



## Your Report

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Variable: {payable\_days\_average\_hvac\_industry}

Definition: Average number of days it takes HVAC contractors to pay suppliers (accounts payable days outstanding, DPO).

Value: N/A

Top Performers: Elite 10-20% achieve 50-60 days via strong vendor negotiations and terms optimization (ServiceTitan 2023).

Value Tiers: N/A – Consistent across sizes.

Red Flag Trigger: <25 days (cash strain) or >75 days (vendor risk).

Default Value: 42 days

Variable: {inventory\_days\_on\_hand\_hvac\_industry}

Definition: Average days HVAC parts inventory is held before use or sale (days inventory outstanding, DIO).

Value: N/A

Top Performers: Top performers hold <30 days through just-in-time ordering and demand forecasting (ServiceTitan/Nexstar).

Value Tiers: <\$1M revenue: 60 days; \$1-5M: 50 days; >\$5M: 35 days.

Red Flag Trigger: >90 days.

Default Value: 47 days

Variable: {productivity\_ideal\_per\_employee\_hvac\_industry}

Definition: Ideal annual revenue generated per full-time employee in HVAC businesses.

Value: N/A

Top Performers: Elite achieve \$250k+ per employee via high tech utilization (75%+ billable) and upsell focus (Nexstar/ServiceTitan 2023).

Value Tiers: <\$1M revenue: \$150k; \$1-5M: \$200k; >\$5M: \$250k.

Red Flag Trigger: <\$120k per employee.

Default Value: \$175,000

Variable: {callback\_cost\_per\_incident\_hvac\_industry}

Definition: Average direct and indirect cost of a single HVAC callback incident.

Value: N/A

Top Performers: <\$250 per incident with callback rates <3% via diagnostics training (ACCA/Contractor Magazine).

Value Tiers: N/A – Scales minimally with size.

Red Flag Trigger: >\$500 or rate >8% of calls.

Default Value: \$375

Variable: {training\_cost\_per\_hour\_hvac\_industry}

Definition: Average cost per hour for HVAC technician training programs.

Value: N/A

Top Performers: \$40-60/hr with ROI from certifications reducing callbacks 20-30% (PHCC/EGIA).

Value Tiers: N/A.

Red Flag Trigger: <\$20/hr (underinvestment) or >\$100/hr.

Default Value: \$50

Variable: {maintenance\_contract\_renewal\_rate\_percent\_hvac\_industry}

Definition: Percentage of HVAC maintenance contracts renewed annually.

Value: N/A

Top Performers: 92%+ renewal via proactive communication and value-add services (ServiceTitan 2023).

Value Tiers: N/A – Goal consistent across sizes.

Red Flag Trigger: <75%.

Default Value: 85%

Variable: {fixed\_costs\_annual\_hvac\_industry}

Definition: Average annual fixed operating costs (rent, admin salaries, insurance, etc.) excluding variable costs.

Value: N/A

Top Performers: 22-28% of revenue via lean overhead (Nexstar benchmarks).

Value Tiers: <\$1M revenue: \$250k; \$1-5M: \$800k; >\$5M: \$1.8M (RMA/Successware).

Red Flag Trigger: >40% of revenue.

Default Value: N/A – Use tiers

Variable: {tax\_rate\_percent\_hvac\_industry}

Definition: Average effective combined federal, state, and local tax rate for HVAC contractors.

Value: N/A

Top Performers: 22-25% via tax optimization strategies (RMA Annual Studies).

Value Tiers: N/A.

Red Flag Trigger: >35% (planning needed).

Default Value: 27%

Variable: {depreciation\_percent\_of\_fixed\_assets\_hvac\_industry}

Definition: Annual depreciation expense as a percentage of total fixed assets in HVAC firms.

Value: N/A

Top Performers: 12-15% with efficient asset turnover (IBISWorld/RMA).

Value Tiers: N/A.

Red Flag Trigger: <8% (under-depreciation) or >25% (over-aging assets).

Default Value: 15%

Variable: {ideal\_cash\_conversion\_cycle\_days\_hvac\_industry}

Definition: Optimal cash conversion cycle (DSO + DIO - DPO) for HVAC contractors.

Value: N/A

Top Performers: <20 days or negative via fast collections and inventory turns (ServiceTitan 2023 avg 27 days).

Value Tiers: Small (<10 techs): 40 days; Large (>20 techs): 25 days.

Red Flag Trigger: >60 days.

Default Value: 30 days

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