



# THE BENCHMARK

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## Winning in 2012

It is becoming increasingly clear that 2012 is shaping up to be an even tougher year than 2011 — which itself as it turned out was much tougher than 2010. This means that cash conservation and organization focus are more important and interrelated than ever.

We must get our costs in line with our revenue and production realities. This starts with a conservative revenue projection. We need a revenue projection not based on hope. It should be a projection that is married to an objective alignment of overhead staffing in sales, account management and operations with the new industry benchmarks (Table 1).

The table outlines what is possible from a personal performance perspective for several key positions. These benchmarks are real and represent the target range for the high-end profit makers in the industry. More than anything else, they demonstrate a clear principle that people in these positions are expected to and are in fact doing and producing more than ever.

Innovation is driving this trend. Specifically, innovations in information systems wedded to

management practices that enable people in these key positions to successfully take on more work and responsibility. The simple fact is that most people in these positions waste too much time chasing the urgent versus the critical. I am not suggesting that they are not working and trying hard, but I am stating that they are often only 60% effective. That is expensive for you.

The only way to remedy this expensive problem is to directly manage people and functions at a detailed level that focuses on forecasting (not just reviewing) key performance numbers.

Take the account management job. The key performance numbers for this job are typically account retention, enhancement sales, and customer satisfaction. Performing well requires account-related activities that cost the account managers time. If that time is not planned and allocated for, then when account managers get busy time slips away. And it can never be recovered. The loss of time too often results in loss of renewals, quality problems and lower than budget enhancement sales.

Today's leading software provides information for managing numbers on a real-time basis — at a reasonable cost. What software systems can't do is turn that information into decisions that manage the most limited and expensive of all resources — time.

This is management — information combined with prioritization that provides leadership and direction. If we want to make money next year, we have to conserve cash. To conserve cash we have to minimize overhead staffing costs while maximizing effectiveness. To minimize overhead staffing costs, we have to get people to do more. To get people to do more we have to manage time looking through the windshield instead of the rearview mirror. More than ever, time is money.

TABLE 1: BENCHMARKS

	Minimum	Target
<b>New sales production</b>		
Grounds maintenance	\$750,000	\$1,000,000
Design/build	\$150,000	\$2,000,000
Bid build	\$400,000	\$5,000,000
<b>Account management</b>		
Contract and upsell value	\$1,500,000	\$2,000,000
Retention	90%	95%
<b>Operations management</b>		
Contract crews managed	5	8
Retention	90%	95%

