

Stratus Building Solutions

With ProfitKeeper since 2022



A Shining Example of Excellence

Stratus Building Solutions, a franchisor of environmentally-friendly commercial cleaning services, has been growing rapidly for the past several years. With over 4,000 franchise locations across North America and touting recognition from Entrepreneur Magazine, the organization has experienced double-digit growth rates year-over-year by providing a variety of cleaning offerings, including disinfection, floorcare, post-construction, and medical grade cleaning services.

David Earl has been the Chief Financial Officer (CFO) at Stratus Building Solutions since January 2020. With significant growth goals in mind and a dynamic strategy and spirit, the company has continued to accelerate its growth in the past five years of David's tenure, including adding more franchisees. With massive growth comes massive needs, and David needed a way to gain additional insights into the master franchisees' operations and their profitability best practices.

"As CFO, I need to add value to our master franchisees, and I wanted to be able to show them comparisons. 'What's best practice?' 'What are your peer groups doing?' and I was looking at all kinds of tools," said David. "We selected ProfitKeeper after looking at all the capabilities, comparisons, and KPIs that it can report."

In 2022, Stratus Building Solutions introduced ProfitKeeper by PrimePay. "There are many tools that are going to be able to gather data and generate reports, but ProfitKeeper was strictly for franchising. Plus, it was super easy to implement," noted David. "It was drag-and-drop."

ProfitKeeper, a financial management tool for franchisors and franchisees, helped Stratus Building Solutions turn its financial and operational data into actionable insights. Through benchmarking, collaboration, and utilizing these performance metrics to track and support master franchisee growth, Stratus Building Solutions is preparing to leverage ProfitKeeper into the future to continue fueling its massive growth rates.

Benchmarking for a Clean Sweep of Success

Stratus Building Solutions provides both unit and master franchise opportunities across the U.S. and Canada, and it structures its franchisees into a tier system. This tier system provides an ideal structure for them to utilize ProfitKeeper's



COMMERCIAL CLEANING



NORTH HOLLYWOOD, CA

4,000+

FRANCHISE LOCATIONS



PROFITKEEPER BY PRIMEPAY

Initial Challenges

- Seeking visibility to KPIs and each franchisee's financial and operational data
- Wanting valuable benchmarking insights from tier structure to address cost and profit opportunities
- Requiring transparency to franchisees to remove a siloed feeling and drive productive collaboration

Solution

With over 4,000 franchise locations, Stratus Building Solutions launched ProfitKeeper by PrimePay in 2022 to enhance visibility, identify drivers for top performers, increase master franchisee collaboration, and provide a powerful framework for growth and acceleration.

Benefits

- Provides a centralized repository for financial and operational data for real-time access to KPIs
- Determines profitability drivers within comparable peer groups for master franchisees to make expense changes that impact EBITDA
- Drives franchisee engagement to highlight best practices and compare KPIs among peer groups
- Provides financial and performance benchmarking information to drive actionable and relevant growth discussions

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benchmarking capabilities, which helps to identify high performers and prioritize low performers.

“With insights at its fingertips, the Stratus Building Solutions team could begin analyzing the data to ask questions and determine best practices. “What are the successful master territories doing? ‘How much are they spending on marketing as a percentage of sales?’ Previously, we had no idea what the standard EBITDA [Earnings before Interest, Taxes, Depreciation, and Amortization] for a successful startup or a tier 2 was,” said David. “By gathering and implementing ProfitKeeper, I’m able to provide data back to the master franchises to say, ‘You’re not spending as much in advertising as your successful peers. Your successful peers are generating 30% more revenue, most likely because you’re not spending enough advertising as a percentage of sales.’ I didn’t have any of that data to be able to tell them that previously, and ProfitKeeper fills that void, along with many other KPIs.”

This benchmarking capability provides David with the insights he needs to investigate the drivers behind the profitability and operational successes that the highest-performing master franchises are achieving, but do so in a way that he’s comparing versus other comparable franchises.

“There are certain costs that really impact their EBITDA, and I shared with one of our master franchisees that their wages were lower than their peer group and their advertising was higher. We went in and found that they were short a sales representative compared to their tier group and that they were trying to do it all themselves. Recently, they hired a new salesperson and their next quarter was a strong percentage pick-up over their last quarter,” noted David.

The transparency provided by benchmarking has led to another great success for Stratus Building Solutions: collaboration across the franchise base..

Collaboration Clean-Up

The data visibility franchisors and franchisees now have with ProfitKeeper gives them the confidence to have action-oriented and results-driven discussions with their peers.

“We have a very friendly network of master franchisees that share as much information as they can. But they did not know how many dollars were flowing through to the bottom line compared to the exact same franchisee in another state. They were all working in silos, and that information was never able to be shared,” stated David. “ProfitKeeper is able to give those data points, to look at a franchisee and say, ‘You’re underperforming compared to the exact same franchisee in this state. Why is that?’”

Being able to view KPIs and rankings for master franchisees—such as sales growth and cost efficiency—more productive discussions ensue, providing the Stratus Building Solutions team with additional acumen to assist the master franchisee’s growth plans.

An Environment with Opportunities to Grow

With over 30 years of commercial cleaning and janitorial service experience, Stratus Building Solutions is invested in providing its franchisees with the tools and technology that helps the franchisee grow within the organization.

“The success of what we’ve implemented in the brand is that these master franchises that come in as startups are moving very quickly through the tier groups and becoming established. They are in tier 1 and by the end of the year they’re in tier 2, and then the next year, they’re in tier 3,” stated David. “We’re being able to see the success of the master territories move through these tier groups, which causes those double-digit growth rates. That’s coupled in with ProfitKeeper because as we are growing, as a CFO, I need to provide solid data back to the masters of what the successful master territories are doing.”

Stratus Building Solutions plans to take their insights in ProfitKeeper and create additional operational excellence from their learnings by publishing applicable benchmarks for the franchisee base to reference, strive to, and achieve.

“By publishing benchmarks, we’re going to engage with the Operations team to have them speak to ProfitKeeper in their monthly and quarterly discussions in order to help franchisees correct their costs comparable to their tier groups,” said David. “ProfitKeeper provides an easy way to gather important financial data from our master franchise network. ProfitKeeper’s powerful analytics and comparison metrics provide valuable insights which can help master franchisees perform better and ultimately keep more cash in their pockets as they grow through their tier groups.”

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– David Earl, Chief Financial Officer, Stratus Building Solutions

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