THE FIVE NUMBERS

One hour a week. Nine inputs. Five answers.

From The TCA Guide to Running a Profitable Repair Shop, Chapter 2 | techcareassociation.org

Shop ____________________ Month ____________ Date ____________

A. INPUTS (you type these; pull from POS, payroll, and bank)

A1	**Repair revenue ($)**	POS	Weekly, sum monthly	
A2	**Tickets completed (#)**	POS	Weekly, sum monthly	
A3	**Warranty and return tickets (#)**	POS, flag as own ticket type	Weekly, sum monthly	
A4	**Parts cost ($)**	Supplier invoices or POS cost of goods	Weekly, sum monthly	
A5	**Paid technician hours (#)**	Payroll or schedule	Weekly, sum monthly	
A6	**Billable technician hours (#)**	POS time tracking, or est. hours per repair x tickets	Weekly, sum monthly	
A7	**Direct technician labor cost ($)**	Payroll, loaded rate (wages + employer taxes)	Monthly	
A8	**Cash on hand ($)**	Business bank balance, less bills due this week	Monthly	
A9	**Average monthly fixed costs ($)**	Last 3 months of bank statements, averaged	Monthly, avg 3 mo.	

Solo operator? Your hours are the technician hours (A5 and A6). For A7, enter what you would pay someone to do your bench work.

B. THE FIVE NUMBERS (do the math; each formula uses the inputs above)

1	**Gross margin per ticket** What you keep on each repair before overhead.	`(A1 - A4 - A7) / A2` $ per ticket	Result	Target
2	**Average ticket** Watch the trend month to month, not the figure.	`A1 / A2` $ per ticket	Result	Target
3	**Labor utilization** Share of paid bench time that lands on a ticket.	`A6 / A5` percent	Result	Target
4	**Callback rate** Count disputes too; they cost bench time.	`A3 / A2` percent	Result	Target
5	**Months of cash reserve** How long the shop runs if revenue stopped.	`A8 / A9` months	Result	Target

C. MONDAY MORNING

The number I argued about this week: ____________________

One thing I will change before next month: ____________________

Same hour, next Monday, on the calendar: ☐ Yes

D. HOW TO USE THIS SHEET

Weekly (about 30 minutes): pull A1 to A6 from your POS, parts invoices, and schedule. Add each week to a running monthly total.

Monthly (about 20 minutes): pull A7 from payroll and A8, A9 from the bank. Work the five formulas in Section B and write the results.

First month is your baseline. Set a target you can name beside each result. Pick one number, change one thing, re-measure next month.

Keep every sheet. By month three you have a trend, and the trend is what tells you whether the shop is leaking money.

The TCA does not publish a benchmark for these numbers. Your baseline is last month. Your target is yours.

THE FIVE NUMBERS, BY CHANNEL

Optional page. Use it if anyone other than the walk-in customer pays for your repairs.

Insurance claims, warranty program jobs, and business contracts each need their own math. A blended average hides which the others.

Shop ____________________ Month ____________

A. INPUTS BY CHANNEL

		Walk-in	Insurance / warranty program	Business contracts
A1	**Revenue received ($)** Program: reimbursement actually paid, not billed			
A2	**Tickets completed (#)**			
A3	**Warranty and return tickets (#)** Program: returns you repaired at your cost			
A4	**Parts cost ($)** Program: the part they require, at what you paid			
A5	**Paid technician hours (#)** Split by your best estimate			
A6	**Billable technician hours (#)**			
A7	**Direct technician labor cost ($)**			
A10	**Unbilled admin hours (#)** Portals, photos, approvals, disputes, resubmits			
A11	**Admin cost ($) = A10 x loaded hourly rate**			
A12	**Receivables outstanding ($)** Owed to you at month end			
A13	**Average days to payment (#)** From repair complete to cash in bank			
A14	**Claims denied or clawed back ($)** Full-cost tickets at zero revenue			

B. THE NUMBERS BY CHANNEL

		Walk-in	Insurance / warranty program	Business contracts
1	**Gross margin per ticket** `(A1 - A4 - A7) / A2`			
1a	**Expected warranty cost per ticket** `(A3 / A2) x average cost of one callback`			
1b	**True margin per ticket** `B1 - (A11 / A2) - B1a - (A14 / A2)`			
2	**Average ticket** `A1 / A2`			
3	**Labor utilization** `A6 / (A5 + A10)`			
4	**Callback rate** `A3 / A2`			
5a	**Weeks of costs you are financing** `A12 / (weekly parts + labor, channel)`			

C. THE DECISION

Program work stands on its own only if B1b is positive AND B5a fits inside your months of cash reserve without squeezing suppliers or payroll.

Put B1b for the program channel beside B1b for walk-in. Those are the two tickets competing for the same bench hour.

If the program channel only looks profitable before admin (A11), warranty (B1a), and denials (A14) are counted, it is not income. It is a loan you made.

Program channel verdict: ☐ Stands on its own ☐ Filler only, cap the volume ☐ Renegotiate or exit

Program work is a filler, not a foundation. Take it when it clears its own margin and you can wait to be paid.