Allamanda CONSULTING

Illustrative sample. The business and every figure are invented.

The Profit Tree Method

Profit Audit report

Limpkin Air & Plumbing (fictional)

HVAC and plumbing contractor: home service, replacement and light commercial
Fort Myers, Lee County, Florida

November 6, 2026

Illustrative sample. The business and every figure are invented.

Illustrative, and not a typical result. We invented this business and its gaps to show the format. What an audit finds depends on the business.

Limpkin Air & Plumbing does not exist. We invented the business, its records, its staff roles and every figure in this report to show what a Profit Audit report contains and how it reads. Any likeness to a real business is unintended. Nothing here is a result delivered for a client, and nothing here predicts what an audit of your business would find.

What is real is the method. The 8 levers, the 30 checkpoints, the scoring scale and the booking rules are the ones we use in every Profit Audit, and a real report has these same sections, built from the client's own records. People appear as roles, never as names.

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Allamanda Consulting is a trade name of Allamanda LLC
The Profit Audit is a management consulting review, not an audit of financial statements, and gives no assurance on financial information.

1 The short version

We estimate $222,000 to $665,000 a year in added profit, with a base case of $442,000. Separately, $49,000 to $146,000 in cash could be released once.

Illustrative, and not a typical result. We invented this business and its gaps to show the format. What an audit finds depends on the business.

Added profit, a year

All 13 opportunities. After $10,160 a year of running cost, already taken off. One-time cost to implement, not taken off: $31,500.

Low	Base	High
$222,000	**$442,000**	$665,000



The 8 on the 90-day roadmap. After $5,000 a year of running cost, already taken off. One-time cost to implement, not taken off: $12,500.

Low	Base	High
$156,000	**$316,000**	$476,000



Cash released, once

Low	Base	High
$49,000	**$97,000**	$146,000



3 opportunities in how the business bills, stocks and pays. Not profit, and never added to the annual figure. No yearly running cost. One-time cost to implement, not taken off: $2,000.

A range is an estimate for a full year once a change is in place and holding. It is not a forecast. Few businesses run every opportunity at once, which is why the roadmap starts with 9 of the 16: 8 for annual profit and 1 for one-time cash ($21,000 base, once). Figures are rounded to the nearest thousand dollars, and the three range lines share one scale. The base case for all 13, spread across all 8 levers, equals 5.9% of last year's revenue. Two more cautious readings of it are on page 7.

The three things to do first

1 — 1.2 Turning leads and quotes into sales

Follow up every unsold replacement quote at 2 and 7 days

$58,000 to $174,000 a year, base $116,000 | Effort 2 of 5 | Confidence Medium | Evidence grade A

First step Write the 2-day and 7-day follow-up messages and switch on the follow-up feature. **Owner** Sales lead. **Due** Dec 4.

2 — 2.1 Pricing, estimating and discounts

Require manager approval for any discount over 5% and report discounts by technician each week

$13,000 to $39,000 a year, base $26,000 | Effort 1 of 5 | Confidence High | Evidence grade A

First step Set the discount rule: manager approval for anything over 5%; add the approval step in the field software. **Owner** Service manager. **Due** Nov 20.

3 — 2.1 Pricing, estimating and discounts

Update the flat-rate service price book, then review it every six months

$25,000 to $75,000 a year, base $50,000 | Effort 2 of 5 | Confidence High | Evidence grade A

First step Rebuild the price of the 60 most-used service tasks from current material and labor costs. **Owner** General manager. **Due** Dec 11.

Effort: 1 is a decision or a phone call, 5 a major project. Confidence and evidence grade are explained on page 17.

The decision we ask you to make

Choose what to run. From the 9 opportunities on the 90-day roadmap (page 14), decide which to start and name one person to own each. Then decide whether to run them yourselves or with our support (page 18). The scorecard, the register and the roadmap are yours to keep and use either way.

Every figure is a range

Low, base and high are estimates built from this business's own records; base is the middle case. The assumption sits beside each one, so anyone can redo the sum.

Nothing is promised

We do not promise or guarantee any result. A range is not a promise. What the business achieves depends on its own decisions and on things neither of us controls.

Short on time?

Read this page, the scorecard (page 4), where the money is (page 7) and the roadmap (page 14). The evidence, the full register and the method follow for anyone who wants to check our work.

2 The business at a glance

Limpkin Air & Plumbing (fictional). HVAC and plumbing contractor: home service, replacement and light commercial. Fort Myers, Lee County, Florida. These are the facts every figure in this report starts from, taken from 24 months of the business's own records, Oct 2024 to Sep 2026.

Revenue, last 12 months
$7.47 million
Up 7.5% on the 12 months before

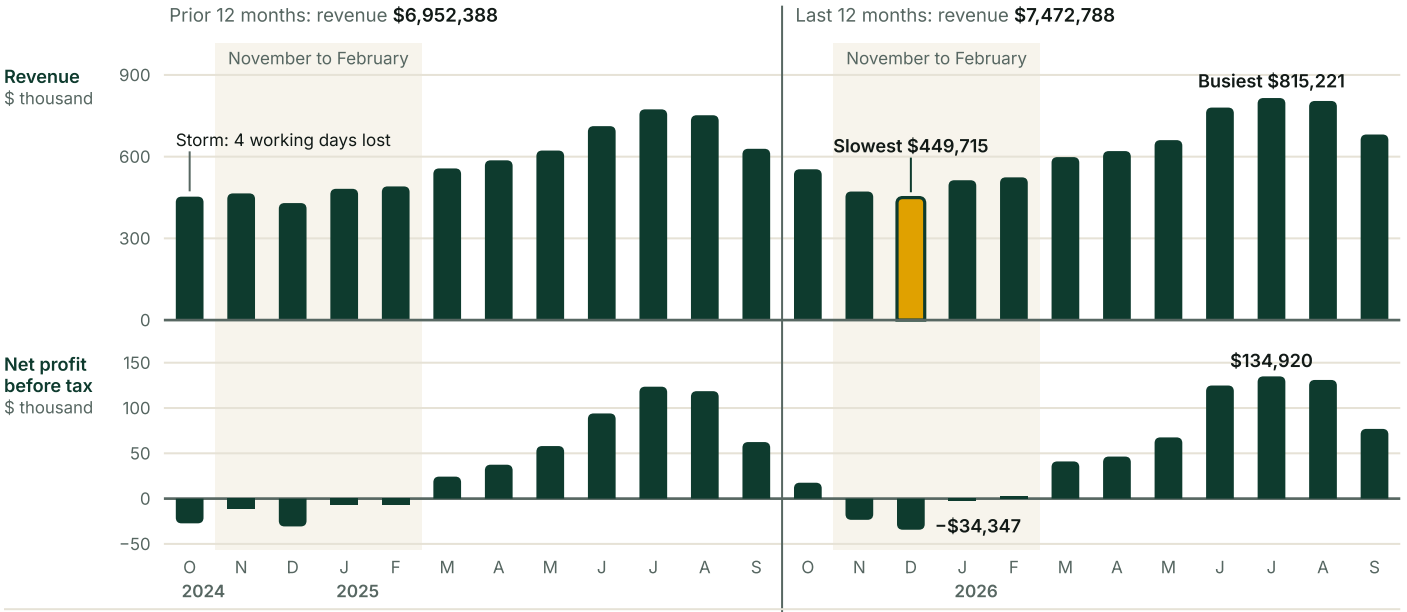
Gross margin
44.1%
43.9% the year before. Job costs take 55.9% of revenue

Net profit before tax
$584,000
7.8% of revenue, after owner pay of $198,000

Overhead
36.3%
of revenue: $2,710,000 a year

Founded	2008; 18 years in business; 1 site
People	45 employees: 31 in the field, 14 in the office, sales and management
Customers and jobs	9,800 active customers; 13,405 jobs in the last 12 months; average sale $557
Turning work away?	Yes, in busy months only: 4 months a year (the sold-out test, page 16)
Ownership	One owner, working in the business every day
Fleet	34 vehicles
Systems	Cloud accounting package. Field service software (booking, dispatch, quotes, invoices)
Storm exposure	4 working days lost in the last 24 months. Written storm plan: No

Revenue and net profit before tax, month by month



	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S
Revenue	453	465	430	482	491	557	587	622	712	774	752	629	554	472	450	513	524	598	620	661	780	815	804	681
Net profit	−27	−12	−31	−7	−7	24	37	58	94	124	119	62	18	−23	−34	−1	3	41	46	68	125	135	131	77

Every column is also printed as a number in the two rows under the chart, in thousands of dollars. The gold column is the slowest month of the last 12: it brought 55% of the busiest month's revenue.

Season. The business makes a loss in November to February and earns its profit from March to October. November to February together made a loss of $56,000 in the first winter and a loss of $56,000 in the second.

Storm. Closed four working days in October 2024 for a hurricane; revenue that month ran about 12% low, then repair work lifted November. No written plan for trucks, stock, staff contact or reopening.

Illustrative sample. The business and every figure are invented.

3 The scorecard

We scored 30 checkpoints from 1 to 5 against the business's own records, on three tests. A score says how well a checkpoint is managed today. It describes the checkpoint, not the owner or the staff.

Records Can the metric be calculated from the business's own records?

Routine Does a named person look at it on a schedule and act on it?

Result How does the metric compare with the business's own target, or with its own best crew, month or supplier?

The scale

●○○○○ 1 Not managed ●●○○○ 2 Recorded, not used ●●●○○ 3 Managed in part
●●●●○ 4 Managed, with gaps ●●●●● 5 Well managed

Average score

All 30	Revenue	Cost	Cash	Enablers
2.73	2.58	3.00	2.33	2.67

Revenue

1 Win more customers

Average **2.67** | lowest 1.2, 1.3

1.1	Marketing, reviews and referrals	●●●●○ 4	Managed, with gaps
1.2	Turning leads and quotes into sales	●●○○○ 2	Recorded, not used
1.3	New services, areas and customer types	●●○○○ 2	Recorded, not used

2 Earn more per sale

Average **2.33** | lowest 2.1, 2.2

2.1	Pricing, estimating and discounts	●●○○○ 2	Recorded, not used
2.2	Add-ons and upgrades	●●○○○ 2	Recorded, not used
2.3	Most profitable jobs, products and customers	●●●○○ 3	Managed in part

3 Keep customers buying

Average **3.00** | lowest 3.3

3.1	How often customers come back	●●●○○ 3	Managed in part
3.2	Lost customers and win-back	●●●●○ 4	Managed, with gaps
3.3	Service plans, memberships and contracts	●●○○○ 2	Recorded, not used

4 Handle more business

Average **2.33** | lowest 4.1, 4.3

4.1	Bottlenecks and wait times	●●○○○ 2	Recorded, not used
4.2	No-shows and empty slots	●●●○○ 3	Managed in part
4.3	Slow seasons and slow days	●●○○○ 2	Recorded, not used

Cost

5 Buy better

Average **3.33** | lowest 5.1

5.1	Supplier and subcontractor prices	●●○○○ 2	Recorded, not used
5.2	Specs, brands and substitutes	●●●●● 5	Well managed
5.3	Rush buys and invoice errors	●●●○○ 3	Managed in part

6 Get more from every hour

Average **3.00** | lowest 6.2

6.1	Time each job takes	●●●●○ 4	Managed, with gaps
6.2	Overtime and staffing levels	●●○○○ 2	Recorded, not used
6.3	Travel, setup and idle time	●●●○○ 3	Managed in part

7 Waste less

Average **2.33** | lowest 7.1, 7.2

7.1	Material waste, spoilage and theft	●●○○○ 2	Recorded, not used
7.2	Redos, return visits and warranty	●●○○○ 2	Recorded, not used
7.3	Unbilled work, refunds and bad debt	●●●○○ 3	Managed in part

8 Trim overhead

Average **3.33** | lowest 8.2, 8.3

8.1	Rent, utilities, vehicles and equipment	●●●●○ 4	Managed, with gaps
8.2	Office staff, software and subscriptions	●●●○○ 3	Managed in part
8.3	Insurance, card fees and interest	●●●○○ 3	Managed in part

Cash

One-time dollars, totaled separately from annual profit

Average **2.33** | lowest K1, K2

K1	Deposits, invoicing and collections	●●○○○ 2	Recorded, not used
K2	Inventory, parts and supplies	●●○○○ 2	Recorded, not used
K3	Supplier payment terms and timing	●●●○○ 3	Managed in part

Enablers

Scored, not dollar-valued

Average **2.67** | lowest E1, E2

E1	Software, automation and AI	●●○○○ 2	Recorded, not used
E2	Knowing your numbers	●●○○○ 2	Recorded, not used
E3	Hiring, training and written procedures	●●●●○ 4	Managed, with gaps

Each lever shows the average of its three checkpoints beside its lowest checkpoint; a bar on the left marks that checkpoint. Scores and dollars are separate: the score says how well a checkpoint is managed, and the register says what fixing it is worth. The evidence for every score is on pages 5 and 6.

3 The scorecard: evidence

continued

Every score cites its evidence: the report, the period and the sample size. No record, no high score: a checkpoint whose metric cannot be calculated from records scores no higher than 2.

Lever, checkpoint and score	Metric, measured, target and where the target came from	Evidence from the records
1 Win more customers		
1.1 **Marketing, reviews and referrals** ●●●●○ 4 Managed, with gaps	Cost per qualified lead **$125** target $110 or less Own level in the prior 12 months	Marketing ledger and call-tracking report, last 12 months: $248,278 spent for 1,990 qualified leads, $125 each, up from $110 the year before. Tracked by channel every month. 61% of new customers came by referral or repeat. No set step to ask for a review after a job.
1.2 **Turning leads and quotes into sales** ●●○○○ 2 Recorded, not used Read on replacement quotes; the service-call booking rate is in the evidence note	Lead-to-sale rate **34%** target 40% or more Own best: the stronger of two sales advisors closes 41%	Job system, last 12 months: 838 replacement quotes issued, 285 sold (34%); the stronger of the two sales advisors closed 41%. In a sample of 25 unsold quotes, none had a second contact. The booking rate on service calls is 81% and is not reviewed.
1.3 **New services, areas and customer types** ●●○○○ 2 Recorded, not used	Revenue share from new offers **3.1%** target 5% or more Owner's goal	Sales by service line: indoor air quality, water treatment and commercial maintenance, all added in the last three years, brought $232,000, 3.1% of revenue. Nobody owns new offers and there is no plan for them.
2 Earn more per sale		
2.1 **Pricing, estimating and discounts** ●●○○○ 2 Recorded, not used	Quoted margin vs target **39% margin** target 45% or more Owner's stated target margin	Sample of 40 replacement and project quotes: average quoted margin 39% against the 45% the owner aims for. Flat-rate service prices were last changed 26 months ago. Discounts at the door came to $148,000 with no approval rule.
2.2 **Add-ons and upgrades** ●●○○○ 2 Recorded, not used	Share of sales with add-ons **11%** target 18% or more Halfway to own top quarter of technicians (24%)	Invoice line detail, 9,370 service calls: 11% carried an add-on or upgrade. The top quarter of technicians reach 24%; the bottom quarter 4%. There is no standard list of add-ons to offer.
2.3 **Most profitable jobs, products and customers** ●●●○○ 3 Managed in part	Revenue share below target margin **19.3%** target 10% or less Owner's goal	Job-profit review by type: builder and light commercial work (4.5% of revenue), plumbing projects (10.0%) and plan tune-up visits (4.8%) earn less than the 45% target margin: 19.3% of revenue in all. The owner knows; the work is neither repriced nor limited.
3 Keep customers buying		
3.1 **How often customers come back** ●●●○○ 3 Managed in part	Purchases per customer per year **1.37 a year** target 1.6 or more Own plan members average 2.4 a year	Customer history: 13,405 jobs for 9,800 active customers, 1.37 each a year. Plan members average 2.4. Customers without a plan get no reminder.
3.2 **Lost customers and win-back** ●●●●○ 4 Managed, with gaps	Annual customer retention rate **52%** target 55% or more Own level two years ago	Customer history: of 9,150 customers served in the prior 12 months, 4,760 bought again in the last 12 (52%). Plan members renew at 86%. Renewals are tracked monthly; lapsed customers are not contacted.
3.3 **Service plans, memberships and contracts** ●●○○○ 2 Recorded, not used	Recurring revenue share **6%** target 10% or more Owner's goal	Plan revenue $359,000 (1,640 members at $219) plus commercial maintenance contracts $90,000: 6.0% of revenue. 24% of active HVAC customers hold a plan. Some technicians offer the plan and others do not.
4 Handle more business		
4.1 **Bottlenecks and wait times** ●●○○○ 2 Recorded, not used	Work turned away or lost waiting **2.8% of revenue** target 1% or less Owner's goal	Dispatch notes, June to September: about 610 calls were not booked because the first opening was three or more days out, about $207,000 at the $340 average ticket, 2.8% of revenue. From October to May no call waited more than a day. No log of work turned away is kept; this is an estimate from call tags.
4.2 **No-shows and empty slots** ●●●○○ 3 Managed in part Read as dispatch slots: technician job slots filled against slots open	Share of bookable slots filled **84%** target 90% or more Owner's goal; busy months already run at 97%	Dispatch board, last 12 months: 84% of technician job slots were filled: 97% in June to September and 74% in November to February. Customer-not-home visits were 3% of calls; no reminder texts are sent.
4.3 **Slow seasons and slow days** ●●○○○ 2 Recorded, not used	Slowest-month revenue versus busiest **55.2%** target 70% or more Owner's goal	Financial baseline: the slowest month (Dec 2025, $449,715) brought 55% of the busiest (Jul 2026, $815,221). November to February ran $531,900 below four average months. Plan tune-ups are booked when the customer calls, mostly in spring and summer.
5 Buy better		
5.1 **Supplier and subcontractor prices** ●●○○○ 2 Recorded, not used	Price paid vs best quote **104.5% of best quote** target 101% or less Best current quote, with 1% allowed for service	Basket of the 40 most-bought items, about 45% of materials spend, priced with three distributors during the audit: the business paid 4.5% more than the best current quote. There is no yearly bid, nobody compares prices paid with quotes, and one manufacturer rebate program has not been joined.
5.2 **Specs, brands and substitutes** ●●●●● 5 Well managed	Material cost per job vs target **99% of target** target 100% or less Own estimating standard	Job-cost review of 60 replacement jobs: materials came in at 99% of the estimate. Two equipment brands, a standard parts list for each job type and good-better-best options are in use, and the install manager checks them monthly.
5.3 **Rush buys and invoice errors** ●●●○○ 3 Managed in part	Share of spend at agreed prices **58%** target 85% or more Owner's goal	Accounts payable detail: 58% of materials spend was at a quoted or contracted price. In a sample of 25 supplier invoices, 7 had no purchase order and 2 were priced above the quote ($412 in all). Counter purchases average 46 a week.

3 The scorecard: evidence

continued

Lever, checkpoint and score	Metric, measured, target and where the target came from	Evidence from the records
6 Get more from every hour		
6.1 **Time each job takes** ●●●●○ 4 Managed, with gaps	Actual vs standard job hours **104% of standard** target 100% or less Own estimating standard	Timesheets against estimates for 60 replacement jobs: actual hours were 104% of standard, reviewed by the install manager each month. Service calls have no time standard.
6.2 **Overtime and staffing levels** ●●○○○ 2 Recorded, not used	Overtime share of paid hours **9.4%** target 5% or less Owner's goal; October to April already runs near 6%	Payroll register, field staff: overtime was 9.4% of paid hours for the year (6,660 of 70,850) and 16% in June to August; from October to April it ran near 6%. The premium alone cost about $85,000 with payroll costs. Overtime is approved after the fact.
6.3 **Travel, setup and idle time** ●●●○○ 3 Managed in part	Billable share of paid hours **58%** target 65% or more Own top quarter of technicians (67%)	Timesheets and GPS records, field staff: 58% of paid hours were billed to a job. Travel took 17%, supply-house runs 8% and waiting 6%. The top quarter of technicians bill 67%.
7 Waste less		
7.1 **Material waste, spoilage and theft** ●●○○○ 2 Recorded, not used Read as truck stock	Materials used vs materials billed **106% of billed** target 102% or less Owner's goal	Truck restock sheets for 8 of 31 trucks over three months: parts restocked were 106% of parts billed. The other trucks keep no sheets, so the figure rests on that sample. There is no truck-stock list and no count, and nobody reviews the sheets. Small-parts loss is treated as a cost of doing business.
7.2 **Redos, return visits and warranty** ●●○○○ 2 Recorded, not used	Share of jobs redone **4.4%** target 2.5% or less Own best quarter	Callback log, last 12 months: 412 return visits within 30 days on 9,370 service calls (4.4%); the best quarter ran at 2.5%. 9% of installs needed a return visit. Cost about $84,000 a year, including $22,000 of goodwill credits. Every callback is logged, but nobody reviews the log by cause.
7.3 **Unbilled work, refunds and bad debt** ●●●○○ 3 Managed in part	Lost billings to revenue **1.1% of revenue** target 0.5% or less Owner's goal	Credit and write-off report and a review of 60 plumbing projects: unbilled change orders about $38,000, bad debt $31,000 and other write-offs $14,000: $83,000, 1.1% of revenue. Goodwill credits after callbacks are counted under 7.2, by cause.
8 Trim overhead		
8.1 **Rent, utilities, vehicles and equipment** ●●●●○ 4 Managed, with gaps	Facility and fleet cost to revenue **8.7% of revenue** target 8.5% or less Owner's goal	Financial baseline: rent, utilities, vehicles and equipment were 8.7% of revenue. 34 vehicles for 33 drivers; fuel cards and GPS on every truck; leases are reviewed at renewal.
8.2 **Office staff, software and subscriptions** ●●●○○ 3 Managed in part	Admin cost to revenue **13.2% of revenue** target 12% or less Owner's goal	Financial baseline: office staff, software and subscriptions were 13.2% of revenue. A two-week time study found 26 office hours a week spent re-typing between systems. Two subscriptions ($8,400 a year) are unused.
8.3 **Insurance, card fees and interest** ●●●○○ 3 Managed in part	Insurance, fees and interest to revenue **5.2% of revenue** target 4.8% or less Owner's goal	Financial baseline: insurance, card fees and interest were 5.2% of revenue. Card fees run an effective 2.9% of card sales and the processor has not been quoted in four years. Insurance was put out to quote at the last renewal.
Cash		
K1 **Deposits, invoicing and collections** ●●○○○ 2 Recorded, not used	Days to get paid **46 days** target 30 or less Own terms: 30 days	Financial baseline and aged receivables: customers on account (35% of revenue) took 46 days to pay against 30-day terms. Invoices for commercial work go out six days after the job on average. No deposit is taken on installs.
K2 **Inventory, parts and supplies** ●●○○○ 2 Recorded, not used Read as truck stock	Days of inventory held **51 days** target 35 or less Owner's goal	Stock listing: truck and shop stock averaged $286,700, 51 days of use. $41,000 has not moved in 12 months. No count since the last year end.
K3 **Supplier payment terms and timing** ●●●○○ 3 Managed in part	Days to pay suppliers **21 days** target 30 or more Supplier terms: 30 days	Aged payables: suppliers were paid in 21 days on 30-day terms, in a weekly check run whatever the due date. Two distributors, about 40% of supplier spend, offer an early-payment discount, taken on about 60% of that spend.
Enablers		
E1 **Software, automation and AI** ●●○○○ 2 Recorded, not used	Booking-to-payment steps needing re-typing **4 steps** target 1 or less Owner's goal	Walk-through of one job from booking to payment: data is typed again at 4 points (web request to dispatch, quote to job, job ticket to invoice, card payment to accounting). The field software and the accounting package are not connected.
E2 **Knowing your numbers** ●●○○○ 2 Recorded, not used	Days to a job-level monthly profit report **38 days** target 10 or less Owner's goal	Month-end file: the company profit and loss report reaches the owner 38 days after month end. Profit by job type is built by hand once a quarter, for replacements only.
E3 **Hiring, training and written procedures** ●●●●○ 4 Managed, with gaps	Annual staff turnover **11.1%** target 15% or less Owner's goal	Payroll records: 5 leavers in 12 months on 45 staff (11%). An apprentice program is in place. Written procedures cover installs; there are none for dispatch or the office.

Targets come first from the business's own best results, its stated terms or the owner's goal. Some checkpoints are read to fit the business: here 7.1 and K2 are read as truck stock. A note under the score shows where a reading differs from the standard one. No checkpoint was marked not applicable.

4 Where the money is

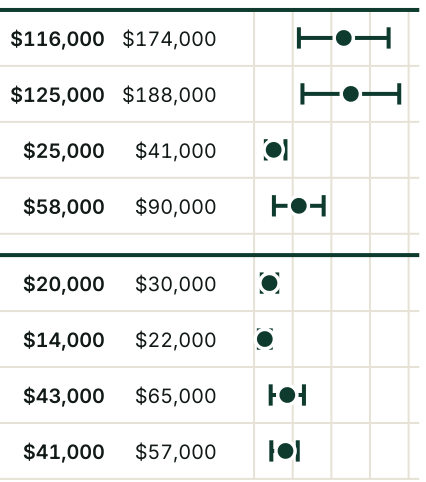
The profit tree splits profit into revenue and cost, and each side into four levers. The range beside each lever is the sum of its opportunities, a year, once the changes are in place.

Profit
Base, a year
$442,000
$222,000 to $665,000

Revenue
Base, a year
$325,000
$162,000 to $493,000

Cost
Base, a year
$118,000
$60,000 to $173,000

	Lever	Low	Base	High
1	Win more customers	$58,000	**$116,000**	$174,000
2	Earn more per sale	$63,000	**$125,000**	$188,000
3	Keep customers buying	$15,000	**$25,000**	$41,000
4	Handle more business	$26,000	**$58,000**	$90,000
5	Buy better	$10,000	**$20,000**	$30,000
6	Get more from every hour	$6,000	**$14,000**	$22,000
7	Waste less	$22,000	**$43,000**	$65,000
8	Trim overhead	$22,000	**$41,000**	$57,000



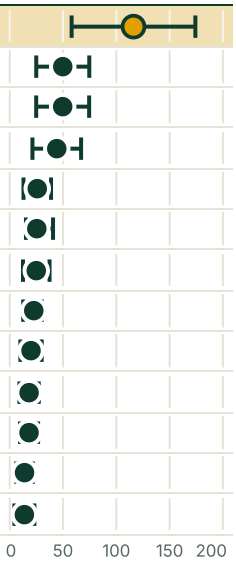
Cash one-time, totaled separately from annual profit
Base **$97,000** $49,000 to $146,000 (page 12)

Enablers scored, not dollar-valued
E1 score **2** E2 score **2** E3 score **4** (page 13)

The total, 13 opportunities: $221,643 low, $442,218 base and $665,402 high, a year. After $10,160 a year of running cost, already taken off. One-time cost to implement, not taken off: $31,500.

The 13 annual-profit opportunities, largest base case first

ID	Checkpoint	Cause: why the money is lost	Low	Base	High
OP-01	1.2 Turning leads and quotes into sales	No follow-up	$58,000	**$116,000**	$174,000
OP-02	2.1 Pricing, estimating and discounts	Price or rate not reviewed	$25,000	**$50,000**	$75,000
OP-04	2.2 Add-ons and upgrades	Not offered or not asked for	$25,000	**$50,000**	$75,000
OP-07	4.1 Bottlenecks and wait times	Capacity lost to avoidable work	$21,000	**$44,000**	$67,000
OP-03	2.1 Pricing, estimating and discounts	Discounts or credits given without a rule	$13,000	**$26,000**	$39,000
OP-05	3.3 Service plans, memberships and contracts	Not offered or not asked for	$15,000	**$25,000**	$41,000
OP-11	7.3 Unbilled work, refunds and bad debt	Work done but not billed or collected	$12,000	**$25,000**	$37,000
OP-13	8.2 Office staff, software and subscriptions	Manual work a tool could do	$13,000	**$23,000**	$30,000
OP-08	5.1 Supplier and subcontractor prices	Price or rate not reviewed	$10,000	**$20,000**	$30,000
OP-10	7.2 Redos, return visits and warranty	Errors and rework	$9,000	**$18,000**	$27,000
OP-12	8.3 Insurance, card fees and interest	Price or rate not reviewed	$10,000	**$18,000**	$27,000
OP-09	6.2 Overtime and staffing levels	Scheduling or staffing pattern	$6,000	**$14,000**	$22,000
OP-06	4.3 Slow seasons and slow days	Demand uneven by season or day	$4,000	**$14,000**	$23,000



How the dollars are counted. Added sales count at gross margin, never at sales value. A price change counts at the change in price, less the margin on any sales assumed lost. Cost savings count in full. Each case is after its yearly running cost (page 16). Rows are rounded, so they may not add exactly to totals.

How concentrated it is. The largest base case, marked by the gold dot, is 26% of the total. Checkpoint 2.1 appears more than once because the rows have different causes.

Two cautious readings of the base case. Counting only what lands in the first 12 months, given each start month: $423,000. Weighting each base value for our confidence in it: $281,000.

Illustrative sample. The business and every figure are invented.

5 The top opportunities

The 10 opportunities with the highest priority. Priority is not size: it is the base value weighted for our confidence, less the cost to implement, divided by effort. The rank is a guide, not a rule.

Low, base, high Annual profit once the change is in place and holding, after any yearly running cost, to the nearest thousand dollars; the range lines on pages 8 to 11 share one scale. **Measured against** The result the gap is measured from: one the business has already reached or holds in writing. **Cost to implement** One-time outside cost, not taken off the range. **Effort** 1 is a decision or a phone call, 5 a major project. **Confidence** How likely the change is to be achieved. **Evidence grade** How good the data behind the baseline is (page 17).

Rank 1

Follow up every unsold replacement quote at 2 and 7 days

OP-01 | 1.2 Turning leads and quotes into sales | 1 Win more customers

Low	Base	High
$58,000	**$116,000**	$174,000

A year. Added sales, counted at 39% gross margin. No running cost.

What we saw
838 replacement quotes were issued in the last 12 months at an average of $10,150: $8,505,700 of quotes (job system). 285 were sold (34%). In a sample of 25 unsold quotes, none had a second contact.

What we assumed
The cases close 25%, 50% and 75% of the 7-point gap to the stronger advisor: a close rate of 35.75%, 37.5% or 39.25%, about 15, 29 or 44 more systems on 285 sold. Added sales count at 39%, the average margin quoted on a sample of 40 replacement and project quotes, not the company-wide margin. The follow-up uses a feature the field software already has, so there is no running cost.

Measured against Own best: the stronger of the two sales advisors closed 41% of quotes in the same 12 months (job system). The cases close 25%, 50% and 75% of that gap.

Depends on enabler E1 Software, automation and AI

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$3,000	2 of 5	Medium	A	Sales lead	Month 1, on the 90-day roadmap

Rank 2

Require manager approval for any discount over 5% and report discounts by technician each week

OP-03 | 2.1 Pricing, estimating and discounts | 2 Earn more per sale

Low	Base	High
$13,000	**$26,000**	$39,000

A year. Price change on work already being done, counted in full. No running cost.

What we saw
Discounts and write-downs at the door came to $148,000 in the last 12 months (invoice detail), 2.0% of revenue. Three technicians gave 44% of them on 14% of service sales.

What we assumed
If the three technicians discounted at the rate of the others, discounts would fall by 34.9%. The cases close 25%, 50% and 75% of that gap: discounts fall by 8.725%, 17.45% or 26.175%. A discount not given is a price change on work already being done, so it counts in full. No sales are assumed lost: the other technicians book the same calls without these discounts. No running cost.

Measured against Own crews: the rate at which the other technicians discount the same kind of call (invoice detail by technician, 12 months). The cases close 25%, 50% and 75% of that gap.

Depends on enabler E2 Knowing your numbers

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$500	1 of 5	High	A	Service manager	Month 1, on the 90-day roadmap

Rank 3

Update the flat-rate service price book, then review it every six months

OP-02 | 2.1 Pricing, estimating and discounts | 2 Earn more per sale

Low	Base	High
$25,000	**$50,000**	$75,000

A year. Price change, less 44.1% gross margin on the sales assumed lost. No running cost.

What we saw
Flat-rate service prices were last changed 26 months ago. HVAC and plumbing service revenue was $3,191,000 in the last 12 months (job system).

What we assumed
No gap is measured: the records show when prices last moved, not what the right price is. Stated change: service prices rise by 1%, 2% or 3%. For each $1 of price gained we assume 50 cents of service sales are lost, and the company-wide gross margin on those lost sales is taken off the gain. No running cost.

Stated change No gap could be measured against a result the business has already reached or holds in writing, so the three changes are stated in words (page 16).

Depends on enabler E2 Knowing your numbers

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$2,500	2 of 5	High	A	General manager	Month 1, on the 90-day roadmap

5 The top opportunities

continued

Rank 4

Get three quotes for card processing on cost-plus pricing and steer large invoices to bank transfer

OP-12 | 8.3 Insurance, card fees and interest | 8 Trim overhead

What we saw

Card fees were $120,887 in the last 12 months (Financial baseline), an effective 2.9% of card sales. The processor has not been quoted in four years.

What we assumed

No gap is measured: no quote is in hand yet, and the roadmap starts by getting three. Stated change: card fees fall by 8%, 15% or 22%, an effective rate of about 2.7%, 2.5% or 2.3% of card sales against 2.9% today. No running cost.

Low	Base	High
$10,000	**$18,000**	$27,000

A year. Cost saving, counted in full. No running cost.

Stated change No gap could be measured against a result the business has already reached or holds in writing, so the three changes are stated in words (page 16).

Depends on no enabler

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$0	1 of 5	High	A	Office manager	Month 1, on the 90-day roadmap

Flag Under checkpoint 8.3 we report what the business pays and when it was last quoted. The business obtains any quotes, and its CPA reviews them before a switch. We do not recommend payment, loan or insurance products; questions about insurance cover go to the business's licensed agent.

Rank 5

Offer a standard set of add-ons on every service call, using a one-page good-better-best sheet

OP-04 | 2.2 Add-ons and upgrades | 2 Earn more per sale

What we saw

An add-on or upgrade was sold on 11% of 9,370 service calls (invoice detail). At the $185 average add-on, one on every call would be $1,733,450 of sales. The top quarter of technicians sell one on 24% of calls; the bottom quarter on 4%.

What we assumed

The cases close 25%, 50% and 75% of the 13-point gap to the top quarter: an add-on on 14.25%, 17.5% or 20.75% of calls. Added sales count at the company-wide gross margin, because the books do not show the margin on add-ons alone. The one-page sheet has no running cost.

Low	Base	High
$25,000	**$50,000**	$75,000

A year. Added sales, counted at 44.1% gross margin. No running cost.

Measured against Own best: the top quarter of technicians sold an add-on on 24% of their calls in the same 12 months (invoice detail by technician). The cases close 25%, 50% and 75% of that gap.

Depends on enabler E3 Hiring, training and written procedures

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$4,000	3 of 5	Medium	A	Service manager	Month 2, on the 90-day roadmap

Rank 6

Bill plumbing change orders before the crew leaves, and hold a card on file for commercial accounts past 60 days

OP-11 | 7.3 Unbilled work, refunds and bad debt | 7 Waste less

What we saw

Unbilled change-order work on plumbing projects about $38,000 (review of 60 projects, scaled up), bad debt written off $31,000 and other write-offs $14,000: $83,000, 1.1% of revenue.

What we assumed

No gap is measured: no crew or period in the records shows a lower rate to measure against. Stated change: lost billings fall by 15%, 30% or 45%. The work is already done and paid for, so the whole amount recovered is profit. The change-order form is a feature the field software already has, so there is no running cost.

Low	Base	High
$12,000	**$25,000**	$37,000

A year. Cost saving, counted in full. No running cost.

Stated change No gap could be measured against a result the business has already reached or holds in writing, so the three changes are stated in words (page 16).

Depends on enabler E1 Software, automation and AI

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$500	2 of 5	Medium	B	Office manager	Month 1, on the 90-day roadmap

Flag Deposit, card-on-file and collection terms go to the business's attorney before they change. We do not give legal advice.

5 The top opportunities

continued

Rank 7

Cut supply-house runs in June to September with a truck-stock list and next-morning delivery, and use the freed hours for calls now lost to the wait

OP-07 | 4.1 Bottlenecks and wait times | 4 Handle more business

What we saw

About 610 calls were not booked in June to September because the first opening was three or more days out: about $207,000 at the $340 average ticket (call tags in the dispatch notes). From October to May no call waited more than a day. Supply-house runs take 8% of paid field hours.

What we assumed

The whole of the lost calls is the gap to the business's own quiet months. The cases win back 25%, 50% and 75% of them, which takes about 380, 760 or 1,140 technician hours out of roughly 2,000 spent on supply runs in those four months. Sold-out test: counted under lever 4 for the four busy months only; hours freed in the other eight months are not valued. Added sales count at the company-wide gross margin. Running cost: about $1,500 a year in delivery charges.

Low	Base	High
$21,000	**$44,000**	$67,000

A year. Added sales, counted at 44.1% gross margin. After $1,500 a year of running cost.

Measured against Own best months: October to May, when no call waited more than a day and none was lost to the wait (dispatch notes). The cases close 25%, 50% and 75% of that gap.

Depends on no enabler

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$5,000	3 of 5	Medium	B	Service manager	Month 3

Rank 8

Offer the maintenance plan on every HVAC service call and with every replacement

OP-05 | 3.3 Service plans, memberships and contracts | 3 Keep customers buying

What we saw

1,640 plan members among 6,900 active HVAC customers (24%). The 5,260 customers without a plan, at $219 a year, come to $1,152,000 of plan revenue not held.

What we assumed

No gap is measured: the records do not show how often each technician offers the plan. Stated change: 3%, 5% or 8% of customers without a plan join in a year (about 158, 263 or 421 new members). Plan fees count at the company-wide gross margin. The repair and replacement work members bring is not counted. No running cost.

Low	Base	High
$15,000	**$25,000**	$41,000

A year. Added sales, counted at 44.1% gross margin. No running cost.

Stated change No gap could be measured against a result the business has already reached or holds in writing, so the three changes are stated in words (page 16).

Depends on enabler E3 Hiring, training and written procedures

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$3,000	2 of 5	Medium	A	Service manager	Month 2

Rank 9

Put the 40 most-bought items out to bid with three distributors once a year and join the manufacturer rebate program

OP-08 | 5.1 Supplier and subcontractor prices | 5 Buy better

What we saw

Materials spend was $2,059,871 in the last 12 months (Financial baseline). A basket of the 40 most-bought items, about 45% of spend, cost 4.5% more than the best of three current distributor quotes.

What we assumed

Matching the best quote on the basket would save 4.3% of basket spend, which is 1.94% of all materials spend. The cases close 25%, 50% and 75% of that gap: 0.485%, 0.97% or 1.455% of materials spend. Items outside the basket and the rebate program are not counted. No change of brand is assumed. No running cost.

Low	Base	High
$10,000	**$20,000**	$30,000

A year. Cost saving, counted in full. No running cost.

Measured against Held in writing: the best of three current distributor quotes on the 40-item basket. The cases close 25%, 50% and 75% of that gap.

Depends on no enabler

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$2,000	2 of 5	Medium	B	Purchasing lead	Month 2

5 The top opportunities

continued

Rank 10

Review every callback each week by cause and by technician, and fix the top three causes with a checklist

OP-10 | 7.2 Redos, return visits and warranty | 7 Waste less

What we saw

412 callbacks within 30 days on 9,370 service calls (4.4%), and a return visit on 9% of installs. The best quarter of the year ran at 2.5%. Labor, parts, truck time and $22,000 of goodwill credits came to about $84,000 (callback log and credit report).

What we assumed

Holding the best quarter's rate all year would cut callbacks, and their cost, by 43.2%. The cases close 25%, 50% and 75% of that gap: callback cost falls by 10.8%, 21.6% or 32.4%. Goodwill credits after a botched job are booked here, by cause (booking rule 5), and not under 7.3. No running cost.

Low	Base	High
$9,000	**$18,000**	$27,000

A year. Cost saving, counted in full. No running cost.

Measured against Own best quarter: callbacks ran at 2.5% of service calls (callback log). The cases close 25%, 50% and 75% of that gap.

Depends on enabler E3 Hiring, training and written procedures

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$1,000	2 of 5	Medium	A	Service manager	Month 1, on the 90-day roadmap

The other annual-profit opportunities

3 more opportunities rank below the top ten on priority, not on size. They are in the annual total and in the register on page 15.

Opportunity	What we saw	What we assumed	Low, **base**, high, a year
Rank 11 | OP-09 | 6.2 Overtime and staffing levels **Stagger summer shifts and add two seasonal helpers so evening calls are covered at straight time** Cost to implement $1,500 | Effort 3 of 5 | Confidence Medium | Evidence grade A | Owner Service manager | Start month 3 **Flag** We size this from the payroll register. How shifts and pay are arranged is for the business to settle with its payroll provider or employment attorney. We do not advise on wage and hour law.	Overtime was 9.4% of paid field hours for the year and 16% in June to August; from October to April it ran near 6% (payroll register). The overtime premium alone, with payroll costs, came to about $85,000. **Measured against** Own best months: October to April, when overtime ran near 6% of paid field hours (payroll register). The cases close 25%, 50% and 75% of that gap. A year. Cost saving, counted in full. After $1,500 a year of running cost.	Bringing the whole year to the October to April rate would cut overtime hours, and the premium, by 36.2%. The cases close 25%, 50% and 75% of that gap: the premium falls by 9.05%, 18.1% or 27.15%. Only the premium is counted, because the hours are still worked and paid at straight time. Running cost: about $1,500 a year to recruit and equip two seasonal helpers.	$6,000 **$14,000** $22,000
Rank 12 | OP-13 | 8.2 Office staff, software and subscriptions **Connect the field software to accounting so invoices, payments and timesheets post once, and cancel two unused subscriptions** Cost to implement $7,500 | Effort 3 of 5 | Confidence Medium | Evidence grade A | Owner Office manager | Start month 2	Office overtime and temporary help cost $41,000 and two unused subscriptions $8,400: $49,400 a year. A two-week time study found 26 office hours a week spent re-typing. **Stated change** No gap could be measured against a result the business has already reached or holds in writing, so the three changes are stated in words (page 16). A year. Cost saving, counted in full. After $2,160 a year of running cost.	No gap is measured: the saving depends on a tool the business has not used yet. Stated change: 30%, 50% or 65% of this cost goes: the two subscriptions for certain, and part of the overtime and temporary help. Only cost that leaves the payroll or the ledger is counted; freed salaried time is not. Running cost: $2,160 a year for the connectors, as listed on the AI opportunities tab.	$13,000 **$23,000** $30,000
Rank 15 | OP-06 | 4.3 Slow seasons and slow days **Move plan tune-ups into November to February and run an off-season offer on water heaters, repipes and duct work** Cost to implement $1,000 | Effort 3 of 5 | Confidence Low | Evidence grade A | Owner General manager | Start month 1, on the 90-day roadmap	November to February revenue ran $531,900 below four average months in the last 12 months (Financial baseline). **Stated change** No gap could be measured against a result the business has already reached or holds in writing, so the three changes are stated in words (page 16). A year. Added sales, counted at 44.1% gross margin. After $5,000 a year of running cost.	No gap is measured: no winter in the records has reached an average month, so the shortfall is seasonal and not a result the business has already reached. Stated change: the off-season offer fills 4%, 8% or 12% of the shortfall. Added sales count at the company-wide gross margin. Running cost: about $5,000 a year for the mailing and email to existing customers. Summer hours freed by moving tune-ups are not valued here; calls won back in summer are counted once, under OP-07.	$4,000 **$14,000** $23,000

6 One-time cash

Cash is not profit. These amounts are released once, when the change is made, and do not repeat. We total them separately and never add them to annual profit.

Rank 13

Invoice commercial and builder work on the day it is finished, take a deposit on installs over $5,000, and chase at 30, 45 and 60 days

OP-14 | K1 Deposits, invoicing and collections | Cash

Low $28,000 | Base $56,000 | High $84,000

Once. Not profit.

What we saw

Customers on account took 46 days to pay against the business's own 30-day terms. Receivables averaged $326,900 (Financial baseline). Invoices go out six days after the job on average.

What we assumed

Collecting on terms would release 34.2% of the balance. The cases close 25%, 50% and 75% of that gap: days to get paid fall by about 4, 8 or 12, and 8.55%, 17.1% or 25.65% of the balance is released, once.

Measured against Held in writing: the business's own 30-day payment terms, printed on its invoices. The cases close 25%, 50% and 75% of that gap.

Depends on enabler E1 Software, automation and AI

Days to get paid: 46 today, target 30. In the three cases: 42, 38 or 34.

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$0	2 of 5	Medium	A	Office manager	Month 1

Flag Deposit, card-on-file and collection terms go to the business's attorney before they change. We do not give legal advice.

Rank 14

Pay suppliers on the due date and not in the weekly run; keep early payment only where a discount is earned

OP-16 | K3 Supplier payment terms and timing | Cash

Low $10,000 | Base $21,000 | High $31,000

Once. Not profit.

What we saw

Suppliers were paid in 21 days on 30-day terms. Payables averaged $132,600 (Financial baseline). About 24% of supplier spend is paid early to earn a discount.

What we assumed

Paying everything on the due date would lift payables by 41.3%. The 24% of spend paid early for a discount stays as it is, so the gap is 31.4% of the balance. The cases close 25%, 50% and 75% of it: payables rise by 7.85%, 15.7% or 23.55%, releasing that cash once.

Measured against Held in writing: the suppliers' 30-day terms, printed on their invoices. The cases close 25%, 50% and 75% of that gap.

Depends on no enabler

Days to pay suppliers: 21 today, target 30. In the three cases: 23, 25 or 26.

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$0	1 of 5	High	A	Office manager	Month 1, on the 90-day roadmap

Rank 16

Set a truck-stock list, count each quarter, and return or sell stock that has not moved in 12 months

OP-15 | K2 Inventory, parts and supplies | Cash

Low $10,000 | Base $20,000 | High $31,000

Once. Not profit.

What we saw

Truck and shop stock averaged $286,700, 51 days of use (Financial baseline). $41,000 of it has not moved in 12 months (stock listing).

What we assumed

The stock that has not moved is the measured gap: 14.3% of the balance. The cases close 25%, 50% and 75% of it by returning or selling that stock: about $10,000, $20,000 or $31,000, released once. The 35-day goal is the owner's and is not used as the reference. The truck-stock list and the quarterly counts keep stock from building again; they take staff time and have no running cost.

Measured against Own records: the stock listing, which shows $41,000 of stock with no movement in 12 months. The cases close 25%, 50% and 75% of that gap.

Depends on no enabler

Days of inventory held: 51 today, target 35. In the three cases: 49, 47 or 45.

Cost to implement	Effort	Confidence	Evidence grade	Owner	Start
$2,000	3 of 5	Medium	A	Purchasing lead	Month 2

One-time cash, all 3 opportunities

Rounded to the nearest thousand dollars. No yearly running cost. One-time cost to implement, not taken off: $2,000. The range lines on this page share one scale, which is wider than the scale used for annual profit. If freed cash pays down borrowing, the interest saved each year is booked once, under 8.3. No interest saving is counted in this report.

Low $49,000 | Base $97,000 | High $146,000

7 Enablers and where software and AI help

The systems, numbers and people that make every lever easier to pull. We score them and do not put a dollar value on them. Each one points to the lever dollars it unlocks, and those dollars are already counted in the levers. They are not added again.

Enabler and score	What we saw	What depends on it
E1 Software, automation and AI ●●○○○ 2 Recorded, not used Booking-to-payment steps needing re-typing: 4 steps, target 1	Walk-through of one job from booking to payment: data is typed again at 4 points (web request to dispatch, quote to job, job ticket to invoice, card payment to accounting). The field software and the accounting package are not connected.	**4 opportunities** depend on it: OP-01, OP-11, OP-13, OP-14. They carry $164,000 of base annual profit and $56,000 of one-time cash.
E2 Knowing your numbers ●●○○○ 2 Recorded, not used Days to a job-level monthly profit report: 38 days, target 10	Month-end file: the company profit and loss report reaches the owner 38 days after month end. Profit by job type is built by hand once a quarter, for replacements only.	**2 opportunities** depend on it: OP-02, OP-03. They carry $76,000 of base annual profit.
E3 Hiring, training and written procedures ●●●●○ 4 Managed, with gaps Annual staff turnover: 11.1%, target 15%	Payroll records: 5 leavers in 12 months on 45 staff (11%). An apprentice program is in place. Written procedures cover installs; there are none for dispatch or the office.	**4 opportunities** depend on it: OP-04, OP-05, OP-09, OP-10. They carry $107,000 of base annual profit.

Where software and AI help

Supporting detail

8 tasks done by hand today that a connection, a feature or a tool could take over or speed up. 6 of them use software the business already owns. Every one keeps a check that a person still makes.

Task done by hand today, and its checkpoint	Done by	Hours a week now	Hours saved a week	Approach	The check a person still makes	Dollars in the register
Re-typing job tickets from the field software into accounting invoices (8.2)	Accounts clerk	14	**11**	Connect two systems already owned	Office manager reviews the daily list of items that failed to post	In OP-13
Matching card payments and bank deposits to invoices (8.2)	Accounts clerk	6	**4.5**	Connect two systems already owned	Monthly bank reconciliation stays with the office manager	In OP-13
Keying paper timesheets into payroll each week (8.2)	Accounts clerk	6	**5**	Turn on a feature already owned	Service manager approves each technician's hours before payroll runs	In OP-13
Following up unsold replacement quotes by text and email (1.2)	Sales lead	2	**0**	Turn on a feature already owned	Sales lead approves the message wording; customers can opt out of messages	In OP-01
Writing up plumbing change orders after the job, from memory (7.3)	Field or production lead	3	**1.5**	Turn on a feature already owned	Customer signs the change on the phone or tablet before the extra work starts	In OP-11
Entering supplier invoices and matching them to purchase orders (5.3)	Purchasing lead	9	**6**	Off-the-shelf tool	Purchasing lead approves any price more than 2% above the quote	None: capacity only
Phoning customers to confirm the next day's appointments (4.2)	Dispatcher	5	**3.5**	Turn on a feature already owned	Dispatcher phones any customer who does not confirm by text	None: capacity only
Building the profit-by-job-type report by hand each quarter (E2)	Office manager	2.5	**2**	Off-the-shelf tool	Owner and office manager read the report together each month	None: enabler
All 8 tasks		**47.5**	**33.5**	**Set-up $15,000 once, and $330 a month in tools**		

These hours are not added to the totals. A task reaches the dollar totals only through the register row named in the last column. Tasks marked capacity only free time and book no dollars. Hours saved are base estimates.

Where a tool does not exist. We map each re-typing step to a connection or automation that removes it. Where no off-the-shelf tool fits, we can build a small custom one. The safeguard column is part of every change.

8 The 90-day roadmap

17 actions on 9 opportunities, from November 9, 2026 to February 7, 2027. Each action has one owner, shown as a role.

No.	Action	Owner	Start to due
	Rank 1 Follow up every unsold replacement quote at 2 and 7 days OP-01 | 1.2 Turning leads and quotes into sales | $58,000 to $174,000 a year, base $116,000		
7	Write the 2-day and 7-day follow-up messages and switch on the follow-up feature	Sales lead	Nov 16 to Dec 4
8	Contact the open quotes from the last 12 months, newest first	Sales lead	Dec 7 to Jan 22
	Rank 2 Require manager approval for any discount over 5% and report discounts by technician each week OP-03 | 2.1 Pricing, estimating and discounts | $13,000 to $39,000 a year, base $26,000		
1	Set the discount rule: manager approval for anything over 5%; add the approval step in the field software	Service manager	Nov 9 to Nov 20
2	Start a weekly discount report by technician and go through it at the Monday meeting	Service manager	Nov 23 to Dec 4
	Rank 3 Update the flat-rate service price book, then review it every six months OP-02 | 2.1 Pricing, estimating and discounts | $25,000 to $75,000 a year, base $50,000		
5	Rebuild the price of the 60 most-used service tasks from current material and labor costs	General manager	Nov 9 to Dec 11
6	Load the new prices, brief technicians and office staff, and set the six-month review date	Service manager	Jan 4 to Jan 15
	Rank 4 Get three quotes for card processing on cost-plus pricing and steer large invoices to bank transfer OP-12 | 8.3 Insurance, card fees and interest | $10,000 to $27,000 a year, base $18,000		
3	Get three quotes for card processing on cost-plus pricing	Office manager	Nov 9 to Dec 4
4	Switch or renegotiate; add a bank-transfer option to invoices over $2,500	Office manager	Dec 7 to Jan 15
	Rank 5 Offer a standard set of add-ons on every service call, using a one-page good-better-best sheet OP-04 | 2.2 Add-ons and upgrades | $25,000 to $75,000 a year, base $50,000		
16	Write the one-page good-better-best add-on sheet with two of the top-quarter technicians	Service manager	Dec 7 to Dec 18
17	Train every technician on the sheet and start a weekly add-on report by technician	Service manager	Jan 4 to Jan 29
	Rank 6 Bill plumbing change orders before the crew leaves, and hold a card on file for commercial accounts past 60 days OP-11 | 7.3 Unbilled work, refunds and bad debt | $12,000 to $37,000 a year, base $25,000		
9	Add a change-order form to the technicians' phones: no extra work without a signed change	Office manager	Dec 1 to Dec 18
10	Review every account past 60 days and take a card on file for commercial accounts	Office manager	Jan 4 to Jan 29
	Rank 10 Review every callback each week by cause and by technician, and fix the top three causes with a checklist OP-10 | 7.2 Redos, return visits and warranty | $9,000 to $27,000 a year, base $18,000		
11	Start a weekly callback review by cause and by technician	Service manager	Dec 1 to Dec 11
12	Write checklists for the top three callback causes and train on them in the January meetings	Service manager	Jan 4 to Feb 5
	Rank 14 Pay suppliers on the due date and not in the weekly run; keep early payment only where a discount is earned OP-16 | K3 Supplier payment terms and timing | $10,000 to $31,000 once, base $21,000		
13	Move from a weekly check run to payment on the due date; keep early payment only where a discount is earned	Office manager	Nov 9 to Dec 4
	Rank 15 Move plan tune-ups into November to February and run an off-season offer on water heaters, repipes and duct work OP-06 | 4.3 Slow seasons and slow days | $4,000 to $23,000 a year, base $14,000		
14	Call plan members due a tune-up and book the visits for December to February	Service manager	Nov 9 to Nov 25
15	Send the off-season offer on water heaters, repipes and duct work to existing customers	General manager	Nov 16 to Dec 4



What the roadmap covers. Annual profit of $156,000 to $476,000 a year, base $316,000, and base one-time cash of $21,000. After $5,000 a year of running cost, already taken off. One-time cost to implement, not taken off: $12,500. Expected values are the base annual profit of each opportunity, shown once for each opportunity. They are estimates, not promised results.

Why these, and who carries them. The top six opportunities by priority score are on the roadmap. OP-07, OP-05 and OP-08 rank in the top ten but start in months 2 to 3 and are left for the next plan; OP-07 is timed for the busy season. OP-06 ranks 15th on priority score but is on the roadmap because the slow season it addresses starts as the plan begins. OP-10 ranks 10th; it is on the roadmap because it is low effort and can start in the first month. OP-16 ranks 14th; it is a one-time cash item of low effort, included as a quick win. Actions by owner: Service manager 8; Office manager 5; Sales lead 2; General manager 2.

9 The full opportunity register

All 16 opportunities in priority order, to the dollar. Where a column heading has two lines, so does the cell. A client also receives the register as a spreadsheet, with every column.

Rank	Checkpoint Grade	Baseline Running cost	Change: low / base / high Cases set by	Kind of gain Share as profit	Low	Base	High	Cost Effort	Confidence Start month; roadmap	Owner (role)
Annual profit: a full year once the change is in place, after the yearly running cost. Baseline amount is dollars a year.										
1	**OP-01** Follow up every unsold replacement quote at 2 and 7 days									
	1.2	$8,505,700	1.75% / 3.5% / 5.25%	Added sales	$58,051	**$116,103**	$174,154	$3,000	Medium	Sales lead
	A	$0	Measured gap	39%				2 of 5	Month 1, on the roadmap	
2	**OP-03** Require manager approval for any discount over 5% and report discounts by technician each week									
	2.1	$148,000	8.725% / 17.45% / 26.175%	Price change	$12,913	**$25,826**	$38,739	$500	High	Service manager
	A	$0	Measured gap	100%				1 of 5	Month 1, on the roadmap	
3	**OP-02** Update the flat-rate service price book, then review it every six months									
	2.1	$3,191,000	1% / 2% / 3%	Price change	$24,876	**$49,752**	$74,628	$2,500	High	General manager
	A	$0	Stated change	78%				2 of 5	Month 1, on the roadmap	
4	**OP-12** Get three quotes for card processing on cost-plus pricing and steer large invoices to bank transfer									
	8.3	$120,887	8% / 15% / 22%	Cost saving	$9,671	**$18,133**	$26,595	$0	High	Office manager
	A	$0	Stated change	100%				1 of 5	Month 1, on the roadmap	
5	**OP-04** Offer a standard set of add-ons on every service call, using a one-page good-better-best sheet									
	2.2	$1,733,450	3.25% / 6.5% / 9.75%	Added sales	$24,837	**$49,673**	$74,510	$4,000	Medium	Service manager
	A	$0	Measured gap	44.1%				3 of 5	Month 2, on the roadmap	
6	**OP-11** Bill plumbing change orders before the crew leaves, and hold a card on file for commercial accounts past 60 days									
	7.3	$83,000	15% / 30% / 45%	Cost saving	$12,450	**$24,900**	$37,350	$500	Medium	Office manager
	B	$0	Stated change	100%				2 of 5	Month 1, on the roadmap	
7	**OP-07** Cut supply-house runs in June to September with a truck-stock list and next-morning delivery, and use the freed hours for calls now lost to the wait									
	4.1	$207,000	25% / 50% / 75%	Added sales	$21,314	**$44,129**	$66,943	$5,000	Medium	Service manager
	B	$1,500	Measured gap	44.1%				3 of 5	Month 3, later plan	
8	**OP-05** Offer the maintenance plan on every HVAC service call and with every replacement									
	3.3	$1,152,000	3% / 5% / 8%	Added sales	$15,236	**$25,393**	$40,629	$3,000	Medium	Service manager
	A	$0	Stated change	44.1%				2 of 5	Month 2, later plan	
9	**OP-08** Put the 40 most-bought items out to bid with three distributors once a year and join the manufacturer rebate program									
	5.1	$2,059,871	0.485% / 0.97% / 1.455%	Cost saving	$9,990	**$19,981**	$29,971	$2,000	Medium	Purchasing lead
	B	$0	Measured gap	100%				2 of 5	Month 2, later plan	
10	**OP-10** Review every callback each week by cause and by technician, and fix the top three causes with a checklist									
	7.2	$84,000	10.8% / 21.6% / 32.4%	Cost saving	$9,072	**$18,144**	$27,216	$1,000	Medium	Service manager
	A	$0	Measured gap	100%				2 of 5	Month 1, on the roadmap	
11	**OP-09** Stagger summer shifts and add two seasonal helpers so evening calls are covered at straight time									
	6.2	$85,000	9.05% / 18.1% / 27.15%	Cost saving	$6,193	**$13,885**	$21,578	$1,500	Medium	Service manager
	A	$1,500	Measured gap	100%				3 of 5	Month 3, later plan	
12	**OP-13** Connect the field software to accounting so invoices, payments and timesheets post once, and cancel two unused subscriptions									
	8.2	$49,400	30% / 50% / 65%	Cost saving	$12,660	**$22,540**	$29,950	$7,500	Medium	Office manager
	A	$2,160	Stated change	100%				3 of 5	Month 2, later plan	
15	**OP-06** Move plan tune-ups into November to February and run an off-season offer on water heaters, repipes and duct work									
	4.3	$531,900	4% / 8% / 12%	Added sales	$4,380	**$13,759**	$23,139	$1,000	Low	General manager
	A	$5,000	Stated change	44.1%				3 of 5	Month 1, on the roadmap	
	Total annual profit, 13 opportunities After yearly running cost of $10,160, already taken off each case				**$221,643**	**$442,218**	**$665,402**	**$31,500**	Cost to implement: one-time, not taken off	
One-time cash: released once, totaled separately and never added to annual profit. Baseline amount is the average balance.										
13	**OP-14** Invoice commercial and builder work on the day it is finished, take a deposit on installs over $5,000, and chase at 30, 45 and 60 days									
	K1	$326,900	8.55% / 17.1% / 25.65%	Cash	$27,950	**$55,900**	$83,850	$0	Medium	Office manager
	A	None	Measured gap	100%				2 of 5	Month 1, later plan	
14	**OP-16** Pay suppliers on the due date and not in the weekly run; keep early payment only where a discount is earned									
	K3	$132,600	7.85% / 15.7% / 23.55%	Cash	$10,409	**$20,818**	$31,227	$0	High	Office manager
	A	None	Measured gap	100%				1 of 5	Month 1, on the roadmap	
16	**OP-15** Set a truck-stock list, count each quarter, and return or sell stock that has not moved in 12 months									
	K2	$286,700	3.575% / 7.15% / 10.725%	Cash	$10,250	**$20,499**	$30,749	$2,000	Medium	Purchasing lead
	A	None	Measured gap	100%				3 of 5	Month 2, later plan	
	Total one-time cash, 3 opportunities No yearly running cost				**$48,609**	**$97,217**	**$145,826**	**$2,000**	Cost to implement: one-time, not taken off	

Columns. Grade is the evidence grade (page 17). Baseline is the baseline amount, and running cost is a year. Cost is the one-time cost to implement; effort runs from 1 to 5. Low, base and high are the baseline times the change, times the share counted as profit, less the running cost. For a measured gap the three changes are 25%, 50% and 75% of the full gap; for a stated change they are the three given in the assumption (page 16). Month 1 is the first month after the findings meeting. No row is grade C. What the records show and what we assumed for each row are on pages 8 to 12.

10 How we sized this

Every dollar figure in this report follows the same rules, so the total adds up and anyone can check it.

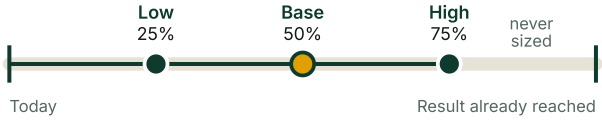
How a value is built

Annual value = Base × Change × Margin − Running cost

Base	The yearly dollars the opportunity acts on	The client's records for the last 12 months
Change	The share of the base we expect to move	Three cases: low, base and high
Margin	The share of each added dollar that becomes profit	Gross margin for added sales; 100% for cost savings
Running cost	What the fix costs each year to keep going	Quotes or current prices; one-time cost is shown separately

Running cost. What the fix costs each year to keep going. It is taken off each case. One-time cost to implement is shown separately. In this report 4 opportunities carry one, $10,160 a year in all: OP-06 $5,000, OP-07 $1,500, OP-09 $1,500 and OP-13 $2,160.

Low, base and high: the gap rule



We start from a result the business has already reached (its own best crew, estimator or month) or holds in writing (a supplier quote). Low, base and high close 25%, 50% and 75% of the gap between today and that result. We never size on the full gap. Where no gap can be measured, we state the change assumed in each case in words. In this report no case closes more than 75% of a measured gap.

One-time cash. For cash the same rule gives the share of a balance that is released: the balance times that share, once. It is never added to annual profit.

Measured gap or stated change, opportunity by opportunity

ID (checkpoint)	Measured against, or why no gap could be measured	Full gap, share of baseline	Change: low / base / high
Sized on a measured gap: 10 of the 16 opportunities. Each change is 25%, 50% or 75% of the full gap.			
OP-01 (1.2)	Own best: the stronger of the two sales advisors closed 41% of quotes in the same 12 months (job system)	7%	1.75% / 3.5% / 5.25%
OP-03 (2.1)	Own crews: the rate at which the other technicians discount the same kind of call (invoice detail by technician, 12 months)	34.9%	8.725% / 17.45% / 26.175%
OP-04 (2.2)	Own best: the top quarter of technicians sold an add-on on 24% of their calls in the same 12 months (invoice detail by technician)	13%	3.25% / 6.5% / 9.75%
OP-07 (4.1)	Own best months: October to May, when no call waited more than a day and none was lost to the wait (dispatch notes)	100%	25% / 50% / 75%
OP-08 (5.1)	Held in writing: the best of three current distributor quotes on the 40-item basket	1.94%	0.485% / 0.97% / 1.455%
OP-09 (6.2)	Own best months: October to April, when overtime ran near 6% of paid field hours (payroll register)	36.2%	9.05% / 18.1% / 27.15%
OP-10 (7.2)	Own best quarter: callbacks ran at 2.5% of service calls (callback log)	43.2%	10.8% / 21.6% / 32.4%
OP-14 (K1)	Held in writing: the business's own 30-day payment terms, printed on its invoices	34.2%	8.55% / 17.1% / 25.65%
OP-15 (K2)	Own records: the stock listing, which shows $41,000 of stock with no movement in 12 months	14.3%	3.575% / 7.15% / 10.725%
OP-16 (K3)	Held in writing: the suppliers' 30-day terms, printed on their invoices	31.4%	7.85% / 15.7% / 23.55%
Sized on a stated change: 6 of the 16. No gap could be measured against a result the business has already reached or holds in writing; each assumption states the three changes in words.			
OP-02 (2.1)	The records show when prices last moved, not what the right price is.	Not measured	1% / 2% / 3%
OP-05 (3.3)	The records do not show how often each technician offers the plan.	Not measured	3% / 5% / 8%
OP-06 (4.3)	No winter in the records has reached an average month, so the shortfall is seasonal and not a result the business has already reached.	Not measured	4% / 8% / 12%
OP-11 (7.3)	No crew or period in the records shows a lower rate to measure against.	Not measured	15% / 30% / 45%
OP-12 (8.3)	No quote is in hand yet, and the roadmap starts by getting three.	Not measured	8% / 15% / 22%
OP-13 (8.2)	The saving depends on a tool the business has not used yet.	Not measured	30% / 50% / 65%

Each change is a share of the baseline amount in the register (page 15). The working for each opportunity is on pages 8 to 12.

10 How we sized this

continued

How each kind of gain is counted

Kind of gain	How it is counted	Opportunities in this report
Added sales	Counted at the gross margin of that kind of work: sales less materials, direct labor, subcontractors and other job costs.	5: OP-01, OP-04, OP-05, OP-06, OP-07
Price change	A price change on work already being done. Counted at the change in price, less the gross margin on any sales assumed lost because of it.	2: OP-02, OP-03
Cost saving	Counted in full.	6: OP-08, OP-09, OP-10, OP-11, OP-12, OP-13

Where the books cannot show margin by type of work, we use the company-wide gross margin and say so. In every case we book the profit a change leaves, never its sales value.

The five booking rules, and how each was applied here

Rule	What the rule says	In this report
1	Book each dollar once, as profit. Revenue gains count at gross margin, not at sales value.	Added sales count at gross margin: OP-01 at 39%, the average margin quoted on a sample of 40 replacement and project quotes, and OP-04 to OP-07 at the 44.1% company-wide margin because the books do not show margin for those kinds of work. OP-02 and OP-03 are price changes on work already being done: each counts at the change in price, less the gross margin on any sales assumed lost (50 cents of sales for each $1 of price on OP-02; none on OP-03, as its assumption says).
2	Sold-out test. Freed hours count under lever 4 only if the business is turning work away; otherwise they count under lever 6.	The sold-out test answer is 'Yes, in busy months only' (June to September). OP-07 counts freed hours under 4.1 for those four months only; hours freed in the other eight months are not valued.
3	Cash is one-time and totaled separately from annual profit. Enablers are scored, not dollar-valued; they point to the lever dollars they unlock.	OP-14 to OP-16 are one-time cash and sit outside the annual profit total. E1 to E3 are scored only; the register shows the lever dollars that depend on each. Interest saved if the freed cash pays down borrowing is not counted in this report.
4	Levers 5 to 7 are job costs. Lever 8 is overhead, including office staff.	OP-08 to OP-11 are job costs (levers 5 to 7); OP-12 and OP-13 are overhead (lever 8).
5	Where an opportunity could sit in two places, book it by cause (a goodwill credit after a botched job is 7.2, not 7.3; a quote below the firm's usual hours is 2.1, not 6.1).	Goodwill credits after callbacks ($22,000) are booked under 7.2 with OP-10 and left out of 7.3. OP-02 and OP-03 share checkpoint 2.1 but have different causes, so the double-count check passes.

The evidence standard

Grade	What stands behind the figure	In the headline total	In this report
A	Calculated from 12 months of records	Yes	13
B	Calculated from a sample and scaled up	Yes	3
C	From interviews, with no record yet; listed as to confirm	No	0

Every score and every dollar value traces to one of the business's own records. Grade C items are listed as to confirm and stay out of the headline total; this report has none. Grade B here: OP-07, OP-08, OP-11. Confidence is separate. It is our view of how firm the estimate is, and it weights the base value when we rank: 80% for High, 60% for Medium and 40% for Low.

The sold-out test

Is the business turning work away? **Yes, in busy months only** (4 months a year). Dispatch notes, June to September: the first opening was three or more days out on 41 of 87 working days, and about 610 calls were not booked. No wait over one day from October to May. So freed hours are counted under lever 4 for those months only, and are not valued in the rest of the year.

The double-count check

Each row is booked once, by cause. All 16 rows pass the double-count check, and the totals equal the sum of the rows. 12 of 12 workbook checks are clear. For this sample, all 1,456 calculated figures in the workbook were recomputed independently from the typed inputs, with 0 differences.

11 What we could not see

We asked for 49 records and received 44 in full. 3 came in part and 2 do not exist. A missing record is a finding, not a failure: we note it, say what it does to our confidence, and move on. We relied on the records as given and did not verify them. Findings that touch the work of whoever keeps the books, or of the outside CPA, are checked with them before the findings meeting.

Status	Record we asked for	What we had in its place	What that means for confidence
Part received	Profit by job or product: revenue, materials and labor for each	Quarterly spreadsheet for replacements only; other job types built from the job system during the audit	2.3 Most profitable jobs, products and customers, scored 3. No dollar value in the register rests on this record.
Part received	Materials issued to jobs against materials billed; stock adjustments and write-offs	Truck restock sheets for 8 of 31 trucks, three months	7.1 Material waste, spoilage and theft, scored 2. No dollar value in the register rests on this record.
Part received	Stock listing with quantity, value and date last moved; latest stock count	Stock listing received; no count since the last year end	K2 Inventory, parts and supplies, scored 2. OP-15 rests on this record. Its confidence is Medium and its evidence grade is A.
Not available	Record of work declined, delayed or lost to the wait; lead time from booking to service	No log is kept. Estimated from dispatch notes and call tags, June to September	4.1 Bottlenecks and wait times, scored 2. OP-07 rests on this record. Its confidence is Medium and its evidence grade is B.
Not available	Standard times or flat-rate hours by job type	Time standards exist for replacements only; none for service calls	6.1 Time each job takes, scored 4. No dollar value in the register rests on this record.

12 What happens next

The audit ends with the findings meeting, the fourth of the five steps in The Profit Tree Method. The scorecard, the register and the roadmap are yours to keep and use, with or without us. You choose which opportunities to run, and whether to run them yourself or with us.

First conversation	The Profit Audit	The Profit Audit	The Profit Audit **This report**	Implementation support
1 Talk	2 Walk	3 Weigh	4 Rank	5 Run
30 minutes, free	Week 1	Week 2	Week 2 or 3	90 days, then monthly

Choice 1

Run the roadmap yourselves

The roadmap on page 14 gives each action an owner and a date. Running it takes a named owner for each action, a short weekly check on progress, and the monthly numbers that show whether each change is holding.

Choice 2

Run it with implementation support

Run is the fifth step of our method: a 90-day sprint, then monthly reviews, with results counted against the register. We work alongside your team on the opportunities you choose, build the tools the plan calls for and count what changes, using the same booking rules.

Either choice is a sound one, and this report is complete without the second. Fees for implementation support are set out in a separate proposal. No prices are printed in this sample.

13 The fine print

What this report is

The Profit Audit is a management consulting review. It is not an audit, review or compilation of financial statements, and it gives no assurance on financial information. We are not a CPA firm, and we do not provide accounting, tax, legal, insurance-placement, wage-and-hour or business-valuation advice. Where a finding raises one of those questions, we flag it for the client's accountant, attorney or licensed agent.

No result is promised

We do not promise or guarantee any result. Every opportunity is given as a range, with its assumptions. A range is an estimate. It is not a forecast or a promise. What a business achieves depends on its own decisions and on things neither of us controls.

Confidentiality

A client's report is confidential. We sign a confidentiality agreement before we see any records, handle them under our Client Data Handling Policy, and prepare the report for the client alone. This sample holds no client information: the business and every figure in it are invented.