How to Take a Pulse on Your Numbers

What metrics do you measure—and why?

Knowing your numbers and Key Performance Indicators (KPIs) is essential for guiding the direction of your business.

Here you'll find seven of the most critical metrics that every home service provider should know about.
CHECK THEM OUT!

1

Customer Retention Rate

This measures the percentage of customers who continue to use the business's services over time. A high customer retention rate indicates customer satisfaction and loyalty, which often leads to increased revenue.

2

Customer Acquisition Cost (CAC)

CAC measures the cost of acquiring new customers, including marketing, advertising and sales expenses. This ensures that the cost of acquiring new customers is not too high, and it can be used to optimize marketing and sales efforts.

3

Average Revenue per User (ARPU)

CAC measures the cost of acquiring new customers, including marketing, advertising and sales expenses. This ensures that the cost of acquiring new customers is not too high, and it can be used to optimize marketing and sales efforts.

4

Churn Rate

Churn rate measures the percentage of customers who stop using the business's services over time. A high churn rate indicates customer dissatisfaction or lack of engagement, which can harm the business's revenue.

5 Net Promoter Score (NPS)

NPS is a measure of customer loyalty and satisfaction. It is based on the likelihood that customers would recommend the business's services to others.

6 Service Level Agreements (SLAs) met

For service businesses that provide a service level agreement (SLA), this metric measures the percentage of SLAs met. It can be an essential metric for evaluating the business's ability to meet customer expectations and deliver high-quality services.

7 Gross Margin

Gross margin measures the percentage of revenue that remains after deducting the direct cost of providing the service. This metric can help identify the business's profitability and potential for growth.

LET'S GET TO WORK

We want to help you get a sense of how your business is doing with each of these essential metrics.
Fill in the checklist and see where you're excelling and where you may need improvements.

OPERATIONAL & FINANCIAL METRICS

Is your customer retention rate 94-96%?

How to calculate: Existing Customers ☐ / Total # of Customers ☐ = ☐

Is your churn rate within the 5-7% range?

How to calculate: Total Customers ☐ / Lost Customers ☐ x 100 = ☐

Is your revenue retention rate at or above 80-85%?

How to calculate: See if revenue increased from only the customers you've retained since last year

Is your employee turnover rate at or above 5.3%?

How to calculate: (# of employees who left ☐ / Average number of employees) x100 = ☐

OPERATIONAL & FINANCIAL METRICS

Is your employee first-time fix rate 80% or higher?

How to calculate: (# of service calls resolved on first visit ☐ / Total # of service calls ☐) x 100 = ☐

Do you know your revenue per technician?

How to calculate: Total Revenue Collected ☐ / # of technicians ☐ = ☐

Do you know your Technician Utilization Rate?

How to calculate: (Total billable hours ☐ / Total available hours ☐) x100 = ☐

Is your Gross Profit Margin (GPM) at or above 50-60%?

How to calculate: Gross Profit ☐ / Revenue ☐ x 100 = ☐

Is your Net Profit Margin (NPM) at or above 5-10%?

How to calculate: Net Profit ☐ / Revenue ☐ x 100 = ☐

Is your EBITDA between 5-20%?
EBITDA (Earnings Before Interest, **T**axes, **D**epreciation, and **A**mortization**)**

How to calculate: Operating Income ☐ + Depreciation ☐ + Amortization ☐ = ☐

Is your Customer Acquisition Cost (CAC) between $50-$500?

This refers to how much you're targeting the most profitable customer segments, optimizing lead generation and sales process to reduce business costs.

MARKETING AND SALES METRIC

Lead Generation & Lead Conversion Rate

Customer Acquisition Cost (CAC)

Customer Conversion Rate

Sales Velocity $ (Number of deals x Average deal volume x win rate / sales cycle)   **per day**

- **Number of Estimates or Leads Closed**

- **Win Rate (per opportunity/per tech)**

- **Sales Cycle Length**

- **Average Deal Size**

Marketing RO

Conversion Rate Optimization (CRO)

Social Media Engagement
(# of Views & Likes)

Customer Satisfaction Rate (# of positive surveys/ surveyed customers) x 100

- **Number of Positive Customer Service Surveys**

- **Net Promoter Score (NPS)**

- **Sales Cycle Length**

- **Online Reviews**

  - **Positive**

  - **Negative**

If you aren't checking your boxes, fill in the gaps with
a software solution that gets you back to business.

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