

# BEST of SUCCESS

# SMART GROWTH: CONTROLLING YOUR COMPANY'S TRAJECTORY

**Sam Stilley**

*CEO*

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**BEST**  **of**  
**SUCCESS**

# Sam Stilley & Amstill Roofing



- Father started the business in '74
  - \$2M/YR Average
  - Residential / Retail Focused
- Joined the industry at age 23
  - YoY Growth Average of 35%
  - Scaled the business to \$16M+
  - From 1 Employee to 30+
  - 4 Installation Teams
  - 2 Repair Techs



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# Forecast Your Growth, It's Actually Easy.

## DON'T BE A Weatherman

1. Takes Guesses
2. Disappointing Results

## BE A Businessman

1. Calculated Decisions
2. Adjusts Based On Results



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# Knowing Your Business Model

Majority of Roofing Businesses Operate Off 1 of 2 Things:

1. More Sales People to Generate Sales
2. More Inbound Leads to Close Deals

Pick your poison, both have their pros & cons

If You Understand This Simple Concept, You Can Absolutely Dominate Your Growth - Formulas to Follow



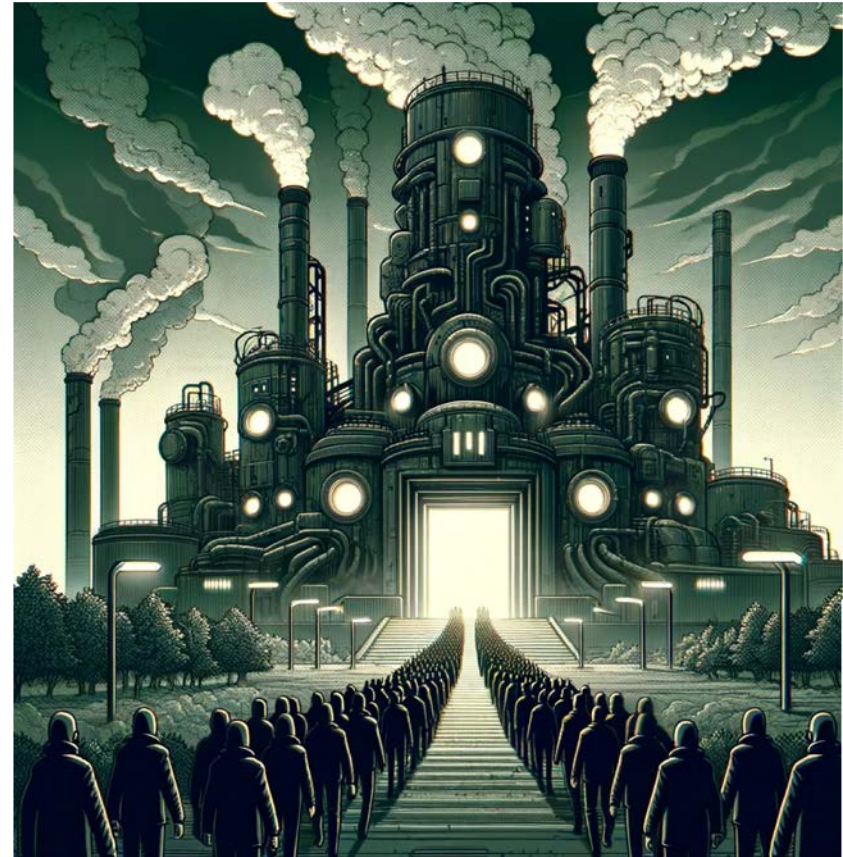
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# 1/2 Major Business Models In Our Industry

## “The Meat Grinder”

1. Training is typically quick & dirty
2. Little to no leads provided
3. Feels like an MLM
4. High turnover of sales people
5. Massive training classes with very few that actually stick
6. Low overhead, typically



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# The Meat Grinder - Data Required / Example

1. Average Sales Rep Life At Company
  - **12 Months**
2. Percentage of Reps That Stay On After Training To 12/Mo Company Average
  - **15%**
3. Average Sales Per Rep - Volume Units & Revenue
  - **20 Units / \$450,000**
4. Average Sale Price
  - **\$22,500**
5. Average Gross Margin % On Sale
  - **40%**
6. Average Net Profit % On Sale
  - **15% (Assumed on 10-50/50 The Meat Grinders Favorite!)**



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# The Meat Grinder Formula

This Formula will be based on **\$10,000,000** Intervals, Scale as needed:

1. Find How Many Sales People are Needed

***(Required Revenue / Revenue Per Salesperson = Effective Salespeople Needed)***  
= \$10,000,000 / \$450,000 = 22.22... so 23 People

1. Total Sales Reps Needed to be Hired

***(Effective Salespeople Needed / Retention Rate = Hire Total Required)***  
= 23 / .15 = 148 People Need to be Hired Cumulatively Every 12 Months



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# Formula For Recruitment

3. How Many People Required To Interview To Hire 148/Yr:  
***(Hired Sales Reps / Hiring Percentage = Required Monthly Interview Total)***  
=  $12.3 / .60 = 20.5\dots$  so 21 People / Month Interviewed

4. Cost To Hire 148 / Year (Assume Average Interview Cost You \$450)  
***(Cost Per Interview \* Required Monthly Interview Total = Monthly Budget)***  
=  $\$450 * 21 = \$9450$  / mo budget

You are a recruitment company, make no mistake. Master your recruitment, build a recruitment team with an HR team & retain your sales reps for as long as possible, and you will crush it.



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# 2/2 Major Business Models In Our Industry

## “The Lead Babies”

1. Training is typically very detailed & on-going
2. 80%+ of sales are leads provided
3. Low quantity of sales reps
4. High overhead
5. If leads are not flowing, company is bleeding



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# Lead Baby - Data Required / Example

1. Sales Team Size
  - **15**
2. MAX Amount of Leads You Can Run Per Month (Max 2 Per Rep/Day, Mon-Fri)
  - **600**
3. Lead Capacity Percentage (Averaging 350/leads a Month)
  - **58.33%**
4. Percentage of Leads that Are/Become Roof Replacements
  - **35%**
5. Cost Per Lead Average
  - **\$150**



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# Lead Baby - Data Continued

6. Average Demo / Appt Pitched Price
  - **80%**
7. Average Retail Replacement Closing %
  - **47%**
8. Average Roof Replacement Price
  - **\$24,753**
9. Target Roof Replacement Revenue
  - **\$16,000,000**



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# Lead Baby Formula

This Formula will be based on **some real numbers**

1. Determine Revenue Target Number

***(Desired Revenue / Average Ticket Size = Sold Roof Replacements)***

= \$16,000,000 / \$24,753 = 646.38 Sold Roof Replacements

1. Total Appointments Needed to Reach \$16,000,000

***((Sold Roof Replacements / Closing Percentage) / Demo Rate = Leads Needed)***

= (646.38 / .47) / .80 = 1,719 Leads Needed



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# Lead Baby Formula Continued

3. Average Marketing Cost Per Sale  
 **$(\text{Lead Count Total} * \text{Average Lead Cost}) / \text{Sold Roof Replacements} = \text{CPS}$**   
 $= ((1,719 * \$150) / 646.38) = \$398.94$  Cost Per Sale

4. Marketing Budget Required  
 **$(\text{Lead Count Needed} * \text{Average Lead Cost}) * 1.10 = \text{Marketing Budget}$**   
 $= (1719 * 150) * 1.10 = \$283,635$  Marketing Budget Required

5. Marketing Budget Allocated  
 **$(\text{Marketing budget} / \text{Revenue of Category})$**   
 $= \$283,635 / \$16,000,000 = 1.7\%$



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# Lead Baby In a Nutshell

**You are a sales organization that requires leads**

1. Know your numbers
2. Protect your company margins
3. Your company overhead can outgrow you if you aren't careful!!!
4. Allows for predictable growth
5. Do not expect your salespeople to be self gen monsters
6. Invest into the best training & best marketing possible
7. Your sales team must be elite



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# Major Mistakes That Can Collapse Your Success

I Have Made **AVOIDABLE** Mistakes

- Bad Manager Pay Plans
- Bad Sales People Pay
- Bad Marketing Decisions

**Both Models Mentioned, If Not Scaled Correctly Can Collapse!!!**

**Follow the formulas with your own numbers and make sound decisions!**



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# R.O.P.E

**RECOGNIZE** the issue

**OWN** your mistake

**PIVOT** away & create a new plan

**EXECUTE** the new plan



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# Let's Connect

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