



*Contractor Web Exchange*

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# *How Air Solutions, Inc. Uses Financial Statements as Management Tools*

December 8, 2009

**Jeff Landry, President/Partner,  
Doug Romero, Sales Vice President, and  
Melissa Landry, bookkeeper**

Air Solutions Inc.; 4748 Main Ave., Groves, TX 77619; (409) 962-2476



# *Introductions and Overview*

- Introductions of Air Solutions Management Team
  - Jeff Landry
  - Doug Romero
  - Melissa Landry
- Company Growth
- Why Focus on Financial Statements?
- How We Use Financial Statements as Management Tools
- Actions We've Taken Based on What We've Learned



# *Company Growth From 2005 - 2007*

## **2005**

- Opened doors in June 2005
- Primarily residential new construction, residential replacement, and light commercial new construction
- First year dramatically impacted by Hurricane Rita. The work that came as result of the storm Enabled business growth through an increase in referrals
- Grew from two employees (Jeff and Doug) to seven
- Ended year with \$687K in sales (6 months) and a 6.5% net profit.

## **2006**

- Continued to grow at a rapid rate
- Grew to 9 employees
- Sales grew to \$1.3M with a 6.8% net profit

## **2007**

- Grew sales at slower rate
- Added two more employees to 11 total
- \$1.5M with 9% net profit



## *Company Growth From 2008 - 2009*

### **2008**

- Hurricane Ike and flooding just to our east was devastating
- Sales jumped to \$2.3M along with an **11%** net profit.
- Staff grew by 2 more people taking us to 13 employees

### **2009**

- Staff grew by 2 more people taking us to 15 employees
- At \$2.3M in sales; should add \$120K in December
- Currently at **13%** net profit



## *Why Focus on Financials?*

- Knew we had done good, but didn't know where business was coming from
- Started to departmentalize in 2009
- Enabled us to see where we excelled and what was dragging us down
- Financial Statements give us a road map

## **How we use Financial Statements as Management Tools**

- How Doug uses info:
  - How many leads we need?
- How Melissa uses info:
  - How much cash in the bank to pay bills?
- How Jeff uses info:
  - Do we need to hire or lay-off?



## *Actions Taken as Result of Financial Knowledge*

- Flat rate pricing (we were on time and material)
- ESA customer base growth
- Spiff program put in place for ESA sales
- Initiated uniform program
- Average ticket price on residential service
- Call back tracking and accountability
- Spiff program put in place for service techs and installers
- Visible sales tracking of both individuals responsible for selling
- Visible tracking of performance indicators for service techs
- Became a Trane Comfort Specialist dealer
- Added a business manager for service department
- Weekly Management team meetings where each manager reports on their department
- Monthly company meetings keeping the team informed of the score
- Track cash flow as it relates to accounts receivable and accounts payable from week to week



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