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# RODNEY WEBB UNIVERSITY FINANCIAL STANDARDS

# WHEN TO GO FROM 1099 TO W-2



# W2 VERSUS 1099

## Employee W2

- Does not control how, when, or where he/she works
- Has no personal risk and is covered by Worker's Compensation
- Day-to-day work is important to the business
- Uses company resources

## Independent Contractor 1099

- Controls every aspect of how, when and where the work will be done
- Assumes all risk and is not covered by anyone
- Not important for daily company workflow
- Use own resources to get job completed

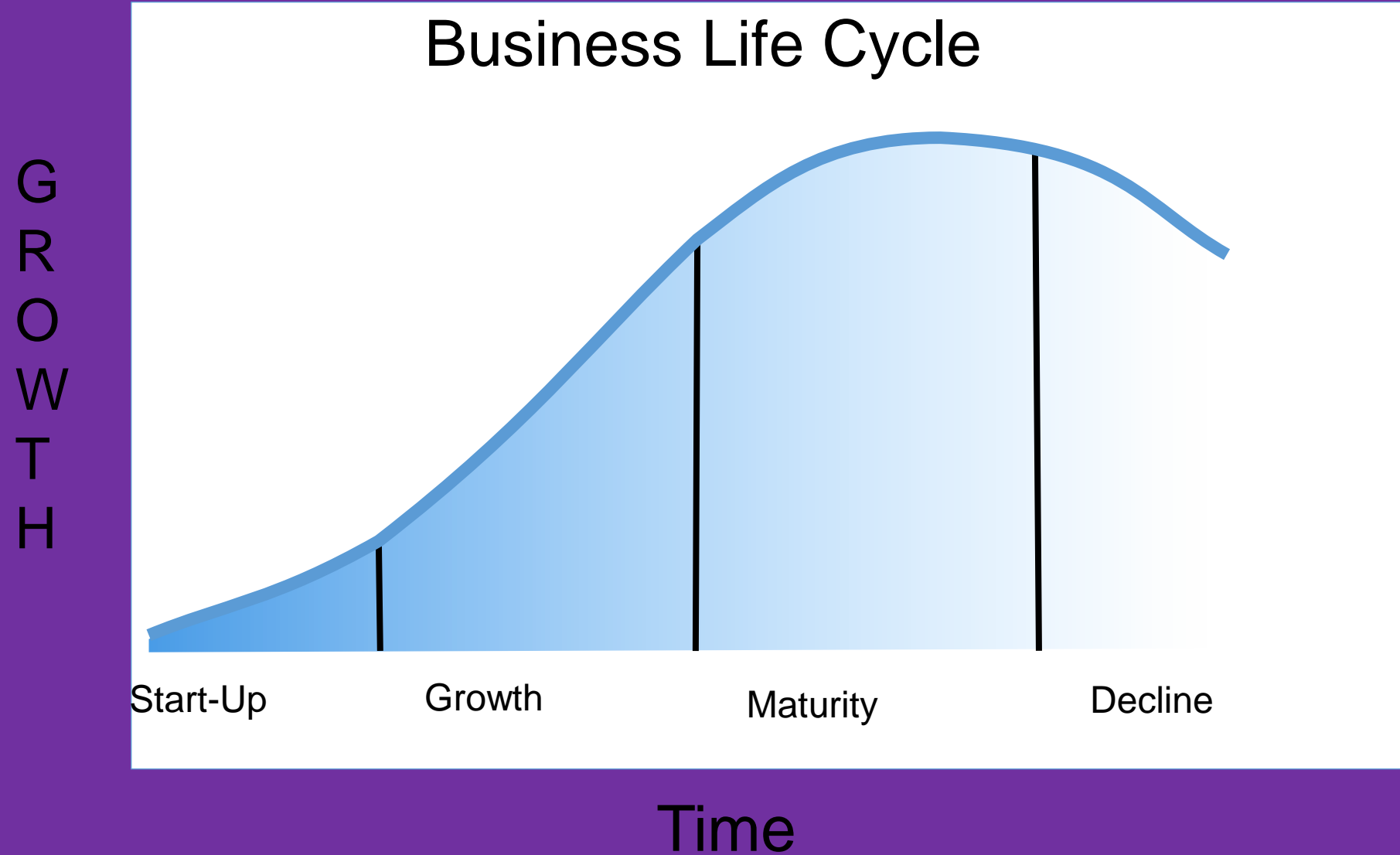


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# KNOWING YOUR NUMBERS (METRICS)



# WHERE ARE YOU WITH BUSINESS GROWTH?





# WHERE WILL YOU FIND YOUR COMPANY?

Each stage of The Strategic Business Life Cycle starts with:

- your "fuel" that creates forward momentum
- your "concern" felt at each stage, and
- your "focus" that brings you through each stage.

## FORMING

Entrepreneurial Passion  
Feeling Overwhelmed  
Team Formation

## STORMING

Explosive Growth  
Staff & Financial Challenges  
Management Formation

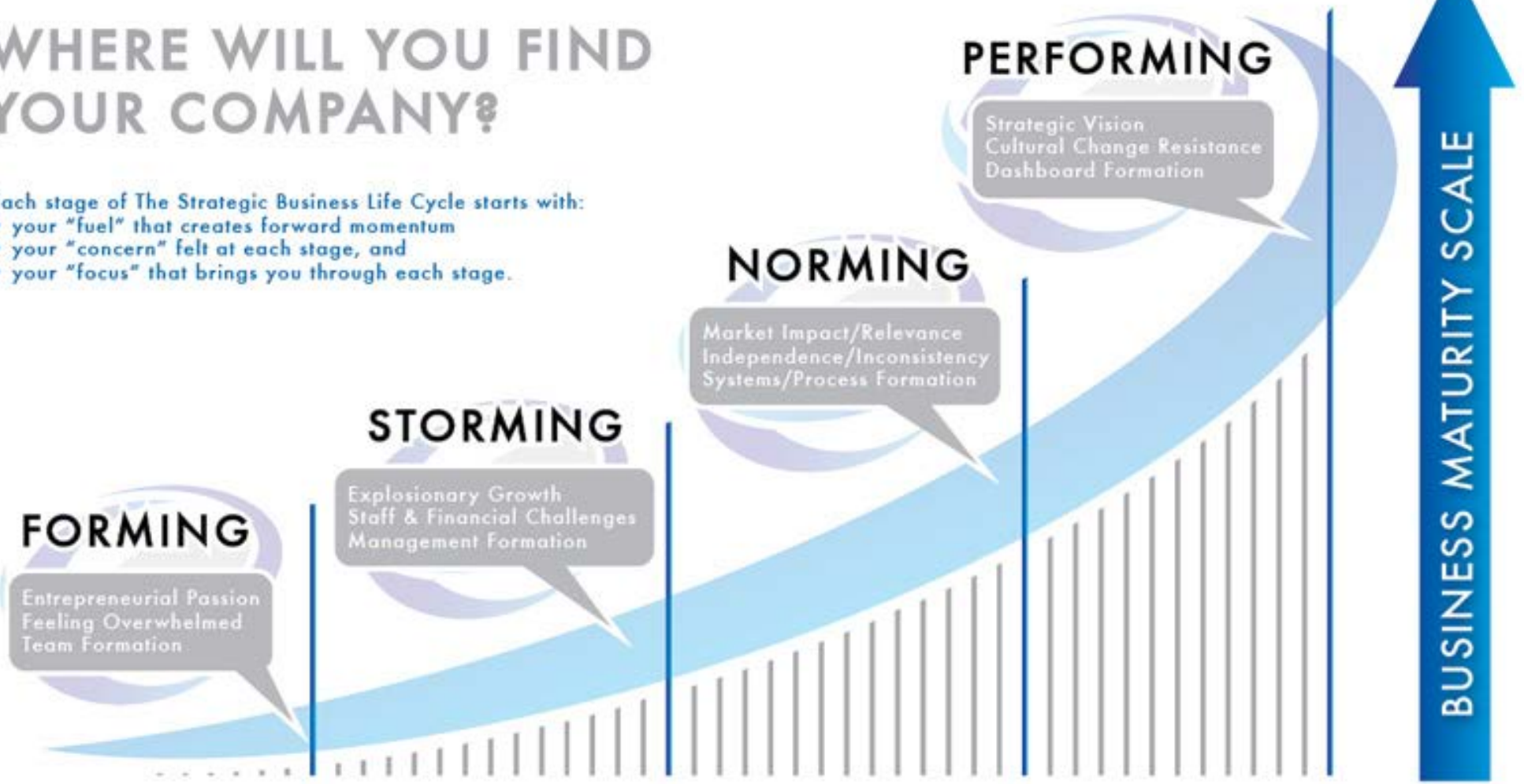
## NORMING

Market Impact/Relevance  
Independence/Inconsistency  
Systems/Process Formation

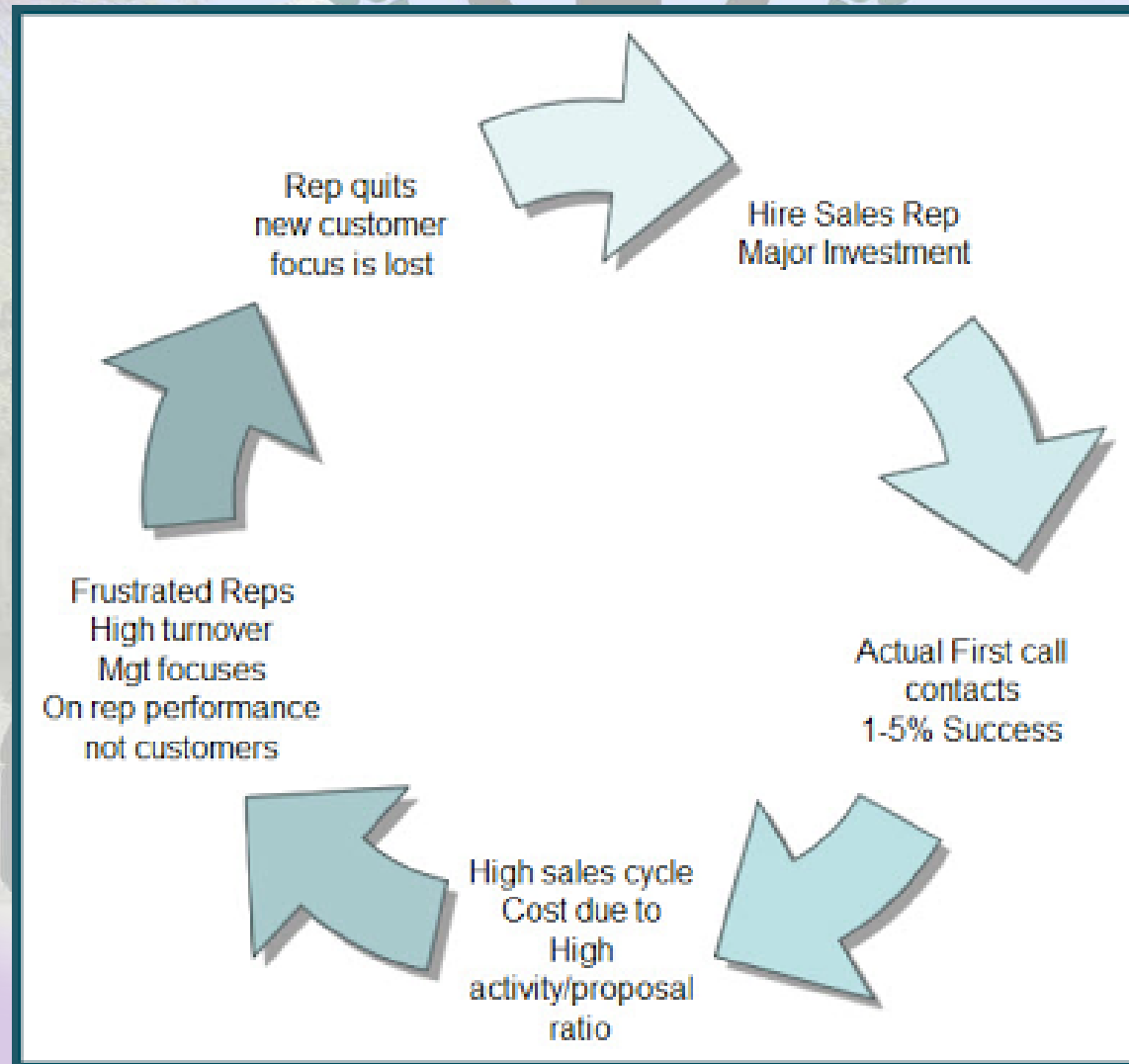
## PERFORMING

Strategic Vision  
Cultural Change Resistance  
Dashboard Formation

BUSINESS MATURITY SCALE



# NOT IMPLEMENTING NUMBERS/METRICS





By defining the metrics that are important to your business and monitoring them closely, you gain three key benefits:

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**FOCUS.**

**BETTER VISION.**

**BETTER DECISIONS.**





## KEY BENEFIT - FOCUS

- **Focus.** Defining the metrics that are most important to your business allows you to tune out everything that isn't related to those key measurements. As a result, you'll find that you and your business are much more efficient.



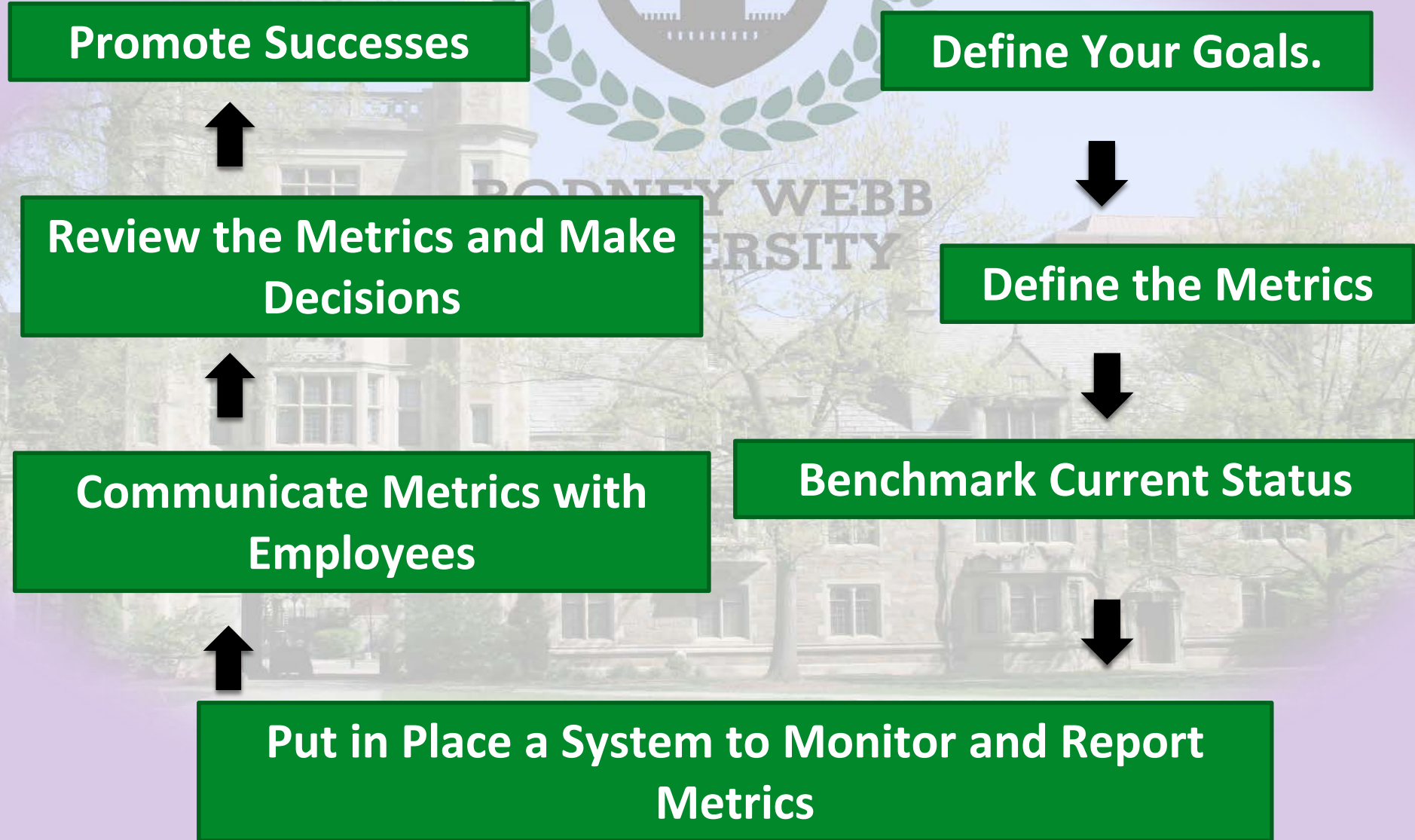
## KEY BENEFIT – BETTER VISION

- **Better Vision.** Companies that monitor metrics can spot threats and opportunities faster than companies that don't. Your metrics will give you keen insights into what's happening within the four walls of your business as well as overall trends in your industry.

## KEY BENEFIT – BETTER DECISIONS

- **Better Decisions.** Metrics provide a framework for making business decisions. With the numbers in black and white, you can make well-reasoned decisions on how to proceed. If it improves your key metrics, consider it. If not, move on.

# IMPLEMENTING NUMBERS/METRICS



# FINANCIAL METRICS YOU SHOULD KNOW

**GROSS MARGINS** – COMPANY NET SALES  
MINUS COST OF MATERIALS AND LABOR



# GROSS MARGIN STANDARDS

RETAIL

INSURANCE

EXCELLENT

55-65%

40-50%

GOOD

40-54%

35-39%

POOR

<40%

<35%

# FINANCIAL METRICS YOU SHOULD KNOW

**SALES COMMISSION**- ALL MONIES PAID TO A SALES PERSON THAT INCLUDES (SALARY, COMMISSION AND BONUSES).



# SALES COMMISSION STANDARDS

RETAIL

INSURANCE

EXCELLENT

8-10%

10-12%

GOOD

11-12%

13-15%

POOR

>12%

>15%



# FINANCIAL METRICS YOU SHOULD KNOW

ADVERTISING EXPENSE = THE EXPENSE TO MARKET YOUR COMPANY & PRODUCTS



# FINANCIAL METRICS YOU SHOULD KNOW

NET PROFIT- NET SALES MINUS ALL COSTS AND EXPENSES



# ADVERTISING EXPENSE STANDARDS

RETAIL

INSURANCE

EXCELLENT

$\leq 10.9\%$

$\leq 5\%$

GOOD

11-15.9%

6-8%

POOR

$> 15.9\%$

$> 8\%$

# FINANCIAL METRICS YOU SHOULD KNOW

COST PER LEAD- ADVERTISING EXPENSE DIVIDED BY NUMBER OF LEADS GENERATED.

**Cost Per Lead Advertising**



# FINANCIAL METRICS YOU SHOULD KNOW

COST PER DEMO- THE ADVERTISING EXPENSE DIVIDED BY THE NUMBER OF DEMOS PERFORMED.



# FINANCIAL METRICS YOU SHOULD KNOW

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COST PER SALE – ADVERTISING EXPENSE DIVIDED BY NET JOBS SOLD.





# COST PER LEAD

**EXCELLENT**

$\leq \$199$

**GOOD**

$\$200 - \$250$

**POOR**

$> \$250$

# COST PER DEMO

EXCELLENT

< \$225

GOOD

\$225 - \$300

POOR

> \$300





# COST PER SALE

**EXCELLENT**

**< \$450**

**GOOD**

**\$450 - \$600**

**POOR**

**> \$600**

# OTHER INDICATORS TO TRACK

**1) Issued Lead** An appointment that is put on a sales reps schedule.

EXCELLENT	GOOD	POOR
>55	20-55	20<

## OTHER INDICATORS TO TRACK

### 2) Demo

- a) Sales Reps is at the house for at least one hour.
- b) Sales Rep shows the customer something (Ex. product video presentation)
- c) Sales Reps gives a price of any kind

<b>EXCELLENT</b>	<b>GOOD</b>	<b>POOR</b>
<b>&gt;79%</b>	<b>70%-79%</b>	<b>70%&lt;</b>

## OTHER INDICATORS TO TRACK

**3) No Demo** Sales Rep was at the house for less than an hour and did not show anything at all or didn't give a price. And we do not want to go back to that lead.

EXCELLENT	GOOD	POOR
5%<	6-10%	>10%

# OTHER INDICATORS TO TRACK

## 4) Reset

- a) No one is home
- b) One leg (Ex. all decision makers not present)
- c) Not enough time to complete presentation  
(Ex. customer leaving)

<b>EXCELLENT</b>	<b>GOOD</b>	<b>POOR</b>
<b>5%&lt;</b>	<b>6-10%</b>	<b>&gt;10%</b>

## OTHER INDICATORS TO TRACK

### 5 No See appointment

- a) Scheduled appointment that the customer called and cancels the day of the appointment.
- b) Sales Rep is 30 minutes or more late to the appointment.
- c) Sales Rep can't make it to house. (Ex. in another, sick)

<b>EXCELLENT</b>	<b>GOOD</b>	<b>POOR</b>
5%<	6-10%	>10%

## OTHER INDICATORS TO TRACK

6) **Sale** A contract was written and signed.

<b>EXCELLENT</b>	<b>GOOD</b>	<b>POOR</b>
<b>30% or &gt;</b>	<b>25-29%</b>	<b>25% or &lt;</b>



*When you have  
the right*

**LEGACY**

*currency will  
follow*

