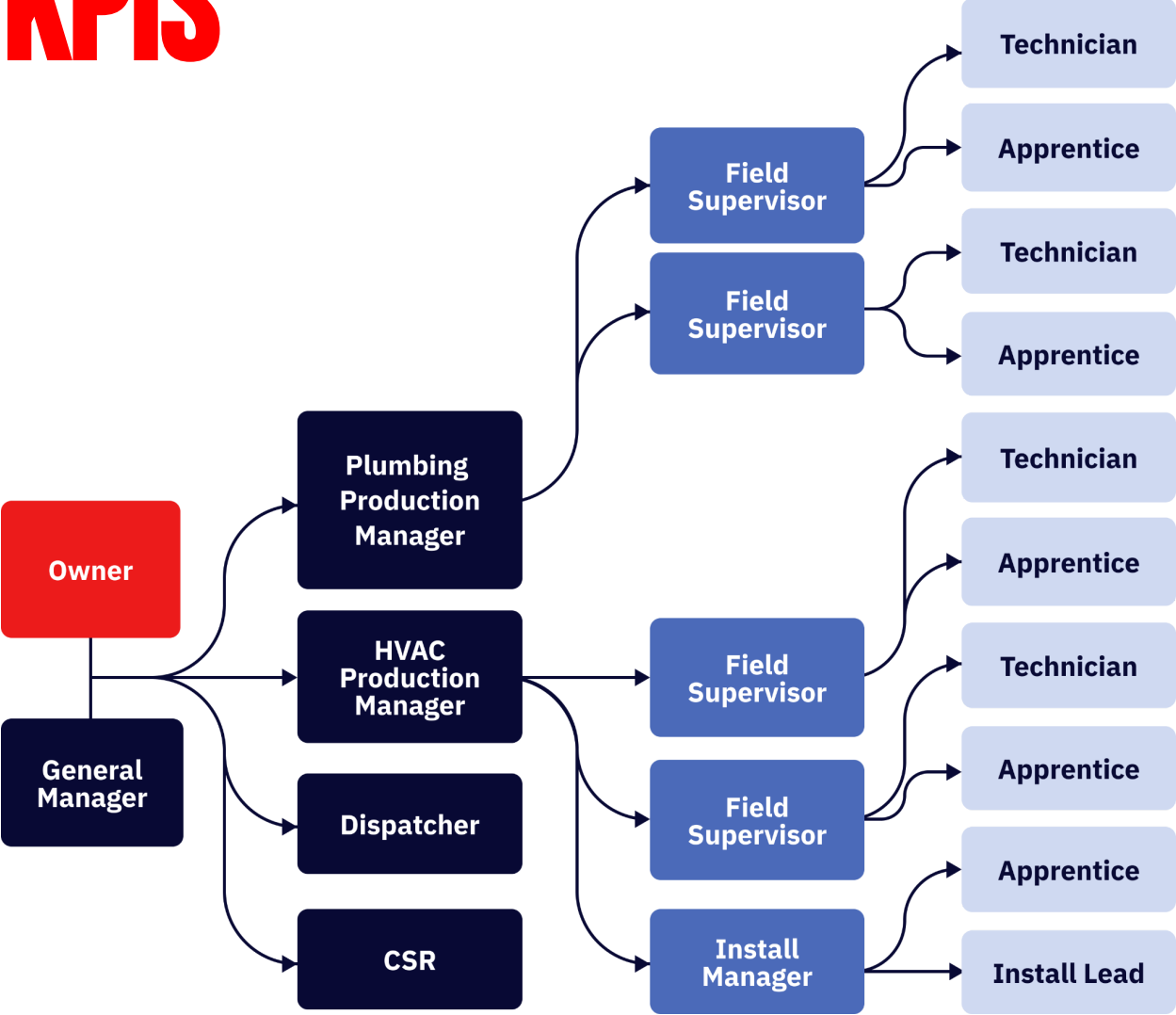
Lessons I Learned Along the Way: If “You can't manage what you don't measure,” then you certainly can't optimize it either! Remember to always uphold accuracy and consistency in measuring along the way. It's all about creating an atmosphere of growth and encouragement, highlighting the areas of improvement and not about placing blame. Enabling your team to see their progress and possibilities for growth develops confidence and a willingness to improve.

5. CONSISTENTLY REVIEW AND REVISE

What You Need to Know: Adaptation is the lifeblood of any business. Regularly reviewing and adjusting your KPIs keep them in alignment with your ever-evolving business landscape.

Lessons I Learned Along the Way: Regular reassessment of your KPIs is crucial to ensure they continue to reflect your business objectives accurately in the face of changing market conditions. Stay nimble, be willing to modify, and keep your strategies aligned with your overarching goals.

BATTLE TESTED KPIs



Organizational Chart

1. OWNER

KPI: Company-wide Net Profit Margin

What it Does: Measures the overall profitability of the company, providing insights into financial health and operational efficiency.

Impact of KPI on the Business:

- **Profit Enhancement:** A 5% increase in net profit margin directly translates into substantial profit growth and enhances overall financial health.
- **Strategic Insight:** Drives the formulation and execution of strategies aimed at margin improvement and business growth.
- **Business Sustainability:** Strengthens the company's resilience and long-term viability by identifying and leveraging profitability trends.

2. GENERAL MANAGER

KPI: **Employee Satisfaction**

What it Does: Measures overall satisfaction to ensure continued growth of the organization

Impact of KPI on the Business:

- **Business Sustainability:** Strengthens the company's consistency and in turn increases ensure organizational growth.
- **Customer Satisfaction:** Happy employees perform their work better as a result customers are happier.
- **Productivity:** Satisfied employees are more efficient and more vested in the organization.

3. CUSTOMER SERVICE REPRESENTATIVE

KPI: **Call to Workorder Conversion**

What it Does: This KPI measures the percentage of calls that convert to invoices, reflecting the efficiency and effectiveness of customer service representatives in addressing customer concerns.

Impact of KPI on the Business:

- **Operational Efficiency:** Improving this KPI can lead to a more streamlined and efficient operation, reducing the workload on customer service representatives and allowing for better allocation of resources.
- **Customer Satisfaction:** Customers value swift and effective solutions to their issues; thus, a higher call to workorder conversion typically corresponds to higher customer satisfaction and productivity.
- **Cost Reduction:** Reducing the need for follow-up interactions lowers operational costs and frees up resources to focus on acquiring new customers or improving service delivery.

4. DISPATCHER

KPI: **Workorder to Invoice Conversion**

What it Does: This KPI evaluates the ability of dispatchers to allocate and schedule jobs optimally, balancing the workload among technicians and minimizing downtime.

Impact of KPI on the Business:

- **Service Delivery:** Efficient scheduling maximizes the number of jobs completed, leading to increased customer satisfaction and potential revenue.
- **Resource Optimization:** Improved scheduling efficiency ensures optimal utilization of available resources, reducing idle time and increasing overall productivity.
- **Revenue Increase:** More efficient scheduling allows for more jobs to be completed in a given time frame, directly impacting the company's bottom line through increased service revenues.

5. PRODUCTION MANAGERS INSTALL MANAGERS

KPI: Customer Satisfaction Rate

What it Does: Assesses the overall level of satisfaction among customers, which is crucial for customer retention and loyalty.

Impact of KPI on the Business:

- **Customer Loyalty:** Every 1-point increase in satisfaction potentially leads to a 10% increase in repeat service requests, fostering customer loyalty.
- **Reputation Management:** Increased satisfaction leads to positive reviews and enhances the company's reputation and brand value.
- **Referral Increase:** Satisfied customers are more likely to refer others, directly impacting revenue through new customer acquisition.

6. FIELD SUPERVISORS INSTALL LEADS TECHNICIANS

KPI: Revenue and Gross Profit

What it Does: These KPIs quantify effectiveness of the day, week and month. This allows you as a business owner to have a better understanding of your day-to-day performance of each of your technicians.

Impact on the Business:

- **Revenue Growth:** A 15% increase in team productivity directly correlates with a 15% increase in potential revenue without incurring additional labor costs.
- **Customer Satisfaction:** Improved productivity leads to timely service delivery, enhancing customer experiences and satisfaction levels.
- **Operational Efficiency:** Maximizes resource utilization and streamlines processes, reducing idle time and increasing service capacity.

7. APPRENTICES

KPI: Learning and Development Progression Rate

What it Does: Monitors the progression of apprentices through their training programs, reflecting the effectiveness of learning and development initiatives.

Impact of KPI on the Business:

- **Employee Mastery:** A 15% increase in progression rate accelerates the development of requisite skills, contributing to employee mastery and service quality.
- **Operational Readiness:** Accelerated progression ensures apprentices are job-ready sooner, reducing dependencies and enhancing operational readiness.
- **Training Effectiveness:** Rapid progression reflects the effectiveness of training programs, allowing for continuous improvements in learning and development initiatives.

HERE'S HOW KPIS CAN TRANSFORM YOUR BUSINESS

DEVELOP YOUR TEAM

KPIs allow for accurate performance assessment, fostering a high-performance culture. They identify training needs, ensuring constant development and better service.

STRENGTHEN YOUR FINANCES

Monitoring profit margins with KPIs helps allocate resources effectively. Tracking expenses highlights and reduces inefficiencies, boosting profitability.

ENHANCE CUSTOMER SATISFACTION

Service-related KPIs improve clients' experiences by decreasing response times. Analyzing customer feedback through KPIs reveals areas for improvement and increases retention.

BOOST OPERATIONAL EFFICIENCY

Optimizing service delivery times maximizes satisfaction and revenue. Managing inventory efficiently prevents stock issues and improves cash flow.

ENSURE PEACE OF MIND

Proactive risk management via KPIs lets you manage with confidence. Strategic alignment through KPIs enables focus on growth initiatives.

To truly leverage KPIs, align them with your goals and foster a culture of openness and learning. They have been my guiding light to success in business.

I urge you to integrate KPIs in your business model. It's a game-changing move that can benefit your team, profits, and peace of mind.

Wishing you a journey filled with success and growth!

Cheers,

A handwritten signature in red ink that reads "Dale Armstrong". The signature is written in a cursive, flowing style.

Dale Armstrong
Founder, TLC Plumbing and Heating