



The results of the Air Conditioning Contractors of America's (ACCA) *Financial & Operating Performance Study* provides invaluable benchmarks for contractors in the industry. The final reports offer an up-to-date picture of financial operating metrics as well as information on product sales, marketing, human resources, and more.

BENEFITS OF PARTICIPATING

Those who participate in the study will receive exclusive access to the survey results presented in various user-friendly formats. Respondents will receive a copy of the Full Industry-Wide Report, a customized Company Performance Report and access to interactive Online Reporting Tools. These benefits will be **FREE** of charge to ACCA members participating in the survey. This is a valuable member benefit that offers actionable data that cannot be obtained anywhere else.

Full Industry-Wide Reports

The reports will include comparative financial ratios, operating statistics, and other important business metrics of industry members based on key data segments – such as: All Responding Contractors, Profitability, Total Sales Volume, Market Emphasis, and any other data aggregation deemed relevant. Included in this report will be How-to Guidelines explaining the best way to utilize the results, a textual and graphical Executive Summary highlighting key findings, Multi-Year Trend Analysis, and extensive Detailed Tables of data aggregations.

Graphical and textual analysis of industry highlights and financial performance

Extensive data tables of results by profitability, total sales, market, and more!

Detailed Survey Results		PROFITABILITY	
	All Companies	Best in Class	
Other Services Provided by Company			
Plumbing	52.5%	63.6%	
Electrical	41.0%	45.5%	
Security	3.3%	9.1%	
*Other	42.6%	36.4%	
CUSTOMER METRICS			
Percent of customers located the following distances from nearest:			
Within 20-mile radius	69.9%	68.6%	
Between 20 and 50-mile radius	25.5%	28.7%	
Beyond 50-mile radius	4.6%	2.7%	
Total	100.0%	100.0%	
Number of Active Customers	3,450.0	4,100.0	
Total Sales per Customer	\$1,072	\$1,000	
Gross Margin per Customer	\$465	\$450	
Number of Customers per Service Truck	300.0	300.0	
MARKETING			
Amount spent on advertising/promotion in 2018, excluding cost of goods sold			
Average	\$180,039		
Median	\$86,500		
Which of the following sources are used to generate leads?			
Direct Mail			
Percentage of companies that use direct mail to generate leads			
If used, effectiveness over the prior 3 years			
Very Effective	6.3%		
Somewhat Effective	39.6%		
Neutral	25.0%		
Not Very Effective	18.8%		
Not at all Effective	10.4%		
Website			
Percentage of companies that use a website to generate leads			
If used, effectiveness over the prior 3 years			
Very Effective	32.0%		
Somewhat Effective	48.0%		
Neutral	17.0%		
Not Very Effective	7.0%		
Not at all Effective	7.0%		

Cash Flow Indicators

The availability of cash is a major concern for many businesses. The rate at which companies are able to flush cash through their business can make a world of difference to cash flow. The Cash Cycle metric provides a "simplified" yet helpful ratio for examining the rate at which components that greatly impact cash flow work together. The cash cycle estimates the number of days between when a company pays for its inventory and when it collects on that inventory's resulting receivables. Contractors reportedly needed 13 days to cycle cash during 2018.

Average Collection Period (days)

Category	Value
All Contractors	18.2
Best in Class	12.5
Residential Emphasis	13.7
Light Commercial/Commercial Emphasis	45.7
Under \$2.5 Million	16.1
\$2.5 - \$5 Million	29.1
\$5 - \$10 Million	12.4
Over \$10 Million	21.7

Net Sales

Do Low - Usually is preferred, unless credit policies are too restrictive and result in lost sales.
Do High - May mean a poorly organized and managed receivables management system.

Collection Period: Also sometimes called "Days Receivables Outstanding." Measures the average days between sales and receipt of customer payment. This measure is an indication of effectiveness of credit and collection policies.

Average Days in Inventory

Category	Value
All Contractors	12.5
Best in Class	10.5
Residential Emphasis	13.0
Light Commercial/Commercial Emphasis	10.2
Under \$2.5 Million	10.0
\$2.5 - \$5 Million	11.9
\$5 - \$10 Million	14.8
Over \$10 Million	21.4

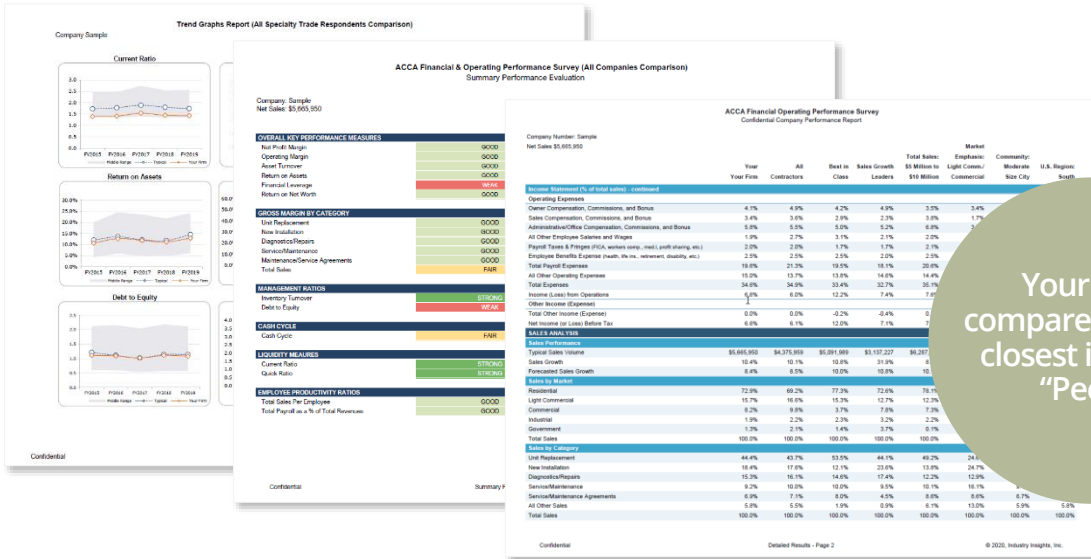
Net Sales

Days in Inventory: This metric is used to calculate how quickly a company is converting its inventory into sales.



Company Performance Report (CPR)

Confidential, individualized reports of a participant's own financial ratios, operating statistics, employee productivity figures, and profile characteristics shown alongside the appropriate industry comparatives. These reports provide respondents an easy means for interpreting their results, since their own ratios are already calculated for them in a manner that is consistent with the industry calculations.



Your data compared to your closest industry "Peers"

Online Reporting Tools

These tools allow users to drill deeper into the data and better tailor criteria to match individual circumstances. Users will have 24/7 access and are able to multi-filter the data aggregates. Clickable graphs will be available throughout the report that will show your data versus the filter you selected. Custom reports can be downloaded as an Excel or a PDF document.

Additionally, the Online Reporting Tools will also include a "Report Card" which will essentially "grade" each company on key ratios using the quartiles as benchmarks. The Report Card will focus on the key operating ratios and will provide actionable feedback on the success and/or improvement areas specific to your company.

