



BUSINESS
MANAGEMENT
SOFTWARE

MEASURE, MONITOR, IMPROVE YOUR BUSINESS PERFORMANCE

EPISODE 6

Mark Bradley, CEO- LMN Software



STRATEGIC PLANNING CYCLE



MEASURES & TARGETS

IF YOU CAN'T MEASURE IT,
YOU CAN'T IMPROVE IT

- PETER DRUCKER



MEASURE PERFORMANCE

- Very few areas of the business cannot be measured
- If you don't measure you don't care
- Keep it SIMPLE!!!
- Use **Key Performance Indicators** to make it automatic
- Develop Reports to create transparency

KEY PERFORMANCE INDICATORS - THE BASICS

- **Help companies understand how they are performing in relation to the goals and objectives**
- **Create a culture of awareness of goals and accountability in all areas of a company**
 - **KPI's are needed in every department of a company and are not always directly linked to numerical measures or financial in nature**
- **Allows managers and staff to communicate performance objectives in simple terms daily to share goals and objectives in a measurable view**

LINKING KPI'S WITH STRATEGY

- **Monitor today's progress vs. future plan**
- **Ensure you are on track to reach your goals set out in the strategic planning process**
- **Ensure that operational plans (estimates) are monitored and each project serves your plan**
- **Provides real time insight into daily, weekly, monthly and YTD company performance**

FINANCIAL KPI'S THAT DRIVE BONUS CALCULATIONS



marketing +
sales
& estimating



expenses



company
productivity



crew/project
profitability



customer
service



quality

"These KPI's answer the questions that keep you up at night"

EXAMPLES OF MARKETING KPI'S

- **Cost Per Lead (CPL)**
- **Cost Per Click (CPC)**
- **Cost of Acquisition (CAC)**
- **Spend as a Percentage of Revenue**
- **Budget vs. Actual Spend**

EXAMPLES OF SALES TEAM KPI'S

- **Budget vs. Actual Sales (YTD) and (MTD) company overall**
- **Budget vs. Actual Sales (YTD) and (MTD) by division**
- **Target vs. Actual Sales (YTD) and (MTD) for each Service by Sales Rep**
- **Change Orders - Percentage of project value**
- **Enhancement Sales - Monthly Target vs. Actual by Sales Rep**
- **Gross Profit Margin % of completed contracts vs. Target by Sales Rep**
- **Customer Turnover Rate - by Sales Rep**

EXAMPLES OF CREW & PROJECT JOB COSTING KPI'S

- **Estimated vs. Actual Hours**
- **Gross Profit vs. Actual**
- **Materials Estimated vs. Actual Spend**
- **Revenue per Man hour**
- **Revenue per Day**
- **Crew Revenue Monthly vs. Actual**
- **Crew Revenue Annual Target vs. Actual**
- **Enhancement Revenue/Crew**
- **Change Order Revenue/Crew**



JOB COSTING: KEEP IT SIMPLE

Task	Est	Act
Hardscaping	140 hrs	120 hrs
Planting	64 hrs	66 hrs

VS.

Task	Est	Act
Excavation	20 hrs	12 hrs
Base Installation	18 hrs	
Paver Installation	32 hrs	64 hrs
Sand & Sweeping	3 hrs	
Finishing	1.5 hrs	5 hrs
Bed Preparation	12 hrs	10 hrs
Shrub Planting	4 hrs	16 hrs
Perennial Planting	8.4 hrs	
Bed Mulching	3.4 hrs	



< Job

Actions ▾

Greg's Crew - Unproductive Time

Contact: [Kieran McArdle](#)

Job Info & Settings

Job Costing ▾

Overview

Scoreboard >

Timesheet Tracking

Materials & Equipment

Vendor Bills

Schedule

Invoicing



GREG'S CREW - UNPRODUCTIVE TIME > SCOREBOARD

Job Progress

88%

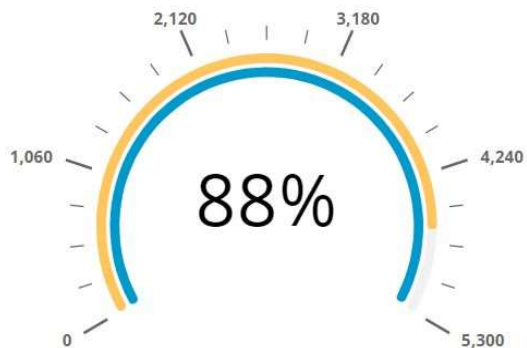
Progress

5280.00

Estimated Man Hrs

4660.20

Actual Man Hrs



Task	Status (Actual/Estimated)
Equipment Maintenance	Over Budget (357.95/180.00) man hrs
Meetings & Other	On Time (0.05/200.00) man hrs
Shop Load/Unload Time	On Time (1617.3/2200.00) man hrs
Driving Time	Getting Close (2684.9/2700.00) man hrs

Actions ▾

1309 Wilderness Trail-Backyard

Contact: [Mike Back](#)

Job Info & Settings

Job Costing ▾

Overview >

Scoreboard

Timesheet Tracking

Materials & Equipment

Vendor Bills

Schedule

Invoicing

Job Cost Overview

REVENUE <p>\$27,672 Est.: \$83,595</p>	<table border="1"> <tr> <th>NET PROFIT</th> <th>GROSS PROFIT</th> </tr> <tr> <td>-22% Est: 11%</td> <td>-\$6,086 Est: \$9,226</td> </tr> </table>	NET PROFIT	GROSS PROFIT	-22% Est: 11%	-\$6,086 Est: \$9,226	COST <p>\$19,149 - \$40,611 (-68%) Est: \$59,760</p>
NET PROFIT	GROSS PROFIT					
-22% Est: 11%	-\$6,086 Est: \$9,226					

Category	Estimate Qty	Actual Qty	Estimate	Actual
<div style="display: flex; align-items: center;"> ▾ 👤 Labor ↗ </div>	390h 48m	167h 2m	\$10,093.96	\$4,540.00
CATEGORY COSTS				
<div style="display: flex; align-items: center;"> > Cost Totals </div>	162h 48m	0h 00m	\$4,140.00	\$1,525.80
ITEM COSTS				
<div style="display: flex; align-items: center;"> ▾ Backyard Paver Patio ↗ </div>	90h 00m	72h 34m	\$2,288.70	\$1,984.22
<div style="display: flex; justify-content: space-between; border-bottom: 1px solid #ccc; padding-bottom: 5px;"> Actuals Estimated </div>				
<div style="display: flex; align-items: center;"> > Timesheet Entries (5) </div>		72h 34m		\$1,984.22
<div style="display: flex; align-items: center;"> > Side Walkway </div>	60h 00m	36h 33m	\$1,525.80	\$1,020.00
<div style="display: flex; align-items: center;"> > Backyard Garden Irrigation </div>	32h 00m	22h 30m	\$969.68	\$620.00
<div style="display: flex; align-items: center;"> > Backyard Gardens & Planting </div>	24h 00m	14h 25m	\$610.32	\$330.00
<div style="display: flex; align-items: center;"> > Backyard Landscape Lighting Package </div>	22h 00m	21h 00m	\$559.46	\$580.00

TASK ×

Backyard Paver Patio

Overview
Timesheets
Settings

HOURS

72h 34m

Est: 90h 00m

COST

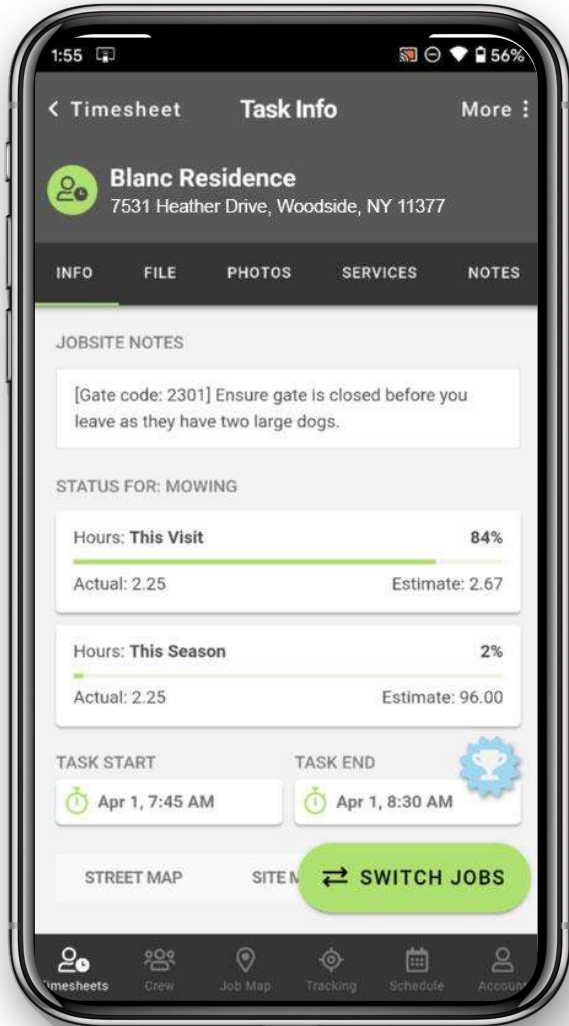
\$1,984

Est: \$2,289

ITEM COSTS

Timesheet Entries (5)	72h 34m	\$1,984.22
Total(s)	72h 34m	\$1,984.22

+ Add Cost



KPI IS AUTOMATIC WITH TECHNOLOGY

- Job costing is **real-time feedback**
- Adjust future estimates
- Set production goals for crews

OPERATIONS KPI'S

- 5S Audit Results - Truck & Trailer, Yard, Shop, Office
- Equipment Repair Budget vs. Actual
- Cost of Damage \$
- Staff Turnover Rate
- Staff Training Completion

EXAMPLES OF COMPANY KPI'S

- **Budget vs. Actual**
- **Gross Profit**
- **Customer Service - Turnover Rate, # of Customer Complaints/Callbacks**
- **Quality - Warranty Hours, Cost of Warranty \$**
- **Safety - Lost Time Injuries / Medical Treatments**

SHARE THE RESULTS OF THE STRATEGIC PLAN

- Create a shared report to indicate overall performance
- Create project reports for each crew to assess success
- Give crews YTD results monthly to assess performance and **incentive system** to determine on track.
- Crews need quality KPI's – last year's warranty exposure comes out of this year's bonus



MONTHLY REPORTS

COMPANY - BUDGET VS ACTUAL RESULTS FOR INCOME AND EXPENSES + KPI'S

DIVISION - BUDGET VS. ACTUAL RESULTS FOR INCOME AND EXPENSES + KPI'S

CREWS - BUDGET VS. ACTUAL + ESTIMATED VS. ACTUAL HOURS BY JOB + JOB COST UPDATE + CREW KPI'S

SALES & MARKETING - TARGETS VS. ACTUAL + KPI'S

CUSTOMER SERVICE - KPI'S

OPERATIONS - KPI'S

FORMS LIBRARY

Over 700 Forms and Processes Available for Free Download

The screenshot displays the LMN Forms Library web application. The interface is divided into three main sections:

- Left Sidebar:** Contains the LMN logo and a navigation menu with the following items: LMN Estimating, BUDGET, CRM, ESTIMATE, ITEM CATALOG, FORMS, QUICKBOOKS, ACCOUNT, and GET HELP.
- Central Panel:** Titled "FORMS LIBRARY", it lists various system categories with expandable arrows to the right:
 - Accounting Systems
 - Administration Systems
 - Design Build Systems
 - Financial Systems
 - Grounds Maintenance Systems
 - Health Safety Systems
 - Lean Production Systems
 - Legal
 - LMN Implementation Systems
 - Operations Systems
 - Equipment Management Procedures
- Right Panel:** Features a search bar labeled "Search library...". Below it, the "Safety Inspection Procedures" folder is expanded, showing a list of document files:
 - Safety Inspection Backhoe Loaders.doc
 - Safety Inspection Chainsaw.doc
 - Safety Inspection Cut off Saw.doc
 - Safety Inspection Electric Saw.doc
 - Safety Inspection Excavators.doc
 - Safety Inspection Grinder.doc
 - Safety Inspection Hedge Trimmer.doc

SAFETY. QUALITY. EFFICIENCY.

Build a high performing team while using measurable data to make real change within your organization.





THANK YOU

golmn.com/lmn-demo