



## Your Report

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

Definition: Average number of days it takes plumbing 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\_plumbing\_industry}

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

Value: N/A

Top Performers: Top performers hold <25 days through just-in-time ordering and demand forecasting (ServiceTitan/PHCC).

Value Tiers: <\$1M revenue: 45 days; \$1-5M: 35 days; >\$5M: 25 days.

Red Flag Trigger: >70 days.

Default Value: 35 days

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

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

Value: N/A

Top Performers: Elite achieve \$220k+ per employee via high tech utilization (75%+ billable) and upsell focus (Nexstar/ServiceTitan 2023).

Value Tiers: <\$1M revenue: \$140k; \$1-5M: \$190k; >\$5M: \$240k.

Red Flag Trigger: <\$110k per employee.

Default Value: \$165,000

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

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

Value: N/A

Top Performers: <\$200 per incident with callback rates <2.5% via diagnostics training (PHCC/Contractor Magazine).

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

Red Flag Trigger: >\$450 or rate >7% of calls.

Default Value: \$325

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

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

Value: N/A

Top Performers: \$45-65/hr with ROI from certifications reducing callbacks 25% (PHCC).

Value Tiers: N/A.

Red Flag Trigger: <\$25/hr (underinvestment) or >\$110/hr.

Default Value: \$55

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

Definition: Percentage of plumbing maintenance contracts renewed annually.

Value: N/A

Top Performers: 93%+ renewal via proactive communication and value-add services (ServiceTitan 2023).

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

Red Flag Trigger: <78%.

Default Value: 87%

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

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

Value: N/A

Top Performers: 20-26% of revenue via lean overhead (Nexstar/PHCC benchmarks).

Value Tiers: <\$1M revenue: \$225k; \$1-5M: \$750k; >\$5M: \$1.6M (RMA/PHCC).

Red Flag Trigger: >38% of revenue.

Default Value: N/A – Use tiers

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

Definition: Average effective combined federal, state, and local tax rate for plumbing 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\_plumbing\_industry}

Definition: Annual depreciation expense as a percentage of total fixed assets in plumbing 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\_plumbing\_industry}

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

Value: N/A

Top Performers: <15 days or negative via fast collections and inventory turns (ServiceTitan 2023 avg 22 days).

Value Tiers: Small (<10 techs): 35 days; Large (>20 techs): 20 days.

Red Flag Trigger: >50 days.

Default Value: 25 days

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