

## FINANCIAL PLAN CASE STUDY

# SUTTON FLEET'S JOURNEY TO EXPANSION.

Four years ago, Dave Sutton—steeped in the hum of engines and the grit of a truck repair shop—launched Sutton Fleet Service as a lone-wolf technician. Now wearing multiple hats as owner, general manager, and parts and service manager, Dave's passion has fueled the transformation of his operation from a one-man show into a team of five.

That team includes Dave, three skilled techs, and an office manager (Dave took his toolbox home last year). He pays the technicians \$35 an hour, and they each bill about 32 hours per week. As the business continues to expand, so too does the workload—and Dave recognizes the need to delegate more to sustain the growth of his enterprise. The upcoming year promises more expansion and the chance to delegate further.

Sutton Fleet Service, originally a single-location repair haven, is now experiencing a shift in customer demand. More clients request on-site repairs, prompting Dave to consider something new: mobile service. This represents uncharted territory, but Dave trusts his customers and expects the demand for this offering to increase.

Sutton Fleet operates with a clear-cut revenue model. The team charges an hourly labor rate of \$110 and applies a markup of about 25% on parts (they mark up sublet services by 15%). They also charge a shop supplies fee at 6% of a ticket's labor total. The business operates on a net-30 invoicing policy, ensuring a steady cash flow.

Overhead costs include the lease, utilities, marketing, and insurance. That all adds up to about \$14,000 per month.

Like receivables, payables operate on a net-30 basis, helping to balance the financial cycle.

Despite being the business owner and shouldering the burden of running a shop, Dave actually made more when he was turning wrenches. This frustrates him; he pays himself a salary of \$100K per year and the shop basically breaks even.

What's more, Dave's techs get offers to leave almost weekly. They're loyal to him, but he knows that can only extend so far. To keep up with the market, he'll need to increase their pay. He'd also like to offer a full 401K match and implement an efficiency bonus to help his techs feel more ownership in the business.

Dave's journey with Sutton Fleet serves as a testament to the entrepreneurial spirit—it's the story of a passion for repair work turned into a thriving business. With careful planning and unwavering commitment, Dave is well-positioned to guide Sutton Fleet towards a promising future.

*What one to two goals should Dave make for the coming year, and what changes will he need to implement to achieve them?*



# VISION/TRACTION ORGANIZER (V/TO)

## CORE VALUES

- 1. Safety:** Service every truck like your family will share the road with it.
- 2. Accountability:** Screw up, own up.
- 3. Less talk, more rock:** Be like an FM station.
- 4. Use the right tools for the job:** Don't remove wheels with a screwdriver.
- 5. Win/win or no deal:** We do well when our customers do well.

## CORE FOCUS

**Purpose/Cause/Passion:** We do thorough inspections and preventive maintenance to not only lower the cost of operating fleets, but also to make the roads safer for our families and friends.

**Niche:** Hyper-focused on preventive maintenance.

## 10 YEAR GOAL/BHAG

\$36 million annual revenue

## MARKETING STRATEGY

**Target market:** Fleets who haul their own product or perform a service.

### Three Uniques:

- 1.** Technicians aligned financially with the owner.
- 2.** Operational discipline/efficiency.
- 3.** Relentless proactivity on PMs.

### Proven Process:

- 1.** Thorough inspections and diagnosis.
- 2.** Transparent estimates.
- 3.** Swift and skilled repairs.
- 4.** Quality assurance.
- 5.** Ongoing preventive maintenance tracking and execution.

**Guarantee:** We guarantee we'll lower the cost of running your fleet.

## 3 YEAR GOAL

\$5 million annual revenue

1-Year Goals:

First Quarter Rocks:

*Note: This is an example of a Vision/Traction Organizer as detailed in Gino Wickman's book Traction.*