BUILDING A WINNING COMPANY CULTURE
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Key Performance Indicators

OPERATIONS AND SALES

KPI ANNUAL RANGE ››	ACCEPTABLE	GOOD	EXCELLENT
Revenue per co-worker (includes everyone on the payroll)	$120,000	$130,000	$140,000
Service agreements per $1 million retail revenue	1,000	1,100	1,200
Revenue per service-agreement customer	$750	$800	$850
Sales per comfort consultant (salesperson)	$900,000	$1,200,000	$1,350,000
Revenue per service truck[1]	$100,000	$120,000	$140,000
Service and maintenance calls performed per technician	1,000	1,100	1,200
Percentage of service and maintenance service calls performed resulting in technician-generated sales leads	10%	15%	20%
Closure rate per service-agreement proposals by technicians	50%	60%	70%
Service callbacks per technician	2%	1.5%	1.0%
Service-agreement renewal rate	80%	85%	90%
Installations (two-man crew)	$750,000	$900,000	$1,000,000
Technicians: Dispatchers	7:1	8:1	9:1
Ratio-field to sales and support	3:1	3.5:1	4:1

MARKETING AND ADVERTISING

KPI ANNUAL RANGE ››	ACCEPTABLE	GOOD	EXCELLENT
Percentage of revenue[2] **spent on advertising** (After co-op recoveries from manufacturers and distributors.)	4%	3%	2%
Percentage response to targeted direct-mail advertising[3] **Customers/Non-Customers**	2.0% / .25%	3.0% / .5%	4.0 % / .75%

GROSS MARGINS[4]

KPI ANNUAL RANGE ››	ACCEPTABLE	GOOD	EXCELLENT
Diagnostic and repair service[5]	55%	60%	65%
Replacement A/C and heating	42%	47%	52%
IAQ accessories and services	50%	55%	60%
Service agreements[6]	35%	40%	45%

[1] Includes diagnostic and repair service billings and maintenance revenue percentage recognition only. Does not include technician sales. These annual revenues represent Peachtree's operation where around 70% of all service calls performed were maintenance calls on our 18,500 service-agreement customers. Revenue per service truck will vary based on the ratio of maintenance calls to overall service calls performed. (i.e., as the ratio of maintenance calls to diagnostic and repair calls increases, the revenue per truck will decline).

[2] As the service-agreement customer base grows, the advertising expenditures should decrease as technician-generated sales leads and sales increase.

[3] Assumes the advertising of tune-ups. When advertising big-ticket items, response rates drop proportionate to price point of the item advertised versus the typical price of a tune-up.

[4] Gross margins represent the percentage of dollars remaining after deducting from revenue the cost of equipment, parts, materials, sales taxes, direct labor (no overhead burden), sub-contractor cost (if applicable), 2% warranty service reserves, permits, sales commissions, and any applicable consumer financing buy-down costs.

[5] Includes both flat-rate and time-and-materials methods.)

[6] Assumes maintenance performed by fully qualified technicians. Gross margins are higher when work is performed by lower-paid maintenance-only technicians.