



Maximizing Performance & Productivity



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Contracting business owners face a unique set of challenges when it comes to maximizing their performance and productivity. As an essential part of many residential and commercial properties, comfort systems must be installed, maintained, and repaired promptly and effectively. However, this requires a significant investment in time, money, and resources, which can be challenging for business owners. In February 2023's Snapshot Survey, we asked our nationwide network of contracting business owners about the strategies they implement to maximize the performance and productivity of their businesses in order to help you optimize your business operations.

Maximizing Performance and Productivity Training by Contractor University

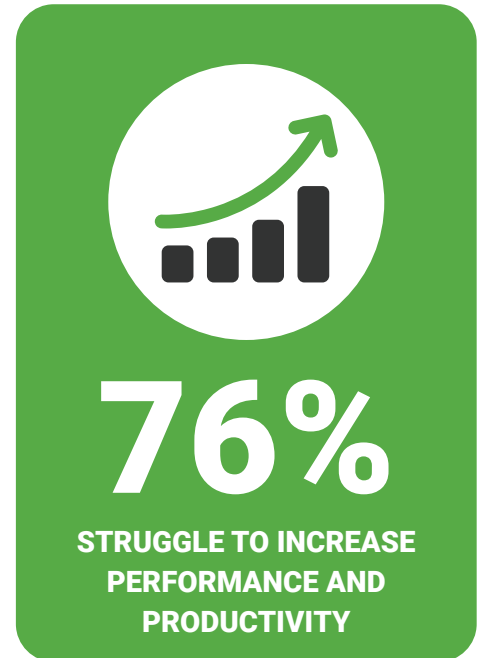
Contractor University, the nonprofit dedicated to contractor success, has invested countless hours and resources to provide training solutions and easy-to-use templates that will help you maximize the performance and productivity of your team to enhance the overall success of your business. To learn more about available education programs, including on-demand training courses, instructional videos and downloadable tools, and to access them all free for 30 days, visit <https://mycontractoruniversity.com/join> today!

You can learn more about the Contractor University Snapshot Survey Program at:
<https://mycontractoruniversity.com/benefits/industry-trend-research/>



Does Your Company Struggle With Increasing Performance And Productivity?

Companies that fail to improve their performance and productivity can face a wide range of challenges, including reduced profitability, decreased customer satisfaction, and increased employee turnover. In our recent survey, **76%** of contractors reported that they do struggle with this issue, indicating a need for practical solutions. To address these challenges, business owners should consider investing in employee training and development, prioritize customer service, and establish clear goals and objectives for their companies. Implementing these practical recommendations can help contracting business owners overcome challenges and achieve their performance and productivity goals, ultimately resulting in long-term success and growth.



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Last year, we started sharing department goals and the results in our monthly full company team meetings as well reviewing individual goals monthly. We had considerable growth and credit this to being part of the reason why. We are currently working on implementing the weekly scorecards for our managers.

– HVAC Contractor from Indiana





In Which Departments In Your Company Do You Struggle With Maximizing Performance and Productivity?

Focusing on increasing the performance and productivity of a department can have a significant impact on the success of the business overall. According to the contractors who took our survey, the majority of contractors (59%) struggle with the performance and productivity of their service and install department, while 47% have challenges with marketing, and 38% with accounting. Contracting business owners can invest in ongoing training and customer satisfaction to improve service and install, use digital marketing strategies to increase visibility and attract new customers, and adopt technology solutions to improve accounting productivity. Adopting a systematized approach that focuses on tracking KPIs and integrating training and software solutions can help leaders overcome performance and productivity challenges companywide.



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Our service and install department present the most challenging lines of business to maximize productivity because there are so many variables at play.

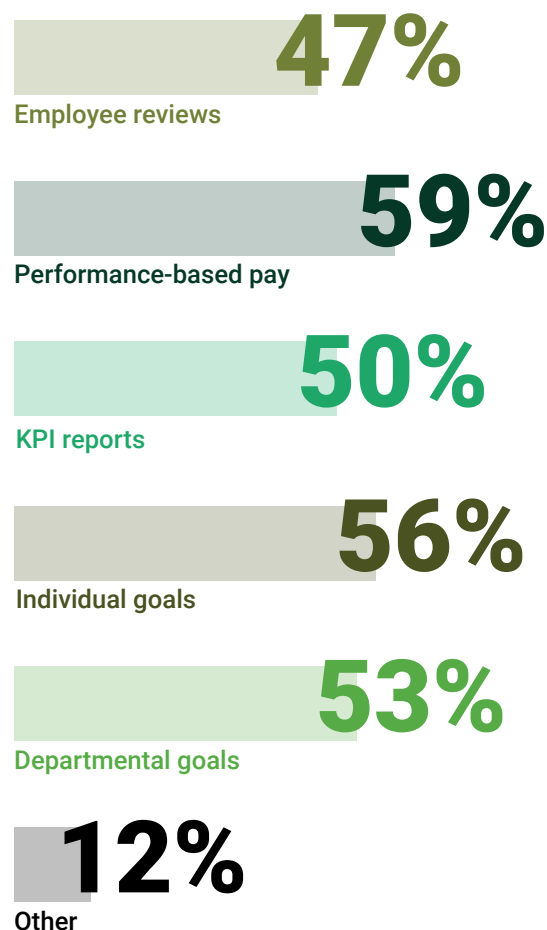
– Home Services Contractor from Minnesota





Which of the Following Strategies Have You Used to Maximize Your Company's Performance and Productivity?

Performance-based pay (59%) and individual (56%) and departmental (53%) goals are the most commonly reported strategies for maximizing performance and productivity in contracting companies. These strategies provide clear targets and incentives for employees to improve their productivity and performance. Performance-based pay links pay to performance, motivating employees to work harder and achieve better results, resulting in increased efficiency and revenue. Similarly, individual and departmental goals provide clear targets for employees to work toward, enabling them to prioritize their tasks and improve their overall performance. By implementing these strategies, business owners can motivate their employees and achieve their performance and productivity goals, resulting in increased revenue and profitability for the company.



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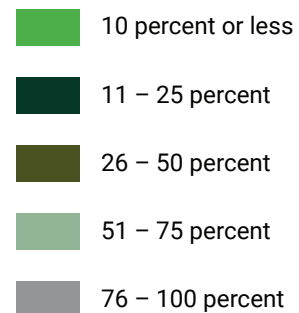
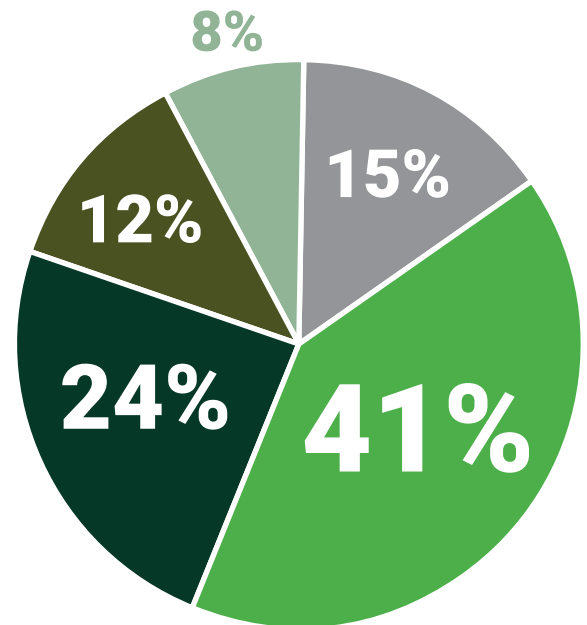
Our company is implementing an individual/team goal-based incentive system. We have incentives built into our new construction jobs, we track weekly performance per team or individual through inspection of job completions, and we communicate our goals through weekly meetings.

– HVAC Contractor from Washington



On Average, What Percentage of Employee Compensation is Tied to Meeting Their Performance and Productivity Goals?

Tying a significant portion of employee compensation to performance and productivity is critical for driving productivity and efficiency in contracting businesses. The survey results show that nearly a quarter of companies tie 51 percent or more of employee compensation to meeting these goals, indicating the recognition of the importance of incentivizing employees. However, 41% of businesses tie 10 percent or less of employee compensation to meeting performance and productivity goals, indicating a lack of understanding of how to incentivize employees. Business owners should consider implementing incentive programs that motivate employees to achieve these goals and reward them accordingly, which can lead to increased productivity, efficiency, and profitability for their businesses.



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We established KPIs for each role at our company with the help of Contractor University and award quarterly bonuses to anyone who meets or exceeds those goals.

– HVAC Contractor from Missouri





What Percentage of Your Company's Total Budget Do You Allocate Toward Improving Your Company's Performance and Productivity?

The percentage of a company's total budget allocated toward improving performance and productivity is a significant indicator of a company's commitment to these goals. The survey results show that **18%** of companies allocate over 10% of their budget, indicating a high level of commitment to these goals. However, **9%** of companies do not allocate any budget toward these efforts, which could hinder their ability to improve productivity and efficiency. Business owners should consider allocating a reasonable percentage of their budget toward improving performance and productivity to strive for consistent improvement and sustainable growth in their business. Overall, the results suggest that many companies are making an effort to invest in improving performance and productivity, but there is still room for improvement in terms of budget allocation. After all, you can't continue to repeat the same behaviors over and over and expect different results.

Over 10 percent

18%

6 – 10 percent

29%

1 – 5 percent

44%

0 Percent

9%

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We believe that nurturing the performance and productivity of our team is the only way to ensure consistent growth. 10 percent of our budget is dedicated to systems and procedures to help our people be the best in the market.

– HVAC Contractor from California

