



CASE STUDY: Unlocking A\$420k in Cash and Operational Freedom for a Regional HVAC Contractor

Executive Summary

A regional HVAC contractor generating between A\$6M and A\$8M in annual revenue was facing a familiar bottleneck: the owner was trapped in day-to-day scheduling and quoting, cashflow was tight ahead of the peak Christmas season, and thin margins were capping growth.

By introducing a tighter operating cadence, enforcing rigorous job costing, and optimising working capital, the business unlocked A\$420k in cash, lifted EBIT margin by 5.6 percentage points, delivered a 394% Year 1 ROI, and gave the owner his weekends back.

The Challenge and Objectives

Despite healthy top-line revenue, operational inefficiencies were draining cash and consuming the owner's life. The engagement launched with three clear targets to be achieved within six months:

- Lift EBIT margin by 3 to 5 percentage points
- Free up at least A\$250k in trapped working capital
- Reduce the owner's operational workload to under 40 hours per week

The Turnaround Strategy: What We Did

Work focused on four operational and financial pillars designed to generate immediate cash and build structural efficiency.

1. Operational Control

Introduced a weekly operating cadence and a visual scheduling board so the team could see capacity, remove bottlenecks, and keep technicians billable.

2. Financial Discipline

Implemented strict job-costing workflows and systematically repriced low-margin SKUs so the business stopped winning unprofitable work and protected healthy margin jobs.



3. **Quality and Delivery Standardisation**

Standardised dispatch and installation SOPs, launched daily toolbox meetings, and embedded a “first-pass check” culture to cut errors and reduce rework.

4. **Cashflow Optimisation**

Negotiated 45-day terms with top-tier suppliers and introduced a structured staged-invoicing policy so cash came in faster than it went out.

The Results: Before vs After

Measurement window: October 2025 to April 2026, normalised for seasonal Christmas and January spikes and validated against Xero P&L and GM systems.

Key performance metrics

- **EBIT Margin**
 - Before: 8.3%
 - After: 13.9%
 - Net impact: +5.6 percentage points
- **Days Sales Outstanding (DSO)**
 - Before: 54 days
 - After: 32 days
 - Net impact: -22 days
- **Cash Released from Working Capital**
 - Before: A\$0
 - After: A\$420,000
 - Net impact: A\$420k unlocked
- **On-Time In-Full (DIFOT – delivery performance)**
 - Before: 83%
 - After: 96%
 - Net impact: +13 percentage points



- **Rework Rate**
 - Before: 7.8%
 - After: 3.1%
 - Net impact: -4.7 percentage points
- **Owner Operational Hours**
 - Before: 65 hours per week
 - After: 37 hours per week
 - Net impact: -28 hours per week

The Return on Investment

Based on a run-rate EBIT uplift of A\$420,000 against a total project investment of A\$85,000 (including advisory delivery fees and on-site fractional operations support), the engagement delivered:

- Annualised EBIT uplift: A\$420,000
- Total investment: A\$85,000
- Payback period: approximately 2.4 months
- Year 1 ROI: 394%

The ROI figure is calculated using the standard formula: $(\text{Gain} - \text{Cost}) \div \text{Cost} \times 100\%$.

Client Perspective

“Within six months I took my first proper week’s holiday in years. The team ran the week without me, cash wasn’t a fire drill, and nothing blew up while I was away.”

— Owner, Regional HVAC Contractor