

HOME SERVICE GROWTH OPERATING SYSTEM

The internal system to break the revenue ceiling and run a business that scales without you

WHO THIS IS FOR

Home service owners stuck between \$500K and \$10M who built the business on hustle and have realized hustle cannot get them to the next stage.

WHAT YOU GET

The KPI dashboard that makes management possible, the job-description and pay design that puts those KPIs into people's hands, the four-stage delegation model that lets you finally step out of the field, the manuals and offsite cadence that hold it together, the segmentation framework that tells you what revenue to cut, and the seasonality and recurring-revenue moves that turn a hustle into an asset.

BASED ON

Field research across 200+ home service operators ranging from \$500K to \$100M+ in revenue. Every framework here comes from operators who have run it.

WHY HUSTLE STOPS WORKING

The hustle that built your business to \$500K is the same hustle that will keep it there.

Operators at the \$500K to \$10M stage hit a ceiling for one reason: the hard work that built the business cannot scale it further. The transition requires organizing people with clear KPIs, job descriptions, and delegated accountability instead of the owner holding every responsibility. Operators who grew through pure hustle resist building systems because they believe effort alone can scale the business, and the same hard-charging behavior that drives the first million in revenue actively prevents the organizational clarity needed to reach five.

One lawn care operation nearly collapsed at around \$700K to \$800K in revenue because estimating, job-site oversight, and payment collection all depended on the owner personally. A workplace accident sidelined the owner for a week and a half, and zero systems meant the business could not operate without him. The lesson from that near-miss is the foundation of everything below: a business that cannot survive without you is not a business, it is a job with overhead.

This is the operating system to fix that.

LAYER 1: THE KPI DASHBOARD

Before you can delegate, you have to measure. Before you can hire, you have to know what good looks like in numbers.

One coaching firm managing around 230 active home service clients collectively generating just under \$500 million in revenue found that the average client increased profit by over 100% in the prior year, tracked live in internal dashboards. The mechanism is a three-part KPI dashboard covering sales, production, and financials, distributed to all employees with clear numeric deliverables in their job descriptions.

Three categories. That is the discipline.

SALES KPIS

These measure how leads become jobs.

- Leads received per week
- Booking rate (calls to appointments)
- Close rate (appointments to sold jobs)

- Average ticket
- Speed to lead (time from inquiry to first contact)
- Follow-up call attempts per open quote

PRODUCTION KPIS

These measure how jobs become revenue.

- Jobs completed per week
- Revenue produced per week
- Gross profit margin per job
- Callback rate
- On-time arrival rate
- Customer satisfaction score per technician

FINANCIAL KPIS

These measure whether the work makes money.

- Top-line revenue (month and year-to-date)
- Net profit margin
- Cash on hand
- Accounts receivable aging
- Marketing spend as percent of revenue
- Labor cost as percent of revenue

The recommendation from operators who have scaled past \$10M: track 5 to 10 KPIs and master them before expanding the dashboard. Priority metrics: booking percentage, average job size, frequency of repeat purchase. Tracking more creates noise without action. Start narrow.

LAYER 2: KPIS INSIDE JOB DESCRIPTIONS

A KPI on a dashboard is information. A KPI inside a job description is accountability.

Example for a project manager role:

"You're in charge of \$1 million produced at a 40% gross profit margin."

That sentence is the job. Both numbers are written into the employment agreement as deliverables, not suggestions. The PM is not "responsible for projects." The PM is responsible for \$1 million in production at a 40% margin. Performance reviews score that. Compensation rewards that.

Every role on your team should have one to three KPIs written into the job description in this format. Office manager: percent of inbound calls answered live, percent of quotes followed up within 24 hours. Lead technician: revenue produced per week, callback rate under X percent. Marketing coordinator: leads generated per dollar of spend, cost per booked job.

If you cannot write a KPI sentence for a role, the role itself is not defined clearly enough to hire for.

LAYER 3: PERFORMANCE PAY DESIGN

KPIs without compensation behind them stay theoretical. Compensation without a livable base creates panic.

The frame for a project manager:

"\$60,000 base so you can pay your bills, then 10% of anything you produce above the target margin threshold."

The principle is structural. Compensation should lead with a livable base salary and offer unlimited upside, not a high-stakes bonus-heavy structure, because oversized variable pay impairs decision-making and shifts focus from the role to the money. The base buys focus on the role. The upside buys ownership-level thinking.

The same logic applies to call center pay. Base is minimum wage. Top performers reach \$20 to \$33 per hour through pay-per-booked-call, with a target of \$40 to \$50 per hour. The structure has five weighted components: attendance, shift differential, booking rate (largest weight), quality and error rate, and pay-for-performance on total booked jobs. The booking rate carries the largest weight because that is the metric the role exists to move.

Only about 130 companies outside a single franchise network have fully implemented pay-for-performance, despite thousands reading the playbook. The bottleneck is not information. It is the discipline to write the comp plan and run it.

PERFORMANCE PAY RULES THAT HOLD UP

- Base must cover survival. If the base does not cover rent and food, the person cannot focus on the role.
 - Variable must be tied to a KPI inside the job description, not to overall company performance.
 - The KPI must be one the employee can directly influence with their own work.
 - The variable component should not exceed what the role can earn through normal effort. If it requires heroics, you are buying burnout, not performance.
 - Pay frequency matters. Weekly or biweekly variable pay outperforms quarterly because the feedback loop is tight.
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LAYER 4: THE FOUR-STAGE DELEGATION MODEL

Knowing what to measure and pay for is not the same as knowing how to hand work off. Most operators try to delegate in one step and end up reabsorbing the work three weeks later.

The four-stage model works like "letting the leash out."

Stage 1: Give all direction. You decide. The employee executes. Useful for new hires and untested tasks. You stay close.

Stage 2: Employee suggests, manager decides. The employee comes to you with options. You pick. They learn how you think. This is where you teach the judgment.

Stage 3: Employee decides and reports back. The employee makes the call. They tell you what they did and why. You correct only when needed.

Stage 4: Full delegation. The employee owns the outcome. You evaluate only on numbers. You stop looking at the work itself and look only at the KPI.

The leash extends only when trust is earned. The mistake operators make is jumping from Stage 1 to Stage 4 because they are tired of doing the work themselves. The mistake the employee makes is staying at Stage 2 because asking is safer than deciding. The model is a ladder. Both sides have to climb it deliberately.

The ultimate goal is a scalable operating system: at true scale, the CEO doesn't know the payroll login, doesn't open email, and learns about record revenue days only by glancing at a dashboard. The business runs without them.

LAYER 5: THE 64-PAGE MANUAL PER MAJOR POSITION

The onboarding system that works at scale includes 64-page how-to manuals per major position, with day-by-day training checklists that double as scoring rubrics for future performance reviews. Written accountability standards survive employee turnover. The manuals are not bureaucracy. They are how the role outlives the person.

If a manual feels like too much, start with one position. Pick the role you hire most often or that hurts you most when it turns over. Write the manual in five sections:

- 1. Purpose of the role.** One paragraph. What is the role for? What KPI does it move?
- 2. Day-by-day onboarding checklist.** What does week one look like? Week two? Week four? Each day has tasks the new hire completes and a manager signs off on.
- 3. Standard operating procedures for every recurring task.** How to answer the phone. How to enter a customer in the CRM. How to dispatch a job. Step by step, with screenshots.
- 4. Scripts and language.** Word-for-word language for the common conversations. Pricing objections. Upsell conversations. Customer service recovery.

5. Performance review rubric. The same checklist used in onboarding becomes the review document at 30, 60, and 90 days, and annually after that.

One garage door operator hit the inflection point at \$17M in revenue, when an outside systems audit forced documented SOPs, communication frameworks, and the hiring of people who could say no with data. Systems before scale is the prerequisite for everything else, including attracting PE or franchise partners later.

LAYER 6: THE 3-DAY ANNUAL OFFSITE

Annual strategic planning should be a dedicated three-day offsite with no cell reception, producing a single one-page plan with clear goals, initiatives, and problem areas. That one-pager becomes the operating reference for the entire fiscal year.

The cadence matters. One day is too short to think. Five is too long and the team disengages. Three days, off-grid, forces the conversation that everyday operations crowd out.

The agenda:

Day 1: Honest look back. What did we say we would do this year? What did we actually do? What worked? What did not? No defensiveness. The owner sets the tone by going first.

Day 2: The market and the year ahead. Competitor audit (see the Competitor Audit Worksheet). Customer feedback. Team feedback. What are the three to five biggest opportunities and threats?

Day 3: The one-page plan. Three to five annual goals with numeric targets. Three to five initiatives that move each goal. The KPI dashboard for the year. Who owns what.

EOS (Entrepreneurial Operating System) from Gino Wickman's book *Traction* is the most widely adopted framework for running this rhythm. The quarterly cadence inside EOS is what keeps the one-page plan from gathering dust.

LAYER 7: GROWTH BY SUBTRACTION

Most operators grow by addition. They say yes to more services, more customer types, more geography. They believe revenue solves problems. It does not.

The number one reason home service companies get stuck between \$1M and \$10M is that they grow by addition when they should grow by subtraction: identifying the 20% of activities that drive 80% of profit and eliminating the rest. Companies that skip the optimize step between growth phases end up large and unprofitable. The correct sequence is grow, optimize, grow again, optimize again, not grow continuously.

A \$1M company doing 30% net profit is a better investment target than a \$5M company doing 10%. Revenue is a misleading north star. A \$5M top-line company can be worth less to an acquirer than a \$1M company with strong EBITDA margins, because buyers pay on profit multiples, not revenue multiples.

The proof: one operator cut 80% of their lead-generating activities, hyperfocused solely on their website channel, and doubled profit within 12 months without adding headcount or changing the product. A visit to \$100M+ home service shops revealed they had zero distractions from their core trade. One garage door operator stopped running a vehicle wrap shop, in-house mechanics, and a recycling operation. All were diluting focus from the core service.

Operators resist this because the fear of shrinking top-line feels like failure. The deflection sounds like "I just need more leads." It is rarely a lead volume problem. It is a diluted, unprofitable machine that would only scale its losses with more leads.

LAYER 8: SUB-BUSINESS SEGMENTATION

The structural fix for the \$1M to \$10M stall is treating the business as a collection of distinct sub-businesses, each with its own overhead allocation, then doubling down only on the sub-business with the highest true EBITDA margin.

How to segment:

- **By product or service line.** Repair vs. install. Recurring vs. one-time.
- **By customer type.** Residential vs. commercial. Premium vs. budget. New customer vs. repeat.
- **By acquisition channel.** Organic web. Paid search. Referral. Direct mail.

Allocate overhead realistically across each segment. The trade vehicle that runs commercial-only routes does not subsidize the residential ad budget. The CSR who only handles inbound web leads does not get charged to the referral channel.

Then look at the EBITDA margin per segment honestly. You will likely find one segment carrying the business and one or two quietly losing money. The diluted, unprofitable machine has been hidden inside a single P&L that averaged everything together.

The diagnostic truth: operators don't optimize before they scale. It's a step that people skip at a specific stage and it costs them, and it just makes sure they get stuck in the \$5 million stage.

The closing frame: what you've built, version one of your business, doesn't need to be the version you actually scale. Design version two. You have to be intentional about creating these versions.

LAYER 9: THE SEASONITIS DIAGNOSTIC AND THE Q4 CURE

The term for it is "seasonitis." Diagnostic criteria: revenue drops more than 50% in any single month versus your best month, or negative cash flow in any single month of the year.

Across 250 home service P&Ls analyzed, removing just one bad quarter from the annual report increased average profit by 72%. A real lawn care example: annual profit jumped from \$70,000 to \$180,000 on a \$1.1M business by replacing the worst quarter's loss with the median of the other three quarters. One lawn care franchise network's offseason losses across 170+ locations totaled \$700,000 per year system-wide before operations were restructured.

The cure is structural. Add a cross-sell service with an inverse demand curve, one whose demand peaks during your primary service's offseason. One lawn care operator added snow plowing. The qualifying rule is strict: only add an adjacent service if its demand is highest when your core service demand is lowest. Adding a related service whose seasonality overlaps yours makes the problem worse, not better.

The other half of the cure is offseason behavior. The operator with the highest customer lifetime value can outspend every competitor on customer acquisition during the offseason and still remain profitable. The recipe to dominate in home services is to advertise when your competitors have nothing to sell.

During the 2007 to 2009 financial crisis, new vehicle sales fell 42%. The aftermarket sector (repairs and recurring maintenance) declined only 1%. Recurring revenue is recession-resistant. One-time job revenue is not.

LAYER 10: THE FOLLOW-UP PROBLEM DISGUISED AS A LEADS PROBLEM

Operators stuck on "I need more leads" are usually mis-diagnosing.

One lawn care operation found that three follow-up phone calls on pending estimates increased close ratio from 38% to 65%, nearly doubling accepted jobs. Call quality mattered. Weak scripts ("just calling to check in") failed. Calls with a specific reason (open schedule slot, forgotten line item, urgency about an upcoming event) succeeded.

The math is decisive: if leads drop by 50% during the offseason but close ratio doubles from 30% to 60%, total jobs accepted stays the same. Most home service operators have a follow-up problem disguised as a leads problem.

Build the follow-up cadence into the CRM and into a CSR's job description before you spend another dollar on lead generation.

LAYER 11: THE INSTANT PRICING UPSELL

One lawn care operator's instant pricing page (where customers accept a mowing quote directly from the website without calling) generated \$2 million in upsell revenue in one year from a single screen. The upsell sequence triggers after the customer accepts a \$45 to \$50 mow, offering bush trimming, weed service, and fall cleanups.

The mechanism is the upsell, not the instant pricing itself. The page captures the customer at the moment of intent and offers adjacent services before payment confirms.

In the field, enabling the in-field upsell feature inside your CRM (where crew members tap a button on-site to send a service recommendation text to the customer) produced a 29% average revenue increase across users, even when operators were only passively thinking about upselling rather than actively trained on it.

Two upsell surfaces. One on the website at the point of booking. One in the field at the point of work. Both require minimal headcount. Both compound revenue with no change to lead volume.

LAYER 12: RECURRING REVENUE AND THE VALUATION CASE

Recurring revenue receives a dramatically higher enterprise valuation multiple than one-time job revenue. Apple's stock went from \$22 to \$225 per share (10x) while iPhone unit sales stalled, driven entirely by recurring Services revenue. Microsoft shifted from a \$149 one-time Office sale to \$6.99 per month subscriptions; stock went from \$22 to \$425 per share over 10 years.

The same physics applies to home service. The primary value in a home service acquisition is recurring revenue and the customer list, not equipment, vehicles, or one-time jobs. Home service EBITDA multiples by size: at \$1M EBITDA in demand-driven trades like HVAC and garage doors, roughly 8 to 10x; at \$5 to \$10M EBITDA, roughly 12 to 14x; at \$20M EBITDA, 17 to 18x. Dropping low-margin revenue lines (like new construction) can shift a company from a 6x to a 12x multiple even if EBITDA decreases slightly.

If you intend to sell the business one day, the work to build recurring revenue is the work that compounds the sale price. If you do not intend to sell, the same work compounds your offseason cash flow and your ability to outspend competitors year-round. The same operational improvements that maximize a business's sale price (cutting waste, raising prices, adding recurring revenue, upselling) also maximize profitability right now. There is no reason to wait.

LAYER 13: THE STARTUP PHASE IS DIFFERENT

If you are still in the first year or two of the business, this operating system is not for you yet.

In the startup phase, the job is to book jobs and learn your actual value proposition. Niching comes after patterns emerge from early customer feedback, not before. Systems built before the work is understood become constraints rather than scaffolds.

The transition point is around \$500K in revenue, when the hustle starts to break down. That is when the dashboard, the manuals, the offsite, and the delegation model become the work itself.

IMPLEMENTATION CHECKLIST

This month:

- ☐ Choose 5 to 10 KPIs across sales, production, and financials
- ☐ Build a single dashboard where every KPI is visible weekly
- ☐ Write a KPI sentence for every role on the team
- ☐ Identify one role to write a 64-page manual for, starting now

This quarter:

- ☐ Redesign compensation for one key role using the base-plus-upside frame
- ☐ Pick one task currently on your plate and run it through the four-stage delegation model with the right team member
- ☐ Schedule the three-day annual offsite for the next planning cycle
- ☐ Run the sub-business segmentation exercise. Allocate overhead realistically across at least three segments.

This year:

- ☐ Identify one revenue line to cut based on the segmentation analysis
- ☐ Add a cross-sell service with an inverse demand curve, if seasonitis applies
- ☐ Build a three-call follow-up cadence into the CRM with specific reasons for each call
- ☐ Add an instant pricing or instant quote tool to the website with at least one upsell offer
- ☐ Enable in-field upsell capability through the CRM
- ☐ Build a manual for at least two more major positions

Ongoing:

- ☐ Review KPI dashboard weekly with the team
 - ☐ Update the four-stage delegation status on each direct report monthly
 - ☐ Track recurring revenue percentage of total revenue. Target growth quarter over quarter.
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WHAT THIS OPERATING SYSTEM PRODUCES

A business that runs five days a week with the owner in the field becomes a business that runs five days a week with the owner stepped back. The dashboard tells you what is happening without anyone calling. The manuals onboard new hires without you in the room. The pay design rewards the work that moves the metrics. The segmentation tells you what to cut. The seasonality fix smooths the cash flow. The upsell surfaces compound the revenue. The recurring revenue compounds the valuation.

The Competitor Audit Worksheet tells you who you are competing with and where to attack. This document tells you how to build the machine that does the attacking. Run them together.

All frameworks in this operating system are sourced from operators who use them. Field research across 200+ home service businesses ranging from \$500K to \$100M+ in revenue.

• WHAT'S NEXT •

READY TO *INSTALL* THIS?

BurksUP builds the marketing systems that make home service operators findable, bookable, and referable. This guide is the playbook. We're the team that installs it.

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