MotionOps

CONTRACTOR SCALER HUB · GROW PROFIT, NOT JUST REVENUE

Monthly KPI Scorecard

For lesson 5, the monthly KPI scorecard. Set it up once: cut the KPIs that don't fit your business, and give each one a target from your own numbers and an owner. Then the owners fill it in before the same 45-minute review every month.

1. Set up your KPIs

#	KPI	How to calculate it	Suggested owner	Your target	Your owner
1	**Revenue: booked and collected**	Signed work this month; cash received this month	Owner		
2	**Gross margin**	(Revenue – direct job costs) ÷ revenue, on jobs closed this month	Owner or operations manager		
3	**Margin variance**	Actual gross margin – estimated gross margin, on jobs closed this month	Estimator		
4	**Gross profit per crew hour**	Gross profit ÷ crew hours, by job type	Owner		
5	**Backlog**	Signed work not yet done, in crew-weeks	Sales or owner		
6	**Close rate**	Proposals signed ÷ proposals sent, by count and by value	Sales or estimator		
7	**Days to invoice**	Days from work finished to invoice sent, averaged	Office		
8	**Receivables over 30 days**	Total unpaid invoices more than 30 days past their date	Office		
9	**Cash low point**	The lowest balance in your 13-week cash flow forecast	Owner		
10	**Rework hours**	Rework and callback hours ÷ all labor hours	Operations or crew leads		

Targets are yours. Set them from your own numbers: your required gross margin (lesson 1), your minimum cash balance (lesson 4), your own past close rate. Service-heavy businesses (HVAC, plumbing, electrical service) can swap one or two KPIs for **first-time fix rate** (jobs finished on the first visit ÷ all jobs) and **repeat customer rate**.

2. Example scorecard

A three-crew remodeling company; all numbers are made up. **Green**: on target. **Amber**: slightly off, watch it. **Red**: clearly off, needs an action this month.

KPI	Target	Last month	This month	Status	Note
Example Revenue booked / collected	$190k / $180k	$205k / $172k	$176k / $194k	Amber	Booking dipped; collections caught up
Example Gross margin	30%	29.4%	27.8%	**Red**	Two deck jobs well under
Example Margin variance	−1 pt or better	−2.1 pts	−4.0 pts	**Red**	Same two decks: labor over estimate
Example Gross profit per crew hour	$40	$41	$37	Amber	Pulled down by the decks
Example Backlog	8 to 12 crew-weeks	11	9	Green	
Example Close rate (by value)	35%	38%	31%	Amber	Lost two large kitchens on price
Example Days to invoice	2	3	5	**Red**	Timesheets late on three jobs
Example Receivables over 30 days	under $15k	$21k	$12k	Green	
Example Cash low point (13 weeks)	over $40k	$52k	$38k	Amber	Dip in week 7: insurance renewal
Example Rework hours	under 3%	2.6%	3.4%	Amber	Cabinet install errors on one job

3. This month's scorecard

MONTH

NUMBERS IN BY (BEFORE THE MEETING)

REVIEW DATE

WHO ATTENDS

KPI	Target	Last month	This month	Status	Note
Revenue: booked and collected					
Gross margin					
Margin variance					
Gross profit per crew hour					
Backlog					
Close rate					
Days to invoice					
Receivables over 30 days					
Cash low point					
Rework hours					

Status: **Green**, **Amber** or **Red**. A number with no target can't be red or green, so it never triggers a decision.

4. The monthly review: 45 minutes

1. **Before the meeting (owners of each KPI):** fill in this month's number and a one-line note. Nobody fills in numbers in the meeting.
2. **10 minutes: the scorecard.** Read it top to bottom. Skip the greens.
3. **20 minutes: the reds.** For each one: what caused it, one action, one owner, a date.
4. **10 minutes: last month's actions.** Done, not done, did it work?
5. **5 minutes: one decision about the work you take on.** Chase, reprice, stop or refer out one type of job.

In the example, the reds are the two deck jobs behind both margin rows (estimate or field?) and the late timesheets behind days to invoice.

Red KPI	What caused it	One action	Owner	Date

Last month's action	Owner	Done?	Did it work?

One decision about the work you take on

- ☐ Chase
- ☐ Reprice
- ☐ Stop
- ☐ Refer out

JOB TYPE _____ OWNER _____ BY WHEN _____

5. Once a quarter: by job type

Break gross margin, gross profit per crew hour and close rate down by job type, and make one decision about your work mix.

Job type	Jobs	Gross margin	Gross profit per crew hour	Close rate	Decision
Example Bathrooms	14	34%	$52	41%	Market more; raise prices slightly
Example Kitchens	6	29%	$44	22%	Review why the large bids are being lost
Example Decks	9	22%	$31	48%	Reprice: winning half of all bids at this margin suggests the price is too low
Example Small repairs	31	38%	$18	70%	Set a minimum charge, or refer them out

- [ ] The best margin percentage with the worst use of crew time? (Small repairs in the example: travel and set-up eat the hours.)
- [ ] Work won too often at too low a margin? (Decks in the example: a pricing problem, not a sales success.)

What to review

- **Every month:** the reds, and whether last month's actions moved them
- **Every quarter:** the job type breakdown, and one decision about your work mix