

KPIs for tradies



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NOTE: The following guide provides suggestions only. Please consult a professional accountant or bookkeeper, if required.

What are key performance indicators (KPIs)?

KPIs are a way to measure how well your **trade business is performing** in relation to defined strategic goals and objectives. If your business's goal is to reach your break-even point and get into the profit zone, you'll use KPIs to **measure your team's performance** to understand whether they're on track or veering off route.

A KPI is only as **valuable as the action it inspires**. One of the most important aspects of KPIs is they're a form of communication. How can positive performance changes take shape if your tradies have no idea about what you're expecting? It's easier to inspire action when you've clearly communicated the relevant information.

In our trade business, we use a **KPI dashboard** to measure and track performance.

Why are KPIs so important?

KPIs that measure and monitor your team's performance are important because you can identify when they're killing it and when they've hit a slump. KPIs are important for accountability purposes, providing you, as the trade business owner, with information you can draw on to **analyse, review and progress** towards your goals.

Setting achievable targets for your team is essential. However, KPIs need to be more than just arbitrary numbers. You can't pluck them out of thin air. That's why knowing your break-even point is the perfect place to start. (Get our [Break-Even Analysis Guide for Tradies](#) for a leg up on this.)

When should you track KPIs?

In our trade business, we track performance indicators **every week** and review KPIs with team members on a **monthly basis**. However, this can be as frequent as weekly or daily, depending on the business's needs and capabilities.

What should you track?

As the trade business owner, it's up to you to track the metrics that matter to you and your defined goals and objectives. A KPI dashboard provides you with an **at-a-glance view of your business's performance** in real-time for a better picture on how the entire organisation is doing. Here's a list of key performance indicators that you could track in your business.

Sales

- Number of leads
- Leads as a percentage by marketing campaign
- Percentage of repeat customers vs new
- Call conversion as a percentage
- Number of quotes per week/month
- Total value of quotes - compare same sales periods
- Quote conversion
- Lost quotes
- Upsells by employee (by week/month/year)
- Inspections conducted by employee (by week/month/year)
- Total time billed vs paid as a percentage
- Average dollar sale by tradesman
- Turnover/Volume - in dollars and/or units sold
- Turnover/Volume - compared to previous sales periods
- Turnover/Volume - by tradesman
- Gross/Net Profit - by tradesman
- Gross/Net Profit - compared sales periods
- Profitability as a percentage of sales
- Profitability by product/service
- Turnover by market segment
- Turnover by marketing campaign
- Turnover by geographic area
- Marketing campaign by geographic area
- Growth rate in total sales
- Market share - the business percentage share of total industry sales
- Expenses as a percentage of sales
- Inventory levels
- Inventory turnover/rotation per year
- Customer complaints

Staff

- Turnover and absenteeism
- Decrease or increase in number of employees
- Customer feedback

Quality Control

- Customer reviews/feedback by tradesman
- Call backs by tradesman

Finance

- Total outstanding debt - by 30,60,90 days
- Average time taken by customers to pay their debt
- Average time taken by business to pay accounts
- Ratio of assets to liabilities
- Ratio of debt to equity
- Amount of working capital available
- Overdraft available
- Cash ratio
- Financial reports such as Profit & Loss, Balance sheets and forward forecast

Productivity

- Sales per tradesman (by week/month/year)
- Net earnings per tradesman
- Billable hours as a percentage of paid time
- Production rates as a percentage of paid time
- Benchmarking; direct comparisons of business with other similar business operations
- Time to process orders and enquiries
- Amount and value of goods returned for credit or rework

How to complete your Staff Performance Dashboard

Information in = information out.

The data doesn't jump into the spreadsheet on its own. It's up to you or your team to input accurate data to the Staff Performance Dashboard.

There are two versions of the Staff Performance Dashboard — **a basic version and an advanced version.** We recommend you start with the basic version and work up to the more advanced version, when you feel comfortable with the process.

In our trade business, we track this data through our **job management software and accounting software.**

Weekly KPI's	Week Ending:									
	5/3/2020	5/10/2020	5/17/2020	5/24/2020	5/31/2020	6/7/2020	6/14/2020	6/21/2020	6/28/2020	
Tradesman #1										
Total Number Of Jobs:	16	14	12	0	0	0	0	0	0	0
Total Invoiced Out:	\$ 3,559.94	\$ 9,181.00	\$ 8,129.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Dollar Sale	\$ 222.50	\$ 655.79	\$ 677.43	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
GPs:	\$ 2,981.00	\$ 7,291.00	\$ 6,821.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tradesman #2										
Total Number Of Jobs:	17	14	13	0	0	0	0	0	0	0
Total Invoiced Out:	\$ 6,337.99	\$ 4,920.00	\$ 5,319.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Dollar Sale	\$372.82	\$351.43	\$409.15	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
GPs:	\$ 4,210.00	\$ 3,620.00	\$ 4,021.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tradesman #3										
Total Number Of Jobs:	11	14	0	0	0	0	0	0	0	0
Total Invoiced Out:	\$ 9,823.00	\$ 3,614.25	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Dollar Sale	\$ 893									
GPs:	\$ 7,228									
Advanced KPI's										
	Week Ending:									
	5/3/2020	5/10/2020	5/17/2020	5/24/2020	5/31/2020	6/7/2020	6/14/2020	6/21/2020	6/28/2020	
Tradesman #1										
Total Number Of Jobs:	16	14	12	0	0	0	0	0	0	0
Total Invoiced Out:	\$ 3,559.94	\$ 9,181.00	\$ 8,129.10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Average Dollar Sale:	\$ 222.50	\$ 655.79	\$ 677.43	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
GPs:	\$ 2,981.00	\$ 7,291.00	\$ 6,821.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Time Billed Out:	18.25	40.92	34	0	0	0	0	0	0	0
Total Time Worked:	40	48	46	0	0	0	0	0	0	0
% of Time Billed:	46%	85%	74%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Total Overtime This Week:	0	8	6	0	0	0	0	0	0	0
Total Overtime (Year To Date):	0	8	14	14	14	14	14	14	14	14
Incentives This Week:	3	7	8	0	0	0	0	0	0	0
Incentives (Year To Date):	3	10	18	18	18	18	18	18	18	18
Plumbing Inspections This Week:	13	12	9	0	0	0	0	0	0	0
Plumbing Inspections (Year To Date):	13	25	34	34	34	34	34	34	34	34
New Quotes This Week:	3	6	3	0	0	0	0	0	0	0
Pending Quotes Total (#):	12	16	17	0	0	0	0	0	0	0
Pending Quotes Total (\$):	\$ 62,943.00	\$ 73,291.00	\$ 72,394.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Quotes Won This Week (#):	2	4	4	0	0	0	0	0	0	0
Quotes Won This Week (\$):	\$ 3,102.00	\$ 5,920.00	\$ 9,283.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Reviews This Week:	6	10	9	0	0	0	0	0	0	0
Customer Reviews (Year To Date):	6	16	25	25	25	25	25	25	25	25
Customer Complaints This Week:	0	0	0	0	0	0	0	0	0	0
Customer Complaints (Year To Date):	0	0	0	0	0	0	0	0	0	0
Lates This Week:	0	0	0	0	0	0	0	0	0	0
Lates (Year To Date):	0	0	0	0	0	0	0	0	0	0
Call Backs This Week:	1	0	0	0	0	0	0	0	0	0
Call Backs (Year To Date):	1	1	1	1	1	1	1	1	1	1
Sick Days Taken This Week:	0	0	0	0	0	0	0	0	0	0
Sick Days Taken (Year To Date):	0	0	0	0	0	0	0	0	0	0
Annual Leave Days Taken This Week:	0	0	0	0	0	0	0	0	0	0
Annual Leave Days Taken (Year To Date):	0	0	0	0	0	0	0	0	0	0

Want to know HOW to use this Staff Performance Dashboard in your trade business? Join our free Kick-Ass Tradies Facebook group to learn how we apply it in our own business, Dr.DRiP Plumbing.

+ Join Group

JOIN US!
KICK-ASS TRADIES
 (BY LIFESTYLE TRADIE)



My Staff Performance Dashboard is complete, now what?

Review your dashboard, line by line, comparing your team members.

Do this with all the KPIs you're tracking. Is there something one tradesman may need help with? Are they less productive all of a sudden? Is something going on in their personal lives that should be addressed? Or, are they less productive than the rest of the team? Would this tradie benefit from more training?

On the flipside, is there someone who's converting more quotes than the rest of the team? You should have a chat with them to find out what they're doing differently. Why not share this with the rest of the team? These are just a few examples. You can easily see knowledge is power when you measure and monitor KPIs.

We're in this together!



What's next?

You're the one wearing the heavy load of responsibility — and suffering major stress.

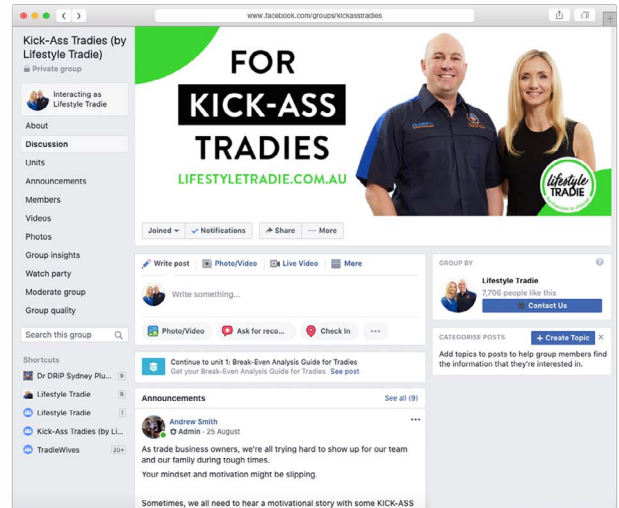
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Jump on a Strategy
Session with Andy

Register now for a 15-minute call with Andy now to smash out what you need to do right now, to provide you with clarity and direction in your trade business.

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