NEXTSTAGE ADVISORY

10 KPIs Every HVAC Owner Should Be Tracking

The numbers that actually tell you what's happening in your business — and what buyers, lenders, and your own gut should agree on.

A quick note before you start: every KPI below assumes accrual-basis accounting. Cash-basis books will distort revenue timing, COGS, and margins enough to make several of these numbers meaningless.

THE 10 KPIs AT A GLANCE

01	Gross Profit per Man-Day
02	Days Cash on Hand
03	Gross Profit by Department
04	Technician Utilization Ratio
05	Lead Volume (By Channel Ideally)
06	% of Revenue From Members
07	CAC-to-LTV Ratio
08	Average Ticket Size by Department
09	Close Rate
10	Revenue From Existing vs. New Customers

THE BREAKDOWN

01 Gross Profit per Man-Day

FORMULA

`Total gross profit ÷ (number of techs × working days)`

A company-wide average: how much gross profit the team generates per technician, per day worked. Not a per-individual number unless you break it out that way — it's a pace check on the business as a whole.

02 Days Cash on Hand

FORMULA

`Cash balance ÷ average daily operating expenses`

How many days the business could keep operating if revenue stopped today. A direct measure of cash runway.

03 Gross Profit by Department

FORMULA

`(Department revenue − department COGS) ÷ department revenue`

Calculated separately for install and service. Maintenance typically sits inside service rather than standing alone — raw tune-up margin is thin by design, since its real value shows up in the service and replacement work it generates, not the visit itself.

04 Technician Utilization Ratio

FORMULA

`Billable hours ÷ total paid hours`

Billable hours means time actually on-site performing work — drive time between jobs and parts runs don't count. That gap between paid and billable hours is exactly what this ratio is built to expose.

05 Lead Volume (By Channel Ideally)

FORMULA

`Number of new inbound opportunities — calls, form fills, texts — per week`

The top of the funnel everything else depends on. A blended total works to start; breaking it out by channel (Google Ads, referral, organic, etc.) is even more useful.

06 % of Revenue From Members

FORMULA

`Revenue from maintenance-agreement customers ÷ total revenue`

The share of revenue tied to recurring, contracted customers rather than one-off jobs — the single biggest lever on business value.

07 CAC-to-LTV Ratio

FORMULA

`Customer lifetime value ÷ customer acquisition cost`

What a customer is worth over time compared to what it costs to acquire them. The core efficiency check on marketing spend.

08 Average Ticket Size by Department

FORMULA

`Department revenue ÷ number of jobs completed`

Calculated separately for install and service. Tracks whether pricing and upselling are actually moving the needle within each line — and lets you divide your break-even number by this figure to know how many jobs per day you need.

09 Close Rate

FORMULA

`Jobs sold ÷ estimates given`

How effectively estimates convert into signed, paid work. A direct read on sales performance, not just lead volume.

10 Revenue From Existing vs. New Customers

FORMULA

`Revenue from repeat customers ÷ total revenue`

Shows whether growth comes from a stable, expanding customer base or from constantly replacing customers who've churned.

Run On Real Numbers, Every Day

These 10 KPIs are what separate owners who are actually profitable from owners who just look busy. Track them monthly, catch problems while they're still cheap to fix — and if you ever do decide to sell, the same numbers are exactly what a buyer will want to see.

Profit Today. Premium Exit Tomorrow.