BALANCE TO BASELINE

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A Business Operating Philosophy for

FRANKLIN AIR SOLUTIONS

Commercial HVAC Services :: 130 Technicians - 16 Zones - Near National Coverage

Plan. Sell. Execute. Collect. Improve.

Meet the baseline.
Not more. Not less.
Be In Balance.

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About the Author

Kirk E. Barrett

Kirk E. Barrett is the founder and CEO of Cimbrian, Inc., an enterprise software and business consulting firm he founded in 1987 at age 19 and has led for over 37 years. What began as a way to pay tuition at Millersville University became a nationally recognized software development firm that grew to 50+ employees, $10M in annual revenue, Fortune 1000 clients, and Microsoft Gold Partner status.

Barrett's career is defined by a rare pattern: entering industries he has never worked in, immersing himself completely, identifying problems no one else has solved, and building technology platforms that become the standard. He has done this eight times, producing eight intellectual property exits valued at over $150 million. The thread connecting all of them is the same principle that underlies Balance to Baseline: understand the business deeply, set measurable standards, build systems that deliver to those standards, and let data drive continuous refinement.

Selected Career Exits & Platforms

Schedule Engine (Co-Founder & Chief Innovation Officer): Co-founded, built, and sold for $8.6M in just 20 months after $3.3M seed funding. The platform scaled to $23M ARR and was subsequently acquired by ServiceTitan for $113M. Along with Austin Haller (original idea in MBA program), and Edward McFarlane (industry tech training titan), Barrett built a platform based on building trust building using behavioral reinforcement to empirically disprove the industry belief that homeowners would not engage with technology during a real home emergency, building the SMS lifecycle and real-time appointment booking and confirmation system that is now standard practice across the residential trades.

BankMobile / T-Mobile MONEY (CTO, Customers Bancorp - NYSE: CUBI): Learned the banking industry from the ground up and built America's first cloud-native chartered bank platform in 20 months, achieving full OCC and FDIC regulatory approval. Pioneered the Banking-as-a-Service model. Personally pitched T-Mobile's COO and board with a vision that changed their entire product roadmap. The result: T-Mobile MONEY, which generated over 1 million accounts and more than $1 billion in deposits.

Gannett / USA TODAY NETWORK (Chief Digital Officer): Partnered with executive leadership to reinvent a legacy direct mail business into a blended digital e-commerce platform. Built a 30-person team and generated $90M+ in platform revenue over four years. Created LocalFlavor.com (now Clipp.com) processing millions of coupons and loyalty programs, and pioneered a monetized-trade revenue model that became an enduring pay-for-performance standard.

Cimbrian Portfolio (Founder & CEO/CTO): Incubated and exited five platform products to Blackbaud, EmergiTech/TriTech, Interlinq, CDS Group, and Gannett. Reimagined 911 dispatch systems (public safety 911 centers - PSAP) and built industry-changing technology now deployed in over 300 Public Safety Answering Points. Initially designed the Lancaster County CAD system, which is still in use 20+ years later, handling over 500,000 calls per year and up to 5 calls per second. Built DSF, an e-government portal platform and that ran Tarrant County TX, entire states like PA, DC.gov, CT.gov for 20 years and connected over 500 municipal portals inside states. Alan Hyneman and Barrett built the first content sharing and data syndication for state, county, muni, and local governments, along with line-of-business government systems.

Why This Matters for Balance to Baseline™

Every one of these platforms succeeded because Barrett applied the same discipline this framework codifies: learn the business, set clear operational baselines, build systems that enforce those baselines, measure everything, and improve through data. Whether the business was banking, 911 dispatch, digital advertising, fintech, or residential trades, the pattern held. Balance to Baseline is the distillation of those decades of pattern recognition into a transferable operating philosophy. This framework guided Cimbrian to manage growth, maintain developer billables, manage a sales pipeline and keep staff sanity during complex projects like 911 while simultaneously purchasing and dramatically scaling a national advertising agency in 2006-2010.

The Human Factor

Barrett's approach to business is grounded in emotional intelligence and people-first leadership. His validated EQ-i 2.0 Total Emotional Intelligence score is 135 (top percentile), with exceptional marks in Assertiveness (133), Reality Testing (134), Empathy (129), and Flexibility (128). His DISC profile is I/D "Motivator"-the rare combination of high Influencer (communicate, inspire, build relationships) and high Driver (results-focused, decisive, competitive).

This is not incidental to Balance to Baseline. The framework's insistence on attainable standards, honest reporting without punishment, shared rewards, and work-life balance reflects success with it operating Cimbrian, Inc. and Barrett's core conviction: the best-performing companies are the ones where people feel safe, valued, and clear about what is expected.

When you remove ambiguity and reward consistency, you do not get complacency. You get pride. You get loyalty. You get a team that operates in balance, and a business people love that runs to plan. A business worth working at, worth employees giving their time to, and worth something meaningful to the owners - beyond the raw assets - when selling it someday.

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Executive Summary

FRANKLIN AIR SOLUTIONS is a national commercial HVAC service company with ~135 technicians (a near-term goal of 200 and long-term goal of 300) operating across sixteen zones: Southwest (Dallas Office), North and East (Roanoke), Southeast (Florida), and a Subcontracting team covering states outside our direct territory. Each zone is led by a Zone Manager overseeing Service Managers, Dispatchers, and Customer Service Representatives. Our customer base consists primarily of commercial property management firms including CBRE, Vixxo, Cushman & Wakefield, Public Storage, Dollar General (via Fexa), and similar organizations that manage service through proprietary work-order portals.

Our business model is straightforward but operationally complex: work orders arrive through customer portals or are emailed to our call center. We accept and respond within contractual SLAs. We dispatch technicians. They diagnose, quote if needed, get approval (often requiring portal updates and Not-to-Exceed increases), procure parts, return to complete the job, close the work order, and we invoice. Every step in this chain has a timeline, a cost, and a standard. When any step breaks down, the entire revenue cycle is compromised.

Balance to Baseline™ is an operating philosophy that assigns a measurable standard (a baseline) to every activity in the company and holds the entire organization accountable to meeting that standard. Not exceeding it recklessly. Not falling short of it quietly. Meeting it. Consistently. Predictably. In balance.

The philosophy addresses FAS's most critical operational challenge: getting paid.

Invoice disputes and collection delays are not caused by unwilling customers. They are caused by discrepancies between what was quoted, what was performed, what was documented on portals, and what was invoiced. When a tech works 12 hours on an 8-hour budget and we bill 12, the customer rejects it. When a tech works 5 hours on an 8-hour budget and clocks out, we gave away 3 hours of capacity. When portal updates are late, SLA penalties kick in. When parts are not procured promptly, jobs sit open, follow-ups get delayed, and cash flow stalls.

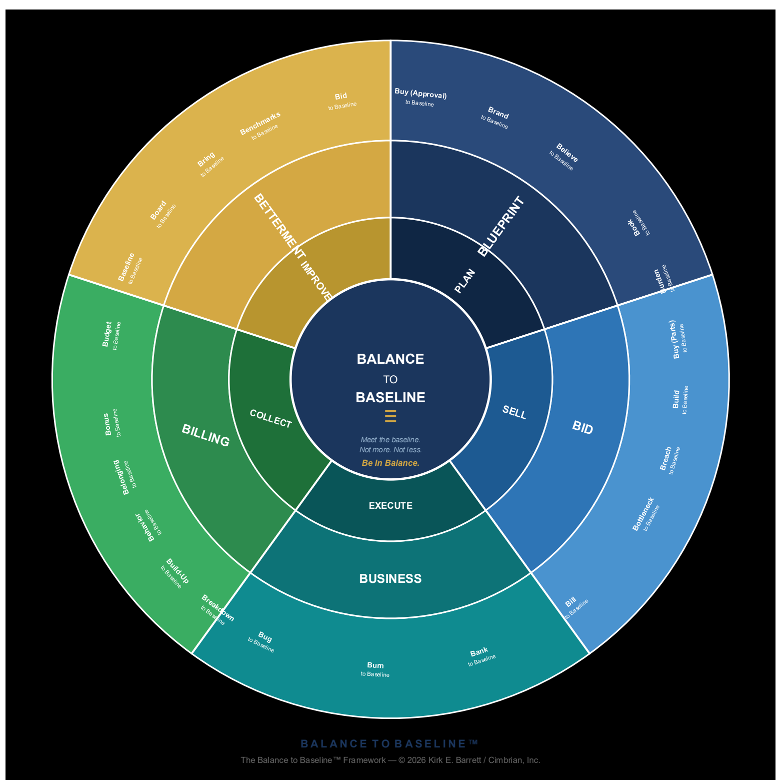
Balance to Baseline solves these problems by organizing our operation into **five pillars**:

- **BLUEPRINT** (**Plan**):
  Budgeting, flat-rate pricing, SOPs, leadership alignment, hiring, workforce planning, and performance benchmarks.
- **BID** (**Sell**):
  Quoting, customer approval, NTE mgmt, portal response, brand identity, and trust.
- **BUSINESS** (**Execute**):
  Scheduling, dispatch, portal updates, field work, parts procurement, truck stock, installations, callbacks, and workflow optimization.
- **BILLING** (**Collect**):
  Invoicing, cash flow, cost control, and accounts receivable.
- **BETTERMENT** (**Improve**):
  Process defects, incident recovery, training, culture, retention, and incentive alignment.

With our goal of scaling from 135 to 200 technicians, this system is not optional. It is infrastructure. Without baseline discipline across every pillar, growth will amplify chaos rather than revenue. With it, every new technician, every new zone, and every new customer slots into a proven, measurable, repeatable operating model.

This document details the philosophy, every B-to-Baseline discipline, the flat-rate pricing architecture, the parts procurement workflow, the zone operating model, the incentive structure, and a 12-month implementation roadmap.

It is intended to be edited, challenged, and refined by the FAS leadership team until it becomes our operating constitution.



The Balance to Baseline™ Philosophy

Why Balance, Not Growth?

Most business philosophies optimize for growth. Balance to Baseline optimizes for predictability. In commercial HVAC contracting, our revenue ceiling is defined by the number of technicians we can deploy, the hours we can bill, and the rates customers approve through their portals. We cannot bill more than we quote. We cannot quote more than we can staff. We cannot staff more than we can train. Every link in this chain has a natural capacity, a baseline.

When we try to exceed baselines without adjusting the supporting infrastructure, we create chaos. Techs rush, callbacks increase, portal updates lag, invoices get disputed, and cash flow suffers. When we fall short, we leave money on the table and under-utilize our workforce. The sweet spot is the baseline itself.

Growth is a deliberate, planned adjustment of baselines across all pillars simultaneously. We do not grow the pipeline without growing capacity. We do not add technicians without adding training, truck stock, and dispatch support. We do not increase job volume without increasing portal management bandwidth. Growth is a coordinated baseline shift, not a heroic sprint.

The Technician Hour Problem

The core economic unit of FAS is the technician hour. Every dollar of revenue traces back to a technician performing work that was quoted, approved through a customer portal, and billed at the approved amount. The technician hour problem is this: we can only ever bill the customer for the budgeted (quoted/NTE-approved) amount, regardless of actual hours worked.

Under-run (Tech finishes early): The technician has idle time. If they clock out, we lose billable capacity. The customer received less effort than they approved. At any large commercial facility, whether it is a factory, warehouse, retail store, strip mall, or public storage facility, there are 10 to 15 rooftop units, 30 to 50 supply heads, and 100 or more filters. Tell me you cannot find work to do. Tell me you cannot find a defect to document, a filter to change, a condenser coil to photograph. Use the time. Create value. Generate a future quote. But do not clock out until you have worked the budgeted hours.

Over-run (Tech runs long): The technician works beyond the budget. We absorb the cost because we cannot go back to the customer for more money on an approved NTE, unless we submit an NTE increase request through the portal, justify the additional time, and get approval. If the tech is still on-site and needs more hours, they must communicate immediately to their Service Manager and Dispatcher. The Dispatcher updates the customer portal with the NTE increase request, the justification, and the revised budget. If approval comes while the tech is on-site, they continue. If not, the tech completes what they can safely, and we schedule a return trip. Either way, clock the real hours. We need the data.

The rule is simple: technicians work the budgeted hours. No early clock-outs. If done early, perform value-added activities. If running over, communicate immediately to dispatcher and/or SM to request an NTE increase through the portal. Report all time honestly. Sit in the truck if you must, but tell your Service Manager so we know our budget was too generous and we can tighten it. Tighter budgets mean lower quotes. Lower quotes mean we win more work. More work means fuller schedules. The virtuous cycle depends on honest reporting and feedback – we really don't know if don't you say.

The Flat-Rate Architecture

Accurate budgeting requires a structured flat-rate system. FAS should operate with two interconnected pricing references:

The Flat-Rate Tasks Book: This defines the time budget for every type of service task. Tasks are categorized by Service Request Codes (SRCs) and include: Preventative Maintenance (Major PM, Minor PM, Spring PM, Fall PM), Break/Fix DiagnostFAS, Deficiency Found/Fixed service calls, and Emergency Response. Each task type has a defined hour budget based on equipment type, unit count, and complexity. For example, a Major Fall PM on a 10-ton rooftop unit with economizer is 3.5 hours. A Minor Spring PM on a split system is 1.5 hours. These are the building blocks.

The Flat-Rate Jobs Book: This defines the complete scope, parts, and time for specific repair and installation jobs. Jobs like "Replace Contactor" or "Replace Condenser Fan Motor" or "Install New Make-Up Air Unit" each have a defined labor budget, a parts kit, and a total price. Jobs are built from the Tasks Book (the labor component) plus a Parts Kit (the materials component). For example, "Replace 40-Amp Contactor on Carrier 50XC" might be 2 hours of labor plus a Parts Kit containing the contactor, wire nuts, and a fuse, sourced from our preferred distributor at negotiated pricing.

Parts Kits

With hundreds of manufacturers of VRF equipment, rooftop units, split systems, and package units, there are enormous permutations of parts. We cannot stock everything. But we can systematize what we know. Parts Kits are pre-defined bundles of materials for common jobs. When a technician diagnoses a failed contactor, the quoting team does not start from scratch. They pull the Kit for that equipment type and job, verify part numbers with the distributor, adjust if needed, and build the quote.

Kits are living documents. When a tech encounters a one-off repair that does not have a Kit, they quote it as a custom job and document the parts used. If that job recurs (and in commercial HVAC, it will), a new Kit is created. Over time, the Kit library grows, quoting gets faster, and accuracy improves. Kits are also the cross-reference point for purchasing: when a quote is approved, the Kit tells the purchasing team exactly what to buy, from which distributor, at what price.

The Portal-Driven Workflow

FAS does not operate on handshake agreements. Our customers are commercial property management firms that manage thousands of properties through centralized work-order portals. CBRE, Vixxo, Cushman & Wakefield, Public Storage, Dollar General (via Fexa), and others each have their own portal with their own SLAs, NTE thresholds, approval workflows, and documentation requirements.

Every FAS team member who touches a work order must understand that the portal is the system of record. The customer's portal, not our internal system, determines whether we get paid. Portal responsiveness, accuracy, and timeliness are baseline metrFAS for Dispatchers, CSRs, and Service Managers:

- **Accept jobs within the portal SLA** (typically 15-30 minutes for emergency, 2-4 hours for standard).
- **Update portal status** at every stage: tech dispatched, tech on-site, diagnosis complete, quote submitted, parts ordered, return visit scheduled, job complete.
- **Submit NTE increase requests through the portal** with clear justification, scope description, and revised budget before additional work proceeds.
- **Close work orders on the portal** with completion notes, photos, and hours within 24 hours of job completion.
- **Invoice through the portal** where required, matching the approved NTE exactly.

Portal management is not administrative busywork. It is revenue protection. A missed SLA triggers penalties. A late update triggers customer escalations. A mismatched invoice triggers a dispute. Dispatchers and CSRs who manage portals are directly responsible for cash flow velocity. Their baseline metrFAS reflect this.

FAS should consider hiring and training a team of professional workers in the Philippines who can own customer portals. These folks could be in our “call center” and would support all portal activities and KPI monitoring for all business with each portal. We don’t overload – balance – perhaps one employee per portal or more. This would give us a human focused on his or her metrFAS of monitoring our most critical piece of business, 24x7, at a fraction of the cost of USA workers for a 24x7 call center role. The staff in the Philippines is first-rate and with coverage planning.

The Zone Operating Model

FAS operates across sixteen zones, each with its own Zone Manager, Service Managers, Dispatchers, CSRs, and technicians:

Zone	Hub Office	Coverage Area	Structure
Southwest	Dallas, TX	TX, MS, LA, NM, AZ	Zone Mgr, SMs, Dispatchers, CSRs, Techs
North & East	Roanoke, VA	VA, MD, PA, NJ, NY, New England, Midwest, SC, NC,	Zone Mgr, SMs, Dispatchers, CSRs, Techs
Southeast	Florida	FL, GA, AL	Zone Mgr, SMs, Dispatchers, CSRs, Techs
Subcontracting	Centralized from TX	All other states	Subcontract Mgr, Coordinators

Each zone operates semi-autonomously but follows the same Balance to Baseline standards. Quoting and purchasing are centralized, meaning the quoting team and purchasing team serve all zones but source parts regionally from distributors local to the tech who needs them. This ensures that when a quote is approved and parts are ordered, the tech can pick them up nearby and get back to the job without cross-country shipping delays.

Service Managers are in the field, each supporting approximately 10 technicians. They are the frontline of baseline enforcement: coaching techs on time management, reviewing job quality, and escalating issues. Dispatchers manage the schedule and own portal updates. CSRs handle intake and initial portal acceptance. Zone Managers are accountable for all five pillars within their zone.

The Data Feedback Loop

1. **Set baselines** for every operational area using the flat-rate books, historical job data, portal SLAs, and industry standards.
2. **Execute to baseline.** Techs work budgeted hours. Dispatchers update portals on schedule. Invoices go out within 48 hours.
3. **Collect data** on every job: actual vs. budgeted hours, parts cost vs. estimate, portal SLA compliance, invoice-to-collection days, callbacks.
4. **Analyze variance.** Are we consistently over-budgeting certain job types? Under-budgeting? Which equipment types generate the most callbacks? Which zones have the slowest portal response?
5. **Adjust baselines.** Tighten where over-budgeting. Add buffer where under-budgeting. Update flat-rate books. Create new Kits. Retrain.
6. **Repeat forever.** The system never stops learning. Every completed job makes the next budget more accurate.

We do not reward people for beating budgets.
We reward people for meeting them.

Bonus structures are tied to baseline attainment, not to exceeding targets. This eliminates sandbagging and corner-cutting. We want honest data, because honest data produces better baselines, and better baselines produce a better company.

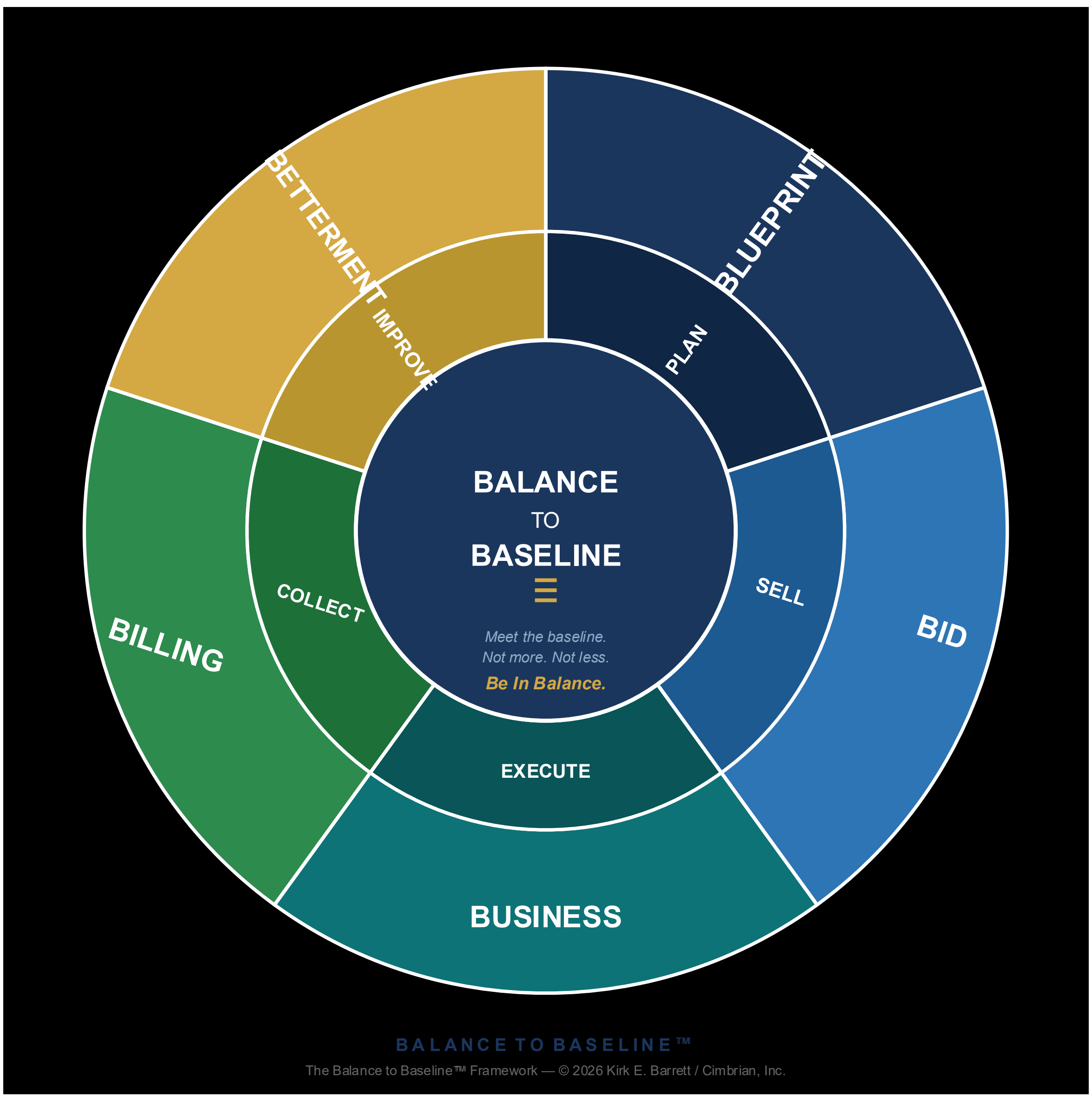
The Human Promise

Balance to Baseline is ultimately a human philosophy. When baselines are clear and achievable, employees can plan their lives. Technicians know what a typical day looks like. Dispatchers know what is expected. Service Managers know their targets. There is no anxiety about moving goalposts, no pressure for heroic overtime, and no ambiguity about what success means. People work, they meet the standard, they go home, and they share in the reward. That is the promise.

The Five Pillars of *Balance to Baseline™*

Every operational activity at FAS falls within one of five pillars. Together, they form the complete lifecycle: plan the work, sell the work, execute the work, collect for the work, and improve the work.

BLUEPRINT	BID	BUSINESS	BILLING	BETTERMENT
Plan	Sell	Execute	Collect	Improve
Budget to Baseline Baseline to Baseline Board to Baseline Bring to Baseline Benchmarks to Baseline	Bid to Baseline Buy to Baseline (Approval) Brand to Baseline Believe to Baseline	Book to Baseline Burden to Baseline Buy to Baseline Build to Baseline Breach to Baseline Bottleneck to Baseline	Bill to Baseline Bank to Baseline Burn to Baseline	Bug to Baseline Breakdown to Baseline Build-Up to Baseline Behavior to Baseline Belonging to Baseline Bonus to Baseline



PILLAR 1: BLUEPRINT

Plan - Budgeting, Standards, Leadership, Workforce & Benchmarks

The Blueprint Pillar is the foundation. Without accurate planning, every downstream activity is compromised. Inaccurate budgets produce inaccurate quotes, which produce unmet expectations, which produce unpaid invoices. Blueprint ensures that before any work is sold, scheduled, or executed, the plan is solid.

Budget to Baseline - Company Planning

Budget to Baseline - Company Planning

Every activity has a time and cost budget. Revenue targets, overhead allocations, technician utilization rates, administrative capacity, and capital expenditures are planned annually, reviewed quarterly, and adjusted based on actuals. The budget is not aspirational; it is a commitment. To even support 135 techs let alone grow to 200, the budget must scale with the workforce plan and zone expansion and be built from profits.

At Baseline	Below Baseline	Owner
Annual budget set by Jan 15. Quarterly reviews within 10 business days of quarter close. Variance within +/- 5% on all major line items. Every job type has a flat-rate time budget. Staffing plan aligns to revenue targets by zone.	No annual budget or late. Quarterly reviews skipped. Variance exceeds 10% with no corrective plan. Job types quoted ad hoc. Staffing disconnected from revenue plan.	GM / Controller

Action Steps:

1. Build and maintain the Flat-Rate Tasks Book and Flat-Rate Jobs Book with time budgets, Parts Kits, and material costs for every standard service and repair.
2. Set annual revenue targets by service line (PM, Break/Fix, Install/Project) and by zone (SW, N&E, SE, Subcontracting) with monthly milestones.
3. Define technician utilization targets (85% billable hours) and administrative ratios (1 dispatcher per 15-20 techs, 1 SM per 10 techs).
4. Conduct quarterly budget-to-actual reviews with Zone Managers and department leads. Document variances and corrective actions.
5. Tie all job quoting to the flat-rate books. No ad hoc quoting without manager approval and documentation of the deviation.
6. Build the staffing ramp plan from 135 to 200 technicians with associated truck stock, tools, training, and support staff budgets by zone.

Baseline to Baseline - SOPs

Baseline to Baseline - Standard Operating Procedures

This is the anchor of the entire system. If something does not have an SOP, it does not have a baseline, and it cannot be measured, managed, or improved. Baseline to Baseline means every repeatable process in the company, from portal acceptance to truck stock audits to NTE increase requests, has a documented, version-controlled, accessible standard operating procedure.

Here is what makes Balance to Baseline different from every other process improvement initiative: **the employees who do the work write the SOPs.** Not management. Not consultants. The person who lives the process every day is the person best positioned to document it, and the person who will take the most pride in owning it.

This is the ***employee-up principle***. Management identifies the areas, provides the framework, and supports the effort. But the CSR who accepts portal jobs writes the portal acceptance SOP. The tech who performs PMs writes the PM checklist SOP. The dispatcher who schedules technicians writes the scheduling SOP.

Each employee becomes the permanent owner of the SOP they create. They present it to their peers and leadership for review and approval. They maintain it as the process evolves. They train new hires on it. This ownership model produces better documentation (because the expert wrote it), stronger accountability (because the author has skin in the game), and deeper employee engagement (because people take pride in work they own).

At Baseline	Below Baseline	Owner
SOPs exist for every repeatable process across all five pillars. SOPs are version-controlled, reviewed semi-annually, and accessible to all staff in a central repository. Each SOP has a named employee owner. New hires are trained on all applicable SOPs within 30 days. Portal-specific SOPs exist for each major customer (CBRE, Vixxo, C&W, Public Storage, Fexa). SOP compliance is included in performance reviews.	Key processes undocumented. SOPs outdated, inaccessible, or management-written without employee input. New hires learn by tribal knowledge. Portal procedures vary by who is working that day. No SOP ownership or accountability model.	Operations Manager / Department Leads (with employee owners for each SOP)

Action Steps:

1. Conduct a Master Process Inventory: list every repeatable process across all departments. Identify which have documented SOPs and which do not. (See Blueprint Pillar Workbook, Task 6.)
2. Assign an employee Process Owner for each SOP. The owner is the person who currently performs the work or is closest to it. Ownership means they write it, present it, and maintain it.
3. Provide every Process Owner with the SOP Documentation Framework from the Pillar Workbooks. The framework includes: Process Name, Purpose, Trigger, Inputs, Step-by-Step Procedure, Tools/Systems Used, Output, Handoff, Baseline Standard, Common Mistakes, and Time Budget.
4. Prioritize SOP creation for revenue-critical processes first: portal acceptance and response, quoting and NTE management, parts ordering, dispatching, field procedures (PM and Break/Fix), invoicing, and collections.
5. Create customer-specific portal SOPs for each major property management client, assigning the primary CSR or Dispatcher for that portal as the owner. (See Blueprint Pillar Workbook, Task 7.)
6. Establish a central SOP repository (digital, searchable, version-controlled). Every zone office has access. SOPs are reviewed semi-annually by the owner with manager sign-off.
7. Schedule SOP presentations: each owner presents their completed SOP to their peers and leadership. Feedback is incorporated. The SOP is published. The owner maintains it from that point forward.
8. Include SOP compliance in performance reviews and tie it to Benchmarks to Baseline and Bonus to Baseline attainment metrFAS.

Board to Baseline - Leadership

Board to Baseline - Leadership

Leadership sets the tone. Board to Baseline means executives and managers model the philosophy in every decision. Leaders do not ask for heroic efforts; they ask for baseline attainment. Leadership meetings are structured around baseline metrFAS, not anecdotes. Zone Managers run their zones to the same five-pillar framework.

At Baseline	Below Baseline	Owner
Weekly leadership meetings review baseline metrFAS across all pillars. Zone Managers present pillar dashboards. Decisions are data-driven. Philosophy is consistently communicated.	Leadership meetings unstructured or focused on firefighting. Decisions reactive. Philosophy not modeled. Zones operate with inconsistent standards.	Executive Team / Region GM (Troy/Tom and Blake/Austin)

Action Steps:

1. Establish weekly leadership cadence with five-pillar agenda.
2. Create a leadership dashboard showing baseline attainment by zone and by pillar.
3. Train all Zone Managers, Service Managers, and Dispatchers on Balance to Baseline.
4. Hold leaders accountable for pillar metrFAS in quarterly reviews.
5. Communicate company baseline performance to all employees monthly.

Bring to Baseline - HR & Hiring

Bring to Baseline - HR, Hiring, Payroll & Benefits

Hiring is a baseline activity. We know how many technicians, dispatchers, and managers we need per zone to meet budget. Bring to Baseline means we hire to plan, not to crisis. We recruit proactively, onboard thoroughly, and set expectations from day one. HR also owns payroll precision (every tech paid correctly, on time, with no disputes), benefits administration (open enrollment completed ahead of deadlines, benefit changes processed accurately), and onboarding completeness (truck stock loaded, tools issued, portal access provisioned, SOP training scheduled).

At Baseline	Below Baseline	Owner
Staffing levels match budget by zone. Positions filled within 30 days. Onboarding checklist 100% complete before first solo dispatch (including truck stock, tools, FAS shirts and swag, portal credentials, SOP training). Payroll error rate below 0.5%. Benefits changes processed 30 days ahead of effective dates. Turnover below industry average.	Positions open 60+ days. Hiring reactive. Onboarding informal. New techs dispatched without truck stock or training. Payroll errors cause disputes. Benefits changes rushed or missed. High turnover without root cause analysis.	HR Manager / Region Manager (Blake/Austin)

Action Steps:

1. Maintain rolling 12-month staffing plan by zone aligned to the annual budget and 200-tech growth target.
2. Build candidate pipeline through social media, job boards, Glassdoor, trade schools, referral bonuses, and industry partnerships in each zone geography.
3. Develop onboarding checklist by role: technician checklist includes truck stock prep ($50-90K truckstock inventory loaded and verified), tool kit issued, uniform fitted, portal credentials provisioned, Balance to Baseline training completed, ride-along with SM for first 3 days, and 30/60/90-day milestones.
4. Implement payroll audit process: every payroll run verified against timecards before release. Zero-tolerance for payroll errors.
5. Process all benefits changes (new hires, life events, open enrollment) at least 30 days before effective date. Track and report benefits processing timeliness as an HR baseline metric.
6. Conduct exit interviews for every departure and report trends quarterly.

Benchmarks to Baseline - Performance Standards

Benchmarks to Baseline - Performance Standards

Benchmarks are the specific numerical targets that define what baseline means in measurable terms. Every role, every job type, and every process has benchmarks. Technician utilization rates, first-time fix rates, portal SLA compliance, quote turnaround times, invoice accuracy, collection days, truck stock audit variance, parts procurement cycle time: every measurable activity has a target that is tracked, reported, and reviewed.

Benchmarks are not aspirational stretch goals. They are the attainable standards that, when met consistently, mean the company is operating in balance. Benchmarks are established through a combination of industry standards, historical FAS data, and constant curation and love to the flat-rate book architecture.

They are then refined through the data feedback loop: as we accumulate actual performance data, we adjust benchmarks to reflect reality. If 90% of techs meet a benchmark easily, it may be too lenient. If fewer than 50% meet it, it may be unrealistic.

The system will self-calibrate. The Pillar Workbooks contain detailed task worksheets (see Blueprint Workbook, Task 12: Define KPIs by Role) that walk through every benchmark that must be established.

The Bonus to Baseline section of this document contains role-specific metric tables with target columns to be filled in during implementation.

Together, these create a complete performance measurement system tied directly to the incentive structure.

At Baseline	Below Baseline	Owner
Benchmarks are defined for every key metric across all five pillars and for every role (Technician, Dispatcher/CSR, Service Manager, Zone Manager, Quoting, Purchasing, Billing, HR). Benchmarks are reviewed and updated quarterly based on trailing 90-day actuals. All employees know their personal benchmarks and can see their real-time performance against them. Benchmark attainment is the foundation of the quarterly bonus calculation.	MetrFAS undefined or inconsistent. Benchmarks set once and never updated. Employees do not know their targets or current performance. No connection between benchmarks and incentive compensation. No data feedback loop to refine baselines.	Operations Manager / Zone Owner/Leads

Action Steps:

1. Define KPIs for every role using the Pillar Workbook task worksheets and the Bonus to Baseline metric tables as the starting framework. (See Blueprint Workbook, Task 12.)
2. Build a benchmark tracking system (dashboard or weekly report) updated by zone. Every employee should be able to see their own performance at any time.
3. Establish the quarterly benchmark review cadence: at each quarter close, compare trailing 90-day actuals to current benchmarks. Identify metrFAS where attainment is consistently above 95% (consider tightening) or below 60% (consider loosening or investigating root cause).
4. Share individual benchmark performance in monthly one-on-ones between employee and manager. Focus on progress, coaching, and removing obstacles, not punishment.
5. Use benchmark data to identify training needs (Build-Up to Baseline), process improvements (Bug to Baseline), and staffing adjustments (Bring to Baseline). Benchmarks are not just scorecards; they are diagnostic tools.
6. Connect benchmarks directly to the quarterly bonus structure (Bonus to Baseline). When employees can see the line from their daily performance to their quarterly payout, the system becomes self-reinforcing.
7. Publish a monthly company-wide baseline attainment report showing performance by zone and by pillar. Transparency drives accountability and healthy competition between zones.

PILLAR 2: BID

Sell - Quoting, Customer Approval, NTE Management, Brand & Reputation

The Bid Pillar governs how we convert opportunities into approved, budgeted work. Every quote is a promise of scope, quality, and cost. Balance to Baseline demands that quotes are precise reflections of the flat-rate books, that customers approve through their portals before work proceeds, and that NTE increases are managed proactively, not after the fact.

Bid to Baseline - Quoting

Bid to Baseline - Quoting

Every quote is built from the Flat-Rate Tasks Book (for hours) and the Flat-Rate Jobs Book (for complete job pricing with Parts Kits). Quotes are not guesses. They are precise calculations reflecting the work required, the Kit materials needed, and the margin targets from the budget.

Quote turnaround matches customer urgency: critical breakdowns (freezer down = lost revenue for the customer; hot store = lost customers) get quotes within 24 hours; standard service within 48 hours.

For return trips requiring parts, the baseline is to submit the quote to the customer portal within 24 hours of the tech's diagnostic visit, with parts identified, Kit cross-referenced, and pricing confirmed with the distributor.

At Baseline	Below Baseline	Owner
100% of quotes built from flat-rate books. Turnaround meets SLA (24hr emergency, 48hr standard). Quote accuracy within +/- 10% on rolling 90-day basis. Every quote includes scope, hours, Parts Kit, total price. Quotes submitted to customer portal on time.	Quotes ad hoc or inconsistent. Turnaround exceeds SLA. Accuracy variance exceeds 15%. Quotes incomplete. Portal submissions delayed.	Quoting Manager / Estimating Team

Action Steps:

1. Mandate flat-rate book usage for all quotes. No ad hoc pricing without documented justification.
2. Build quote templates: scope, Service Request Code, task hours, Parts Kit reference, total price, validity period.
3. Track quote turnaround and accuracy as weekly metrFAS by zone.
4. Implement quote review process: quotes above dollar threshold require manager review before portal submission.
5. Feed actual job data (hours, parts) back to the estimating team monthly to refine flat-rate book and Kit accuracy.
6. For diagnostic-only visits where a return trip is needed: tech submits findings to quoting team same day. Quoting team builds quote from Kit, confirms parts availability with distributor, and submits to customer portal within 24 hours.

Buy to Baseline - Customer Approval & NTE Management

Buy to Baseline - Customer Approval, Signoff & NTE Management

No work begins without approved authorization through the customer portal. For property management clients, this means an approved work order with a defined NTE (Not-to-Exceed) amount. The NTE is our budget ceiling. We bill to the NTE, never above and never under.

If additional work or time is needed beyond the NTE, the Dispatcher or CSR submits an NTE increase request through the customers' portal with clear justification before the tech proceeds.

If the tech is on-site and discovers the job requires more hours, the communication chain is: Tech contacts Service Manager, SM contacts Dispatch, Dispatch submits NTE increase on portal with justification and revised scope, then monitors for approval. If approved while tech is on-site, tech continues. If not, tech wraps up safely and we schedule a return.

At Baseline	Below Baseline	Owner
100% of jobs have portal-approved authorization before work begins. NTE increase requests submitted within 1 hour of tech identifying the need. NTE increase approval rate tracked. All approvals documented, time-stamped, and linked to job record. No verbal-only approvals above minimum.	Work begins without portal approval. NTE exceeded without prior increase request. Tech performs work beyond scope without authorization. Disputes arise from scope/price mismatches.	Dispatch / CSR / Account Manager

Action Steps:

1. Implement a hard stop: no tech is dispatched to a job without a portal-confirmed work order and NTE.
2. Train all techs on NTE awareness: they must know the NTE for every job before starting and communicate immediately if they anticipate exceeding it.
3. Create an NTE increase request template with required fields: current NTE, requested NTE, justification, revised scope, estimated completion time.
4. Track NTE increase request turnaround (time from tech notification to portal submission) as a Dispatcher baseline metric.
5. Track NTE increase approval rates by customer to identify which clients are slow to approve and develop proactive strategies.
6. Link all approval documentation directly to invoices for dispute-free collections.

Brand to Baseline - Marketing, PR & External Identity

Brand to Baseline - Marketing, PR & External Identity

Our brand is what property management firms see before they see our work. Brand to Baseline means a consistent, professional identity that reinforces reliability, precision, and nationwide coverage.

Marketing is budgeted and planned, not sporadic. As we scale from 135 to 200 techs and expand zone coverage, our brand must communicate capacity and professionalism to all facility partners and new direct customers. We need to participate in trade events, join industry orgs and get Steve and Tommy out shaking hands getting new deals.

At Baseline	Below Baseline	Owner
Brand guidelines documented and followed (trucks, uniforms, proposals, website). Marketing budgeted annually. Customer-facing materials professional and current. Brand reflects Balance to Baseline values.	Inconsistent branding. Marketing unplanned. Website outdated. No differentiation message.	Marketing / GM

Action Steps:

1. Develop or update brand guidelines across all touchpoints.
2. Audit all customer-facing materials for consistency.
3. Set annual marketing budget with quarterly milestones.
4. Align messaging with Balance to Baseline: reliability, precision, consistency, national coverage.
5. Track lead sources and marketing ROI quarterly.

Believe to Baseline - Trust & Reputation

Believe to Baseline - Trust & Reputation

Trust is earned by consistently delivering on promises through the portal. Property management firms track vendor performance rigorously. SLA compliance, first-time fix rates, portal responsiveness, and invoice accuracy all contribute to our scorecard with every major client. Believe to Baseline means our reputation is built on measurable performance, not relationships alone. All of this won’t happen if the techs aren’t supported, the quotes built properly, and the whole team aware of what’s going on.

At Baseline	Below Baseline	Owner
Customer scorecards (where available) meet or exceed required thresholds. Satisfaction surveyed after major jobs. Negative feedback triggers formal response within 48 hours. Reference customers available.	No satisfaction measurement. Complaints handled ad hoc. Customer scorecards declining. No reference customers.	Account Manager / GM

Action Steps:

1. Implement post-job satisfaction surveys (automated, tied to job close).
2. Track vendor scorecard metrFAS for each major customer and review monthly.
3. Establish formal complaint resolution process with response time SLAs.
4. Monitor and respond to online reviews and industry reputation.
5. Share customer satisfaction data with team monthly.

PILLAR 3: BUSINESS

Execute - Scheduling, Portal Ops, Field Work, Parts Procurement, Installations & Workflow

The Business Pillar is where the work gets done. This is the daily reality of dispatching technicians, managing portals, procuring parts, completing service calls, executing installations, and moving work through the pipeline. This pillar is where the technician hour problem lives, where portal SLAs are met or missed, and where Balance to Baseline has its most immediate, tangible impact.

Book to Baseline - Scheduling & Dispatch

Book to Baseline - Scheduling, Dispatch & Portal Operations

Scheduling is the operational heartbeat. Book to Baseline means every tech's day is planned to budget using flat-rate hours. Dispatchers own both the internal schedule and the customer portal updates.

When a job comes into a portal or is emailed to the call center, the CSR accepts it within SLA, the Dispatcher schedules it using the flat-rate time budget, and portal status is updated at every stage. Dispatchers are the information bridge between techs in the field and customers monitoring their portals.

Scheduling accuracy is what makes the 200-technician target achievable: when we know exactly how many hours every job takes, we can pack schedules tightly, minimize windshield time, and maximize billable hours across all sixteen zones.

Planning each tech's days out, with the shortest route possible and a PM on the way home, is the ideal way for us to reach our daily billable hour minimums.

At Baseline	Below Baseline	Owner
Schedules planned 48 hours in advance for non-emergency work. Emergency/breakdown response within portal SLA (typically 2-4 hours). Tech utilization meets 85% target. Portal status updated within 30 minutes of every job stage change. Schedule changes communicated to techs and customers immediately.	Schedules built day-of. Significant idle time between jobs. Utilization below 75%. Portal updates late or missed, triggering SLA penalties. Customer not notified of changes.	Dispatch Manager / Zone Dispatchers / Operations Managers

Action Steps:

1. Build schedules 48 hours out using flat-rate time budgets. Account for travel time by zone geography.
2. Try to book the furthest job first, and a non time-sensitive job on the way back home (PMs).
3. Track daily utilization for every tech. Review weekly by zone.
4. Build Dispatching in FASNext portal. Rething recommendation and auto-planning alogrithms. Use azure maps for optimized routing, skills matching, and zone coverage.
5. Define portal update cadence: job accepted, tech dispatched, tech on-site, diagnosis complete, quote submitted, parts ordered, return scheduled, job complete. Each update within 30 minutes of the event. This is a key KPI, and reason for Philippines workers.
6. Create overflow protocol: when a tech finishes early, Dispatch has a prioritized fill list (inspections, filter changes, defect documentation, quote site visits) by zone, and uses FASNext to find jobs on the way home to recommend.
7. Track portal SLA compliance as a primary Dispatcher baseline metric, reported weekly.
8. Track AND – Work found on EVERY JOB
9. Institute Job Check-Out Codes in Workflow Closeout ticket to assure (and document) tech to service manager communication and accountability.

Burden to Baseline - Field/Technician Work

Burden to Baseline - Field/Technician Deliverable Work

This is the core of the technician hour solution. **Technicians work the budgeted hours for every job**. If scoped work is complete before the budget is exhausted, the tech uses remaining time productively: inspecting additional units, changing filters, documenting defects with photos, and generating leads for future quotes. Read: FIND NEW WORK!

If work requires more time than budgeted, the tech communicates immediately to the SM and Dispatch for an NTE increase. In both cases, the tech reports honestly. If a tech cannot complete because parts are needed, they complete the diagnostic, communicate findings to the quoting team same-day, and Dispatch schedules the return trip once parts are procured.

At Baseline	Below Baseline	Owner
Actual hours match budgeted hours within +/- 10% on rolling basis. Early completions: tech uses time for value-added activities and documents them. Overages: tech completes job, reports actual time, NTE increase requested. Parts-needed: diagnostic findings submitted to quoting team same-day. All time reported honestly and immediately.	Techs clock out early. Overages hidden. Idle time unproductive. Time reporting inaccurate. Diagnostic findings delayed, causing late quotes and return trip delays.	Service Manager / Field Supervisors

Action Steps:

1. Train all techs on Balance to Baseline with specific emphasis: no early clock-outs, value-added activity protocol, NTE awareness, same-day diagnostic reporting.
2. Create value-added activity checklist: unit inspections, filter audits, condenser assessments, thermostat evaluations, refrigerant level checks, belt inspections, defect documentation with photos.
3. Add end time to jobs, clock in the app and update deviances in the real-time time clock tracking section of FASNext mobile app. Always visible to Dispatch and SMs.
4. Implement Tech Check-out Code in workflows AND when a quote is requested
5. Hold weekly team meetings reviewing hours-to-budget by tech and job type.
6. Recognize techs who consistently report accurately and generate valuable defect findings from early-completion times.

Buy to Baseline - Parts Procurement & Truck Stock

Buy to Baseline - Parts Procurement, Kit Fulfillment & Truck Stock

Parts procurement is one of the most critical bottlenecks in commercial HVAC and deserves major attention. When a tech diagnoses a failure and cannot complete the job, the clock starts ticking. The tech submits findings same-day. The quoting team builds a quote from the Parts Kit (or creates a custom quote). The quote is submitted to the customer portal. Once approved, purchasing must order the parts from a regional distributor near the tech, confirm availability and delivery/pickup date, and notify Dispatch so the return trip can be scheduled.

Every day a job sits waiting for parts is a day of delayed revenue and a day the customer's portal shows an open work order, which hurts our vendor scorecard. Purchasing is centralized but buys regionally, sourcing from distributors local to the zone so the tech can pick up parts and get back to the job fast. Truck stock is a separate but related baseline.

Every FAS truck carries approximately $90,000 in parts inventory. When a new tech is onboarded, their truck must be stocked before first solo dispatch. Techs are responsible for maintaining truck stock levels, billing out truck stock items used on jobs, and replenishing from distributors. Truck stock audits are a quarterly baseline.

Most critically, an auditor role who reviews and signs off on every part purchase. Was it received, was it paid for, was it billed, did we get paid. We need to lock down on every single part purchase and audit it to completion. Seed to Sale – every step tracked.

At Baseline	Below Baseline	Owner
Parts ordered within 4 business hours of customer approval. Distributor confirmation of availability within same day. Parts available for tech pickup within 24-48 hours depending on item. Return trip scheduled within 24 hours of parts availability. Truck stock loaded and verified for all new hires before first solo dispatch. Truck stock audit completed quarterly with variance below 5%. Parts cost actual vs. quoted within +/- 5%. Audit proves 98% parts purchased are billed.	Parts ordering delayed more than 24 hours after approval. No confirmation of availability before scheduling return trip. Tech shows up and parts are not ready. Truck stock not prepped for new hires. Truck stock unaudited, leading to missing inventory and unbilled parts. Parts cost variance exceeds 10%. < 95% invoice to purchase metric from the auditors.	Purchasing Manager Team / Zone Coordinators

Action Steps:

1. Centralize the purchasing function but organize by zone. Each zone has a purchasing coordinator who knows the local distributors, lead times, and pickup locations.
2. When a quote is approved on the customer portal, purchasing is notified within 1 hour. Purchasing identifies the Kit or custom parts list, contacts the zone-appropriate distributor, confirms availability, and places the order within 4 business hours.
3. Track parts procurement cycle time: approval to order, order to availability, availability to tech pickup, pickup to return visit. Report weekly by zone.
4. Establish preferred distributor agreements in each zone geography with negotiated pricing, same-day/next-day availability for common items, and will-call pickup locations convenient to tech routes.
5. Maintain and continuously build the Parts Kit library. Every custom quote that recurs becomes a Kit. Cross-reference Kits to the flat-rate Jobs Book so quoting and purchasing use the same parts data.
6. For truck stock: define the standard truck stock list (top 50-100 most common parts by zone). Load and verify for every new hire before first solo dispatch. Cost: approximately $90,000 per truck.
7. Implement truck stock billing discipline: every truck stock item used on a job is recorded and billed. Replenishment orders are placed weekly based on usage.
8. Conduct quarterly truck stock audits. Variance between expected inventory and actual inventory must be below 5%. Variance above 5% triggers an investigation.
9. Track parts cost vs. quoted cost by job and by Kit. Use data to negotiate better distributor pricing and to refine Kit pricing accuracy.
10. Develop Part Auditor role and hire. Every PO in ESC gets pushed into a queue on the portal or Zendesk and they have to reconcile every step of purchase, receipt/delivery, installation, invoice and payment. They are recording the times they see each activity. This is a double-check against the technician times and ESC times. A total audit role for every part. It may take a few offshore helpers, but it will pay for itself in spades.

Build to Baseline - Installations & Projects

Build to Baseline - Installations & Projects (Burton, etc.)

Installations or site assessment projects are larger-scope work with complex budgets, longer timelines, permits and higher stakes.

Build to Baseline means every project has a detailed plan with milestones, labor budgets by phase, materials procurement schedules, and quality checkpoints.

Project managers manage to the plan. Change orders are documented, approved through the portal, and budgeted before work proceeds.

At Baseline	Below Baseline	Owner
Every project has a written plan with labor budgets by phase, materials schedule, and milestones. Permits Handled. Weekly status reviews compare actual to plan. Projects complete within +/- 5% of budget. Punch list items resolved within 5 business days. Change orders documented and portal-approved.	Projects managed informally. Status reviews ad hoc. Projects exceed budget by 15%+. Punch lists drag. Change orders verbal or undocumented. License or permit violations/fines.	Project Manager

Action Steps:

1. Develop standard project plan template: scope, labor budget by phase, materials schedule (with Kit references), milestones, quality checkpoints, risk items.
2. Weekly project status meetings comparing actual to planned hours and materials.
3. Change order procedure: scope change requires documentation, portal approval, and budget adjustment before work proceeds.
4. Track project profitability in real-time. Escalate projects trending 10%+ over budget immediately.
5. Post-project review on every job above threshold to capture lessons and update flat-rate books.
6. Develop Permit tracking process for each job or quote. Add into FASnext to manage.

Breach to Baseline - Service Callbacks

Breach to Baseline - Service Callbacks

Callbacks kill us financially and reputationally. A callback is a breach. It means we did not deliver the expected outcome on the first visit. In the portal world, callbacks show up on our vendor scorecard and directly impact our standing with property management clients.   In the real world, people think we suck. There's no excuse for this. We'd rather you show up late if need or run over and we eat the cost – if we don't have to ever come back for this issue or anything related to it we should have foreseen.

Breach to Baseline means every callback is tracked, root-caused, and corrected. Callbacks are process defects, not character flaws. But they are never ignored.

At Baseline	Below Baseline	Owner
Callback rate below 5%. Every callback documented with root cause within 48 hours. Repeat callbacks trigger SM ride-along. Callback data reviewed monthly and used to update SOPs, training, and Kits.	Callbacks not tracked. No root cause analysis. Same issues recur. Callbacks treated as routine. Vendor scorecards decline.	Service Manager / Quality Lead

Action Steps:

1. Define callback criteria (return for same issue within 30 days).
2. Implement tracking with mandatory root cause coding: diagnostic error, parts failure, incomplete scope, customer miscommunication, equipment access issue.
3. Review callback data weekly in service meetings.
4. For patterns: update SOP, add training, or revise the Kit/flat-rate book for that job type.
5. Track callback rate as a key tech benchmark and vendor scorecard metric.

Bottleneck to Baseline - Workflow Optimization

Bottleneck to Baseline - Workflow Optimization

Not FAS App Workflows. The working flow of every employee’s day.

Every process has potential bottlenecks. Quotes stuck in review. Parts not arriving before the return trip. Portal updates lagging. Invoices delayed because close-out paperwork is incomplete. We take our SOPs, arrange them as workflows, and we look at where the system is clogging. This is either a new role, or a deliberate, scheduled and critical role of each office’s Operations Manager. Blake, Dakota, Austin.

The baseline is smooth, uninterrupted flow from portal acceptance to cash collection. In a four-zone, 200-tech operation, even small bottlenecks multiply into real revenue drag.

At Baseline	Below Baseline	Owner
Key workflows mapped with cycle times. Bottlenecks identified and addressed within one business cycle. Workflow cycle times meet targets: portal acceptance within SLA, quote within 24-48 hours, parts procured within 48 hours, return trip within 72 hours of parts availability, invoice within 48 hours of job close.	Workflows unmapped. Bottlenecks known anecdotally. Work regularly stuck at same points. No systematic approach to constraint resolution.	Operations Manager

Action Steps:

1. Map end-to-end workflow: portal receipt to cash collection with cycle times at each stage.
2. Identify top 3 bottlenecks by revenue impact.
3. Fix top bottleneck immediately and measure improvement.
4. Review workflow metrFAS weekly. Maintain running constraint list by zone.
5. Establish monthly "bottleneck of the month" focus across all zones.

PILLAR 4: BILLING

Collect - Invoicing, Cash Flow & Cost Control

The Billing Pillar is where planning becomes revenue. "*Taking money from their bank account and putting it in ours*." - Steve Hoxsie

All effort in the first three pillars is wasted if we cannot collect. FAS's single biggest operational failure has been getting paid, not because customers are unwilling, but because discrepancies between portal approvals, work performed, and invoices create disputes. Balance to Baseline eliminates discrepancies by ensuring the invoice is a clean reflection of portal-approved work performed to budget.

Bill to Baseline - Invoicing

Bill to Baseline - Invoicing

Every invoice matches the portal-approved NTE exactly. If the job ran over, we absorb it (and log the data). If the job ran under, we bill the full approved amount (the tech worked the hours and delivered value). Invoices go out within 48 hours of job completion, through the customer portal where required, with all supporting documentation attached. For property management clients, invoices must include PO numbers, approved NTE documentation, scope descriptions matching the portal work order, and any required photos or completion certificates.

At Baseline	Below Baseline	Owner
Invoices sent within 72 hours of job close. 100% match portal-approved amount. Include PO, approvals, scope, photos. Invoice error rate below 2%. Portal-submitted invoices match portal format requirements.	Invoices delayed 5+ business days. Amounts mismatch approvals. Missing documentation. Error rate above 5%. Portal invoice format rejected.	Office Manager / Billing Coordinator

Action Steps:

1. Establish 72-hour invoice turnaround SLA from job close-out – but with 100% accuracy.
2. Build invoice checklist: NTE amount matches, portal approval attached, PO included, scope matches portal work order, photos attached, tax and terms correct.
3. For portals, verify invoice format meets their submission requirements before sending.
4. Automate invoice generation from job records where possible.
5. Track days from job completion to invoice sent weekly. Track dispute rate by cause.

Bank to Baseline - Cash Flow

Bank to Baseline - Cash Flow

Cash flow is the lifeblood. Bank to Baseline means a predictable, managed cash cycle. DSO is tracked, collections follow a defined process, and cash reserves meet minimums.

With 135+ techs and $50-90K truck stock per truck, FAS has significant capital deployed. Cash must cycle efficiently. We can't always tap Richard or our line and we cannot be shut down on credit lines at our vendors. That's morale killing more than anything else a business can demonstrate to it's technicians.

At Baseline	Below Baseline	Owner
DSO at or below 45 days. Collections structured: reminder at 30, call at 45, formal notice at 60, escalation at 90. Cash reserves cover 30 days of operating expenses. Weekly cash flow forecast maintained.	DSO exceeds 60 days. Collections ad hoc. Cash reserves insufficient. No forecasting.	Controller / Office Manager

Action Steps:

1. Implement structured collections calendar with automated reminders.
2. Review aging report weekly in leadership meeting. Assign follow-up for invoices over 45 days.
3. Set minimum cash reserve target (30 days operating expenses) and monitor weekly.
4. Maintain rolling 13-week cash flow forecast updated every Monday.
5. Analyze DSO by customer. Adjust terms or require deposits for slow payers.

Burn to Baseline - Cost Control

Burn to Baseline - Cost Control

Every cost category has a budget. Labor, materials, vehicles, insurance, overhead, truck stock replenishment, distributor accounts, training, and marketing. We do not overspend and we do not under-invest in revenue-driving areas.

Cost control is precision, not austerity.

At Baseline	Below Baseline	Owner
Monthly expenses within +/- 5% of budget by category. Expenditures above threshold require approval. Vendor contracts reviewed annually. Labor cost per revenue dollar tracked. Truck stock replenishment costs tracked against parts billing.	Expenses regularly exceed budget. Spending uncontrolled. Vendors auto-renewed without review. Truck stock costs unknown.	Controller / GM

Action Steps:

1. Set expense budgets by category aligned to annual plan.
2. Define spending approval thresholds by role.
3. Review monthly expenses vs. budget in leadership meeting.
4. Audit vendor and distributor contracts annually. Re-bid top 5 by spend.
5. Track truck stock replenishment cost vs. parts billed out to ensure margin.

PILLAR 5: BETTERMENT

Improve - Defect Resolution, Training, Culture, Retention & Incentives

The Betterment Pillar makes Balance to Baseline *a living system*.

Betterment uses the data collected from operating at baseline to continuously refine baselines. It also owns the human side: developing skills, maintaining culture, retaining good people, and aligning incentives so everyone benefits when the company operates in balance.

Bug to Baseline - Process Defects

The Good Catch Principle

There is a company in York, Pennsylvania called I.B. Abel, a 110-year-old electrical contractor with over 600 employees. Since 2010, they have reduced their OSHA incident rates by 400%, nearly eliminated lost-time injuries, achieved a 0.00 Days Away Restricted Time (DART) rate, and maintain a 0.91 Total Recordable Incident Rate, all while tripling their workload and growing their company by 500%. They are one of the safest contractors in America. **And they did it by never blaming an employee.**

I.B. Abel adopted a philosophy called Human Performance (HuP), built on principles that Balance to Baseline embraces as its own:

1. **People are fallible and even the best people make mistakes.**
2. **Error-likely situations are predictable, manageable, and preventable.**
3. **Individual behavior is influenced by organizational processes and values.**
4. **People achieve high levels of performance largely because of the encouragement and reinforcement received from leaders, peers, and subordinates.**

The key mechanism is their Good Catch program. Employees are rewarded, publicly and consistently, for reporting near-misses, process failures, and potential problems before they become incidents. There is no punishment for reporting. There is no blame for the person who surfaces the defect.

The person who finds the bug is a hero, because they just prevented something worse from happening. I.B. Abel shares Good Catch reports with customers, unions, and industry organizations. They celebrate them. They learn from them. And their DART rate is zero.

Bug to Baseline applies this exact philosophy to every process defect at FAS, not just job safety. A quote that consistently takes 4 days instead of 2 is a bug. Parts ordered from the wrong distributor zone is a bug. A portal update missed every Tuesday because the CSR is in a recurring meeting is a bug. A tech who discovers that the flat-rate book under-budgets a specific repair by 2 hours has found a bug.

These are not failures of people. They are failures of process. And the person who reports them is doing the company a service.

A healthy culture and company cannot allow arrogant nor assumptive leadership or behavior, no matter how hard it may be for the leader to believe “they know best” and “they call the shots.” **A healthy balanced company has curious leaders.** They seek to understand before they seek to be understood.

A healthy company has leaders who listen and empower the staff to run the business, they don’t assume they know best from their lifetime experiences, opinions and bias. A healthy and balanced company has leaders who when problems arise, take personal and immediate responsibility - seeing these first as issues as training or process gaps, not employee failings. They don’t shoot the messenger. They don’t bark orders or reactions to a problem without first asking others how they would approach solving it.

When FAS builds a culture where reporting defects is rewarded rather than punished, three things happen:

- First, defect volume goes up initially, because people start surfacing issues that were always there but hidden. This is good. It means the system is working.
- Second, defect resolution accelerates because leadership now has visibility into problems they never knew existed.
- Third, over time, defect volume trends downward because the root causes are being eliminated, and people are proud of the processes they own and improve. That is the I.B. Abel trajectory. That is the Bug to Baseline trajectory.

The rule is simple and absolute: we never blame the person who reports a defect. Ever. *We thank them. We recognize them. We fix the process.*

If a tech tells us they sat idle for 2 hours because the budget was too generous, that is valuable data, not a confession. If a dispatcher reports that a portal SLA was missed because the notification system is unreliable, that is a Good Catch. If a billing clerk notices that 15% of invoices for a specific customer are being rejected because of a formatting issue no one documented, that is a hero moment. **The messenger is never punished. The messenger is celebrated. The process gets fixed.**

Bug to Baseline - Process Defects & Good Catch Program

Bug to Baseline is FAS's adaptation of the Human Performance (HuP) philosophy that transformed I.B. Abel's safety culture.

Every employee at every level is empowered and incentivized to report process defects, near-misses, and inefficiencies without fear of blame. Reported defects are logged, assigned, resolved, and celebrated. Literally a KPI for employee reviews, how many defects did they report? Public reporting and upvoting would help tremendously.

The defect log is reviewed weekly in the leadership meeting. Patterns are identified. Root causes are eliminated. SOPs are updated. Flat-rate books are adjusted. The system gets better because people are honest about what is not working.

At Baseline	Below Baseline	Owner
Good Catch program is active and understood by all employees. Process defect log is maintained and reviewed weekly in leadership meeting. All reported bugs have an assigned owner and target resolution date. Resolved bugs are verified resolved (not just declared fixed). Monthly Good Catch recognition is given publicly. Defect count trends upward initially (good: visibility increasing) then downward over time (root causes eliminated). No employee has ever been punished for reporting a process defect. Zero tolerance for retaliation against reporters.	Process defects are not tracked or are only addressed when causing major problems. Same issues recur without root cause analysis. Employees hide problems for fear of blame. Management learns about process failures only after they cause customer complaints or financial impact. No Good Catch program. No recognition for reporting. Culture of silence or finger-pointing.	Operations Manager / All Leads / Every Employee

Action Steps:

1. Launch the Good Catch Program company-wide. Communicate the I.B. Abel story and the principle: the person who finds the bug is a hero. Frame this in the Balance to Baseline kickoff meeting.
2. Create a simple, accessible defect reporting system (mobile form, shared board, or internal app). Every employee can submit a report in under 2 minutes. Required fields: process area, description of defect, frequency, impact, and suggested fix (optional).
3. Establish the No-Blame Rule as a non-negotiable leadership commitment. Document it in the Code of Conduct (Behavior to Baseline). Train every manager on the rule. The

first time a manager punishes a reporter, leadership must intervene immediately and visibly.

4. Review the defect log weekly in the leadership meeting. Assign an owner and target resolution date for every new report. Follow up on open items. Escalate items older than 30 days.
5. Implement monthly Good Catch Recognition: publicly recognize the top 3-5 defect reports each month. Criteria: impact of the defect identified, quality of the report, and whether the fix improved a baseline metric. Recognition can be verbal in team meetings, written in company communications, or tied to a small reward (gift card, preferred parking, extra PTO hour).
6. Track metrFAS: total defects reported (should increase initially then stabilize), time-to-resolution, resolution verification rate, defect count by category (quoting, dispatch, portal, field, billing, parts, HR), and recurring vs. new defects.
7. Feed resolved defects into the SOP update cycle (Baseline to Baseline), the flat-rate book refinement process (Budget to Baseline), and the training program (Build-Up to Baseline). Every fixed bug makes the system better.
8. Share Good Catch stories across zones. When a dispatcher in Dallas catches a portal integration error that would have caused SLA penalties for 30 jobs, every zone should hear about it. Celebrate publicly. Build the culture.
9. Quarterly: analyze defect trends. Are the same categories recurring? That means root causes are not being addressed. Are new categories emerging? That may mean growth is creating new process gaps. Adjust baselines, SOPs, and training accordingly.
10. Annually: present the Good Catch Program results to the entire company. Total defects caught. Total revenue protected. Total process improvements made. Connect the dots between employee reporting and company performance. This is how you build a culture where people take ownership of quality.

Breakdown to Baseline - Incident & Failure Recovery

Breakdown to Baseline - Incident & Failure Recovery

Breakdowns are major failures: a customer's freezer system is down for 48 hours, a project blows budget by 50%, a safety incident occurs, an employee has an workmans comp accident. A truck is in a wreck.

Breakdown to Baseline means defined response protocols, rapid execution, and thorough post-incident reviews.

At Baseline	Below Baseline	Owner
Response protocols documented for top failure scenarios. Response meets SLAs. Post-incident reviews within 5 business days. Corrective actions tracked to completion.	No defined protocols. Response ad hoc. No post-incident reviews. Same incidents recur.	Service Manager / GM

Action Steps:

1. Define top 10 incident scenarios with response protocols.
2. Assign on-call escalation contacts by zone.
3. Formal post-incident review for every significant event.
4. Track incident frequency and type for pattern identification.
5. Use incident data to update SOPs, training, and preventive maintenance.
6. Review our Injury Flow on the portal, document all follow-up steps & activities to follow.

Build-Up to Baseline - Training & Skills

Build-Up to Baseline - Training & Skills Development

Skills are the engine. Every employee has a defined skill set, a training plan to close gaps, and ongoing development. Training is budgeted, scheduled, and tracked.

With 135 techs scaling to 200, training infrastructure must scale proportionally.

New techs must be trained on Balance to Baseline philosophy, SOPs, portal procedures, flat-rate expectations, truck stock management, and technical competencies before first solo dispatch.

At Baseline	Below Baseline	Owner
Skills matrix defined by role. Individual development plans reviewed semi-annually. Training hours meet minimum (40 hrs/year per tech). Certifications current (EPA 608, NATE, etc.). New equipment training completed before field deployment. Balance to Baseline training in first week of onboarding. Hydrofluorocarbon recapture/compliance reporting accurate and compliant.	No skills matrix. Training reactive. Certifications lapse. Techs encounter unfamiliar equipment unprepared. New hires not trained on philosophy.	Service Manager / HR / GM per office

Action Steps:

1. Build skills matrix by role with required competencies and certifications.
2. Assess all employees against matrix. Identify gaps by zone.
3. Create individual development plans with specific goals and timelines.
4. Budget training hours and dollars annually (include in Blueprint budget).
5. Partner with manufacturers, distributors, and trade organizations for training.
6. Include Balance to Baseline philosophy training in onboarding for every role.

Behavior to Baseline - Culture & Conduct

A Culture of AND

Steve Hoxie proffered a concept that captures the behavioral standard of Balance to Baseline better than any policy manual ever could: the Culture of AND. If taken seriously and adopted by every single employee, it will be life and business changing.

AND is the difference between a good employee and a great one. It is the difference between meeting the baseline and making the baseline better for everyone. AND means: I did what was asked **... AND** I did this too. I was proactive. I thought ahead. I anticipated a problem. I prevented a callback. I left it better than I found it.

A technician completes the PM on all 10 rooftop units, documents everything, works the budgeted hours. That is baseline. But then: AND. They noticed the condenser coil on unit 7 is deteriorating. They took a photo, noted the model and serial, and submitted a defect finding to the quoting team. That AND just generated a future revenue opportunity and prevented a mid-summer breakdown for the customer. That is the Culture of AND.

A dispatcher schedules tomorrow’s jobs and updates all the portals on time. Baseline. AND. They noticed that the last job of the day is 45 minutes from the tech’s home, so they rearranged the route to put the closest-to-home job last. That AND just gave a technician an extra 45 minutes with their family. That is the Culture of AND.

A Service Manager reviews a tech’s job report. Complete, accurate, on time. Baseline. AND the SM asks: “And? What else did you see? What else did you find? Tell me what you think, in the best interest of the customer.” That question, asked every time, trains the entire team to think AND. It becomes instinct. It becomes culture.

AND is not about doing more than the baseline. It is about doing the baseline with your eyes open, your brain engaged, and your instincts active. AND is the proactive layer on top of the baseline. The baseline is the floor. AND is what makes us excellent. Everyone, in every role, at every level, should be thinking AND:

1. **Tech:** I completed the job AND inspected the adjacent units AND documented a deficiency AND submitted findings same-day.
2. **Dispatcher:** I scheduled the jobs AND optimized the route AND got the last stop closer to home AND updated the portal ahead of the SLA.
3. **CSR:** I accepted the work order AND confirmed the NTE AND flagged that this customer’s portal requires photos with close-out AND noted it in the job record for the tech.

4. **Service Manager:** I reviewed the callback AND identified the root cause AND updated the SOP AND scheduled a training session for the team.
5. **Purchasing:** I ordered the parts AND confirmed availability AND notified dispatch AND checked if we should add this to a Kit for next time.
6. **Leadership:** I reviewed the numbers AND shared them transparently AND acknowledged the team that hit baseline AND addressed the bottleneck that held back the team that didn't.

The Morning Huddle: 7:00 AM – 7:30 AM, Every Day, Everyone Welcome

Every morning at 7:00 AM, FAS holds an open radio call or virtual meet-up. Thirty minutes. Anyone can join. Techs driving to their first job. Dispatchers setting up the day. Service Managers reviewing schedules. Zone Managers checking in. Leadership listening.

The morning huddle is not a status meeting. It is a culture moment. It is where AND lives in real time:

1. **Good Catches from yesterday:** Did anyone find a bug? Report a near-miss? Catch a process defect? Call it out. Celebrate it. The person who found the bug is the hero.
2. **ANDs from yesterday:** Did a tech find a deficiency? Did a dispatcher save someone drive time? Did purchasing turn around a parts order in record time? Share it. One minute. Reinforce the behavior.
3. **Heads-up for today:** Any jobs that are tricky? Any NTE situations to watch? Any portal deadlines that are tight? Any parts pickups that need coordination? Give your teammates the information they need to succeed.
4. **Ask for help:** Stuck on something? Need advice? Not sure how to handle a situation? The huddle is a safe space. No judgment. Just teammates helping teammates.
5. **Tell a joke:** Two techs are elected jokers of the day for tomorrow. Each is responsible for a joke or to tell a funny or stupid story.
6.

The huddle is optional in attendance but mandatory in spirit. Nobody is penalized for missing it. But the people who show up consistently will be the people who embody the Culture of AND, because they start every day connected to their team, informed about what matters, and reminded that FAS rewards the people who think ahead.

The Three Cultural Pillars of Behavior

Behavior to Baseline rests on three cultural commitments that reinforce each other:

1. The Culture of AND - I did my job, AND I was proactive. I thought ahead. I left it better than I found it. Service Managers ask "AND?" after every report. Employees internalize AND as instinct.

2. The Good Catch Program - Adapted from I.B. Abel's Human Performance philosophy. We never blame the person who reports a defect. The messenger is celebrated, not punished. People are fallible. Processes are fixable. The person who finds the bug is the hero. (See Bug to Baseline for the full program.)

3. The Morning Huddle - 7:00 AM, every day, 30 minutes, open to everyone. Good Catches, ANDs, heads-up, and help. It is the daily ritual that keeps the culture alive and connected across four regions and 200 technicians.

Behavior to Baseline - Culture & Conduct

Culture is how people behave when no one is watching.

Behavior to Baseline means a Culture of AND: every employee does what is asked and thinks one step further.

It means a Good Catch culture where reporting problems is rewarded, not punished. It means honest time reporting, proactive communication, mutual respect, and pride in the work. It means starting every day with a team huddle that reinforces these values before the first wrench turns.

We do not want people gaming the system but we can recognize where they will even inadvertently, and we baseline for it and understand WHY they are to re-baseline.

We want people who report early completions honestly so we can tighten baselines, lower quotes, win more work, and pack schedules. We want people who find deficiencies and document them because they are thinking about the customer, not just the clock. **We want AND.**

At Baseline	Below Baseline	Owner
Code of conduct documented and signed annually, with AND Culture and Good Catch principles as core elements. Customer interaction standards defined and observed. Internal communication respectful. Issues raised constructively.	No conduct standards. No AND culture. Customer complaints about behavior. Internal conflicts unresolved. Culture of gaming, hiding, or blame. Morning huddle not happening. Service Managers accept bare-minimum reports without asking AND.	GM / All Managers / Steve Hoxie (AND Culture Champion)

Time reporting honest and trusted. Notes added to thumbs up and down. Morning huddle active with consistent participation. Service Managers routinely ask “AND?” after every job report. Good Catch reports recognized monthly. AND behaviors recognized in performance reviews and bonus attainment.	Defects hidden rather than reported.	

Action Steps:

1. Develop written code of conduct with the Culture of AND, Good Catch principles, and Morning Huddle as the three cultural pillars. Review with all employees annually with signed acknowledgment.
2. Train every Service Manager to ask “AND?” after every tech report. What else did you see? What else did you find? What do you think, in the best interest of the customer? *This single question changes behavior across the company.*
3. Launch the Morning Huddle at 7:00 AM daily. Start with leadership and SMs. Keep it to 30 minutes. Rotate who leads. Make it easy, valuable, and consistent. Publish a simple agenda: Good Catches, ANDs, heads-up, ask for help.
4. Integrate AND behaviors into performance reviews: proactive deficiency documentation, route optimization suggestions, portal accuracy improvements, cross-team communication, and any action that demonstrates thinking beyond the minimum.
5. Reinforce the Good Catch / No-Blame rule in every leadership interaction. When an employee reports a problem, the first response from any manager must always be “Thank you.” Never “Why did this happen?” or “Who caused this?” The process caused it. We fix the process.
6. Recognize AND behaviors monthly alongside Good Catches. Create an “AND of the Month” recognition per zone: the proactive action that had the biggest impact on a customer, a teammate, or a baseline metric.
7. Lead by example. Leadership AND: share the numbers transparently AND explain what they mean. Acknowledge good work AND address obstacles. Hold people accountable AND provide the support they need to succeed. Managers who model AND create teams that live AND.
8. Track cultural health: Morning Huddle participation rates, Good Catch submission volume, AND recognition frequency, and employee engagement survey scores. Culture is measurable. Measure it.

Belonging to Baseline - Team Morale & Retention

Belonging to Baseline - Team Morale & Retention

People stay where they belong. Belonging to Baseline means employees feel valued, heard, and connected to the mission.

Balanced lives produce balanced work. Predictable schedules, achievable baselines, fair compensation, and shared success create loyalty.

With the labor market for skilled HVAC techs being fiercely competitive, retention is not optional; it is survival.

At Baseline	Below Baseline	Owner
Employee engagement surveyed annually. Voluntary turnover below industry average. Regular recognition tied to baseline attainment. Meaningful monthly one-on-ones. Work-life balance respected. Predictable schedules.	No engagement measurement. High turnover. No recognition. No one-on-ones. Burnout and uncertainty.	HR / All Managers

Action Steps:

1. Annual engagement survey with results shared transparently.
2. Monthly recognition tied to baseline attainment (not heroFAS).
3. Meaningful monthly one-on-ones focused on employee goals and development.
4. Track voluntary turnover with exit interviews for every departure.
5. Design predictable schedules. Balance to Baseline means work-life balance too.
6. Show scorecards and balances earned to be at baseline.
7. Send new shirts, hoodies, and hats, and quality swag to the team, regularly.
8. Hold monthly all-hands zooms again – no silos of offices for real connection.

Bonus to Baseline - Incentives & Compensation

This is the lynchpin that aligns individual behavior with company philosophy. **We reward people for meeting baselines, not for exceeding them.** The incentive structure eliminates sandbagging and corner-cutting.

When the company meets its budgets, everyone benefits. When it does not, we adjust baselines, not people. Bonuses are quarterly or semi-annually, based on measurable baseline attainment. Show the “bank” earned for hitting baseline metrFAS, earning cash on a dashboard that grows (or shrinks) but that everyone sees and knows is coming.

The principle: we do not get wildly profitable beyond budgets. **We meet the budget.** We bonus every employee for meeting it, not exceeding it. If we fall short, we balance the bids and budgets to get realistic. If managers see techs consistently idle, they tighten job hours so we can quote lower, win more work, and pack schedules.

The savings flow into competitive pricing and employee bonuses. Everyone wins when the system is in balance.

Baseline Incentive MetrFAS by Role

The following tables define suggested key baseline metrFAS for each role category. The "Target" column is to be filled in by FAS leadership during implementation. These targets become the bonus attainment thresholds.

Here are suggestions I have for metrFAS to begin discussion. I suggest we accumulate scores during the year, like a bank balance, and pay out bonuses based on baseline conformity twice a year so it’s meaningful dollars and they have time to identify problems (let the process work), improve and heal.

Technicians

Baseline Metric	Target (TBD)
Billable Hours to Budget (actual vs. budgeted hours per job)	Within +/- ___% on rolling 90 days
Utilization Rate (billable hours / available hours)	___% (target: 85%)
First-Time Fix Rate	___% (target: 90%+)
Callback Rate	Below ___% (target: <5%)
Same-Day Diagnostic Submission (for parts-needed jobs)	___% compliance (target: 100%)
Value-Added Activity Documentation (when finishing early)	___% compliance (target: 100%)
Truck Stock Accuracy (quarterly audit variance)	Below ___% variance (target: <5%)
Honest Time Reporting (no early clock-outs, accurate entries)	___% compliance (target: 100%)
Customer Satisfaction / Complaint Rate	Score ___ or above / Complaints below ___

Dispatchers / Customer Service Representatives

Baseline Metric	Target (TBD)
Portal Job Acceptance within SLA	___% compliance (target: 98%+)
Portal Status Update Timeliness (within 30 min of event)	___% compliance (target: 95%+)
NTE Increase Request Turnaround (within 1 hour of tech notification)	___% compliance (target: 95%+)
Technician Utilization (scheduled billable / available)	Zone average ___% (target: 85%)
Schedule Accuracy (jobs dispatched on-time vs. planned)	___% (target: 90%+)
Work Order Close-Out Timeliness (within 24 hours of completion)	___% compliance (target: 95%+)

Service Managers (Field)

Baseline Metric	Target (TBD)
Team Utilization Rate (average of assigned techs)	___% (target: 85%)
Team Hours-to-Budget Accuracy (actual vs. budgeted)	Within +/- ___%
Team Callback Rate	Below ___%
Quote Accuracy (flat-rate vs. actual for team's jobs)	Within +/- ___%
Employee Retention (team voluntary turnover)	Below ___% annually
Truck Stock Audit Compliance (quarterly, all assigned techs)	___% of audits complete, <5% variance
Training Completion (team training hours met)	___% (target: 100%)

Zone Managers

Baseline Metric	Target (TBD)
Zone Revenue to Budget	Within +/- ___%
Zone Gross Margin to Budget	Within +/- ___%
Zone DSO (Days Sales Outstanding)	___ days (target: <45)
Zone Portal SLA Compliance (across all customers)	___% (target: 95%+)
Zone Callback Rate	Below ___%
Zone Staffing to Plan	Within +/- ___ headcount of budget
Zone Voluntary Turnover	Below ___% annually
Zone Baseline Attainment (composite score across all pillars)	___% of baselines met

Quoting / Estimating Team

Baseline Metric	Target (TBD)
Quote Turnaround (24hr emergency, 48hr standard)	___% within SLA (target: 95%+)
Quote Accuracy (budgeted hours vs. actual, 90-day rolling)	Within +/- ___%
Parts Kit Usage Rate (% of quotes using Kits vs. custom)	___% (increasing over time)
Quote-to-Win Rate	___%
Portal Quote Submission Timeliness	___% submitted within 24 hours of tech diagnostic

Purchasing Team

Baseline Metric	Target (TBD)
Order Placement (within 4 business hours of customer approval)	___% compliance (target: 95%+)
Parts Availability Confirmation (same day of order)	___% (target: 90%+)
Parts Cost vs. Quoted Cost	Within +/- ___%
Preferred Vendor Utilization (% of spend through preferred)	___% (target: 80%+)
New Kit Creation Rate (custom jobs converted to Kits)	___ new Kits per quarter

Billing / Collections Team

Baseline Metric	Target (TBD)
Invoice Turnaround (within 48 hours of job close)	___% compliance (target: 95%+)
Invoice Accuracy (error/correction rate)	Below ___% (target: <2%)
DSO (Days Sales Outstanding)	___ days (target: <45)
Collection Rate (% of invoiced amount collected within 60 days)	___%
Dispute Resolution Time (average days to resolve)	___ days

HR / People Operations

Baseline Metric	Target (TBD)
Time-to-Fill Open Positions	___ days (target: <30)
Onboarding Checklist Completion (before first solo dispatch)	___% (target: 100%)
Payroll Error Rate	Below ___% (target: <0.5%)
Benefits Processing Timeliness (30 days ahead of effective)	___% compliance
Voluntary Turnover Rate (company-wide)	Below ___% annually
90-Day New Hire Retention	___% (target: 85%+)

How Bonuses Work: Bonuses are calculated quarterly based on the percentage of baseline metrFAS met. A composite baseline attainment score is calculated for each employee based on their role metrFAS above.

Employees meeting 90%+ of their baselines receive full bonus. Employees meeting 75-89% receive partial bonus. Below 75% receives no bonus but receives a development plan.

The company must also meet its overall budget baseline for the bonus pool to fund. This creates shared accountability: individual performance matters, but so does team and company performance. Everyone is in it together.

What about improvement? If over several quarters the data shows that 90% of techs are consistently meeting all baselines and bonuses are maxing out, that is a signal that the baselines may be too easy. We tighten them. If fewer than 50% of techs are meeting baselines, they may be unrealistic. We loosen them.

The system is self-calibrating through data, not through management opinion. Managers can tighten job hours if techs are consistently idle, which means we can quote less, charge less, win more work, pack more jobs, and keep everyone moving. The savings become competitive pricing advantage, predictable profits and cashflow and employees get bonuses. **The virtuous cycle.**

Implementation Roadmap

Adopting Balance to Baseline is a phased implementation across all zones simultaneously. The following 12-month plan builds momentum methodically.

Phase 1: Foundation (Months 1–3)

Focus: Build the budgeting infrastructure and core SOPs.

1. Build Flat-Rate Tasks Book for top 50 service types covering 80% of volume (PM Major/Minor, Spring/Fall, common Break/Fix diagnostFAS).
2. Build Flat-Rate Jobs Book for top 40-70 repair/install jobs with Parts Kits cross-referenced to regional distributors.
3. Document SOPs for: portal acceptance, quoting, NTE increases, dispatching, time tracking, parts ordering, invoicing, collections.
4. Create customer-specific portal SOPs for CBRE, Vixxo, Cushman & Wakefield, Public Storage, Dollar General/Fexa and written plans for each non-portal client
5. Implement technician time tracking protocol: no early clock-outs, value-added activity checklists, same-day diagnostic submissions. Update FASNext Tech App to display END TIME and stopwatch on the job.
6. Define standard truck stock list by zone. Begin loading trucks for any techs currently under-stocked.
7. Company-wide Balance to Baseline kickoff meeting (all zones, all roles).
8. Set up leadership dashboard with initial baseline metrFAS by zone and pillar.

Phase 2: Execution (Months 4–6)

Focus: Begin operating to baseline across all zones. Collect data.

1. All quotes built from flat-rate books. No exceptions without documented justification.
2. Digital customer approval and NTE mgmt. workflows live on all major customer portals.
3. Invoice turnaround SLA (48 hours from job close) enforced.
4. Portal update cadence enforced for all Dispatchers and CSRs.
5. Weekly leadership meetings follow five-pillar agenda with zone dashboards.
6. Individual baseline metrFAS communicated and tracked for all employees.
7. Parts procurement workflow live: approval triggers order within 4 hours, regional fulfillment, return trip scheduling.

Phase 3: Measurement (Months 7–9)

Focus: Analyze data, identify variance, adjust baselines.

1. First quarterly budget-to-actual review across all metrFAS and zones.
2. Flat-rate books updated based on 90 days of actual hours and parts data.
3. Parts Kit library expanded: convert recurring custom quotes to Kits.
4. Callback root cause analysis active and producing insights.
5. Process defect log running 60+ days with measurable resolution rate.
6. Bonus structure finalized and communicated for Q4 payout.
7. Truck stock audits completed for all techs. Variance data collected.

Phase 4: Optimization (Months 10–12)

Focus: Reward, refine, and embed the culture.

1. First quarterly bonuses paid based on baseline attainment.
2. Second baseline adjustment round based on accumulated data.
3. Employee engagement survey conducted.
4. Full 12-month budget-to-actual review with lessons learned by zone.
5. Year 2 baselines, budgets, and staffing plan set using Balance to Baseline methodology.
6. Growth plan from 135 to 200 techs refined with zone-specific ramp schedules and infrastructure requirements.

Pillar Workbooks: The Execution Engine

This document defines the philosophy, the pillars, and the baselines. The Pillar Workbooks are where the work gets done. Each workbook contains detailed task worksheets that walk employees through establishing every baseline defined in this document. There are 44 tasks across the five workbooks, each containing specific items to define, decisions to make, SOPs to document, and benchmarks to set.

The Employee-Up Principle: Every task worksheet is designed to be completed by the employee who owns the process, not by management. Management assigns the task, provides support, and reviews the output. But the person who does the work writes the SOP, defines the baseline, and presents it to their peers.

This ownership model is the engine that makes Balance to Baseline self-sustaining.

Workbook	Pillar / Focus Area	Tasks
WB1	BLUEPRINT (Plan): Flat-rate books, SOPs, leadership, staffing, KPIs	Tasks 1–12: Flat-Rate Tasks Book (PM & Break/Fix), Jobs Book & Kits, revenue targets, utilization, SOP master inventory, portal SOPs, leadership cadence, staffing plan, onboarding, payroll/benefits, KPIs by role
WB2	BID (Sell): Quoting, NTE, approvals, brand, reputation	Tasks 13–20: Quote template, turnaround SLAs, accuracy feedback loop, NTE management, approval workflow, brand guidelines, satisfaction tracking, marketing plan
WB3	BUSINESS (Execute): Scheduling, portal, field work, parts, projects	Tasks 21–30: Scheduling procedure, portal update cadence, time tracking protocol, value-added checklist, parts procurement, distributor agreements, truck stock, project planning, callback tracking, bottleneck mapping
WB4	BILLING (Collect): Invoicing, cash flow, cost control	Tasks 31–35: Invoice procedure, collections calendar, cash flow forecast, expense budgets, parts profitability
WB5	BETTERMENT (Improve): Defects, training, culture, bonuses	Tasks 36–44: Defect log, incident protocols, skills matrix, development plans, code of conduct, engagement survey, bonus structure, recognition, retention

Each task worksheet includes: a description of the baseline to establish, an ownership and assignment table (Process Owner employee, Reviewer/Manager, dates, status), a detailed Items to Define table with specific questions and a Baseline Value column to complete, a full SOP Documentation Framework (Purpose, Trigger, Inputs, Step-by-Step Procedure, Tools, Output, Handoff, Baseline Standard, Common Mistakes, Time Budget), and a notes section.

The workbooks are designed to be printed, handed to the assigned employee, completed, presented, and then maintained as living documents. FAS Management must refine the metrFAS and suggestions and documentation requests – building off all the suggestions put into this document and the Baseline Builder Workbooks to get started.

Balance to Baseline — BETTERMENT Pillar Workbook Interior Climate Solutions

TASK 36: Create Process Defect Log & Review Cadence

Build the system for employees at every level to report process defects without blame, and establish the weekly review and resolution cadence.

Process Owner (Employee)	*Name:* ____________________ *Role:* ____________________
Reviewer / Manager	*Name:* ____________________ *Role:* ____________________
Date Assigned	____/____/________
Target Completion	____/____/________
Status	◻ *Not Started* ◻ *In Progress* ◻ *Draft Complete* ◻ *Reviewed* ◻ *Approved*

Items to Define, Decide, or Document:

#	Question / Item to Define	Baseline Value / Decision
1	What tool will be used for the defect log (spreadsheet, project board, internal app)?	
2	Who can submit a defect report (everyone — no restrictions)?	
3	What information is required for a defect report (process name, description of defect, frequency, impact)?	
4	How are defects prioritized (revenue impact, customer impact	

The Balance to Baseline Pledges

Every member of FRANKLIN AIR SOLUTIONS commits to the following principles:

I will plan my work and work my plan.

I will meet my baselines. Not more. Not less. In balance.

I will report honestly so our data makes us better.

I will never hide a problem. The person who finds the bug is the hero.

I will use my time to create value, even when the primary work is done

I will communicate immediately when I need more time, parts, or more help.

I will treat my teammates, my customers, and myself with respect.

I will raise my hand when something is not working.

I will share in the success when we achieve balance together.

And FAS Ownership and Leadership commit to the following principles:

I will never blame the messenger. I will fix the process.

I will assume good intent, because even the best people make mistakes - and mistakes are how we find what to fix.

I will be transparent with our numbers, our plans, and our challenges - because you cannot hit a target you cannot see.

I will budget honestly, plan realistically, and never ask you to hit a number I would not bet my own paycheck on

I will never use technology to replace you. I will only ever use it to make your job easier and our company stronger.

I will protect your job when you protect our standards.

Balance to Baseline. Be In Balance.