BALANCE TO BASELINE

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BILLING PILLAR WORKBOOK

Collect - Invoicing, Cash Flow & Cost Control

Interior Climate Solutions

Meet the baseline. Not more. Not less.

Be In Balance.

The Balance to Baseline Approach

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 Employee-Up Principle: This workbook is built on a fundamental belief: the people who do the work are the best people to document the work. Management does not write your SOPs. YOU do. You are the expert in your process. You know the steps, the shortcuts, the pitfalls, and the nuances that no manager sitting in any other office could capture. **When you document your process, you own it**. When you own it, it’s hoped you’ll take pride in it. When you take pride in it, you improve it. That is Balance to Baseline.

How This Workbook Works

This workbook contains task worksheets for every baseline that must be established within the BILLING Pillar. For each task:

1. **A Process Owner is assigned.** This is the employee who currently performs or is closest to this work. They own the documentation.
2. **Items to Define are listed.** These are the specific decisions, metrics, values, or standards that must be established. Fill in the “Baseline Value / Decision” column.
3. **An SOP Framework is provided.** For every process, the owner documents the step-by-step procedure using the standard template. This becomes the official SOP.
4. **Management reviews and approves.** The owner presents their completed worksheet to peers and leadership. Feedback is incorporated. The SOP is published to the central repository.
5. **The owner maintains it forever.** When the process changes, the owner updates the SOP. Ownership can be transferred, but the principle remains: the person who does the work owns the documentation.

Completing a Task Worksheet

Step 1 - Read the task description. Understand what baseline needs to be established and why it matters to the business.

Step 2 - Fill in ownership. Management assigns the Process Owner (employee) and the Reviewer (manager). Set a target completion date.

Step 3 - Answer every question in the Items to Define table. Be specific. Write numbers, not feelings. “48 hours” not “quickly.” “85%” not “high.” If you don’t know the answer, write your best estimate and flag it for discussion.

Step 4 - Document the SOP. Using the framework provided, write the step-by-step process as if you were teaching a brand-new hire who has never done this before. If they can follow your steps and produce the right result, your SOP is good.

Step 5 - Present and get approved. Share your completed worksheet with your team and your manager. Accept feedback. Revise. Get the final sign-off. Your SOP is now official.

The BILLING Pillar: Collect - Invoicing, Cash Flow & Cost Control

The Billing Pillar is where planning becomes revenue. All effort in the first three pillars is wasted if we cannot collect for the work we have done.

ICS’s single biggest operational challenge 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 these discrepancies by ensuring the invoice is a clean, undisputable reflection of approved work performed to budget.

B-to-Baseline areas in this pillar:

- **Bill to Baseline:** Invoicing accuracy, turnaround, and portal compliance.
- **Bank to Baseline:** Cash flow management, DSO, and collections.
- **Burn to Baseline:** Cost control, expense budgets, and vendor management.

Task Index

#	Task	B-to-Baseline Area	Owner	Status
31	Standardize Invoice Procedure & 48-Hour SLA	Bill to Baseline		
32	Design Collections Calendar & Escalation Procedure	Bank to Baseline		
33	Build 13-Week Cash Flow Forecast	Bank to Baseline		
34	Set Expense Budgets by Category & Approval Thresholds	Burn to Baseline		
35	Track Truck Stock Margin & Parts Profitability	Burn to Baseline		

TASK 31: Standardize Invoice Procedure & 72-Hour SLA

Document the complete invoicing procedure from job close-out through invoice submission, including portal-specific requirements for each major customer.

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 is the invoice turnaround SLA (target: 72 hours from job close)?	
2	What is the invoice checklist (NTE match, PO number, approval attached, scope description, photos, tax, terms)?	
3	What is the invoice format for portal customers vs. direct-bill customers?	
4	How is the quoted/approved amount verified against the invoice amount before sending?	
5	What documentation must accompany the invoice (completion certificate, photos, approval)?	
6	What is the procedure when invoice information is incomplete (missing PO, missing approval)?	
7	How are invoice errors tracked (target error rate: <2%)?	
8	What system generates invoices and how is it integrated with job records?	
9	What is the procedure for credit memos or invoice corrections?	
10	Who reviews invoices before submission?	

SOP Documentation Framework:

The employee who owns this process documents it below. This becomes the official SOP. You do the work - you write the steps. Management supports, but YOU own it.

Process Name	
Purpose (Why does this process exist?)	
Trigger (What starts this process?)	
Inputs (What do you need before starting?)	
Step-by-Step Procedure	*1. 2. 3. 4. 5. 6. 7. 8.*
Tools / Systems Used	
Output (What is produced?)	
Handoff (Who gets it next?)	
Baseline Standard (How do we know it was done right?)	
Common Mistakes to Avoid	
Time Budget (How long should this take?)	

Notes / Additional Context:

TASK 32: Design Collections Calendar & Escalation Procedure

Create the structured collections process with defined touchpoints and escalation steps at each aging milestone.

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 is the first follow-up touchpoint after invoice (target: 30 days - friendly reminder)?	
2	What is the second touchpoint (target: 45 days - phone call)?	
3	What is the third touchpoint (target: 60 days - formal written notice)?	
4	What is the escalation trigger (target: 90 days - management involvement, potential legal)?	
5	Who owns each touchpoint (billing team, account manager, GM)?	
6	What is the target DSO (Days Sales Outstanding) (target: <45 days)?	
7	How is the aging report reviewed and by whom (weekly in leadership meeting)?	
8	What customer-specific payment terms exist and are they documented?	
9	What is the procedure for disputed invoices?	
10	How are slow-paying customers identified and what proactive measures are taken (deposits, adjusted terms)?	

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Handoff (Who gets it next?)	
Baseline Standard (How do we know it was done right?)	
Common Mistakes to Avoid	
Time Budget (How long should this take?)	

Notes / Additional Context:

TASK 33: Build 13-Week Cash Flow Forecast

Establish the rolling 13-week cash flow forecasting process to ensure ICS always has visibility into upcoming cash needs.

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	Who builds and maintains the 13-week forecast?	
2	What day of the week is the forecast updated (target: every Monday)?	
3	What cash inflows are included (customer payments by aging bucket, deposits, other)?	
4	What cash outflows are included (payroll, vendor payments, rent, insurance, truck stock, capital expenditures)?	
5	What is the minimum cash reserve target (target: 30 days of operating expenses)?	
6	What triggers a cash flow alert (reserve drops below minimum)?	
7	How is the forecast shared with leadership?	
8	What seasonal patterns affect cash flow (summer peak collections, winter slowdown)?	
9	How does the staffing ramp (135 to 200 techs) impact the cash forecast?	
10	What financing or credit lines are available for cash flow smoothing?	

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Baseline Standard (How do we know it was done right?)	
Common Mistakes to Avoid	
Time Budget (How long should this take?)	

Notes / Additional Context:

TASK 34: Set Expense Budgets by Category & Approval Thresholds

Define expense budgets for every cost category and the spending approval authority levels by role.

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 are the expense categories (labor, materials/parts, vehicles, fuel, insurance, rent, utilities, tools, training, marketing, IT, truck stock replenishment)?	
2	What is the annual budget for each category?	
3	What are the monthly budget targets for each category?	
4	What spending approval thresholds exist by role (tech: $?, SM: $?, Zone Manager: $?, GM: $?)?	
5	What expenses require pre-approval vs. expense-report approval?	
6	What is the variance threshold that triggers review (target: +/-5%)?	
7	How are expenses tracked vs. budget (monthly in leadership meeting)?	
8	What is the annual vendor/distributor contract review process?	
9	What is the procedure to request a budget increase for a category?	
10	How is labor cost as a percentage of revenue tracked and what is the target?	

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Time Budget (How long should this take?)	

Notes / Additional Context:

TASK 35: Track Truck Stock Margin & Parts Profitability

Establish the process for ensuring that parts billed to customers exceed the cost of truck stock replenishment and procured parts, maintaining margin targets.

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 is the target margin on parts (percentage markup over cost)?	
2	How is actual parts margin calculated (parts billed minus parts cost)?	
3	How frequently is parts margin reviewed (monthly)?	
4	What is the procedure when parts margin falls below target?	
5	How is truck stock replenishment cost compared to truck stock items billed out?	
6	What is the procedure for inventory shrinkage (truck stock items used but not billed)?	
7	How are parts pricing updates from distributors incorporated into Kit pricing?	
8	What is the annual parts spend and what percentage goes through preferred vendors?	
9	How is parts profitability tracked by zone?	
10	Who reviews parts margin data and takes corrective action?	

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