Case Study: Process Improvement Drives Profitability

Client Profile:
Mid-sized HVAC/R trade contractor with $145 million in annual revenue, multiple offices, and a solid reputation. Despite strong sales, the company struggled with inconsistent project execution, margin leakage, and cash flow surprises.

The Challenge:
The client's processes were fragmented. Estimating, scheduling, and field execution relied heavily on individual project managers' personal methods or the leadership team stepping in. As a result:

- Change orders were frequently missed or underpriced.
- Field productivity varied widely between crews.
- Profit margins were unpredictable.
- Leadership lacked visibility into real-time project performance.

The Approach:
A bottoms-up process improvement strategy was utilized involving 2 Project Managers, 2 Superintendents, an estimator, and 2 Project Coordinators representing all offices. They focused on three key areas:

1. Standardized Project Management Framework:
    - Documented every step from bidding to closeout.
    - Created consistent templates for scopes, schedules, and reporting.

2. Culture Alignment:
    - Introduced clear accountability and expectations at all levels.
    - Held a workshop to get project managers and field supervisors aligned on processes and communication.

3. Financial Visibility:
    - Standardized reporting for budgets, forecasts, and change orders.
    - Tracked job-level profitability with some reconfiguration of existing software

Results:
Within the first 12 months:

- Average project margin improved by 10–12%.
- Change order capture increased by 35%, translating to tens of thousands in additional revenue and profit per quarter.
- The office & field teams worked closer together to manage customer outcomes
- Leadership could make data-driven decisions confidently, including staffing, bidding, and acquisition strategy.

Key Takeaways for Contractors:

- Process matters as much as people: standardized frameworks reduce mistakes and improve profitability.
- Aligning culture and execution ensures processes are followed consistently across crews, projects and offices
- Financial visibility turns "guessing" into informed decision-making, protecting margins.

Conclusion:
By combining process improvement with culture alignment, this client transformed operational chaos into predictable, profitable execution. By utilizing a bottom-up approach, adoption was faster, and the culture shifted. The takeaway: by systematizing operations from the ground up, contractors turn consistency into profitability and make scalable growth possible without losing quality.

Consistency isn't luck - it's engineered. If your projects, offices, or teams operate differently, profitability is leaking somewhere. We help contractors fix that. Let's discuss what process improvements could look like inside your business.