BURKSUP

PLANNER FOUNDATION

PROFIT GOAL PLANNER

Set the profit number first, then reverse-engineer the revenue, ticket, close rate, and tech count needed to hit it

WHO THIS IS FOR

Home service operators who want to stop chasing revenue and start engineering a specific profit outcome.

WHAT YOU GET

A reverse-engineering framework that turns a target take-home number into the operational targets that produce it. Growth-mode vs. profit-mode framing. Profit plateau planning. The three-metric pre-debt checklist that tells you whether you are ready to scale.

BASED ON

field research across 200+ home service locations, a 250-business profitability analysis, and direct interviews with operators from $200K solo shops to $400M-plus enterprises. Every benchmark in this Planner is drawn from real operator data.

THE ORIENTATION QUESTION: REVENUE CHASING VS. PROFIT ENGINEERING

Most operators set a revenue goal. "I want to hit $1M this year." "I want to break $2M." Revenue is the wrong target.

The principle, after analyzing 250 home service businesses across four trades: profit percentage is the correct efficiency metric for comparing businesses of any size. A $100K business, a $1M business, and a $10M business can be compared honestly only on profit percentage. Revenue alone tells you nothing about whether the business is actually working for the owner.

The proof is the Wilderness. 60 to 70 percent of home service businesses fail to survive five years specifically because they grew revenue past $200K without engineering the profit on the way up. A $500K business at 10 percent net profit takes home $50K, which is the same dollar amount the owner could have earned as a solo operator at $200K, with far less stress.

The reframe: profit is what comes out of the business and into your pocket. Everything else is vanity. This Planner is built around setting that number first and working backward.

STEP 1: SET THE PROFIT TARGET IN DOLLARS

Not a percentage. Dollars.

Ask the question: how much do I need to take home, this year, after the business pays its salaries and bills?

This is the planning number. Lock it in before you do anything else.

Some reference points for what is realistic at each stage, drawn from a 250-business revenue-band analysis:

Solo operator, $0 to $200K. At this stage, profit margins commonly run 50 to 70 percent because labor and overhead are near zero. A focused solo operator who raises prices steadily over 3 to 5 years can take home $100K-plus at 50 percent net profit.

Owner with crew, $200K to $500K (the Wilderness). This is where most operators stall. Margin compresses to 10 percent or below because new overhead arrives (employees, trucks, insurance, an office person, $2K to $3K per month in commercial rent, marketing for off-season). $50K take-home on $500K revenue is common.

Established small business, $500K to $1M. Margin starts rebounding as the business can afford a general manager. 20 percent net profit on a $1M business means $200K in owner distributions paid after a salary. That is "a really good business."

The next Wilderness, $1M to $1.5M. Adding a non-revenue-producing overhead role wipes out profit gains. Owners running $1.2M frequently make the same profit as owners doing $700K because added overhead cancels the revenue gain.

Mature, $1.5M-plus. Economies of scale arrive after the second overhead role is fully absorbed. Operators in true growth mode see margins drop temporarily because pre-hiring, inefficient routes, and pre-utilization trucks create structural inefficiency. The faster the growth, the larger the temporary margin hit.

Pick a profit dollar target that fits the stage you are at. Do not target $200K take-home if you are running a $300K business. The math will not work and you will end the year discouraged.

STEP 2: CHOOSE GROWTH MODE OR PROFIT MODE

The hardest decision in the planning year is the mode decision. They are different operating systems. Running both at once is contradictory.

GROWTH MODE

You are deliberately sacrificing margin to add capacity. You hire ahead of demand, buy trucks ahead of utilization, run marketing campaigns to fill the schedule. Close rate target sits in the 50 to 70 percent range. Profit percentage drops because growth sucks cash.

The math justification: at $2M revenue, growing 7 percent with 25 percent net profit generates $500K profit vs. $140K at 7 percent net. The $360K gap can be reinvested in marketing at a 2:1 LTV-to-CAC ratio to buy back growth. Growth mode is profit invested forward.

PROFIT MODE

You stop hiring. You stop buying trucks. You stack cash, raise prices, shed weak customers, and let margin expand. Close rate target sits in the 30 to 50 percent range. The owner takes more home and the business does not require any more infrastructure to operate.

The math justification: a single 15 percent price increase on an $800K business generates approximately $120K in new revenue. Enough to fund a working GM, take a vacation, or seed the next location.

THE RULE OF 40

The SaaS Rule of 40 adapts cleanly to home services. Net profit percentage plus annual growth percentage should exceed 40. A business growing 20 percent with 20 percent margins qualifies. A business growing 10 percent with 10 percent margins does not.

Use the Rule of 40 to sanity-check your mode decision. If you are committing to growth mode at 7 percent growth and 10 percent margins, you are sub-40. The business is in trouble even though it might feel like it is growing.

THE TRIGGER THAT FLIPS THE MODE

When demand exceeds supply, you have two choices and only two. Add capacity (growth mode) or raise prices (profit mode). Do one. Do not try to do both.

STEP 3: REVERSE-ENGINEER THE MATH

You have a profit target in dollars and a mode commitment. Now you back into the revenue, ticket, and operational targets that produce the profit.

THE STRUCTURAL FORMULA

Profit dollars = Revenue × Profit margin %.

Pick the profit margin appropriate to your stage and mode. Solo operator in profit mode, target 40 to 50 percent. Owner-with-crew in profit mode, target 20 percent. Growth mode at $2M-plus, target 10 to 15 percent on the way up. Use the Pricing Calculator & Profitability Guide to confirm those margins are achievable at your current cost structure.

If your target profit is $200K and your achievable profit margin is 20 percent, the required revenue is $1M. That is the revenue you have to engineer to produce the profit.

AVERAGE TICKET × VOLUME

Required revenue = Average ticket × number of jobs.

Pull your current average ticket. If you are at $400 average ticket and need $1M in revenue, you need 2,500 jobs per year. If you are at $1,200 average ticket and need $1M, you need 833 jobs per year. The number of jobs is what determines your tech count.

The two levers on ticket size:

- **Financing.** Increases average ticket by approximately 40 percent on average. 80 percent of the best roofing companies' jobs are financed.
- **Three-tier pricing.** Good/better/best lets the customer self-select up. Top-performing operators use this on flat-rate service categories.

CLOSE RATE × LEADS = JOBS

Required jobs = Leads × close rate.

If you need 2,500 jobs at a 40 percent close rate, you need 6,250 leads. At a 60 percent close rate, you need 4,167 leads. Close rate is the most efficient lever in this math because it is free to improve. You do not pay more for leads when you close better.

Two diagnostic principles on close rate:

- 20 to 50 percent of leads are never counted in most operators' close rate because they leak out before the estimate stage. 8-step sales process: estimate request → office calls to schedule → property visit → estimate sent → estimate accepted → scheduling → work done → invoice paid. Each handoff is a leak point.
- Over 70 percent of homeowners accept the first estimate they receive, according to industry research. Speed, not price, is the primary conversion lever for quality leads.

TECH COUNT

Tech count = Total billable hours required / Billable hours per tech per year.

Each tech is paid for ~2,000 hours per year, billable for ~1,000 of those (the 50 percent efficiency assumption). If you need 4,000 billable hours of work and each tech delivers 1,000, you need four techs.

That is the staffing model your profit target requires. Cross-check the tech count against your overhead-recovery math from the Pricing Calculator. Adding a fifth tech to "play it safe" before the revenue justifies it is the most common margin-compression mistake.

STEP 4: THE PRE-HIRE TEST

Before adding a tech, a truck, an office person, or a shop, run this test. It is the single biggest profitability filter across the 250-business dataset.

Ask: am I actually capacity constrained?

Could I grow revenue without this hire or this purchase? If the answer is yes, the purchase is ego, not infrastructure. One multi-location operator admitted he personally fell into this trap, buying trucks because customers said "we see you growing." Social signaling masquerading as growth strategy.

The corollary rule from the $800K-formula research: in profit mode, you stop at $200K, $500K, or $800K, enter profit mode, stack cash, and only then race to the next stage. One lawn care location proves the math. Downsized from 13 trucks and 12 to 18 employees to 6 trucks and 6 to 8 employees. Raised hourly rate 25 percent ($80 to $100 per hour). Monthly labor revenue dropped slightly ($112K to $100K). Profit margin jumped from 9 to 12 percent up to 18 to 22 percent within one month. Close ratio rose from 40 to 60 percent. Ad spend went to zero. Booked backlog went from 1 week to 6 weeks.

Smaller revenue. Higher profit. Better life. The pre-hire test is the gatekeeper to that outcome.

STEP 5: PLAN THE PLATEAUS

Intentional growth means pre-planning profit plateaus. When you scale from $1M to $2M, you should expect to hire a salesperson, an office person, and upgrade space. All of those costs temporarily flatten or reduce profit. Owners who do not plan for this get discouraged and misread the plateau as failure.

The structural plateaus to plan for:

$200K to $500K (margin compression). Profit margin drops from 50 percent toward 10 percent. New overhead arrives. Most operators take home the same dollar amount at $500K as they did at $200K.

$800K to $1.5M (the second overhead role). Adding a GM or ops manager at ~$80K all-in plus existing owner labor at $100K creates $180K in overhead wages. At 20 percent profit margin, you need $800K to $900K in revenue just to cover those two positions. That is why $800K is the natural ceiling for many operators before they commit to racing through to $1.5M.

The five-point turnaround playbook for the $800K to $1.5M operator stuck at low profit:

1. Stop marketing.
2. Raise prices until close ratio is under 50 percent.
3. Reduce to 8 or fewer field employees.
4. Streamline to one overhead role (GM only).
5. Automate sales and replace one-time jobs with recurring work.

This is profit mode within a stage that most operators do not realize has a profit-mode option.

STEP 6: THE THREE-METRIC PRE-DEBT CHECKLIST

Before you take on debt to fund the plan, you have to be able to fluently report three numbers. Operating without them is driving without a speedometer. Adding speed (debt) increases crash risk proportionally.

1. **Profit percentage.** Profit divided by revenue, current month and trailing twelve months. Updated weekly.
2. **Labor efficiency.** Budget hours divided by clocked hours. The primary field-level efficiency metric. This is the gauge that tells you whether the techs and trucks you already have are being used.
3. **Close rate.** Lead-to-customer conversion, broken out by service line and lead source. Never use blended averages. Track close rate by service type, customer type, city, and lead source layered with seasonality.

The broader version of the rule: debt is appropriate only when the operator can fluently report gross margin, COGS, labor ratios, cash flow timing, and attributed marketing returns (cost per lead, close rate, revenue per dollar spent). Operators who cannot provide all of that are taking speculative risk, regardless of business size.

The corollary on interest rates: falling interest rates are a warning signal, not an invitation to borrow. Rate cuts by the Fed historically coincide with economic weakness. Operators who borrowed on variable-rate HELOCs at 3 to 4 percent during 2020 to 2021 saw payments nearly double when rates rose to 8 to 10 percent. Equipment debt should be fixed-rate, never variable.

STEP 7: CASH ON HAND AND THE MODE TRIGGER

Cash is the structural prerequisite for choosing profit mode vs. growth mode in real time.

The rule: a home service business needs a minimum of one month of total revenue sitting in cash reserves. Below that threshold, the business is in risk territory.

The decision rule, in plain language:

- Cash exceeds one month of revenue → growth mode is on the table.
- Cash below one month of revenue → profit mode only. Raise prices, stop hiring, stack cash.

That lawn care location downsized into profit mode specifically because the cash reserve was below threshold. Once the reserve was rebuilt, growth options re-opened. This is not a permanent mode. It is a thermostat.

The cash-flow timing problem to watch: one roofing operator collected 30 percent down on 20 percent profit margin jobs but waited 60 days for final invoice. On a $100K roof, this created a negative $50K cash position for 60 days. The faster they grew, the worse the cash crunch compounded. The fix was structural payment terms: 50 percent upfront, 30 percent halfway, 20 percent on completion. Same margin. Customer's cash now funds materials and payroll, not yours.

STEP 8: THE EXISTING-CUSTOMER MULTIPLIER

The fastest way to hit a profit target is almost never new customer acquisition. It is upselling and reactivating the customers you already have.

The proofs:

- 0.5 to 1 percent of your customer list responds to any monthly email or text with a service request. For a company with 4 to 5K past customers, that is 20 to 50 booked jobs per month with no ad spend.

- One turnaround operation grew from $300K to $780K in annual revenue (a 2.6x increase) while cutting its $28K marketing budget to zero, purely by upselling existing customers and using mass email and text campaigns to raise annual customer value from $1,000 to roughly $2,500 across the same ~300-customer base.
- Texting an existing customer database of 5,000 contacts about a property cleanup service generated 18 accepted estimates within 24 hours at near-zero acquisition cost.

The principle: "Do not spend $1 on marketing if you have not first sent an email and text blast to all your contacts. Every contact in the database is an opportunity."

For your profit goal math, build in an upsell column. Required new-customer revenue = Total required revenue – Existing-customer upsell revenue. Plan to harvest the database before you plan to fill the funnel.

A WORKED EXAMPLE

Operator at $600K, 12 percent net profit, six trucks, owner working 60 hours per week. Profit target: $200K take-home in 18 months.

Mode decision. Cash on hand is below one month of revenue. Profit mode only.

Target margin. Stage-appropriate at 20 percent (the goal for the Wilderness recovery).

Required revenue. $200K profit / 20 percent = $1M.

Revenue gap. $1M – $600K = $400K of new revenue needed in 18 months.

Pricing lever. A 15 to 25 percent price increase on the existing 600K customer base recovers $90K to $150K with no new customers needed. Run a 10 percent test group first to confirm.

Existing-customer upsell. Email and text blast to the database. Conservatively, 30 jobs per month at $400 average ticket = $144K annualized.

New revenue still needed. $400K – $120K (price increase, midpoint) – $144K (upsell) = ~$135K.

Capacity check. Apply the pre-hire test. Can $135K in additional revenue be absorbed by the existing 6 trucks at higher prices and tighter routing? If yes, do not hire. If no, add the seventh truck only after the cash reserve is above one month.

Cash trigger. Stack cash from price increase + upsell for 6 to 9 months. When reserve is above one month of revenue, the seventh truck becomes a growth-mode option.

That is the reverse-engineered plan. Profit number first. Mode second. Then math, in that order. No revenue chasing.

IMPLEMENTATION CHECKLIST

Profit target:

- ◯ Profit dollar target documented for the planning period
- ◯ Target is realistic for current revenue stage (cross-check with the band table)
- ◯ Target margin is achievable at current cost structure (confirm with Pricing Calculator)

Mode decision:

- ◯ Growth mode or profit mode committed to in writing
- ◯ Rule of 40 sanity check applied (net profit % + annual growth % > 40)
- ◯ Demand-vs-supply trigger documented (capacity constrained or not)

Reverse engineering:

- ◯ Required revenue calculated from profit target
- ◯ Required average ticket calculated
- ◯ Required close rate documented (with service-line breakdown, not blended)
- ◯ Required lead volume calculated
- ◯ Required tech count calculated from billable hour math

Pre-hire test:

- ◯ Capacity constraint diagnosed for any planned hire or equipment purchase
- ◯ Ego-purchase test applied to any pending truck or shop decision
- ◯ $800K turnaround playbook reviewed if stuck in $800K-$1.5M wilderness

Plateau planning:

- ◯ Next structural plateau identified
- ◯ Expected new overhead documented in dollars
- ◯ Required revenue to absorb new overhead documented

Pre-debt readiness:

- ◯ Profit percentage tracked weekly
- ◯ Labor efficiency (budget hours / clocked hours) tracked weekly
- ◯ Close rate tracked weekly by service line and lead source
- ◯ One month of revenue in cash reserve confirmed

Existing customer multiplier:

- ◯ Database size counted
- ◯ Monthly upsell campaign cadence documented

- [ ] Annual customer value target set
- [ ] Recurring revenue percentage tracked (target minimum 30 percent)

Cash management:

- [ ] Payment terms restructured to front-load cash (50/30/20 or similar)
- [ ] Cash reserve threshold (one month of revenue) tracked monthly
- [ ] Variable-rate debt converted to fixed-rate where possible

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WHERE THIS PLANNER ENDS AND THE OTHERS BEGIN

This Planner steers you toward a specific profit outcome by working backward from the target. It does not derive your loaded labor rate, overhead recovery, or required customer-facing rate. For that, use the Pricing Calculator & Profitability Guide.

This Planner also does not give you the operational system for deploying prices in the field. For the flat-rate price book, technician training, delivery scripts, and price-increase protocol, use the Home Service Pricing SOP.

Use the Calculator to find the real number. Use the SOP to deploy it. Use this Planner to point it at a profit target and know exactly when to push, when to hold, and when to stack cash.

All math and benchmarks in this Planner are drawn from field research across 200+ home service locations and a 250-business profitability analysis spanning four trades. Full source index available in the BurksUP Field Intelligence Library.

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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