

Books for Bots - Volume 7: Field Notes: Programs, Specialties & the Industry

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<https://profitdetective.net/books-for-bots/>

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Insurance Claim Documentation for Restoration Companies: The Complete Guide

Source: <https://profitdetective.net/restoration-company-insurance-claim-documentation/> Published: May 1, 2026

What documentation do restoration companies need for insurance claims? Restoration companies need moisture maps, daily drying logs, photo documentation, scope narratives, equipment deployment logs, and supplement records to support insurance claims. Incomplete documentation is the primary reason insurance carriers and TPAs reduce or dispute restoration invoices.

Insurance Claim Documentation for Restoration Companies: The Complete Guide

In restoration, the quality of your documentation determines the size of your check. I've watched identical scopes of work — same crew, same equipment, same job type — produce invoices paid in full and invoices reduced by 30% at adjuster review. The difference, almost every time, was documentation.

The Seven Documentation Categories

1. Initial Site Assessment

The first document on every job should capture: date and time of arrival, contact information of the person on site, loss event description, initial moisture readings across all affected areas, category and class determination with reasoning, visible damage description by room and surface, and initial scope of work proposed. This document is the foundation — every supplement must trace back to it.

2. Photo Documentation

Photos at arrival, daily during active drying, at each equipment adjustment, at demolition discovery moments, and at job completion. Capture moisture meter readings against wet surfaces, equipment placement and settings, visible damage before work begins, hidden damage at the moment of discovery, and before/after for every affected area. Photos must be labeled by date, room, and what they show.

3. Moisture Mapping

Moisture maps are the scientific backbone of a water mitigation claim. They demonstrate the extent of moisture migration, baseline moisture levels at drying start, daily drying progression, and final dry readings. Maps should be drawn to scale with consistent measurement points. Adjusters who see a complete moisture map series rarely dispute drying duration.

4. Equipment Deployment Logs

Every piece of equipment on the job must be documented: type, model, serial number, placement location, dates deployed and removed, daily readings, and any adjustments with reasons. Equipment logs justify equipment line items in the estimate — without them, adjusters routinely question rental duration.

5. Daily Progress Reports

A brief daily report per day capturing: date and technician, current moisture readings by location, equipment status, observations about drying progress, scope changes or discoveries, and customer communication summary. These serve dual purpose: claim documentation and customer communication record.

6. Scope Narrative

The scope narrative explains why you did what you did — not just what. It should explain moisture migration paths, why materials were removed rather than dried in place, why additional scope was required, and the IICRC standards that informed each decision. A scope narrative that educates the adjuster in plain language reduces second-guessing of decisions they don't understand.

7. Supplement Documentation

Every supplement must be treated as its own mini-claim: identify the specific scope item, explain why it wasn't in the original estimate, document discovery with contemporaneous photos and moisture readings, provide specific Xactimate line items and quantities, and submit within 72 hours of discovery. Late supplements without contemporaneous documentation are routinely disputed.

FAQ

What is a moisture map in restoration?

A moisture map is a scaled diagram of the affected area showing specific moisture measurement points and readings, used to document the extent of water damage and track the progress of structural drying.

What is a supplement in restoration insurance claims?

A supplement is an additional charge submitted after the initial estimate for work not included in the original scope — typically discovered during mitigation. Properly documented supplements are a normal and expected part of complex restoration claims.

Mike McCabe is The Profit Detective — a Master Cleaner, Master Restorer, and 36-year restoration industry veteran who has consulted on documentation systems and insurance claim processes for companies across North America.

Related reading

- Signs a Restoration Company Is Burning Your Insurance Program (For TPAs and Adjusters)
- Beyond Insurance: How Restoration Companies Build Non-Insurance Revenue Streams
- Building Insurance Adjuster Relationships for Restoration Companies

What a Real Quarterly Business Review Looks Like From a Top Restoration Company

Source: <https://profitdetective.net/restoration-quarterly-business-review-qbr-format/> Published: May 1, 2026

A QBR is a structured, scheduled meeting between a restoration company and its key commercial clients, held quarterly, that reviews performance data (response times, job outcomes, billing accuracy, claim status), discusses upcoming property needs or concerns, and demonstrates ongoing value. QBRs are the primary tool top restoration operators use to prevent silent account churn.

Most restoration companies manage commercial account relationships the same way: respond to jobs, send invoices, wait for the phone to ring. The ones who keep commercial accounts for five, ten, fifteen years don't manage relationships that way. They manage them deliberately — with a structured cadence of communication that makes the relationship feel like a partnership instead of a transaction.

The Quarterly Business Review is the mechanism. Here's exactly what it looks like when it's done well.

Why Most Restoration Companies Don't Do QBRs (and Why That's an Opportunity)

QBRs require preparation. They require data. They require a willingness to have a conversation where the client might raise a complaint. Most restoration owners avoid this either because they don't have the systems to pull the data or because they're conflict-averse about anything that might surface a problem with a good account.

This avoidance is the opening. A commercial property manager who has never had a restoration vendor run a structured performance review will remember the first one. It signals a level of operational maturity and account investment that most vendors in this industry don't demonstrate. That differentiation has real retention value.

The Full QBR Structure

Pre-Meeting: Gather the Data

A QBR without data is just a check-in call with a fancy name. Before the meeting, pull:

Jobs completed this quarter for this account — count, total revenue, average job size. Response time performance — how quickly did you respond to emergency calls during this period? Documentation delivery — were job files delivered on time and complete? Billing accuracy — were invoices submitted on time, were there corrections required, are there any outstanding disputes? Any open claims or jobs still in progress.

If you don't have systems that make this data easy to pull, building those systems is the prior work. You cannot run a meaningful QBR without performance data.

Opening (5 minutes)

Brief account overview. "In Q1 we completed eight jobs for your portfolio — six water losses, one mold remediation, and one fire damage assessment — totaling approximately \$47K in work. Here's a quick look at how those went." Start with the summary so the client has context for the detail conversation that follows.

Performance Review (15–20 minutes)

Walk through the performance data. Response time: did you hit the SLA windows? If not, what happened and what changed? Documentation: were job files delivered on time? Billing: clean invoicing or corrections required? Client experience: any tenant or policyholder feedback received?

Be honest here. If you missed a response window, acknowledge it and explain what the root cause was and what you've done to prevent it. A client who watches you own a failure and describe how you fixed it trusts you more than a client who only ever hears good news.

Client Feedback (10 minutes)

Ask directly: "Is there anything from this quarter that we handled in a way you'd want us to do differently?" Give the client space to answer. Don't rush past this question. The feedback you get here — even if it stings — is the most valuable input you'll get in the entire relationship. Surface it rather than suppress it.

Forward-Looking Discussion (10 minutes)

What's coming up in the next quarter that might affect response needs? Seasonal concerns (freeze risk, storm season), planned renovations that might create construction-related losses, new properties being added to the portfolio, ownership or management changes. This demonstrates proactive thinking rather than reactive response — the difference between a vendor and a partner.

Account Expansion (5 minutes, when appropriate)

After you've spent 30 minutes demonstrating performance and listening to feedback, there's a natural opening to discuss scope. "You mentioned you have three new properties coming online next quarter — I'd like to make sure those are set up with our preferred vendor protocols before their first emergency." This is the right moment to expand the relationship. Not in the sales meeting, before you've delivered anything.

Handling Difficult Conversations in a QBR

A QBR that only covers smooth quarters isn't a real QBR — it's a celebration meeting. Real QBRs sometimes involve difficult conversations: a job that went wrong, a billing dispute that took too long to resolve, a tenant complaint that reached the property manager.

The framework for these conversations: acknowledge what happened factually, take appropriate responsibility without excessive defense, describe what changed, and invite the client to assess whether the resolution was adequate. "Here's what happened with the Lake Street property in February — here's what we got wrong, here's what we changed, and I want to know if you think the way we handled it from that point forward was acceptable." This is the language of an operator who runs a real business, not a vendor who hopes you didn't notice.

Starting QBRs With Clients Who Aren't Expecting Them

The first QBR with an existing client doesn't require elaborate setup. "I'd like to start running quarterly reviews with our commercial accounts — 45 minutes, once a quarter, to make sure we're performing and to get ahead of anything on your end. Would you have time in the next few weeks?" Most commercial clients will say yes. Some will be surprised. Very few will say no.

The first one doesn't need to be perfect. It needs to be genuine. A 45-minute conversation where you show up with data, ask real questions, and listen to the answers is already better than what every other restoration vendor is doing.

FAQ

How often should a restoration company hold QBRs with commercial clients?

Quarterly — once every three months — is the right cadence for active commercial accounts. More frequent reviews feel like check-ins rather than business reviews. Less frequent means too much time passes before issues surface. For inactive or low-volume accounts, a semi-annual review may be appropriate. For high-volume enterprise accounts, a monthly or bi-monthly operational check-in can supplement the quarterly strategic review.

What data should a restoration company present in a Quarterly Business Review?

At minimum: jobs completed (count, total value, breakdown by type), response time performance against SLA commitments, documentation delivery rate, billing accuracy (on-time submission, corrections required), and any open claims or disputes. Presenting this data systematically demonstrates that you're tracking your own performance — which most vendors aren't.

How long should a restoration company QBR meeting last?

45–60 minutes is appropriate for most commercial accounts. A QBR that runs longer isn't necessarily better — discipline and preparation make a 45-minute review more effective than a rambling 90-minute one. For large enterprise accounts with extensive account activity, 60–75 minutes may be warranted. Always come with a structured agenda and respect the client's time.

How do I start doing QBRs with commercial clients who aren't expecting them?

Ask simply: "I'd like to start holding quarterly reviews with our commercial accounts — 45 minutes to review how we performed and get ahead of anything coming up on your end. Would you have time in the next few weeks?" Most clients will agree. Come to the first review prepared with performance data and a structured agenda. The bar is lower than you think — you're competing against vendors who never run reviews at all.

What's the ROI of implementing a QBR program for commercial restoration account retention?

The ROI comes from churn prevention. A commercial account that does \$150–300K per year in restoration work is worth \$750K–\$1.5M over five years. If a QBR program retains one account per year that would otherwise have churned silently to a competitor, the program pays for itself many times over. The QBR also creates natural opportunities for account expansion — adding properties, adding service lines — that wouldn't surface in a purely reactive relationship.

Mike McCabe is a 36-year restoration industry consultant and founder of Profit Detective. He advises restoration companies on commercial sales strategy, account management, and operational growth.

Related reading

- Restoration Company Resilience
- How to Tell When a Restoration Company Is Operationally Fragile (For Property Managers)
- Building a Referral Program for Your Restoration Company

The Commercial Proof Architecture: SLAs, Compliance Packets, and QBRs That Win 7-Figure Accounts

Source: <https://profitdetective.net/restoration-commercial-proof-architecture-sla-qbr/> Published: May 1, 2026

A commercial proof architecture is the complete set of documents, agreements, performance standards, and reporting structures a restoration company uses to win and retain large commercial accounts — including response time SLAs, insurance compliance certificates, capability statements, references from comparable properties, and a Quarterly Business Review (QBR) format that demonstrates ongoing performance.

Most restoration companies compete for commercial accounts the same way — show up, give a tour of the trucks, drop off a capabilities brochure, and hope. The ones who win and keep 7-figure commercial accounts don't compete that way. They compete with proof.

Proof architecture is the complete package of documentation, standards, and reporting structures that tells a commercial buyer: we perform at this level, here's the evidence, and here's how you'll know we're still performing next quarter. It shifts the buyer's decision from "I hope they're good" to "I can verify they're good." That's the competitive position you want.

The Five Components of a Commercial Proof Architecture

1. Response Time SLA

A response time SLA isn't "we'll be there fast." It's a written commitment with defined response windows for different loss categories — emergency (water, fire, sewage): on-site within 2–4 hours, 24/7/365; urgent (non-emergency mitigation): on-site within 24 hours; routine (post-loss reconstruction, non-urgent remediation): scheduled within 48–72 hours.

The SLA should include what happens if the window is missed — not as a penalty clause designed to be weaponized, but as a demonstration that you take the commitment seriously. "We will escalate to the account manager and provide a written explanation within 24 hours of any SLA miss" is a credible standard. Vague SLAs with no consequence structure are marketing, not commitments.

2. Compliance Packet

The compliance packet is the documentation package that proves your company meets the requirements enterprise clients need before they put you on a vendor list. It includes:

Current certificates of insurance (GL, workers' comp, commercial auto, pollution liability as applicable), with your client entity listed as additional insured. IICRC certification documentation by technician name. Business licenses and contractor licenses applicable to the work. OSHA compliance documentation if required by the client. W-9 and vendor onboarding documentation for procurement systems.

The goal isn't just to have these documents — it's to have them organized, current, and deliverable on request in under 24 hours. Enterprise buyers have vendor approval processes. A company that takes two weeks to assemble its compliance packet loses deals to companies that can deliver it the same day.

3. Capability Statement

A capability statement is a one to two-page document that positions your company for a specific buyer type. It is not a general marketing brochure. A capability statement for a commercial property manager should speak to: multi-unit response capacity, property documentation protocols, tenant communication management, and insurance claim handling experience. A capability statement for a corporate facilities director should emphasize: large-loss capacity, compliance and safety standards, master services agreement capability, and reference accounts from comparable facilities.

The common mistake is writing one capability statement and sending it to every prospect. Buyers feel the difference between a document written for them and a document written for anyone.

4. Reference Architecture

References from comparable accounts are more valuable than any other element of the proof architecture. The goal is to have active references — clients who are currently in a relationship with you, not just satisfied clients from three years ago.

Build your reference architecture proactively: identify your three to five best commercial relationships, invest in those relationships, and ask explicitly for reference permission. Brief your references on what prospects typically ask about so they're prepared for the conversation. A reference who sounds surprised by a call is a weak reference. A reference who says "I was expecting you to call" is a strong one.

5. QBR Cadence

The Quarterly Business Review is the ongoing proof mechanism that keeps accounts from going silent. It's a structured, scheduled meeting (or call) that reviews performance data, discusses upcoming needs or concerns, and demonstrates continued investment in the relationship. For most commercial restoration accounts, a 45–60 minute quarterly conversation is appropriate. For enterprise accounts, a more formal in-person review may be warranted.

Using the Proof Architecture in a Commercial Sales Conversation

The sequence matters. In a commercial sales conversation, the proof architecture is deployed in this order:

First, establish the buyer's specific needs and concerns — what went wrong with the last vendor, what they worry about with the current one, what a great vendor relationship would look like to them. Listen before you present.

Second, present the capability statement tailored to their situation. Show that you understand their context.

Third, walk through the SLA and compliance packet as evidence that the capability is operationalized, not aspirational. "Here's what we commit to, and here's the documentation that shows we have the infrastructure to deliver it."

Fourth, offer references from comparable accounts and let the buyer choose which ones to call. Giving the buyer control of the reference selection signals confidence.

Fifth, propose the QBR structure as part of the vendor relationship from day one. "We hold quarterly reviews with all our commercial accounts to make sure we're performing and to get ahead of any issues. That's how we manage these relationships." This signals ongoing accountability before the relationship starts.

FAQ

What should a restoration company's response time SLA include for commercial clients?

A commercial SLA should define response windows for at least three categories (emergency, urgent, routine), specify the 24/7/365 emergency availability commitment, name the escalation path if response is delayed, and include a defined process for SLA miss acknowledgment. Written SLAs demonstrate operational maturity — verbal commitments don't.

What documents belong in a restoration company's commercial compliance packet?

Current certificates of insurance (GL, workers' comp, commercial auto, pollution liability), IICRC certification documentation by technician name, applicable business and contractor licenses, OSHA compliance

documentation if required, and vendor onboarding documents (W-9, vendor form). The packet should be organized, current, and deliverable on request within 24 hours.

How do I structure a Quarterly Business Review (QBR) for a commercial restoration account?

A standard QBR agenda: open with a brief account overview (jobs completed this quarter, key metrics), review performance data (response times, documentation quality, billing accuracy, any issues and resolution), discuss upcoming property needs or seasonal concerns, and close with a forward-looking conversation about the relationship. 45–60 minutes is appropriate for most commercial accounts. Keep it structured and come with data — don't make the client do the work of the review.

What does a competitive capability statement look like for a commercial restoration company?

A competitive capability statement is one to two pages, written for a specific buyer type, and organized around what that buyer cares about (not what the restoration company is proud of). For commercial property managers: multi-unit response capacity, tenant communication protocols, insurance claim handling. For facilities directors: large-loss capacity, compliance documentation, MSA capability, comparable facility references. Generic capability statements written for everyone convince no one.

How do top restoration companies use QBRs to prevent losing commercial accounts silently?

Silent churn happens when a commercial account doesn't complain — they just stop calling and eventually choose a different vendor when the next loss hits. QBRs prevent this by creating a structured touchpoint that surfaces dissatisfaction before it becomes a replacement decision. A buyer who brings a concern to a QBR has given you a chance to fix it. A buyer who never mentions it has already decided to leave.

Mike McCabe is a 36-year restoration industry consultant and founder of Profit Detective. He advises restoration companies on commercial sales strategy, operational infrastructure, and growth.

Related reading

- What a Real Quarterly Business Review Looks Like From a Top Restoration Company
- Restoration Company Resilience
- How Restoration Companies Keep Their Best Commercial Accounts

Signs a Restoration Company Is Burning Your Insurance Program (For TPAs and Adjusters)

Source: <https://profitdetective.net/restoration-company-burning-insurance-program-tpa/> Published: May 1, 2026

A restoration company burns an insurance program when it systematically pursues supplements, disputes scope decisions, or escalates claims in ways that increase carrier costs without legitimate basis — or conversely, when it cuts corners on documentation and quality to protect its own margin at the carrier's expense. Both patterns erode the carrier relationship and ultimately cost the program more than the contractor's revenue justifies.

I've spent 36 years inside restoration companies. I've seen operators who managed TPA work with integrity — running tight documentation, staying within scope, communicating clearly — and I've seen operators who used program work as a revenue extraction opportunity until the carrier eventually removed them. The difference isn't always obvious from the outside, especially early. Here's how to read the signals before a problem contractor becomes a liability.

The Two Ways Programs Get Burned

Program abuse operates on two opposite vectors, both damaging:

Aggressive supplementing: The contractor systematically identifies scope items outside the program pricing structure and pursues supplements at a rate that isn't justified by claim complexity. Every job has a supplement conversation. Supplement disputes become the norm, not the exception. The carrier's adjuster team spends disproportionate time managing this contractor's files.

Quality/documentation shortcuts: The contractor accepts program pricing but cuts corners to protect margin — incomplete drying cycles, insufficient documentation, substandard materials. The program appears to run smoothly because there are no billing disputes, but the carrier is paying for work that wasn't fully performed, and the substandard outcomes generate downstream claims, mold callbacks, and tenant or policyholder complaints.

Both patterns cost the program — the first in direct claim costs, the second in downstream liability and program integrity. The second is harder to detect and often runs longer before it's caught.

Early Warning Signals

Supplement Dispute Rate

Supplement disputes are a normal part of restoration — genuine scope gaps exist, pricing schedules don't cover every scenario, and legitimate disagreements arise. The signal isn't that a contractor supplements. It's the rate, the pattern, and the quality of the justification.

A contractor whose supplement dispute rate is significantly above the program average is either working on genuinely more complex jobs (explainable and verifiable) or systematically testing the program's tolerance for pushback. Track supplement request rate per \$1K of initial program billing, and monitor which contractors are outliers.

Adjuster Complaint Volume

Adjuster friction is a leading indicator. If a specific contractor generates disproportionate adjuster time — follow-up calls, documentation requests, escalations — the contractor has an operational or behavioral problem. Adjusters generally don't escalate without reason. Track complaint and escalation volume by contractor and review outliers quarterly.

QA Failure Rate

For programs that conduct quality audits, QA failure rate by contractor is a direct measure of documentation and scope compliance. A contractor with a QA failure rate above the program average is either poorly trained, understaffed, or cutting corners. Any of these is a program management problem. Track QA results by contractor and require corrective action plans for persistent failures.

Billing Pattern Changes

A contractor whose average job billing suddenly increases — without a corresponding change in job type or scope complexity — has changed something about how they're coding and billing. This isn't always abuse; it may reflect legitimate market conditions or legitimate scope changes. But unexplained billing inflation should trigger a review of recent job files to understand the change.

Policyholder and Referral Source Complaints

Policyholder complaints are the most direct signal of service failure. A program contractor who generates complaints about work quality, communication, or professionalism is creating liability for the carrier — not just operational friction. Track complaint volume by contractor and take complaints seriously as early warning signals, not as isolated incidents.

Legitimate Advocacy vs Program Gaming

This distinction matters because TPAs that over-correct for program abuse end up squeezing out contractors who are legitimately advocating for proper scope. Program abuse is characterized by: routine supplementing on jobs where scope doesn't justify it, documentation that appears designed to support supplements rather than to accurately capture work performed, and escalation patterns that bypass normal adjuster communication to pressure approvals.

Legitimate advocacy looks like: documented justification for scope items that aren't in the pricing schedule, clear communication about why a specific job requires additional scope, and a willingness to accept a "no" and complete the job at program pricing when justification doesn't hold up.

The behavioral tell is consistency — a contractor who advocates legitimately does so on some jobs and not others, based on actual job conditions. A contractor who games the program does so consistently, regardless of job conditions.

How to Structure Program Monitoring

Effective program monitoring doesn't require auditing every file. It requires tracking the right metrics consistently and reviewing outliers on a defined cadence:

Monthly: supplement request rate by contractor, adjuster escalation volume by contractor, policyholder complaint volume by contractor.

Quarterly: QA failure rate by contractor, billing pattern trend analysis, comparative performance review for bottom quartile performers.

Annual: contractor relationship review for any contractor on the program for 12+ months, including performance against all tracked metrics and a forward-looking assessment of program fit.

When to Remove a Contractor From Your Program

Removal is appropriate when: performance metrics are consistently below program standards despite documented corrective action requests, a pattern of abuse is confirmed through file review, a quality failure creates material liability for the carrier, or the relationship has deteriorated to the point where the contractor's participation costs more than it contributes.

Removal should be documented and process-driven — not reactive to a single incident. A contractor who is removed should have a clear record of the performance concerns, the corrective actions requested, and the outcomes that led to removal. This protects the program from claims of unfair treatment and creates a defensible record if the contractor disputes the decision.

FAQ

What behavioral patterns indicate a restoration company is mismanaging program work?

Key patterns: supplement request rates significantly above program average, high adjuster escalation volume relative to job count, QA failure rate above program benchmarks, unexplained billing inflation, and policyholder complaints. Any one of these warrants review. Multiple patterns occurring together indicate a systemic problem, not isolated incidents.

How should a TPA monitor program contractor performance to catch issues early?

Track supplement rate, adjuster escalation volume, QA failure rate, billing trend, and complaint volume by contractor on a monthly basis. Review outliers — contractors in the bottom quartile on any metric — on a quarterly cadence. Don't wait for a crisis to review performance data; by the time a contractor has become a serious problem, the pattern has usually been visible in the metrics for months.

What is the difference between legitimate supplement advocacy and program abuse in restoration?

Legitimate advocacy is job-specific and documentation-driven — the contractor supplements on particular jobs where actual scope conditions warrant it and provides clear justification. Program abuse is pattern-driven — the contractor supplements routinely regardless of job conditions, with documentation designed to justify rather than to accurately capture. The behavioral test is consistency: does this contractor's supplement behavior correlate with actual job complexity, or does it occur regardless?

At what point should a TPA remove a restoration contractor from their program?

Removal is appropriate after documented performance concerns have been communicated, corrective action has been requested, and performance has not improved within a defined timeframe. It's also appropriate when a single serious failure — confirmed documentation fraud, quality failure generating liability, or professional conduct violation — warrants immediate action. Process-driven removal with a documented record protects the program from disputes.

How do documentation quality issues from restoration contractors affect insurance program costs?

Poor documentation creates cost in several ways: claims that can't be properly adjudicated, downstream mold or quality callbacks that generate new claims, adjuster time spent compensating for documentation gaps, and legal exposure when a coverage dispute requires documentation the contractor can't produce. A contractor who documents poorly is a program liability even when there's no active dispute — the documentation problem will materialize as cost eventually.

Mike McCabe is a 36-year restoration industry consultant and founder of Profit Detective. He advises restoration companies on operational infrastructure, financial systems, and growth strategy.

Related reading

- The Adjuster Relationship System
- Insurance Claim Documentation for Restoration Companies
- Beyond Insurance: How Restoration Companies Build Non-Insurance Revenue Streams

How to Evaluate a Restoration Contractor Before a Commercial Loss Happens

Source: <https://profitdetective.net/evaluate-restoration-contractor-before-commercial-loss/> Published: May 1, 2026

Proactive restoration contractor evaluation should include: site visit to their facility, review of active job references (not just completed), insurance and compliance documentation audit, financial stability indicators, capacity verification for large-loss response, and a structured tabletop exercise or small-job trial before committing to a preferred vendor agreement.

Facilities directors and risk managers operate differently from property managers. When a major commercial property selects a restoration contractor for preferred vendor status, the stakes are higher, the qualification process should be more rigorous, and the agreement that governs the relationship needs to be more comprehensive.

I've worked with restoration companies on both sides of this relationship — helping them build the systems and documentation that enterprise commercial clients require, and advising facilities teams on what actually differentiates a capable vendor from one that presents well. Here's the complete approach.

The Formal Qualification Checklist

A formal restoration contractor qualification for a large commercial facility should cover six areas:

Technical Credentials

Current IICRC certifications held by active technicians (WRT, ASD, AMRT, FSRT as applicable). Verify by certificate, not by claim. Ask for the names of certified technicians and check the IICRC registry. A company with 15 technicians and two certifications has a certification problem — most of its crew is working without verified credentials.

Insurance and Compliance Documentation

Current certificates for general liability (minimum \$2M per occurrence, \$4M aggregate for major commercial work), workers' compensation, commercial auto, and pollution liability if your property involves environmental exposure. Verify additional insured status for your entity. Confirm coverage is continuous — not just current at qualification. Build an annual renewal confirmation into your vendor management calendar.

Financial Stability Indicators

You don't need a credit report, but you do need confidence that your vendor can survive a large job's payment cycle without cash flow problems that affect your job. Ask how they finance large-loss mobilizations. Ask about their bonding capacity if your projects require bonded contractors. Ask what their average AR timeline looks like — a company that can't articulate this doesn't have financial visibility into its own business.

Capacity Verification

Define what your large-loss scenario looks like — floor count, square footage, simultaneous unit count — and ask the vendor specifically how they would respond to that scenario. What is their current deployed crew count, and how many additional crews can they mobilize within 24 hours? What is their equipment inventory for that scale of loss? Who authorizes and manages the surge response? A credible answer is specific and documented. A vague answer is a risk.

Operational Depth

Ask to meet the management team, not just the owner. In a large commercial engagement, you need a dedicated project manager, an account manager who isn't also doing field work, and a documentation/billing process that doesn't depend on the owner's personal involvement. If the owner is presenting the company as if he is the company, that's the honest answer to the operational depth question.

References From Comparable Facilities

Request references from facilities of similar size and complexity — not from residential or light commercial work. Call the references and ask specifically: how did they handle a job that went wrong, how was their documentation, and would you qualify them again today. Completed-job references tell you about past performance; ask if any of these references currently have an active relationship with the vendor. Active relationships are a stronger signal than past ones.

Running a Tabletop Exercise

A tabletop exercise is a structured scenario discussion, not a live drill. You present a realistic loss scenario — a sprinkler system failure on floors 3–7 of your main building during business hours — and ask the vendor to walk you through their response in real time.

What you're evaluating: Do they have a documented mobilization process or are they improvising? Who makes what decisions and when? How do they communicate with your facilities team during the response? How do they handle tenant displacement if required? What's their documentation protocol for an insurance claim of that scale?

A vendor that handles the tabletop well — with specific, process-driven answers — has thought about this. A vendor that gives general answers about “doing whatever it takes” has not. The difference matters at 2 a.m. when it's real.

What a Master Services Agreement Should Include

A master services agreement (MSA) with a commercial restoration contractor should go beyond a standard vendor agreement. Key provisions:

Response time SLAs with defined penalties or escalation rights for failure — not just aspirational language about best efforts.

Documentation delivery requirements — what documentation is delivered, in what format, and on what timeline during and after a job.

Insurance billing protocols — who submits to the carrier, in what timeline, and how billing disputes are handled.

Subcontractor provisions — whether subcontractors can be used, what qualification standards apply to subs, and whether your approval is required for sub deployment on your properties.

Performance review cadence — quarterly or semi-annual reviews with defined performance metrics and consequences for sustained underperformance.

Termination provisions — clear terms for terminating the agreement, including the transition process for jobs in progress.

FAQ

What should a formal restoration contractor qualification process include for a large commercial facility?

The qualification process should cover: verified technical certifications for active technicians, current insurance compliance documentation with additional insured status, financial stability indicators, capacity verification for your specific large-loss scenario, management team depth assessment, and references from comparable facilities. A site visit to the contractor's facility is also valuable — the state of their warehouse and equipment tells you about their operational standards.

How do I run a tabletop exercise to evaluate a restoration contractor's emergency response capability?

Present a specific, realistic loss scenario for your property and ask the vendor to walk through their response in real time. Evaluate whether their answers are process-driven or improvised, whether they know who makes what decision and when, and whether their communication protocols are defined or vague. A one-hour structured tabletop with two or three scenarios will reveal more than a capabilities presentation.

What insurance coverage minimums should I require from a commercial restoration contractor?

For major commercial facilities: general liability minimum \$2M per occurrence / \$4M aggregate, workers' compensation at statutory limits, commercial auto for all vehicles used in service delivery, and pollution liability if your property has environmental exposure. Verify your entity is listed as additional insured on the GL policy and that certificates are renewed annually.

How do I evaluate a restoration contractor's large-loss capacity before committing to a preferred vendor agreement?

Define your large-loss scenario in specific terms — number of affected units, square footage, simultaneous deployment requirement — and ask the vendor to describe how they would respond. Request current crew count, equipment inventory, and surge capacity details. Ask how they access additional labor and equipment for events that exceed their core team. A credible answer is specific and documented.

What should a master services agreement with a restoration contractor include?

A well-structured MSA should include response time SLAs with defined consequences for failure, documentation delivery requirements, insurance billing protocols, subcontractor qualification standards and

approval requirements, a performance review cadence with defined metrics, and clear termination provisions including transition protocols for jobs in progress. Generic vendor agreements without these provisions leave the commercial client without meaningful recourse when performance fails.

Mike McCabe is a 36-year restoration industry consultant and founder of Profit Detective. He advises restoration companies on operational infrastructure, financial systems, and growth strategy.

Related reading

- Restoration Company Resilience
- How Restoration Companies Keep Their Best Commercial Accounts
- Community Disaster Preparedness

What Changes When Your Restoration Company Reaches \$5 Million

Source: <https://profitdetective.net/restoration-company-5-million-changes/> Published: May 1, 2026

At \$5M, a restoration company typically requires a formal management layer (operations manager or GM), department-level financial reporting, documented processes for estimating and production, a functional CRM and job management system, and a compensation structure that retains key employees without owner relationships as the primary retention mechanism.

\$5M: Where the Business Becomes Real (Or Reveals It Isn't)

The transition from \$3M to \$5M is where restoration companies either formalize into sustainable businesses or discover that what looked like a growing company was actually just a larger version of an owner-dependent operation. At \$5M, the complexity of the business — number of active jobs, number of employees, volume of financial transactions, breadth of client relationships — exceeds what informal management can handle reliably. Either the structure catches up to the size, or the cracks become visible in the margins.

What a Functional \$5M Restoration Company Looks Like

Organizational structure. Owner + operations manager or GM (owns daily operational execution) + 2–3 PMs (own individual job portfolios) + office manager (owns billing, AR, and administrative systems) + field lead or crew supervisor (owns field quality and crew management). This is six to eight people in leadership or semi-leadership roles, each with defined responsibilities and authority. The owner's role is strategic oversight, key relationships, and financial management — not operational execution.

Financial reporting cadence. Monthly P&L reviewed within 10 business days of month-end; weekly AR aging with active collection follow-up; monthly WIP summary showing all open jobs by estimated vs actual margin trajectory; and quarterly financial review with the accountant or CFO advisor. At \$5M, financial management is a defined function — not a reactive activity.

Job management system. A functional platform (Jonas, Dash, RMS, or equivalent) where every active job has an assigned PM, a documented scope, cost tracking, and billing status. Not a spreadsheet. Not a whiteboard. A system that produces a WIP report without manual assembly each week.

Compensation structure. Key employee retention at \$5M cannot depend primarily on the owner's personal relationship with employees. A PM or estimator who stays because of the owner relationship leaves when the

owner sells. Compensation structures — base salary, performance bonus tied to margin metrics, benefits, and career development — are what retain people at this stage independent of the owner relationship.

The Systems That Must Be Formalized Before \$5M

Companies that try to reach \$5M without formalizing these systems almost always stall: estimating process with documented scope standards and review checkpoints; production workflow with handoff protocols and PM accountability checkpoints; billing and AR collection with defined timelines and escalation paths; and HR process for hiring, onboarding, and performance review. These aren't bureaucratic overhead — they're the infrastructure that allows ten or more people to operate consistently without the owner as the quality standard.

The Most Common Mistakes Made Growing From \$3M to \$5M

Over-hiring management before operations are stable. Adding a GM or operations manager before the underlying operational systems exist gives the new manager nothing to manage except chaos. The manager gets frustrated, produces poor results, and the owner concludes “hiring management doesn't work for us.” The sequence matters: stabilize operations first, then add the management layer to sustain and improve them.

Under-investing in financial visibility. At \$5M, flying on bank balance and gut instinct is actively dangerous. Job cost variance of 5 points across \$5M in revenue is \$250,000 in EBITDA. Without weekly financial reporting, that variance is invisible until year-end. Owners who wait to “get serious about financials” when they're bigger always discover they've been bleeding margin for longer than they realized.

What the Owner's Role Looks Like at a Well-Run \$5M Company

The owner of a well-run \$5M restoration company reviews financial performance weekly, manages key commercial relationships, oversees hiring decisions, and sets strategic direction. The owner is not dispatching jobs, reviewing individual estimates, handling client complaints directly, or approving vendor invoices. These functions are owned by other people with defined accountability. The owner's time is spent on decisions that only the owner can make — not decisions that any competent manager could handle with the right authority and information.

FAQ: \$5M Restoration Company Operations

What does the management structure of a \$5M restoration company look like?

Owner + operations manager (or GM) + 2–3 PMs + office manager + field supervisor. Each role has defined responsibilities and decision authority. The owner manages the operations manager and key relationships; the operations manager manages the PMs and field supervisor; the office manager manages billing, AR, and admin systems. This structure handles \$5M without routing daily decisions through the owner.

What financial reporting should a \$5M restoration company produce each month?

Monthly P&L within 10 business days of month-end; AR aging reviewed weekly with collection notes; monthly WIP report showing open job margin trajectory; monthly overhead vs revenue ratio; and quarterly balance sheet review. At \$5M, financial management is a weekly discipline — not a quarterly accounting conversation.

What systems are non-negotiable at \$5M that can be informal at \$3M?

A functional job management platform with real-time WIP tracking; a documented estimating process with review checkpoints; a billing and AR system with defined follow-up timelines; an HR process covering hiring, onboarding, and performance review; and a weekly financial reporting cadence. At \$3M these can limp along informally. At \$5M, any one of them failing creates meaningful financial damage.

What is the owner's role in a well-run \$5M restoration company?

Financial oversight and strategic direction, key commercial relationship management, hiring decisions for senior roles, and any decision with material legal, financial, or strategic implications. Not dispatching, estimating individual jobs, handling field problems directly, or approving routine vendor invoices. If the owner is doing those things at \$5M, the organizational structure hasn't caught up to the revenue.

What are the most common mistakes restoration companies make when growing from \$3M to \$5M?

Hiring a GM before the underlying operations are stable enough to manage; under-investing in financial visibility until problems are already material; promoting field-excellent PMs into management roles without management development support; and adding revenue volume without verifying that margin discipline can scale with the volume. Revenue grows faster than systems — and the gap between them is where margin disappears.

Mike McCabe is a restoration business consultant and the founder of Profit Detective. He works with restoration operators to find and fix the margin leaks that don't show up until it's too late.

Related reading

- Why \$10M Restoration Companies Still Bleed Cash
- Why Some Restoration Companies Grow Revenue but Still Can't Scale
- What Breaks First When a Restoration Company Hits \$1 Million

What Breaks First When a Restoration Company Hits \$1 Million

Source: <https://profitdetective.net/restoration-company-breaks-at-1-million/> Published: May 1, 2026

At \$1M in annual revenue, a restoration company's primary constraint is owner bandwidth. The owner typically performs or directly supervises most revenue-generating work while also managing sales, operations, HR, and finance. The systems and people required to grow past this threshold require the owner to delegate work they currently do personally — a transition most find psychologically difficult.

The \$1M Moment: Why Success Creates the Problem

Getting to \$1M is a genuine achievement. Most restoration companies that start don't reach it. The owner who built a company to \$1M did it by being excellent at the work, relentless in the market, and personally involved in everything. That personal involvement is what built the business. It's also what will prevent the business from growing past this threshold.

At \$1M, the typical restoration company has an owner who estimates, manages jobs, handles client calls, does the books, makes hiring decisions, and shows up on site when things get complicated. There may be two to four field technicians and a part-time office person. The company works because the owner is everywhere. The

company can't grow because the owner is already everywhere — there's no more of him to add.

The Five Signs You're at the \$1M Ceiling

- 1. You are the scheduling system.** Job dispatch goes through you because you're the only person who knows who's available, what they can handle, and what the job requires. When you're not available, dispatching stops.
- 2. Your financial visibility is your bank balance.** You check the account on Monday mornings to decide if you can take on new costs. There are no job cost reports, no monthly P&L reviews, no forward cash flow projection. You manage by feel because the data doesn't exist in a usable form.
- 3. You hire reactively.** People are added when you're drowning, not when growth strategy calls for them. The new hire arrives before there's a job description, a training plan, or a clear understanding of what success in the role looks like.
- 4. Your processes are in your head.** How to do an intake, how to run a water job, how to handle a supplement dispute — this knowledge exists, but it exists only as institutional knowledge in the owner's mind. Nobody else can reliably replicate the standard because the standard was never written down.
- 5. You're the primary relationship with every client.** Clients call you directly. They expect you specifically on their jobs. If you hand them off to a technician, they feel underserved. Your personal relationships are the company's primary competitive advantage — and its primary growth constraint.

What the Transition to \$2M Actually Requires

The jump from \$1M to \$2M is not a revenue problem. It's a delegation problem. The revenue opportunity exists — most restoration markets can support double the volume of a \$1M operator. The constraint is the owner's willingness and ability to stop doing things personally that other people could do with the right systems and training.

The first real hire. The most impactful hire at the \$1M stage is almost never another field technician. It's a person who takes work off the owner's administrative plate — a working project manager, an office coordinator with real authority, or an estimator who can handle scoping without the owner's involvement. This hire feels expensive before the revenue justifies it. It's the hire that makes the revenue growth possible.

Financial visibility. Before \$2M is achievable, the owner needs to be able to answer three questions from data rather than instinct: what is the current gross margin on jobs we've closed this month, what is outstanding AR and how old is it, and what are our projected cash needs for the next 30 days? These questions require a bookkeeper, a basic job costing system, and a monthly review habit. None of this is complicated. Almost no \$1M company has it.

Written processes for the two or three highest-volume job types. Not a 50-page operations manual. A one-page checklist for a standard residential water job that any competent technician can follow without calling the owner three times. This one document allows the owner to be off-site while a job runs — which is the precondition for everything else.

The Mindset Shift: From Technician to Operator

The owner who built to \$1M succeeded by being the best at doing the work. The owner who grows to \$2M succeeds by being the best at getting other people to do the work at a consistent standard. This is a different

skill set and a different identity. Most owners find it uncomfortable. The ones who make the shift find that the business that emerges on the other side of it is significantly more valuable — and significantly less exhausting — than the one they had before.

FAQ: Growing a Restoration Company Past \$1 Million

Why is growing a restoration company past \$1M so difficult?

Because the skills that built the business to \$1M — personal excellence, direct involvement, relationship-driven sales — are exactly the things that cap growth at this stage. Growing past \$1M requires the owner to delegate work they're currently doing personally, which means accepting that things will be done differently (and sometimes worse) until systems and people develop. This psychological transition is harder than any operational challenge.

What is the most important hire a \$1M restoration company owner should make first?

The hire that takes the most time-consuming administrative work off the owner's plate — typically a working PM who can handle job management independently, or an office coordinator with real scheduling and billing authority. Adding field labor first is the most common mistake: it increases revenue capacity without reducing owner bottleneck, leaving the owner more overwhelmed at higher volume.

What financial systems does a restoration company need in place before it can grow past \$1M?

Three minimums: a bookkeeper or accounting system that produces monthly P&L and balance sheet within 15 days of month-end; a basic job costing process that captures actual vs estimated margin on closed jobs; and an AR aging report reviewed weekly. These systems don't need to be sophisticated — they need to exist and be used. Most \$1M companies manage entirely from the bank balance and have no visibility into these metrics.

How long does it typically take to grow a restoration company from \$1M to \$2M?

With deliberate investment in the right hire and basic systems, 18–30 months is a realistic timeline in most markets. Companies that try to grow without delegation — adding volume while the owner remains every bottleneck — often take 4–5 years or plateau permanently at the \$1M level. The timeline is much more dependent on the owner's willingness to delegate than on market conditions.

What does an owner have to stop doing personally to grow a restoration company past \$1M?

At minimum: being the primary dispatcher and scheduler, personally handling all client communication on active jobs, and being the only person who can estimate and scope new work. These three activities, done personally by the owner, are the most common ceilings at the \$1M stage. Delegating any one of them creates meaningful growth capacity. Delegating all three is usually what makes \$2M achievable.

Mike McCabe is a restoration business consultant and the founder of Profit Detective. He works with restoration operators to find and fix the margin leaks that don't show up until it's too late.

Related reading

- Why Restoration Companies Plateau at \$2M — and How to Break Through

- Why Some Restoration Companies Grow Revenue but Still Can't Scale
- What Changes When Your Restoration Company Reaches \$5 Million

PDR Files: The Owner Who Was the Bottleneck (And Didn't Know It)

Source: <https://profitdetective.net/pdr-files-owner-bottleneck-restoration/> Published: May 1, 2026

An owner bottleneck exists when a restoration company's growth, decision-making speed, and operational consistency are limited by the owner's personal involvement in day-to-day decisions. The owner becomes both the most important and most constraining person in the business, preventing delegation, scalability, and eventual exit.

The Company That Stopped Growing at \$3.5M

The owner had been running the same restoration company for eleven years. He was good at it — genuinely competent, well-respected in the market, and deeply invested in the work. The company had grown steadily to approximately \$3.5M and then plateaued. For three consecutive years, revenue finished within 5% of \$3.5M. Not for lack of trying. Not for lack of opportunity. For lack of capacity — specifically, the owner's capacity to personally process everything that required his attention before it could move forward.

He didn't think of himself as the bottleneck. He thought of himself as the standard. The quality of the company's work was a reflection of his personal involvement. The client relationships existed because of his personal engagement. The business worked because he was in it. This is true for most owner-operated businesses. It becomes a problem when it becomes a ceiling.

How the Diagnostic Identified the Bottleneck

I spent the first two days of this engagement doing something I don't always do: tracking the owner's day. Not formally — just watching what came to him. Texts from PMs asking for approval on scope decisions. Emails from the office manager asking whether to accept a job. Calls from clients who had the owner's personal cell number and used it freely. Vendor invoice approvals sitting in his email. Scheduling decisions that required his input before anyone could move forward.

By noon on day two, I had a working list of forty-three discrete decisions that had flowed through the owner in a 48-hour period. I categorized each one: could this decision have been made by someone else with appropriate authority? Of the forty-three, thirty-one were yes. Thirty-one decisions that a competent PM, office manager, or operations lead could have handled — were instead being routed to the owner because the organizational structure had never defined who else could handle them.

The Organizational Map: No One Had Authority

The second diagnostic layer was an org chart exercise. Not the formal org chart — the actual one. I interviewed each of the company's five senior people (three PMs, the office manager, and the estimator) and asked one question: "What decisions do you make without going to the owner?" The answers were revealing in their narrowness. The most experienced PM — seven years with the company — described his independent decision authority as covering scheduling and crew assignments. Everything else required owner input or approval.

This wasn't because the PM lacked capability. It was because no one had ever formally given him broader authority. The owner had never sat down and defined what each senior person was empowered to decide independently. The team defaulted to checking in because checking in had always been the pattern. The bottleneck wasn't created by anyone's inadequacy — it was created by the absence of a decision framework.

The Conversation: Leadership vs. Control

The hardest part of this engagement was the conversation about why the owner was holding decisions that didn't require his involvement. The honest answer, when we got there, was control — not malicious or conscious control, but the deep-seated discomfort that comes from watching decisions get made that you would have made differently. “If I let the PM approve the scope change, he'll do it differently than I would.” Maybe. Probably. And the company will still function. You can't scale an organization where every decision has to be made the way the owner would make it. You can only scale an organization where decisions get made consistently within a defined framework.

The reframe that landed: “Your job isn't to make the decisions. Your job is to build the system that makes good decisions without you.” This distinction — between being the decision-maker and being the designer of decision-making systems — is what separates owners who scale from owners who plateau.

The Fix: Decision Authority Framework

We built a decision authority matrix — a simple document that defined, for every category of decision the company made regularly, who had authority to decide independently, who needed to be consulted, and what required owner approval. The owner was granted final authority on four categories: hiring and termination decisions, capital expenditures over \$10,000, major client relationship decisions, and anything with material legal or compliance implications. Everything else was delegated.

The first 30 days were uncomfortable for the owner. He saw decisions get made that he would have made differently. He let them stand. By day 60, the volume of decisions flowing to him had dropped by approximately 65%. By day 90, the company had accepted and executed three jobs that would previously have waited days for owner involvement in the scheduling and scoping process. The ceiling hadn't been the market or the team. It had been the routing pattern.

FAQ: Restoration Owner Bottleneck

How do I know if I'm the bottleneck in my own restoration company?

Track every decision that comes to you in a 48-hour period. Categorize each one: could someone else have decided this with appropriate authority? If more than half your daily decisions fall into that category, you're the bottleneck. Other signals: jobs stalling while waiting for your availability, team members who can't give clients answers without checking with you, and a company that effectively stops functioning when you're unavailable for more than a day.

What decisions should a restoration owner delegate first to break the bottleneck?

Start with operational decisions that have clear parameters: scope changes within a defined dollar threshold, scheduling adjustments within existing capacity, vendor approvals within existing relationships, and client communication responses within established service standards. These are decisions where the decision framework exists — the owner just hasn't formally handed it to someone else. Delegating these categories

creates immediate throughput improvement without meaningful risk.

How long does it take to go from owner-dependent to owner-independent operations in restoration?

Building a decision authority framework and getting the team comfortable using it: 60–90 days. Building an operations manager or COO role capable of running daily operations independently: 6–12 months. Achieving a genuine owner-independent operation where the company runs well without the owner present: 18–24 months if the right people and systems are in place. The timeline compresses significantly when there's already a strong senior team — the bottleneck was the framework, not the people.

What's the relationship between owner bottleneck and company valuation at exit?

An owner-dependent business sells at a discount to an owner-independent one — sometimes 1–2x EBITDA less. Buyers pay for cash flow they can operate without the seller. A business that requires the owner to function carries key-person risk that buyers price into the offer. Every year an owner spends building genuinely independent operations is a year of increasing exit value, separate from any revenue growth.

What does a decision authority framework look like for a \$3M restoration company?

A simple one-page matrix: list the major decision categories (hiring, capex, scope changes, scheduling, vendor approval, client communication, pricing deviations, safety incidents). For each category, define the dollar or risk threshold at which different authority levels apply. Owner authority for high-stakes decisions; PM authority for operational decisions within parameters; office manager authority for administrative decisions within defined limits. Post it. Review it quarterly. Update it as trust and capability develop.

Mike McCabe is a restoration business consultant and the founder of Profit Detective. He works with restoration operators to find and fix the margin leaks that don't show up until it's too late.

Related reading

- What a \$5M Restoration Company Looks Like Before and After a Diagnostic
- Why Restoration Owners Can't Afford to Stay the Best Technician in the Room
- What I Found in a \$2.3M Alberta Restoration Company With No Cash

PDR Files: Why This DKI Member's Commercial Accounts Were Costing Them Money

Source: <https://profitdetective.net/pdr-files-dki-commercial-accounts-costing-money/> Published: May 1, 2026

Commercial restoration accounts can appear profitable while actually delivering below-average margins when the true costs of maintaining them — dedicated staff, SLA compliance overhead, faster response requirements, net-30/60 terms, and scope concessions — are not allocated to those accounts in the job cost system.

The Setup: "Our Commercial Accounts Are the Foundation of the Business"

The owner of this DKI member franchise described his three anchor commercial accounts with obvious pride. A large property management company, a regional hotel chain, and a national retail facility management

contract. Together they represented approximately \$1.4M of the company's \$3.6M annual revenue. They were — he believed — the stable base on which everything else was built.

He wasn't wrong that they were stable. He was wrong about whether stability was the same as profitability.

The Diagnostic: Allocating True Account Costs

The diagnostic for this engagement required building account-level P&Ls rather than job-level P&Ls. Commercial account profitability analysis adds a layer of cost allocation that standard job cost reports don't capture. Beyond direct job costs, commercial accounts carry account maintenance costs — the overhead required to service the relationship independent of any specific job.

For each of the three anchor accounts, I allocated: the proportion of the dedicated PM's time spent on account administration and compliance reporting (not job execution — administration); the cost of faster response commitments (on-call premium pay, prepositioned equipment, reserved crew capacity); the carrying cost of net-60 terms (the opportunity cost of waiting 60 days to collect on work completed); and any scope concessions made to retain the accounts (discounted rates, warranty callbacks, unbilled remediation visits).

When these costs were added to direct job costs and compared against account revenue, the three accounts' apparent profitability collapsed. The property management account was generating an actual margin of approximately 24% — against a company average of 39%. The retail account was at 19%. The hotel chain was at 22%. All three were significantly below the company average. The jobs that felt like the company's strength were its weakest-margin work.

Why SLA Commitments Are an Underestimated Cost

Service Level Agreements with commercial accounts look like commitments on paper. They're costs in practice. A 2-hour response guarantee requires maintaining crew availability that can't be deployed on other jobs during standby windows. A dedicated account PM requirement means a portion of that PM's compensation is account overhead, not job execution. Quarterly Business Review requirements mean management time spent on compliance reporting that has zero billable value.

None of these costs appear in the job cost report for any specific job. They live in administrative overhead, in on-call labor premiums, in the capacity reservation that shows up as crew underutilization during quiet weeks. They're real costs distributed invisibly across the accounting system — and they make commercial accounts look more profitable than they are until someone pulls them out and allocates them.

The Conversation: One Account Exit, Two Account Repricings

The owner's first response was disbelief — this is normal. The accounts had been relationship investments. They represented stability and market presence. The idea that they were the company's worst-margin work required some processing time.

The response strategy was differentiated by account. The retail account — at 19% margin — had no strategic value beyond the revenue volume, which could be replaced with residential and smaller commercial work at higher margins. The recommendation was to exit the contract at renewal. The owner did. The revenue impact was temporary. The margin impact was immediate and positive.

The property management and hotel accounts had genuine strategic value — they generated recurring volume, referral relationships, and market visibility that the revenue analysis couldn't fully capture. The recommendation was to reprice both at the next contract renewal, building the true SLA compliance costs into the rate structure. Both accounts accepted the repricing. Neither walked. The margin on these accounts moved from the low 20s to the mid-30s after repricing.

The DKI Franchise Context

One additional complexity in a franchise operation: commercial accounts sometimes carry implicit value for franchise performance metrics, marketing materials, or brand positioning within the DKI network — value that doesn't appear in the margin analysis. This doesn't make a 19% margin account acceptable, but it does mean the decision to exit or reprice should account for non-financial dimensions that a pure margin analysis misses. Know what you're trading away when you exit an account. Just make sure you've accurately measured what you're trading it away from.

FAQ: Commercial Restoration Account Profitability

How do I calculate the true profitability of a commercial restoration account?

Start with direct job margin (revenue minus direct costs across all jobs for the account in the prior 12 months). Then add account maintenance costs: the proportion of dedicated staff time spent on administration and compliance reporting, on-call premium costs allocated to the account's response requirements, the carrying cost of extended payment terms (net-60 vs standard 30-day collection), and any scope concessions or unbilled remediation. True account margin equals job margin minus account maintenance costs.

What hidden costs do commercial restoration accounts carry that aren't in the base job cost?

SLA compliance overhead (response time guarantees require reserved crew capacity), dedicated PM administration time beyond job execution, QBR and reporting requirements, extended payment terms (net-60 vs standard 30-day collection), scope concessions made to retain the relationship, and warranty or callback commitments. These costs are real but distributed across overhead in ways that make commercial accounts look more profitable than they are in standard job cost analysis.

When should a restoration company exit a commercial account relationship?

When the account's true margin — after full cost allocation including SLA overhead — is more than 10 points below the company average, and there is no strategic value (referral network, market position, brand consideration) that justifies the margin subsidy. Exit at contract renewal when possible. Abrupt exits create market reputation risk. Planned exits with repricing attempts first preserve the relationship while correcting the economics.

How do net payment terms affect the real margin on commercial restoration work?

Net-60 terms mean you're financing 60 days of accounts receivable for the account — essentially providing an interest-free loan on every job. At a cost of capital of 8–10%, net-60 terms on \$500,000 in annual account billing cost approximately \$6,600–\$8,200 in carrying cost annually. This isn't catastrophic alone, but combined with SLA overhead and scope concessions, it contributes to the margin compression that makes commercial accounts underperform their gross billing.

How is commercial account profitability different in a franchise vs independent restoration operation?

Franchise operations sometimes carry commercial accounts partially for brand and performance metric reasons — accounts that qualify for national program work, that support franchise award submissions, or that provide marketing materials. These non-financial dimensions don't make a money-losing account acceptable, but they should be factored into the exit or reprice decision. An independent operator has a simpler decision framework: is this account profitable on a fully-allocated basis? If not, reprice or exit.

Mike McCabe is a restoration business consultant and the founder of Profit Detective. He works with restoration operators to find and fix the margin leaks that don't show up until it's too late.

Related reading

- The Owner Who Was the Bottleneck (And Didn't Know It)
- How Restoration Companies Keep Their Best Commercial Accounts
- What I Found in a \$2.3M Alberta Restoration Company With No Cash

PDR Files: The \$4M Restoration Company That Couldn't Make Payroll

Source: <https://profitdetective.net/pdr-files-4m-company-payroll-crisis-90-day-fix/> Published: May 1, 2026

Payroll pressure in a revenue-positive restoration company typically signals a structural cash conversion problem — jobs are funded before billing, AR is aging past 60 days, overhead is misaligned with job mix, or working capital has been depleted by equipment purchases or owner draws. The presenting symptom is payroll; the root cause is almost always in the cash conversion cycle.

The Call: Four Million and Ninety Thousand Short

The owner called on a Thursday morning, two days before payroll. He needed to know if he should draw his credit line again or if there was another option. He'd been drawing it for payroll for six consecutive pay periods — twelve weeks. The line had \$210,000 available. He'd drawn \$180,000 of it. He was profitable, he said. His accountant had confirmed it. He just had no idea where the money was.

The company was doing \$4.1M annually. Commercial mitigation and reconstruction, primarily. Sixteen full-time employees. The company had been growing — revenue was up 22% from the prior year. The growth was real. So was the payroll crisis.

The Diagnostic: Four Symptoms, One Root Cause

When I pulled the financials, four things were immediately visible: AR aging was extended (32% over 60 days); three large commercial jobs — totaling \$890,000 in estimated value — had received no billing beyond the initial deposit in 45+ days; the company had purchased \$185,000 in new equipment six months prior, funded partly from operating cash; and the company had added three employees ahead of the revenue growth curve, adding \$240,000 in annualized payroll before the jobs they were hired to support had fully billed.

Any one of these alone would have created cash pressure. Together, they'd constructed a cash trap. But the root cause was singular: the company had been growing on a cash-funded basis — spending ahead of billing — without a working capital structure to support that pattern. The growth was real. The cash infrastructure wasn't

ready for it.

Why Commercial Work Changes the Cash Equation

The shift from primarily residential to commercial-heavy work is where most restoration cash crises develop. Residential insurance jobs typically bill and collect in 30–45 days. Commercial jobs can fund, scope, and execute for 60–90 days before meaningful billing occurs — especially on reconstruction where progress billing triggers require completion milestones. A company that was comfortably cashflow-positive on residential work can become cash-poor on the exact same margins doing commercial work, simply because the billing cycle is longer and the job size is larger.

This company's three large commercial jobs represented approximately \$890,000 in value — nearly 22% of annual revenue — sitting in various stages of execution with minimal billing. The costs to run those jobs (labor, materials, subcontractors, equipment) were flowing out of the operating account every week. The revenue was sitting in estimated job value that hadn't converted to invoices.

The 90-Day Fix

Week one: Emergency progress billings on all three large commercial jobs. Two of the three had contractual progress billing triggers at 25%, 50%, and 75% completion. Neither had been triggered, despite one job being at approximately 65% completion. We submitted a 50% progress billing that day — \$180,000. It was paid in 18 days.

Weeks two through four: AR collection focus on the over-60 accounts. Assigned the office manager to a daily call list. Of \$312,000 in over-60 AR, \$198,000 was collected or had committed payment dates within 30 days.

Month two: Implemented a commercial job billing protocol — no commercial job with more than \$25,000 in costs incurred could go 21 days without a progress billing review. This required the PM to submit a percent-complete assessment every two weeks, triggering billing when milestones were reached.

Month three: Credit line balance went from \$180,000 drawn to \$40,000 drawn. Payroll funded from operating account for the first time in four months. Operating account balance stabilized above \$120,000.

The Difference Between a Cash Problem and a Margin Problem

The most important thing I told this owner on the first call: “You don't have a profitability problem. You have a cash conversion problem. Those require completely different fixes — and the cash fix is faster.” A profitability problem requires changing what you charge or what you spend. A cash conversion problem requires changing when money moves.

This distinction matters emotionally as much as operationally. Owners experiencing payroll stress often catastrophize — “the business is failing” — when the actual diagnosis is “the billing cycle is too slow for the job mix.” The business is fine. The cash infrastructure is mismatched to the work. Fix the infrastructure, and the money that already exists in the system starts flowing correctly.

FAQ: Restoration Company Payroll Cash Flow Crisis

What's the difference between a cash flow problem and a profitability problem in restoration?

A profitability problem means the business isn't generating enough margin — costs are too high or revenue is too low relative to overhead. A cash flow problem means the timing of when money comes in is mismatched with when it needs to go out. You can be profitable and cash-poor simultaneously — this is the most common crisis pattern in growing restoration companies. The two problems require different fixes and have very different urgency profiles.

How quickly can a restoration company fix a payroll cash flow crisis?

If the root cause is billing cadence and AR collection — which it usually is — meaningful improvement is possible within 30 days. The first progress billing submitted on a stalled commercial job, the first AR collection call that turns a 90-day invoice into a payment, these create immediate cash flow. Full stabilization — operating account balance consistent, credit line drawing stopped — typically takes 60–90 days.

What are the three most common root causes of payroll stress in a restoration company?

In order of frequency: AR aging past 60 days without active collection (earned revenue sitting uncollected), WIP costs incurred ahead of billing on large jobs (cash going out before invoices go out), and overhead structure that outpaced revenue growth (hiring and equipment purchases ahead of billing conversion). The combination of two or three of these simultaneously produces the acute payroll crisis.

How do I know if my restoration company's cash problem is structural or temporary?

A temporary problem is event-driven: one large job delayed, one carrier slow to pay, one unexpected equipment repair. It resolves when the event resolves. A structural problem recurs across multiple billing cycles regardless of which specific jobs are open. If you've been drawing the credit line for payroll for three or more consecutive pay periods, the problem is structural — and it won't resolve on its own without identifying and fixing the underlying cash conversion issue.

What role does AR aging play in restoration company payroll stress?

Extended AR is working capital locked in other people's accounts. Every dollar sitting uncollected past 60 days is a dollar not available for payroll. On a \$4M company, if 30% of AR is over 60 days — which is not unusual without active collection management — that's potentially \$100,000+ in earned revenue unavailable as operating cash. The fix is collection discipline, not more revenue: the money already exists, it just needs to move.

Mike McCabe is a restoration business consultant and the founder of Profit Detective. He works with restoration operators to find and fix the margin leaks that don't show up until it's too late.

Related reading

- What I Found When I Opened the Job Cost Reports Nobody Was Reading
- Borrowing Base and Covenants
- What I Found in a \$2.3M Alberta Restoration Company With No Cash

PDR Files: What I Found in a \$2.3M Alberta Restoration Company With No Cash

Source: <https://profitdetective.net/pdr-files-23m-alberta-restoration-no-cash/> Published: May 1, 2026

A restoration company can show strong revenue and even positive net income while running chronically short of cash when AR aging is extended (insurance slow-pay), WIP jobs are funded before billing, overhead is fixed against variable revenue, or owner draws exceed available operating cash. These are diagnostic patterns the Profit Detective identifies in the first engagement week.

The Situation: \$2.3M and Making Payroll on a Credit Line

The owner called on a Tuesday afternoon and opened with a sentence I've heard a hundred times: "We're doing over two million and I can't figure out where the money is going." He was making payroll every two weeks by drawing his line of credit. The line was nearly maxed. His accountant had told him he was profitable. His bank was getting nervous.

The company was based in Alberta — a market with strong insurance volumes and a competitive but healthy restoration landscape. \$2.3M in annual billing. Twelve employees. A mix of residential water and fire work with a growing commercial account book. From the outside, it looked like a functioning business that had hit a rough patch. From the inside, the owner had been living this rough patch for eighteen months.

Week One: What the Diagnostic Found

The first thing I do in any engagement is pull the AR aging report and the last twelve months of job cost data. This company's AR aging report told the story immediately. Of approximately \$380,000 in outstanding receivables, \$190,000 — exactly half — was over 60 days old. Of that, \$140,000 was over 90 days. The company was billing well. The money was just sitting uncollected.

The second finding was in the WIP. The company was carrying seven large jobs in various stages of execution — total estimated value of \$320,000 — none of which had issued a progress billing in the past 30 days. Jobs being actively worked, costs being actively incurred, zero billing movement. Every dollar of labor and equipment on those jobs was being funded by the operating account and the line of credit before a single invoice went out.

The third finding was the owner's draw structure. This is the uncomfortable conversation that happens in most engagements. The owner was drawing \$12,000 per month in salary plus approximately \$8,000/month in personal expenses run through the business. At \$240,000 annually in effective owner compensation on a company generating roughly \$180,000 in net income (on paper), the math wasn't working. The business was technically profitable. The owner was drawing past the profit line every month.

The Diagnosis: Three Separate Problems Presenting as One

What looked like "no cash" was actually three distinct problems running simultaneously: extended AR with no active collection process, WIP jobs generating costs with no corresponding billing cadence, and owner compensation that consistently exceeded available operating cash. Any one of these problems alone would have created cash pressure. All three together created the crisis.

The important distinction: this was not a profitability problem. The company's gross margins on completed jobs were solid — 41% average across the year. The business was generating profit. The problem was timing and structure — profit was being created months after costs were incurred, and then being consumed by the draw before it could rebuild working capital.

The Fix: Three Interventions, 90-Day Timeline

Intervention 1: AR collection blitz. We identified the 15 invoices over 60 days and assigned an owner — the office manager — to work each one directly. Not automated statements. Personal calls, email chains, escalation to adjusters where needed. Within 30 days, \$88,000 of the \$140,000 over-90 balance was collected or had a confirmed payment date. The credit line draw stopped in week three of collection activity.

Intervention 2: WIP billing cadence. We implemented a rule: any job with more than \$15,000 in costs incurred and no billing in 21 days gets a progress billing generated that week. No exceptions. The office manager ran a weekly WIP report and flagged any job violating the rule. Progress billings went out on four of the seven open jobs within the first two weeks. Three of those came back paid within 30 days of submission — \$112,000 into the operating account.

Intervention 3: Owner draw restructure. This is the conversation that requires trust. The owner agreed to reduce his business expense pass-throughs and cap his combined compensation at \$180,000 annually — approximately at the profit line. The framing: “You can take more out once the working capital reserve is rebuilt. You can’t take more out while the business is funding your draw from the credit line.” He agreed. It held.

The Results at 90 Days

Credit line balance went from \$190,000 drawn to \$45,000 drawn. Operating account balance went from running below \$20,000 to maintaining above \$80,000. Payroll moved off the credit line entirely in month two. The owner described week eight as the first time in eighteen months he’d made payroll without a draw.

The business didn’t change its revenue. Its margins didn’t change. Its market position didn’t change. What changed was when money moved and how much of it stayed in the business. That’s almost always the cash problem story.

The Transferable Lesson

If you’re a restoration owner making payroll on a credit line while showing solid revenue numbers, the diagnosis is almost certainly in one of three places: AR that isn’t being collected on schedule, WIP costs being funded ahead of billing, or owner compensation running past net income. None of these are complex to fix. All of them require someone willing to look at the actual numbers instead of assuming the business is fundamentally broken.

The business isn’t broken. The cash cycle is. Those are different problems with different fixes — and very different emotional landscapes for the owner trying to survive them.

FAQ: Restoration Company Cash Flow Diagnostic

Why would a \$2M+ restoration company have no cash despite strong revenue?

Revenue and cash are different things. A company can bill \$2M+ annually while running cash-poor if AR is aging past 60 days, WIP costs are incurred before billing, or owner draws exceed net income. The profit exists on paper; the cash exists in other people’s accounts or has been drawn out before working capital rebuilds.

What does a working capital gap look like in a restoration company’s financials?

A working capital gap shows up as a growing credit line balance that doesn't track with revenue growth, AR aging that skews toward 60+ days, and an operating account balance that consistently runs below one month of overhead. If your credit line is your payroll funding mechanism rather than an emergency reserve, you have a working capital gap.

How long does it take to fix a cash flow problem in a restoration company?

With focused intervention, a billing and AR discipline problem can show meaningful improvement within 30–45 days — the first AR collection cycle. Full working capital stabilization typically takes 60–90 days. Owner compensation restructuring that sticks takes 90 days to validate. The fixes aren't slow; the hard part is identifying which of the three root causes is primary.

What are the first three things a restoration owner should check when cash is consistently tight?

First: pull the AR aging report and identify everything over 60 days by dollar amount. Second: pull the WIP report and identify every job with costs incurred but no billing in the past 21 days. Third: calculate your total effective owner compensation (salary plus personal expenses through the business) and compare it to last year's net income. The cash problem is almost always visible in one of these three places.

How does insurance AR aging create cash problems even when billing is healthy?

Insurance payment timelines are longer than commercial invoicing — 30–60 days is normal, 90+ days happens routinely when claims are complex or adjusters are backlogged. When AR ages past 60 days without active follow-up, a restoration company can have \$200,000+ in earned but uncollected revenue sitting in the system while the operating account runs dry. Billing health and collection health are separate disciplines. Most companies manage billing reasonably well and collection poorly.

Mike McCabe is a restoration business consultant and the founder of Profit Detective. He works with restoration operators to find and fix the margin leaks that don't show up until it's too late.

Related reading

- The \$180K Leak Hidden in One Estimator's Workflow
- Cash Flow vs. Profit
- The \$4M Restoration Company That Couldn't Make Payroll

Closeout Discipline: Why Restoration Companies Leave 8–15% on the Table at Job End

Source: <https://profitdetective.net/restoration-closeout-discipline-billing-recovery/> Published: May 1, 2026

Closeout discipline is the systematic process of completing all administrative, documentation, billing, and client-communication steps required to fully close a restoration job and collect maximum revenue before the file is archived. Companies without a formal closeout process routinely forfeit 8–15% of job revenue through missed supplements, unbilled line items, delayed final invoices, and lapsed collection follow-up.

What “Closing a Job” Actually Costs You

In most restoration companies, a job “closes” when the work is physically done. Equipment is off, the scope is complete, the client has their space back. The file goes into the billing queue. Someone submits the final invoice — eventually — and follows up on payment — eventually. The job is closed.

Except it isn't. Not financially. The gap between when the work stops and when the final invoice is submitted is where significant revenue disappears. Final moisture readings don't make it into the billing. Equipment demobilization dates aren't reconciled. Open supplements get deprioritized because they're attached to a job that already feels done. Storage billing isn't triggered. Additional materials consumed in the last week of the job aren't invoiced.

Each item is small. In aggregate, across an active job book, the amount is not small. The 8–15% estimate isn't a worst case — it's what diagnostic work consistently finds in companies that don't have a formal closeout process.

The Most Commonly Missed Billing Items at Closeout

Final drying and moisture readings. The last two or three days of equipment runtime are frequently underbilled because the daily readings weren't entered before the equipment was pulled. Without the daily log showing readings through removal date, the carrier may not accept the full equipment duration — and you lose the billing for days you actually ran equipment.

Equipment demobilization. Pickup charges, trip charges, and equipment decontamination are line items that belong on the invoice and are frequently omitted because they're assumed to be included in rental rates. They're not. Check your rate sheet. Bill them.

Additional materials. The last week of a job often involves small quantities of additional materials — patching compound, paint, fasteners, cleaning supplies — that weren't in the original estimate and weren't formally documented as a change order. These are billable and are routinely left off because no one wrote them down in real time.

Storage billing reconciliation. For jobs with a contents component, storage billing through the final pack-back date should be reconciled and included in the final invoice. Instead, it's often billed separately and late — or not billed at all for the final partial month.

Open supplements. Supplements that were identified but not yet submitted represent uncollected revenue attached to a job that everyone thinks is done. Open supplements older than five days on a job approaching closeout should be treated as a financial emergency — not a to-do item.

How Billing Delay Affects Insurance Payment Timing

Insurance payment on a restoration job is triggered by invoice submission. The carrier can't pay what hasn't been billed. Every day between job completion and invoice submission is a day of collection delay — and for companies operating on tight working capital, a few dozen open jobs each sitting 10–14 days past completion before billing represents a significant cash flow problem that didn't have to exist.

There's also a practical risk: the longer the gap between completion and billing, the more the adjuster has moved on. The job is no longer fresh. Documentation that was clear at completion becomes less persuasive three weeks later. Supplements that would have been approved promptly now generate questions. Bill fast. The best time to submit a final invoice is when the job is fresh.

The Closeout Checklist Your PM Should Own

Build a closeout checklist and attach it to every job. Before a PM can submit a job for final billing, the checklist must be complete. The list should include: final moisture readings entered and daily log complete through equipment removal; all equipment demobilized and removal dates confirmed; all materials consumed in final week entered into the estimate; open supplements submitted or formally waived; certificate of completion signed by client; storage billing reconciled through pack-back date; and final invoice prepared and submitted within 5 business days of physical completion.

This isn't overhead — it's revenue capture. Every item on the checklist represents something you earned that you might not collect without the discipline to chase it down before the file goes cold.

Tracking Closeout Completion as a Metric

Measure two things: average days from job completion to final invoice submission, and closeout checklist completion rate by PM. The first metric tells you how fast money is moving. The second tells you which PMs are leaving items on the table. Target 5 business days or fewer from completion to submission. Any PM averaging more than 10 business days has a closeout discipline problem that's costing you money.

FAQ: Restoration Job Closeout and Billing Recovery

What are the most commonly missed billing items at restoration job closeout?

Final moisture readings and equipment runtime days, equipment demobilization charges, additional materials consumed in the final week, storage billing reconciliation for the final period, and open supplements that were identified but not submitted. Each item is individually small; together they typically represent 8–15% of total job revenue in companies without a formal closeout process.

How does billing delay at job closeout affect insurance payment timing?

Insurance payment requires invoice submission — the carrier can't pay what hasn't been billed. Every day of delay from job completion to invoice submission is a day of collection delay. On a company running 200 jobs per year with an average invoice of \$18,000, reducing average days-to-invoice from 14 to 5 represents millions of dollars in improved cash flow position throughout the year.

What should a restoration job closeout checklist include?

Final moisture readings and daily log completion through equipment removal; equipment demobilization confirmation; additional materials entered; open supplements submitted; client-signed certificate of completion; storage billing reconciled; final invoice prepared and submitted. All items must be completed before the job can advance to "closed" status in your management system.

How do I hold project managers accountable for completing closeout within a specific timeframe?

Track average days from job completion to final invoice submission by PM and review it monthly. Make it a line item in PM performance scorecards. Build a closeout checklist into your job management system as a required step before billing submission. PMs who consistently exceed the target should understand it's a measured performance metric with comp implications, not an informal expectation.

What is a realistic target for average days from job completion to final invoice submission?

Five business days or fewer is achievable and worth targeting. Companies that hit this consistently collect faster, dispute less, and lose fewer billing items to time-based attrition. Ten business days should be the outer limit for any well-run operation. Beyond 10 days, each additional day of delay correlates with measurable increases in billing disputes and missed line items.

Mike McCabe is a restoration business consultant and the founder of Profit Detective. He works with restoration operators to find and fix the margin leaks that don't show up until it's too late.

Related reading

- WIP Management for Restoration Companies
- Job Costing in Restoration
- Pricing by Job Type in Restoration

Program vs. Non-Program Portfolio Strategy: When to Walk Away and How to Replace the Volume

Source: <https://profitdetective.net/program-vs-non-program-portfolio-strategy-restoration/> Published: May 1, 2026

What is program vs. non-program work in restoration? Program work refers to jobs sourced through managed repair programs administered by TPAs or insurance carriers, which come with pre-negotiated fee schedules and operational compliance requirements. Non-program work is sourced directly — from commercial accounts, referrals, or direct consumer marketing — at standard or negotiated rates, typically with higher margins and more operational control.

Program vs. Non-Program Portfolio Strategy: When to Walk Away and How to Replace the Volume

The decision to exit or significantly reduce program work is one of the highest-stakes strategic choices a restoration owner makes. Get the timing wrong — walk away before you've replaced the volume — and you have a cash flow crisis. Get the analysis wrong — stay in programs that are destroying margin — and you work harder for less every year. This article is the framework for making the decision correctly.

How to Calculate Your True Blended Margin by Job Source

Before any strategic decision about program mix, you need to know the true gross margin you're generating from program work vs. non-program work — not the revenue, the margin. Most restoration owners can tell you their overall gross margin. Few can tell you gross margin separated by job source. This is the analysis you need.

Pull your last 12 months of jobs. Tag each job as program or non-program. For program jobs, include all program-specific costs: fee schedule discounts, hold-backs and compliance fees, portal admin time, supplement restrictions. Calculate gross margin for each group. If you've never done this exercise, prepare to be uncomfortable. The gap between program and non-program gross margin in most operations is 12–20 points.

Warning Signs Your Program Ratio Is Too High

Revenue is growing but net profit is flat or declining. You have no pricing power — every job is at the program rate, no exceptions. Your operations team spends significant time on compliance, portal management, and cycle-time reporting rather than doing work. Your best estimators are demoralized because supplements get denied or restricted routinely. You're dependent on 2–3 program relationships for 60%+ of revenue — and any one of them could change terms unilaterally. Any three of these conditions together is a red flag that your portfolio is out of balance.

The Financial Model for Exiting a Program

The revenue cliff is real. If you give 90-day notice on a TPA program that generates \$600K per year, you lose roughly \$150K in quarterly revenue before your replacement pipeline kicks in. You need to know — before you make the call — how much replacement revenue you need to generate, over what timeline, and what your cash runway looks like during the transition.

The calculation: Annual program revenue × your program gross margin % = current annual gross profit from the program. Replacement revenue needed (at your non-program gross margin %) to equal that gross profit contribution. Timeline to build that replacement pipeline based on your current commercial sales capacity. Cash required to bridge the gap if revenue drops before replacement kicks in.

In the case I described in Article 103 — the \$480K TPA program running at 22% gross margin — the annual gross profit contribution was \$105,600. To replace that with direct commercial work at 41% gross margin, we needed \$257,000 in direct commercial revenue. That's achievable, but it doesn't happen in 90 days. We gave notice only after we had \$180,000 of replacement commercial work lined up and a clear path to the rest within six months.

The Practical Sequence for Shifting Mix

This is a 12–24 month process, not a 90-day sprint. The sequence that works: Month 1–3: Run the margin analysis, identify which programs are profitable and which aren't. Month 3–6: Begin building the replacement pipeline — commercial sales development, referral partnerships, direct marketing. Month 6–12: As direct work volume grows, reduce reliance on the worst-margin programs. Give notice on programs running below your minimum acceptable margin threshold. Month 12–24: Stabilize at your target program/non-program ratio. Maintain the programs that actually produce acceptable margin; exit the ones that don't. A healthy long-term target is 40–60% program, 40–60% direct — enough program to maintain carrier relationships, enough direct to keep margins alive.

FAQ

What percentage of revenue from program work is considered healthy?

Most well-run restoration companies target 40–60% of revenue from program work. Above 70% creates strategic vulnerability — you're dependent on TPA terms you don't control. Below 20% may mean you're leaving volume on the table in markets where program work is a legitimate customer acquisition channel.

How long does it typically take to shift a restoration company's job mix away from program work?

Realistically 12–24 months to make a meaningful, sustainable shift. Commercial sales cycles are long — 6–18 months to develop a new commercial account. Referral networks take time to build. Owners who expect to reduce program dependence in 90 days end up with a revenue shortfall. Build the replacement pipeline first, then reduce program exposure.

What's the safest sequence for reducing program dependence without a cash flow crisis?

Identify the specific programs by true gross margin. Exit the worst-margin programs first, replacing that volume with direct work before giving notice. Maintain the programs running at acceptable margin — they're still generating cash. Never exit more program volume than your replacement pipeline can absorb in the same period.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Beyond Insurance: How Restoration Companies Build Non-Insurance Revenue Streams
- Signs a Restoration Company Is Burning Your Insurance Program (For TPAs and Adjusters)
- TPA Fee Schedule Math

Why Restoration Owners Resist Getting Help (And Why That's Costing Them)

Source: <https://profitdetective.net/why-restoration-owners-resist-getting-help/> Published: May 1, 2026

Why do restoration company owners resist outside help? Restoration owners resist for four reasons: pride in being the operator who built the company, fear of what an outside set of eyes will find, distrust of consultants who don't understand the industry, and the belief that they should be able to figure it out themselves. Every one of these costs the owner money, time, and quality of life.

Why Restoration Owners Resist Getting Help (And Why That's Costing Them)

I'm going to write this the way I'd say it across a kitchen table to a restoration owner who is hurting but won't pick up the phone. I've had this conversation more times than I can count. Here are the four most common reasons owners resist getting outside help — and what each one is actually costing them.

Reason 1: "I Built This. I Should Be Able to Fix It."

This is earned pride. You built this company from nothing. You took the calls, ate the bad jobs, signed the loan, made payroll when you weren't sure how. Here's what I had to learn the hard way: building a company and running a company are two different jobs. The skills that got you to \$2M, \$3M, \$4M are not the same skills that take you to the next stage. The owners who hold on to "I should be able to fix it" the longest are the ones who eventually sell their companies for half of what they should be worth because the company never built the operating layer underneath them. What this costs you: years of plateau, unrecovered margin, a sale price that reflects owner-dependence.

Reason 2: “I’m Afraid of What They’ll Find.”

This is the one almost no owner says out loud. But it’s there in almost every conversation. Here’s what 36 years has taught me: the things you’re afraid an outside operator will find are already costing you. They are not hidden because they’re invisible — they’re hidden because you’ve stopped looking at them. Every month they stay hidden, they get more expensive. What this costs you: whatever you’re not looking at. Always more than you think.

Reason 3: “Most Consultants Don’t Understand Restoration.”

This is fair. And true. And often used as an excuse. The restoration consulting market has been a magnet for generalists who think “how hard can it be.” Your skepticism is earned. The mistake is letting that skepticism become a blanket excuse. The filter is simple: ask “have you actually run a restoration company yourself?” If no, they’re probably not for you. If yes — with revenue, years, specifics — you have someone worth talking to. What this costs you: years of waiting for a perfect option when good options are available right now.

Reason 4: “I Don’t Have Time for This Right Now.”

You don’t have time because you don’t have help. Not the other way around. Saying “I’ll get help once I have time” is saying “I’ll fix the leak in my roof once it stops raining.” The first 30 days of a fractional engagement require maybe 4–6 hours per week of owner time. By weeks 9–12 the time commitment drops back to 1–2 hours per week. The owners who say “I don’t have time” are the ones who most need it. What this costs you: health, marriage, relationships with your kids. Sometimes the company itself.

The Cost of Waiting One More Year

The average restoration company I diagnose has 6–10 points of recoverable gross margin in plain sight. On a \$3M company, that’s \$180K–\$300K per year in net profit left on the table. Every single year. Forever, until somebody fixes it. Waiting one more year costs you that amount plus the compounding effect of another year of pattern entrenchment. The owners who wait 36 months to call instead of 6 months give up the equivalent of one to two years of net profit they will never get back.

FAQ

Won’t asking for help signal weakness to my team?

The opposite. Bringing in outside expertise signals to your team that you’re serious about building a real company. The team almost always responds positively. The ones who don’t are usually the ones who were quietly hoping nobody would look at what they were doing.

My business is making money. Why would I rock the boat?

Making money and reaching potential are different questions. Most restoration companies that look fine on the surface are leaving 5–15 points of margin on the table. “Fine” is not the same as “good.”

How long does it take to get over the resistance and actually book the call?

In my experience, owners think about it for 6–18 months before they finally pick up the phone. The ones who book sooner save themselves the year or two of avoidable loss. The ones who wait until they’re truly desperate often have less to work with by the time we start.

Mike McCabe is The Profit Detective — 36-year restoration veteran, former DKI Franchise of the Year (12 consecutive years), and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Why Your Last Restoration Consultant Didn't Work (And What That Says About the Engagement)
- 7 Signs Your Restoration Company Needs Outside Help
- Fractional Operations Leadership for Restoration

What Happens in the First 90 Days of a Restoration Business Engagement?

Source: <https://profitdetective.net/first-90-days-restoration-business-engagement/> Published: May 1, 2026

What happens in the first 90 days of a restoration consulting engagement? The first 90 days focus on three things: financial and operational diagnostic in weeks 1–4, immediate margin recovery actions in weeks 4–8, and installation of the leadership operating cadence in weeks 8–12. By day 90, the company should already see measurable margin improvement and a working weekly KPI rhythm.

What Happens in the First 90 Days of a Restoration Business Engagement?

The first 90 days are when the owner's question gets answered: did they add another monthly invoice to the P&L, or did something actually happen? Get them right and the rest of the engagement runs on built credibility and momentum. Get them wrong and the engagement is dead before it really started.

Weeks 1–2: Listen, Look, and Stay Out of the Way

The biggest mistake new fractional executives make is showing up day one with opinions. The first two weeks are almost entirely listening and observation: initial onboarding meeting covering company history, document gathering (P&L, AR aging, job cost reports, org chart), quiet observation of the office flow, one-on-ones with every leadership team member, job site visits on active jobs, and a first pass of the financials. By end of week two I have a working hypothesis about what's actually broken — but I don't share it yet.

Weeks 3–4: Diagnose and Align

Job cost deep-dive on 30–50 jobs. KPI gap analysis. Operating cadence review. Then the critical meeting: owner alignment session, 2–3 hours, where I walk through findings honestly — not the polished version, the real one. The gap to achievable performance in dollars. The top three actions. This is where I find out whether the owner is ready to actually do this. Owners who lean in are the ones I can help. By day 30, the diagnostic is complete and we're aligned on what changes first.

Weeks 5–8: First Wave of Execution

Tighten the supplements process (most companies are leaving 5–15% of insurance revenue on the table — this almost always produces visible margin recovery within 60 days). Install the weekly job cost review. Fix AR (build the weekly collections rhythm). Audit the TPA mix (rank every program by actual gross margin after concessions). Install the KPI dashboard. This phase shows the team the engagement is real and the dynamic shifts from reactive to deliberate.

Weeks 9–12: Install the Rhythm

Lock in the weekly leadership meeting — same time, same agenda, same KPIs. I run the first three or four to set the standard, then hand it back. Begin coaching conversations with key managers. AR meetings are running on autopilot — days outstanding typically dropped 5–15 days from baseline. By week 12, the operating cadence is owned by the internal team. The company is no longer the same company it was on day 1.

FAQ

Will my financials actually look different by day 90?

Usually yes — most often in three places: gross margin (up 2–5 points from baseline), AR days outstanding (down 5–15 days), and supplements captured (up significantly). The deeper structural changes take longer, but the early wins are real and visible by day 90.

What's the single biggest predictor of a successful 90 days?

The owner's willingness to act on what gets surfaced. The diagnostic findings are similar in most engagements. The difference between a successful 90 days and a failed one is whether the owner is willing to change behavior — their own and the team's — in response to what we find.

What if my team rejects the new operator?

This is mostly a function of how the owner positions the engagement on day one. If the owner introduces the fractional executive with full authority and backs them publicly when conflict arises, the team almost always accepts the change.

Mike McCabe is The Profit Detective — 36-year restoration veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Case Study: How a 3-Month Engagement Added \$180K to Net Profit
- Why Your Last Restoration Consultant Didn't Work (And What That Says About the Engagement)
- DIY vs. Consultant vs. Fractional COO

What Does Restoration Business Consulting Actually Cost?

Source: <https://profitdetective.net/restoration-business-consulting-cost/> Published: May 1, 2026

How much does restoration business consulting cost? Restoration business consulting typically costs \$5,000–\$25,000 for a one-time diagnostic engagement, \$1,500–\$5,000 per month for ongoing advisory work, and \$4,000–\$12,000 per month for fractional operations leadership. Any engagement that can't pay for itself within 90 days isn't worth doing.

What Does Restoration Business Consulting Actually Cost?

Most consultants in this industry won't put numbers on their websites — they want to qualify the lead before quoting. The result is that restoration owners spend months guessing what help should cost and don't pick up the phone. I'll give you the actual numbers. This is what restoration consulting costs in 2026.

Tier 1: One-Time Diagnostic Engagement (\$5,000–\$25,000)

A defined-scope, time-bounded engagement. The consultant reviews your books, job costing, KPIs, org chart, operating cadence, and people, and delivers a written assessment of where the leaks are and what to do about them. Expect 2–5 days of the consultant’s time, document review, on-site or video interviews, a written report with specific findings and dollar-amount estimates of leakage, and a debrief meeting. Realistic ROI: a good diagnostic finds at least 5–10x its own cost in identified margin leakage.

Tier 2: Ongoing Advisory (\$1,500–\$5,000/Month)

Weekly or bi-weekly working calls, document review, strategic input on major decisions, and ongoing accountability. Best for owners between \$3M–\$8M who have a competent operations manager and want ongoing executive-level input. Wrong fit turns into a \$36K/year line item that doesn’t move the needle.

Tier 3: Fractional Operations Leadership (\$4,000–\$12,000/Month)

The highest-leverage tier. A fractional operations executive runs the operational side of your business one to three days a week, with line authority over operations and accountability for KPIs. Price drivers: days per week, company size, experience level of the operator, and scope. Realistic ROI: measurable margin improvement within the first 90 days, and I tell prospective clients — if I’m not paying for my own fees through identified margin recovery within the first quarter, fire me.

What the Money Is Actually Buying

Don’t compare consulting cost against other expenses. Compare it against the value at stake. A \$4M restoration company running 8 points below where its margins should be is leaving \$320,000 per year on the table — every single year until somebody fixes it. Against that, \$96K to permanently close the gap is not an expense. It’s the highest-ROI investment available to the owner.

FAQ

What’s the cheapest way to get useful outside help?

A paid one-time diagnostic. It’s bounded, the deliverable is clear, and it usually pays for itself in identified margin leakage 5–10x over. Skip the free “discovery call disguised as a sales pitch” and pay for an actual deliverable.

Are restoration consulting fees tax-deductible?

Yes. Consulting and professional services are standard business expenses, fully deductible against revenue. Your accountant will categorize them as professional services or consulting fees on the P&L.

How long should I expect to engage a consultant before seeing results?

A diagnostic delivers insight inside two to four weeks. Ongoing advisory takes about a quarter to start showing in financial trends. Fractional operations leadership shows margin improvement inside the first 90 days if the engagement is structured correctly.

Mike McCabe is The Profit Detective — Master Cleaner, Master Restorer, and Fractional Operations Manager at Floodlight Consulting Group. He has consulted with 150+ restoration companies across North America.

Related reading

- Why Your Last Restoration Consultant Didn't Work (And What That Says About the Engagement)
- DIY vs. Consultant vs. Fractional COO
- What Happens in the First 90 Days of a Restoration Business Engagement?

7 Signs Your Restoration Company Needs Outside Help

Source: <https://profitdetective.net/signs-restoration-company-needs-outside-help/> Published: May 1, 2026

When does a restoration company need outside help? A restoration company needs outside help when the owner is the bottleneck on every decision, when revenue is climbing but profit isn't, when key people are leaving, or when the owner can't take a week off without the business stalling. These are the signs the operating layer has broken — and the fix isn't working harder.

7 Signs Your Restoration Company Needs Outside Help

In the last decade I've consulted with more than 150 restoration companies across North America. The warning signs are almost always the same. The owners who got help in time turned the business around. The owners who waited another year — or three — usually didn't. Here are the seven signs I look for. If three or more describe your company, you're past the point where waiting is a strategy.

Sign 1: Revenue Is Growing but Profit Isn't

You did \$2.4M last year, you'll do \$2.9M this year, and you should be celebrating. Except your net is the same — or worse. Every new dollar of revenue is passing through a broken operating system. I've seen \$5M companies making less net profit than \$2M companies doing the same work in the same market. The difference is always operational discipline. If your revenue is up 20% over two years and your net is flat, that's not a sales problem. That's an operations problem.

Sign 2: You're the Bottleneck on Every Decision

How many decisions did you personally make this week that someone else should have made? If the answer is more than half the decisions in the building, you don't have a team — you have helpers. The fix isn't working harder. It's rebuilding the org structure so decisions get made at the level they're supposed to be made, and that almost always requires an outside set of eyes because the current owner is too close to it.

Sign 3: Your Best People Are Leaving

Good PMs and estimators don't leave for money. They leave for clarity — no path forward, no feedback, no development conversation, no vision they can see themselves in. If you've lost more than one top performer in the last 18 months, the next one is already updating their resume.

Sign 4: Job Costs Are a Mystery

Can you tell me, with confidence, the actual gross margin on any individual job — not estimated, actual? Including labor that didn't make the timesheet, materials pulled without a PO, equipment days not charged, and supplements never filed? If not, you're flying blind. Most restoration companies are running with a P&L that

lies to them by 8 to 15 points of gross margin.

Sign 5: You Can't Take a Week Off

Try to take a real vacation — phone off, no email — for a full week. If the answer is “that’s impossible right now” or “things would fall apart,” you have your answer. This is also the single biggest reason restoration companies sell for less than they should — buyers see owner-dependence and the multiple drops.

Sign 6: Cash Is Tight Even When the Year Is Good

Profitable companies go out of business because of cash flow all the time in this industry. The work happens, the invoice goes out, and then it sits for 60, 90, 120 days. Meanwhile payroll is every two weeks. If cash position has been a constant low-grade anxiety for more than six months, the operating layer needs help. This is almost always a collections, supplements, and job-costing problem — not a sales problem.

Sign 7: You've Stopped Enjoying It

That’s not weakness. It’s the predictable result of carrying every operational decision in a \$3M business by yourself for a decade. It’s the warning that the model isn’t sustainable — for you, for your family, for your team. And it’s the most common reason owners finally pick up the phone.

FAQ

How many of these signs do I need before I should get help?

Three or more is the threshold I use. One sign is normal — every business has friction. Two is a yellow light. Three or more is structural, and structural problems do not fix themselves. They get worse with revenue.

Is it weakness to ask for outside help?

No. The weakness is staying stuck because you don’t want to admit you can’t see the answer from the inside. Every owner I’ve worked with — including the ones running \$10M+ companies — got there by knowing when to bring in someone with a different vantage point.

What's the cheapest version of outside help I can start with?

A one-time diagnostic engagement. Two days of an experienced operator’s time, looking at your books, job costing, KPIs, team, and operating model, and giving you a written assessment of where the leaks are. Costs less than a single bad job.

Mike McCabe is The Profit Detective — 36-year restoration veteran, former DKI Franchise of the Year (12 consecutive years), and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- [How to Evaluate a Restoration Business Consultant Before You Hire](#)
- [Why Your Last Restoration Consultant Didn't Work \(And What That Says About the Engagement\)](#)
- [Why Restoration Owners Resist Getting Help \(And Why That's Costing Them\)](#)

Beyond Insurance: How Restoration Companies Build Non-Insurance Revenue Streams

Source: <https://profitdetective.net/restoration-company-lead-generation-non-insurance/> Published: May 1, 2026

What are non-insurance revenue streams for restoration companies? Non-insurance restoration revenue includes direct-billing commercial accounts, mold inspection and assessment services, preventive maintenance programs, contents restoration, specialty cleaning, and consulting services — all of which provide revenue that isn't subject to TPA rate negotiation or insurance program changes.

Beyond Insurance: How Restoration Companies Build Non-Insurance Revenue Streams

Insurance-dependent restoration companies have a structural vulnerability: the carriers and TPA programs control the terms. When a major TPA changes its rate schedule, every company in that program is affected simultaneously. Building non-insurance revenue is both a diversification strategy and a margin strategy — non-insurance direct billing typically runs better margin than TPA program work because you're not competing against a carrier-negotiated rate schedule.

Revenue Stream 1: Direct-Bill Commercial Accounts

Some commercial clients prefer to handle emergency restoration costs directly — particularly for losses below their deductible, for quick-response situations where filing a claim would be more hassle than the loss, and for self-insured facilities. Government and municipal facilities frequently operate on direct-billing models. Margin on direct-bill commercial work is typically 5–10 points higher than comparable TPA program work.

Revenue Stream 2: Mold Inspection and Assessment Services

Mold inspection as a standalone service is an underutilized revenue stream for IICRC-certified companies. The market includes real estate transactions, landlord-tenant disputes, commercial property due diligence, and homeowners concerned about air quality. Billed at \$300–\$600 for residential and \$500–\$2,000 for commercial. Approximately 40–60% of inspections reveal conditions warranting professional remediation — the inspection generates the referral, and you're the obvious choice.

Revenue Stream 3: Preventive Maintenance Programs

Annual or semi-annual inspections of high-risk building systems (roof drainage, HVAC condensate, plumbing penetrations, crawl space conditions) to identify moisture intrusion risks before they become losses. Typically priced at \$500–\$2,000 annually per facility. For a property management company with 25 buildings, that's \$12,500–\$50,000 in annual preventive maintenance revenue — with the restoration work that follows discovered conditions. These programs also create the strongest possible commercial account retention mechanism.

Revenue Stream 4: Specialty Cleaning

Commercial specialty cleaning — air duct, dryer vent, commercial kitchen exhaust — is adjacent to restoration in equipment and certification requirements. Specialty cleaning contracts with commercial facilities produce

recurring annual revenue that doesn't depend on a loss event. It's predictable, schedulable, and relationship-building.

FAQ

What percentage of restoration revenue should be non-insurance?

A resilient restoration company typically targets 25–40% of revenue from non-insurance or direct-bill sources. Above 40% is excellent diversification. Below 15% indicates heavy TPA dependence that represents strategic risk.

Is mold inspection work regulated?

Regulation varies significantly by state. Some require specific licensing for mold assessment; others have no mold-specific requirements. IICRC certification (AMRT) provides the technical credential; state licensing requirements must be separately verified.

How do restoration companies develop municipal and government accounts?

Municipal procurement typically requires registration in a vendor database and may require responding to a formal RFQ process. Relationships through BOMA, APPA, or local government procurement events are the primary business development channel.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Signs a Restoration Company Is Burning Your Insurance Program (For TPAs and Adjusters)
- Insurance Claim Documentation for Restoration Companies
- Building Insurance Adjuster Relationships for Restoration Companies

How Restoration Companies Keep Their Best Commercial Accounts

Source: <https://profitdetective.net/restoration-company-commercial-large-account-retention/> Published: May 1, 2026

How do restoration companies retain commercial accounts? Commercial account retention requires three things: consistent execution quality, proactive communication, and deliberate relationship maintenance at multiple levels within the client organization. Accounts are lost not because of one bad job, but because of accumulated small disappointments — and won back by competitors who show up consistently.

How Restoration Companies Keep Their Best Commercial Accounts

Acquiring a commercial account is a 12–18 month process. Losing one can happen in a single interaction. The acquisition phase of commercial sales is highly motivated — you're showing up, you're responsive, you're presenting your best people. The retention phase requires the same level of engagement, permanently.

The Four Retention Pillars

Pillar 1: Execution Consistency

Every job, every time. Commercial clients have specific documented expectations: response within the committed time frame, on-site PM for every significant job, daily updates without being asked, complete documentation with every invoice, and no billing surprises. Consistency builds a switching cost — the property manager who knows exactly what to expect from you faces a real risk in switching to an unknown vendor.

Pillar 2: Proactive Communication

Build proactive communication into every job: same-day confirmation of scope and timeline, daily status updates during active jobs, proactive notification of any scope change before it appears on the invoice, and completion notification with documentation. Between jobs: seasonal weather risk notifications, regulatory updates relevant to their facilities, and periodic relationship calls — not sales calls.

Pillar 3: Multi-Level Relationship Development

Single-threaded commercial relationships are fragile. Build relationships at multiple levels: the working relationship (your PM with their facilities coordinator), the management relationship (your sales manager with their Director of Facilities), and the executive relationship (your owner with their VP or CEO). Any single personnel change reduces but doesn't eliminate your account security.

Pillar 4: Planned Account Review

Schedule a formal account review with key commercial clients twice per year — a 45-minute in-person meeting covering job performance review, feedback on response and documentation, capability updates, and the direct question: what would make you the obvious choice every time? The account review signals investment and reinforces the relationship above the transactional job-by-job dynamic.

FAQ

How do you know when a commercial account is at risk?

Early warning signs: your primary contact changed and you haven't been introduced to the replacement, payment response times are extending, they've declined your last two meeting requests, or a competitor is seen at their properties. Any of these signals warrant a proactive outreach — an honest conversation, not a sales call.

What is an account review meeting in commercial restoration?

A formal bi-annual meeting with a commercial client to review performance, gather feedback, and reinforce the relationship. It signals that you view the relationship as a partnership rather than a transaction.

How do you handle a service failure with a commercial account?

Acknowledge it before they call if possible. Take personal ownership without deflecting to the crew or circumstances. Specify exactly what you're doing to prevent recurrence. Follow up after the corrective action. Service failures handled well — promptly, honestly, with clear corrective action — sometimes strengthen commercial relationships rather than damaging them.

What is net promoter score and how do restoration companies use it?

NPS measures client loyalty by asking: "How likely are you to recommend us?" on a 0–10 scale. Scores of 9–10 are Promoters, 7–8 Passives, 0–6 Detractors. It gives restoration companies a quantitative measure of

relationship health beyond invoice payment.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who built a commercial account portfolio that drove his DKI franchise to largest revenue in the network.

Related reading

- Restoration Company Resilience
- How Restoration Companies Win Facility Management Accounts
- Commercial Sales Strategy for Restoration Companies

Passing a Restoration Company to the Next Generation: What Makes It Work

Source: <https://profitdetective.net/restoration-company-generational-transition-family-business/> Published: May 1, 2026

Successful generational succession in restoration requires three elements that purely financial transitions don't: clear role definition for both generations during the transition, deliberate authority transfer on a published timeline, and honest conversation about what the founder will and won't let go of. Without all three, the second generation is set up for conflict rather than success.

Passing a Restoration Company to the Next Generation: What Makes It Work

I've watched family succession in restoration companies work beautifully. I've watched it destroy family relationships and businesses simultaneously. The difference between the two outcomes is almost never financial. The legal structures, the valuation, the tax planning — those are solvable. The human dynamics are where succession either succeeds or breaks down.

Why Family Succession Fails More Often Than It Should

The founder won't let go. The founder keeps making decisions, overrides their successor in front of employees, takes customer calls that should go to the successor. The successor is nominally in charge but functionally a middle manager. They can't build credibility because the team knows the founder is still the real decision point. The self-fulfilling prophecy: the successor appears not ready, which the founder takes as evidence they're not ready.

The successor wasn't prepared. Preparation requires working outside the family business first, working inside at entry-level before management, formal business education, honest mentorship from a non-family leader, and clear milestones for earning each level of authority.

The transition timeline is vague. "I'll hand it over in a few years" is not a succession plan. A real succession timeline specifies exact dates for title change, authority transfer, and equity transfer. Without specificity, founders extend indefinitely because the transition is uncomfortable.

What Successful Family Successions Look Like

The best family successions run on a 3–5 year timeline with **published milestones** — everyone in the company knows the plan and the founder is accountable publicly. During transition, **roles are explicitly separated**: the successor handles operational decisions, leads management team meetings, and transitions customer

relationships on a specific schedule — not “when it feels right.” A **trusted third party** (board member, coach, advisor) holds both generations accountable to the plan, making the direct conversations that family relationships make difficult. And an **honest conversation about the founder’s desired ongoing role** — built explicitly into the plan with boundaries — prevents the informal re-emergence of founder authority that derails so many transitions.

FAQ

Should the successor work outside the family business before joining it?

Yes, strongly recommended. Successors who join the family business directly from school often struggle to establish independent credibility. Successors who spend 3–5 years working elsewhere enter the family business with a foundation of self-confidence and peer respect that in-house development rarely provides.

What is a family charter in succession planning?

A written document establishing how the family will govern its relationship with the business — including employment policies for family members, decision-making protocols, conflict resolution processes, and shared values around the business. It prevents many succession conflicts before they start.

What happens if the family succession fails?

A failed family succession typically ends in one of three outcomes: the founder reassumes operational control, the successor leaves the business, or the business is sold to a third party. The emotional and relational cost can be significant. Prevention — through clear planning, explicit timelines, and third-party support — is far less expensive than remediation.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who sold his own franchise to his management team after 19 years and has advised multiple restoration owners through generational succession.

Related reading

- Franchise vs. Independent Restoration
- Buying a Restoration Company
- Restoration Company Exit Planning

Ice Dam and Winter Storm Damage: The Restoration Scope Most Companies Get Wrong

Source: <https://profitdetective.net/restoration-company-winter-storm-ice-dam-scope/> Published: May 1, 2026

Ice dam restoration involves mitigating and repairing interior water damage caused by ice dams — ice formations at roof edges that trap melting snow water, forcing it under shingles and into the building envelope. The scope includes water extraction, structural drying, drywall and insulation removal, and in some cases roofing and insulation remediation — with specific scope items that are frequently missed by restoration companies unfamiliar with the job type.

Ice Dam and Winter Storm Damage: The Restoration Scope Most Companies Get Wrong

In northern markets, winter storm season is either a growth event or a chaos event, depending on how prepared your company is. A single significant ice event can produce 50–100 new jobs in 72 hours. Prepared restoration companies staff up, mobilize fast, and execute profitably. Unprepared ones chase calls at margins they haven't calculated.

How Ice Dams Form and Why It Matters for Scope

Ice dams form when heat escaping from the building warms the roof deck, melting snow above. Melt water runs to the cold eave overhang, refreezes, and water backs up under shingles into the building envelope. Where it goes determines the scope: attic insulation (saturated batt insulation typically must be removed), attic structure (moisture content must be measured and monitored), interior ceilings and walls (the moisture migration path must be traced with moisture meters), and window wells and exterior walls (ice dam water frequently runs along exterior walls before finding entry points).

The Most Commonly Missed Scope Items

(1) **Attic access and working conditions** — cold temperatures, low clearance, and insulation make attic work significantly more time-consuming than office assumptions. (2) **Full attic insulation removal and replacement** — code-required R-values, air sealing at penetrations, and thermal bypass correction all add scope. (3) **Mold assessment timeline** — ice dam damage discovered weeks or months later may have supporting mold growth; every job should include an attic mold assessment. (4) **Exterior damage documentation** — document roofing, gutters, and fascia before any exterior work to establish pre-existing condition. (5) **Thermal imaging** — identifies moisture migration paths that moisture meters alone miss; a legitimate scope item that supports adjuster documentation.

FAQ

Who pays for ice dam damage restoration?

Ice dam damage is typically covered under homeowners' insurance as sudden and accidental water damage. Coverage varies — some policies exclude the cost of ice dam removal itself (roofing work) while covering the interior water damage restoration. Confirm coverage with the carrier before committing scope.

What is the difference between ice dam removal and ice dam damage restoration?

Ice dam removal is the roofing trade work of removing the ice formation — typically performed by a roofer using heat cables, steam lancing, or mechanical methods. Ice dam damage restoration is the interior water damage mitigation and structural restoration performed by a restoration contractor. These are typically separate scopes performed by different contractors.

Can ice dam damage lead to mold?

Yes. Attic moisture from ice dam intrusion, if not properly mitigated, creates conditions that support mold growth. The combination of organic material, moisture, and the temperature ranges typical of northern building envelopes in winter are all conducive to mold development.

Mike McCabe is *The Profit Detective* — a Master Cleaner, Master Restorer, and 36-year restoration industry veteran based in Ontario, Canada.

Related reading

- CAT Mobilization Economics
- Storm and CAT Work for Restoration Companies
- Contents Restoration

The Profit Detective Files: The Owner Who Built a Business He Couldn't Leave

Source: <https://profitdetective.net/profit-detective-files-owner-burned-out-exit/> Published: May 1, 2026

By systematically distributing owner-held functions — estimating, commercial relationships, operations decisions, and technical problem-solving — to a developed management team, restoration owners can transition from operator to executive without an exit event. This transition also significantly increases enterprise value for an eventual sale.

The Profit Detective Files: The Owner Who Built a Business He Couldn't Leave

The Profit Detective Files is a series of case studies from 36 years of restoration business diagnostics. Details are changed to protect client confidentiality.

Five million dollars in revenue. Twenty-two employees. Recognition from his franchisor. The respect of his peers. He also had a phone that rang 40 times a day and hadn't taken more than three consecutive days off in eleven years. "I don't know what I built," he said. "I thought I was building a business. But it only works when I'm here. That's not a business. That's a prison."

The Diagnostic

Over two weeks, I shadowed him and tracked every call, every decision, every escalation. The real org chart: his operations manager managed scheduling but all escalations went to the owner. His lead estimator wrote all estimates but jobs over \$15,000 required owner review. His commercial account manager maintained relationships but all new proposals went through the owner. His office manager handled billing but collection decisions over \$5,000 required owner approval. His managers were competent but conditioned — they had stopped making decisions because they knew the owner would make them anyway.

The 12-Month Transition Plan

Months 1–3 (Authority mapping): Raised the estimator's authority threshold from \$15,000 to \$35,000. Gave the operations manager explicit authority to resolve field escalations without owner involvement. **Months 4–6 (Commercial relationship transfer):** The owner introduced the commercial account manager into every key relationship as the new primary contact, explicitly and personally. **Months 7–9 (Deliberate absence):** The owner took a planned one-week trip with no laptop. The business handled two significant new commercial jobs without him. **Months 10–12 (Executive role definition):** Written job description for the owner's new role:

external business development, strategic planning, management team development, and financial oversight. Everything else formally delegated.

What Changed

Revenue grew 8% in the transition year — because the owner was doing business development instead of resolving field escalations. Gross margin improved 3 points. Twelve months later, he took a two-week vacation with his wife. “Like I own a business instead of being owned by one.”

FAQ

How do you reduce owner dependency in a restoration company?

Start with an authority map: list every decision the owner currently makes and identify who in the organization could make it with proper empowerment. Raise authority thresholds deliberately. Transfer key relationships explicitly. Create planned absences that force the management team to function independently.

What is owner dependency in business valuation?

Owner dependency is a valuation discount factor applied when a business’s performance is heavily dependent on the personal relationships, skills, or judgment of the owner. Buyers pay more for businesses that can run without the owner — because they’re buying a business, not a job.

How long does it take to reduce owner dependency in restoration?

For most restoration companies at the \$3M–\$6M tier, meaningful owner independence is achievable in 12–18 months with a deliberate transition plan. Full executive-level independence typically requires 18–24 months.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who built and sold his own franchise to his management team. He specializes in owner-independence transitions for restoration companies.

Related reading

- Restoration Company Exit Planning
- What I Found in a \$2.3M Alberta Restoration Company With No Cash
- The Owner Who Couldn’t Take a Vacation

What Should a Restoration Company Owner Pay Themselves?

Source: <https://profitdetective.net/restoration-company-owner-compensation-structure/> Published: May 1, 2026

A restoration company owner should pay themselves a market-rate salary for the operational role they perform, separate from any return on equity or ownership distributions. This separation is critical for accurate financial reporting, business valuation, and understanding true business profitability.

What Should a Restoration Company Owner Pay Themselves?

Owner compensation is one of the messiest financial topics in small business. In restoration, it produces some of the most consistent diagnostic surprises — both over-compensating owners who are obscuring real profitability and under-compensating owners who are subsidizing the business with their own labor. Getting this right matters for financial statement accuracy, business valuation, and personal financial planning.

The Three Components of Owner Economic Return

1. Salary (labor compensation): Pay for the work the owner does in the business — estimating, operations management, sales, customer relationships. This is labor income, equivalent to what you'd pay an employee to do the same work. **2. Return on equity (profit distributions):** The return on capital the owner has invested in the business. This is investment return, not labor income. **3. Discretionary owner benefits:** Personal expenses run through the business. Must be accounted for when normalizing financial statements for valuation.

Setting the Market-Rate Salary

The owner's salary should reflect the market rate for the operational role they perform — what you would pay a qualified employee to do the same work if you weren't doing it. If the owner is primarily functioning as an Operations Manager: \$90,000–\$130,000. As a General Manager/COO: \$120,000–\$160,000. As CEO of a \$5M+ company: \$150,000–\$200,000. The diagnostic test: if you hired someone tomorrow to do your job, what would you pay them? That's your market-rate salary.

Why This Matters for Valuation

Business buyers normalize owner compensation as part of valuation. If you pay yourself \$80,000 and the market replacement cost is \$120,000, the buyer adjusts for the \$40,000 differential in the multiple. If you pay yourself \$220,000 and the market replacement cost is \$130,000, your reported profits are deflated by \$90,000 — which reduces your valuation. Owners who pay themselves at market rate from the start produce cleaner financial statements and simpler valuations.

The Distributions Question

Build your cash reserve first (3 months of overhead minimum), pay your market-rate salary throughout the year, and take distributions quarterly from whatever profit remains. Don't conflate distributions with salary. Distributions are variable based on performance. Salary is fixed based on your role.

FAQ

What is owner's draw vs. salary in a restoration company?

In an LLC or S-Corp, an owner's draw is a distribution of profits taken directly from equity. A salary is compensation for services, subject to payroll taxes. Most S-Corp owners pay themselves a reasonable salary (subject to payroll tax) and take additional compensation as distributions. Consult your CPA for the optimal structure for your entity type.

What is owner add-back in business valuation?

An owner add-back is an adjustment made during business valuation to normalize owner compensation to market rate. If the owner pays themselves \$80,000 but the market replacement cost is \$120,000, the \$40,000 difference is added back to reported net income to produce a more accurate EBITDA.

How much should a \$3M restoration company owner pay themselves?

A \$3M restoration company typically requires an owner functioning as GM/COO. Market rate for that role: \$120,000–\$150,000. Anything the business generates above that salary (after overhead and direct costs) is return on equity.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Where Is Your Profit Hiding? A Restoration Owner's Diagnostic
- Red Flags Bankers Should Notice in Restoration Company Financials
- The 10 KPIs Every Restoration Company Owner Must Track

Run the Numbers: One Restoration Job, Costed Three Ways

Source: <https://profitdetective.net/restoration-company-overhead-allocation-job-costing-2/> Published: May 1, 2026

Take one ordinary water mitigation job. Revenue: \$12,000. Direct costs: \$5,400. Ask most owners what that job made and they will do the subtraction the industry has always done — \$6,600, a 55% gross margin — and move on.

Now count the same job honestly. The company carries \$85,000 a month in overhead — rent, admin salaries, insurance, vehicles, software — across roughly 25 jobs a month. That job didn't just consume its direct costs. It consumed a share of everything. Count it three ways and watch the answer change.

Way One: Per-Job Equal Allocation

$\$85,000 \div 25 \text{ jobs} = \$3,400$ of overhead per job. The \$12,000 job: \$6,600 gross profit minus \$3,400 = **\$3,200 of actual contribution — a 27% net margin, not 55%**. Simple, and fair enough for a company that needs any allocation model rather than none. But run the same arithmetic on a \$4,000 emergency service job at 58% gross margin: \$2,320 gross profit minus \$3,400 overhead = **\$1,080. That job loses money** on a fully-allocated basis, and the P&L will never tell you which one did it.

Way Two: Revenue-Proportional Allocation

$\$85,000 \div \$250,000$ in monthly revenue = a 34% overhead rate. Now allocation scales with the job: the \$12,000 job carries \$4,080 of overhead; the \$4,000 job carries \$1,360. The big job's contribution is thinner than Way One suggested; the small job survives. This is the best starting point for most restoration companies — it matches how overhead actually behaves better than an equal split, and it requires nothing you don't already have.

Way Three: Labor-Hour Allocation

$\$85,000 \div 2,800$ field labor hours a month = \$30.36 of overhead riding on every labor hour. The most accurate of the three for companies where field time drives most overhead consumption — and the most demanding, because it requires labor hours tracked accurately by job.

What the Three Answers Are For

The point of allocation is not accounting purity. It is the decision that follows. When fully-loaded margins are laid out by job type, some service lines turn out to be profitable under every method and some under none. For the ones under none, the choices are exactly three: **reprice** them to cover allocation, **reduce** how many you take, or **restructure** the overhead that makes them uneconomic. Two reference points while you work: restoration overhead typically runs 25–35% of revenue — above 40%, overhead is growing faster than the business. And owner salary goes into overhead at market replacement rate, not at what the owner actually pays themselves; the difference is return on equity, a separate thing.

The complete method — including the five implementation steps for wiring allocation into your monthly job cost reports — is in Overhead Allocation in Restoration: How to Stop Guessing at Your Real Costs.

Related reading

- Overhead Allocation in Restoration
- WIP Management for Restoration Companies
- Overhead Control in Restoration

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Choosing a CRM for Your Restoration Company: What Actually Matters

Source: <https://profitdetective.net/restoration-company-new-technology-crm-software/> Published: May 1, 2026

Restoration companies use a range of CRM and job management platforms — from restoration-specific platforms like Encircle and JobNimbus to general business tools like HubSpot and Salesforce — to track customer relationships, manage active jobs, and coordinate communications. The right choice depends on company size, job complexity, and whether commercial account development or residential volume is the primary use case.

Choosing a CRM for Your Restoration Company: What Actually Matters

The software conversation in restoration is confusing. Job management. CRM. Estimating. Accounting. Communication. Documentation. Most platforms claim to do all of these things. Few do all of them well. The industry has enough unique requirements — Xactimate integration, moisture documentation, TPA compliance reporting — that general business software often falls short in critical areas.

What Your Software Stack Actually Needs to Do

Before evaluating platforms, define what you actually need: job tracking (where is every active job, what's its status, who is assigned?), customer communication (how do customers get updates?), documentation management (where do moisture maps and photos live?), financial tracking (how do job costs get posted against estimates?), estimating integration (how does the estimate connect to job execution?), and commercial account management (how do you track prospects and relationships?).

The Platform Categories

Encircle: Strong in field documentation — AI-assisted photo organization, moisture mapping, Xactimate integration. Best for companies where field documentation quality is the primary gap. **JobNimbus:** Job lifecycle management, customer communication, and basic CRM. Best for smaller restoration companies that need one platform for most functions. **Jonas Construction Software:** Full ERP for \$5M+ operations. **HubSpot (free tier):** Excellent CRM for commercial account tracking; weak on restoration-specific job management. Best for companies primarily building commercial pipelines. **QuickBooks:** The industry standard for accounting with job costing functionality for companies under \$8M–\$10M.

The “Good Enough” Principle

For most restoration companies under \$3M: JobNimbus or similar for job management, QuickBooks for accounting with job costing enabled, HubSpot free tier if commercial account development is active. These three platforms cover 90% of software needs at manageable cost. A company that picks a reasonable platform in a week and implements it diligently in 30 days starts capturing data 11 months earlier than one that spends six months evaluating.

Implementation: The Part That Matters More Than Selection

Platform capability is 20% of the value. Implementation discipline is 80%. The most common software story in restoration: company buys platform, adoption is inconsistent, the platform collects unusable data, owner concludes the platform was a bad choice, process repeats with a new platform. Assign an owner, define the minimum viable use case, measure adoption, train before go-live.

FAQ

What is Encircle used for in restoration?

Encircle is a field documentation platform specifically designed for restoration, featuring AI-assisted photo organization, Xactimate sketch integration, moisture mapping, and scope writing assistance. It is primarily a documentation tool rather than a full job management or CRM platform.

Does QuickBooks do job costing for restoration companies?

Yes, through its Projects and Class tracking features. Proper configuration — enabling job codes, setting up cost items correctly, and training staff to post every transaction to a job code — is required. QuickBooks job costing works well for companies under \$8M in revenue.

What is the typical cost of a CRM for a restoration company?

Costs range from \$0 (HubSpot free tier) to \$200–\$500/month for mid-range job management platforms, to \$1,000+/month for enterprise platforms. An annual license that eliminates 10 hours/month of manual work at \$25/hour saves \$3,000/year, making a \$150/month platform cost-positive.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Equipment and Fleet Economics for Restoration Companies

- Restoration Company Safety Programs
- AI and Technology in Restoration

Community Disaster Preparedness: How Restoration Companies Build Authority Before the Event

Source: <https://profitdetective.net/restoration-company-disaster-preparedness-community/> Published: May 1, 2026

Restoration companies build community disaster preparedness authority by publishing genuinely useful preparedness content (water damage prevention, mold prevention, storm preparation), speaking at community events, partnering with local emergency management agencies, and providing free property assessments — establishing brand recognition before emergency events occur.

Community Disaster Preparedness: How Restoration Companies Build Authority Before the Event

The homeowner who calls you at 2am when their basement floods is not thinking about which restoration company has the best website. They're calling whoever they already know or whoever appears first when they search. "Already know" is the category worth winning. Restoration companies that invest in community education and disaster preparedness content become the known resource in their market — the company homeowners associate with expertise before they have a problem.

The Content Categories That Build Preparedness Authority

Water damage prevention searches — "how to prevent pipes from freezing," "signs of water damage behind walls," "how to shut off water main in emergency" — happen before the emergency. A restoration company with authoritative content on these topics is building relationships with homeowners before they're customers. **Mold prevention and recognition** content addresses high-volume searches with a clear commercial connection to restoration services. **Storm and disaster preparation** content generates recurring seasonal traffic and builds the "helpful expert" brand identity.

Community Events and Speaking

HOA presentations are one of the most accessible community speaking venues — a 20-minute presentation on "The Top 5 Water Damage Risks in This Neighborhood" is genuinely useful and positions your company as the local expert. **Civic organization presentations** at Rotary clubs, Kiwanis, and Chamber of Commerce meetings work well when combining useful preparedness information with a clear brand message. **Senior community outreach** builds relationships in a segment that is both high-need and highly referential.

Emergency Management Agency Partnerships

Register with your local emergency management office as a preferred referral resource. Local emergency management agencies, fire departments, and Red Cross chapters regularly need resources to refer disaster-affected residents to. Maintaining that relationship through occasional check-ins positions you as the professional resource that gets recommended when agencies direct affected homeowners to help.

The Free Property Assessment Offer

A free 30-minute water damage vulnerability assessment creates a legitimate reason to be in a property before there's a problem, demonstrates expertise, identifies actual issues that may lead to work, and creates a data file on the property that makes future emergency response faster.

FAQ

Are community speaking engagements worth the time investment?

Yes, in specific contexts. HOA presentations, senior community outreach, and civic organization speaking are time-efficient because they reach concentrated audiences of homeowners in a single event. Companies that maintain consistent community speaking over 12+ months consistently report it as a significant source of word-of-mouth referrals.

How do restoration companies work with local emergency management agencies?

Contact your local County Emergency Management Agency or OEM and introduce your company. Ask about how they handle referrals to restoration contractors following disasters. Some agencies maintain preferred vendor lists; others make informal referrals based on known relationships.

What is a water damage vulnerability assessment?

A brief inspection of a residential or commercial property to identify the highest-risk conditions for water intrusion, pipe failure, or moisture accumulation — and provide specific recommendations for risk reduction. It demonstrates expertise, creates a property record, and builds the relationship that makes you the first call when a loss occurs.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Restoration Company Resilience
- How to Evaluate a Restoration Contractor Before a Commercial Loss Happens
- How Restoration Companies Keep Their Best Commercial Accounts

Restoration Industry Trends for 2025-2026: What's Shaping the Next Two Years

Source: <https://profitdetective.net/restoration-company-industry-trends-2025-2026/> Published: May 1, 2026

The restoration industry in 2025-2026 is being shaped by six primary forces: increasing frequency and severity of weather events, private equity consolidation accelerating, AI and technology adoption widening, TPA and insurance carrier pressure on rates, workforce development challenges intensifying, and climate-driven new service categories emerging.

Restoration Industry Trends for 2025-2026: What's Shaping the Next Two Years

The restoration industry that exists in 2026 is meaningfully different from the one that existed in 2020 — and the pace of change is accelerating. Six forces are reshaping the competitive landscape, the economics, and the operational requirements of restoration companies.

Trend 1: Weather Event Frequency and Severity Is the Rising Tide

The data is consistent: the frequency of high-cost weather events in the United States is increasing. 2024 saw 27 billion-dollar weather and climate disasters totaling \$182.7 billion in losses. Demand is structurally elevated, not cyclically elevated — restoration is increasingly counter-cyclical. Insurance carrier responses to CAT loss — rate increases, coverage reductions, market exits in high-risk regions — are creating friction in the restoration claims process that operators must navigate.

Trend 2: Private Equity Consolidation Is Restructuring the Competitive Landscape

More than 50 restoration platforms have been acquired. The consolidators have scale, capital, technology infrastructure, and national carrier relationships that independent operators can't match on those dimensions. The independent operator's differentiation must be on dimensions where size is a disadvantage: local relationship depth, response speed, culture, and specialized capability. Exit valuations are at historical highs for well-structured businesses.

Trend 3: AI and Technology Are Creating Operational Divergence

Early movers are using AI for documentation assistance, customer communication automation, content marketing at scale, and dispatch optimization. Companies that integrate AI tools into operations over the next 24 months will have measurable efficiency and marketing advantages over those that wait.

Trend 4: TPA and Carrier Rate Pressure Is Intensifying

Program work that was marginally profitable three years ago may be margin-negative today at current cost structures. Rate renegotiation, selective program participation, and the development of higher-margin direct commercial relationships are the strategic responses.

Trend 5: Workforce Development Is the Industry's Critical Infrastructure Challenge

The U.S. construction ecosystem required 439,000 net new workers in 2025 and faces a larger gap in 2026. Companies that develop technicians from scratch — through structured onboarding, IICRC certification sponsorship, and career ladder programs — have a talent advantage over companies that compete only on wages.

Trend 6: New Service Categories Are Emerging

Wildfire smoke remediation, environmental remediation driven by ESG compliance, IAQ (Indoor Air Quality) consulting, and proactive inspection services are all growing faster than traditional restoration services. These adjacent categories build resilience against geographic demand concentration.

FAQ

What is the growth rate of the restoration industry?

The disaster restoration services market is projected to grow at approximately 5.6–5.8% CAGR through 2029–2030, driven by increasing weather event frequency, aging building stock, and growing awareness of indoor environmental quality.

What is the TPA squeeze in restoration?

The TPA squeeze refers to the margin compression that occurs when TPA program rates don't keep pace with restoration cost inflation. When your cost to perform a job rises faster than the rate the TPA pays, the margin shrinks — and at some point the program work becomes margin-negative.

What is IAQ consulting in restoration?

IAQ (Indoor Air Quality) consulting is the assessment, testing, and remediation of indoor air quality issues — including mold, VOCs, particulate matter, humidity, and ventilation deficiencies. It is an adjacent service category where restoration companies have natural technical credibility and facility manager relationships.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who has navigated multiple industry cycles and advises restoration operators on strategic positioning.

Related reading

- Why Some Restoration Companies Grow Revenue but Still Can't Scale
- Restoration Industry Associations
- The \$3M Restoration Trap

Healthcare Facility Restoration: The Specialty Niche With the Highest Compliance Bar

Source: <https://profitdetective.net/restoration-company-healthcare-facility-specialty/> Published: May 1, 2026

Healthcare facility restoration is the specialized restoration and remediation of hospitals, medical offices, assisted living facilities, and other healthcare environments — requiring compliance with HIPAA, ICRA (Infection Control Risk Assessment), specific containment protocols, and coordination with facility infection control officers that general restoration contractors are not equipped to manage.

Why Healthcare Restoration Is Different

Healthcare restoration is the most demanding specialty in the industry — and for operators who invest in the compliance infrastructure to do it right, one of the most rewarding. The requirements are categorically more complex than standard commercial work: active patient populations, HIPAA considerations, ICRA containment protocols, coordination with infection control officers and facilities management simultaneously, and night/weekend scheduling to minimize care disruption. Most restoration companies encounter one healthcare job, get through it somehow, and never invest in doing it consistently well. The contractors who do invest become the preferred vendor for every healthcare facility in their market — because there's almost no competition at the level of genuine healthcare compliance expertise.

What Healthcare Restoration Actually Requires

ICRA Training and Compliance

ICRA (Infection Control Risk Assessment) categorizes work by type and by patient population risk level, determining containment requirements (none vs. solid barriers vs. anteroom containment with HEPA filtration), traffic control measures, decontamination procedures, and monitoring requirements. The ASHE (American Society for Health Care Engineering) offers ICRA training specifically for contractors — this is the credential that healthcare compliance officers recognize.

HIPAA Awareness and 24/7 Coordination

Restoration crews working in patient areas may encounter protected health information. Having documented HIPAA awareness training available for presentation is a differentiator and requirement at most facilities. Healthcare facilities also often schedule restoration work nights and weekends — contractors who cannot staff these shifts are disqualified from a significant portion of the available work.

Building the Capability

Step 1: ASHE ICRA Training — the Health Care Construction Certificate is the recognized credential. Step 2: Document HIPAA awareness training for all crews who work in healthcare. Step 3: Invest in healthcare containment infrastructure — zippered access doors, critical barriers, negative air machines with HEPA filtration. Step 4: Contact Directors of Facilities at hospitals and healthcare systems; introduce your ICRA and HIPAA-compliant capabilities. Step 5: Get on the preferred vendor list — the application typically requires insurance verification, license verification, and compliance training documentation.

FAQ: Healthcare Facility Restoration

What is ICRA in healthcare construction?

Infection Control Risk Assessment — a systematic approach to evaluating infection risk to patients from construction, renovation, or maintenance activities. ICRA defines containment requirements, traffic control measures, and monitoring protocols based on work type and the vulnerability of adjacent patient populations.

Are healthcare restoration jobs more profitable than commercial restoration?

Healthcare commands a 15–25% rate premium over standard commercial work. The compliance overhead (ICRA containment, HIPAA training, night/weekend scheduling) partially offsets the premium. Net margin is similar to or slightly above well-managed commercial work — but the relationship durability and preferred vendor stickiness are significantly higher.

What is the biggest mistake restoration companies make in healthcare facilities?

Treating healthcare facilities like standard commercial jobs — using standard containment, standard work hours, and standard communication protocols. This produces compliance incidents, frustrated facility managers, and removal from the preferred vendor list.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who has developed specialty compliance programs for restoration companies pursuing healthcare facility accounts.

Related reading

- CAT Mobilization Economics

- Biohazard and Specialty Cleaning
- Contents Division Economics

The Profit Detective Files: The Owner Who Couldn't Take a Vacation

Source: <https://profitdetective.net/restoration-company-profitdetective-leadership-succession/> Published: May 1, 2026

Owner dependency is the condition where a restoration company's operations, customer relationships, and financial performance are critically dependent on the owner's personal involvement — making the business unable to function effectively when the owner is absent and significantly less valuable to a potential buyer.

Eleven Years Without a Real Vacation

The diagnostic started with a simple question: “When did you last take a real vacation — seven or more consecutive days where you didn't check email or take work calls?” He thought about it for a long moment. “Eleven years.” He'd built a \$4.5M restoration company over 22 years. He had 14 employees and a reputation in his market that most operators would envy. And he hadn't taken a real vacation in eleven years because every time he tried, something happened that required his personal involvement.

What the Diagnostic Found

He was personally involved in 85% of estimates above \$10,000. He was the primary relationship contact for all six commercial accounts. He was cc'd on every customer communication. His cell number was on every truck. When we asked his senior PM to list decisions made in the previous week that required the owner's input, the list had 23 items — 19 of which could have been made by a capable PM with clear guidelines. The estimating approach for complex commercial jobs existed entirely in the owner's head.

The Valuation Implications

Theoretical exit value: \$1.8M–\$2.5M at 4–5x EBITDA. Realistic value with current structure: \$1.2M–\$1.5M, because any buyer would face the question of what happens when the owner leaves. Exit value with 18 months of deliberate structure building: \$1.8M–\$2.4M. The gap was \$600K–\$900K — not from growing revenue, but from distributing authority and building organizational capability.

The 18-Month Plan and Outcome

Months 1–3: documented the estimating process — every decision rule and judgment call — so a capable PM could write 80% of commercial estimates. Months 3–6: published a decision authority matrix; the owner responded to every call-for-decisions in her authority with “That's in your authority. What's your instinct?” Months 6–12: transferred three of six commercial account relationships to the senior PM. Month 14: he took a 10-day vacation. A medium-size commercial loss came in on day four. His PM handled it without calling him. He didn't know it happened until he got back and reviewed the job log. He sold the business 26 months later at 4.8x — at the high end of the range — walking away with \$2.3M.

FAQ

What is a decision authority matrix?

A written document that explicitly assigns decision-making authority for specific categories of decisions to specific roles. It converts implicit authority (“check with the boss”) into explicit authority (“the PM decides on jobs under \$25,000”) and is the foundational tool for distributing decision-making in owner-dependent businesses.

What is the relationship between owner dependency and company valuation?

Owner dependency directly reduces the multiple applied to EBITDA in a valuation. Buyers pay more for businesses that can operate without the seller. Reducing owner dependency before a sale is one of the highest-ROI pre-sale investments available.

How do you document institutional knowledge in a restoration company?

Start with the highest-risk knowledge silo: decision processes that exist only in the owner’s head. Structured conversation — an outside observer asking “what would you do in this situation, and why?” — is often more effective than asking the owner to write documentation alone.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran. He sold his own company to his management team and now helps restoration owners build businesses that work without requiring their constant presence. Book a free diagnostic call.

Related reading

- The Family Business Succession That Almost Wasn’t
- Restoration Owner Burnout
- What I Found in a \$2.3M Alberta Restoration Company With No Cash

The DKI Network: What Members Need to Know to Maximize the Relationship

Source: <https://profitdetective.net/restoration-company-dki-network-guide/> Published: May 1, 2026

DKI (Disaster Kleenup International) is a North American network of independently owned restoration companies that operate under the DKI brand and share access to national accounts, program work, training, and peer resources. DKI members are franchise-like affiliates who retain ownership of their businesses while participating in the network’s brand and referral infrastructure.

What DKI Actually Provides

DKI provides brand recognition (particularly in the commercial and institutional space), national accounts access with insurance carriers and commercial clients, a peer network connecting operators across North America, training resources, and marketing support. I spent nearly two decades as a DKI franchise operator, grew to the highest-revenue office in North America, and served as National Operations Manager. Here’s what the membership actually delivers.

What DKI Does Not Provide

DKI does not mandate specific operational SOPs — members develop their own systems. National account access doesn't mean guaranteed job flow; it means an introduction that members must activate locally. Management development is the member's responsibility. The freedom from franchise operational control is both an opportunity and a burden — there is no DKI playbook that produces a strong business on its own.

Maximizing Your DKI Membership

National Accounts: Activate Them or They Don't Work

The most common complaint from DKI members is that national account work doesn't materialize. The most common reason: they haven't done the local relationship development work. DKI's national accounts provide an introduction — the local relationship still needs to be built. Contact national account regional facilities representatives in your territory directly. Introduce yourself. Ask to be added to their emergency response protocol. Follow up consistently.

Use the Peer Network and Know Your Economics

The most underutilized resource in any network is the peer network. Members who participate actively at conferences and regional meetings get dramatically more from DKI than those who treat attendance as optional. Also: review your membership agreement annually. Understand exactly what you're paying in fees, what you're receiving, and how that ratio changes as your revenue grows.

FAQ: The DKI Network

Is DKI a franchise?

DKI occupies a space between franchise and independent affiliation. Members are independently owned businesses that license the DKI brand and participate in the network infrastructure. The relationship has franchise-like elements without the full operational control structure of a traditional franchise.

How does DKI compare to Servpro, PuroClean, and Paul Davis?

DKI operates as more of an affiliate network — members retain more operational independence than typical franchisees. Servpro, PuroClean, and Paul Davis are traditional franchise systems with stronger brand standards and operational requirements. Each model has different economics, volume opportunities, and operational constraints.

Can I leave the DKI network?

DKI member agreements include specific exit terms: notice requirements, territory restrictions, and brand licensing termination procedures. Review your specific agreement for exit provisions and any territory restrictions that apply to operating a restoration business after leaving.

Mike McCabe is The Profit Detective — a former DKI franchise operator who grew his location to the network's highest revenue office in North America and later served as National Operations Manager. He now advises restoration operators independently.

Related reading

- Franchise vs. Independent Restoration

- How to Win Franchise of the Year
- Succession Planning for Restoration Companies

From Carpet Cleaning to Restoration: Building on Your Cleaning Foundation

Source: <https://profitdetective.net/restoration-company-carpet-cleaning-origins/> Published: May 1, 2026

Carpet cleaning companies that add water damage restoration typically leverage their existing equipment relationships, customer trust, and technical cleaning knowledge as a foundation. The transition requires additional IICRC certifications (WRT, ASD), insurance coverage updates, and a pricing model that reflects the higher margins available in restoration work.

What Transfers From Cleaning to Restoration

Carpet cleaning trains operators in moisture management, chemical application, and equipment operation — all foundational to restoration. Existing customer relationships, supplier connections, documentation habits, and operational systems (scheduling, dispatch, customer communication) all transfer with modification. The technical vocabulary and indoor environmental quality knowledge translate directly.

What Doesn't Transfer

Pricing Expectations

Carpet cleaning pricing is typically per square foot at \$0.25–\$0.50. Restoration is Xactimate line-item pricing with supplement capability — gross margins are 2–3x higher. Carpet cleaners who price restoration work using cleaning-market psychology leave significant margin on the table.

Insurance Billing and Job Duration

Carpet cleaning is primarily direct-pay. Restoration is primarily insurance-billed — TPA programs, adjuster relationships, supplement processes, and documentation standards don't exist in cleaning. Job duration also differs fundamentally: carpet cleaning is same-day; restoration mitigation runs 5–14 days with daily monitoring and documentation.

The Transition Plan

Step 1: WRT certification (non-negotiable for insurance billing), then ASD within 90 days. Step 2: Update insurance coverage — restoration changes your GL classification and workers' comp codes. Step 3: Add LGR dehumidifiers and air movers to your equipment base. Step 4: Build your Xactimate pricing model from scratch based on fully loaded costs. Step 5: Contact agents for your existing carpet cleaning clients and introduce your restoration capability. Step 6: Make adjuster introductions — your IICRC certifications are your credential.

FAQ: Carpet Cleaning to Restoration

Can a carpet cleaning company do restoration work without IICRC certification?

Technically yes, but practically no. Most insurance carriers and TPA programs require IICRC certification for covered water damage claims. Without certification, you're limited to cash-pay restoration — a small fraction of the available market.

Is restoration more profitable than carpet cleaning?

Generally yes, significantly. Carpet cleaning gross margins typically run 35–50%. Restoration water mitigation runs 60–75%. The higher margins reflect greater complexity, certification requirements, and insurance billing infrastructure required.

How long does it take to build a restoration business from a carpet cleaning base?

With IICRC certifications in place and insurance relationships developing, meaningful restoration revenue within 6–12 months. Building a restoration operation that exceeds cleaning revenue typically takes 2–3 years.

Mike McCabe is The Profit Detective — a Master Cleaner, Master Restorer, and 36-year industry veteran who built his career from a carpet cleaning foundation to one of North America's largest restoration franchise operations.

Related reading

- CAT Mobilization Economics
- Biohazard and Specialty Cleaning
- Contents Division Economics

Storm and CAT Work for Restoration Companies: Is the Opportunity Worth the Risk?

Source: <https://profitdetective.net/restoration-company-storm-catastrophe-work/> Published: May 1, 2026

CAT (catastrophic) work refers to restoration services performed following large-scale weather events — hurricanes, tornadoes, ice storms, widespread flooding — that create simultaneous demand across a large geographic area. CAT events create significant short-term revenue opportunity but also significant operational, cash flow, and licensing risks for restoration companies deploying outside their home market.

The Opportunity

A significant CAT event creates demand for restoration services that dramatically exceeds local supply. This imbalance creates premium pricing (20–40% above normal market rates), concentrated volume, and relationship-building opportunities with carriers and TPAs that produce home-market referrals long after the event.

The Risks Operators Underestimate

Licensing and Registration Requirements

Every state has contractor licensing requirements. Unlicensed out-of-state contracting exposes you to fines, enforcement action, and in some states criminal liability. Research the specific state's requirements before deploying — most states have emergency contractor provisions that are time-limited and event-specific.

Cash Flow Demands

CAT work requires significant upfront capital: crew wages at overtime rates, equipment transport, lodging, fuel, materials. You may be 60–90 days from first payment while spending heavily for 30–45 days. Companies that deploy without adequate credit facilities often come home with large AR and a stressed cash position — even if the work was profitable on paper.

Home Market Neglect

Your crew and equipment deployed to a CAT market is unavailable at home. A major event in your home territory while your resources are deployed elsewhere can permanently damage relationships with commercial accounts and adjusters who needed you and found someone else.

Collection Risk and Reputational Exposure

Post-CAT markets are chaotic — carrier systems overloaded, adjuster assignment delayed, documentation requirements inconsistently applied. Operators without clear invoice protocols often experience collection problems that eliminate the margin premium. Contractor behavior in disaster markets is heavily scrutinized; a licensing violation or price gouging complaint can follow your company home.

How to Pursue CAT Work Strategically

Establish carrier relationships before an event — the best CAT work comes through deployment programs that activate pre-qualified operators. Research licensing requirements in advance. Ensure your credit facility can support 45 days of deployment costs. Define your home market coverage threshold as a policy before any event occurs. And document everything at CAT-market standards — moisture maps, daily logs, signed authorizations on every job.

FAQ: Storm and CAT Work

Is CAT work profitable for restoration companies?

CAT work can be highly profitable with adequate capital, proper licensing, and strong documentation discipline. It can also be marginally profitable or unprofitable when collection delays, unlicensed work enforcement, or home market opportunity cost are factored in. The key is pre-event preparation, not post-event opportunism.

Do restoration companies need different licenses to work in other states?

Yes. Contractor licensing is state-specific. Many states have emergency contractor provisions allowing out-of-state operators to work for a limited time following a declared disaster. Research specific state requirements before deploying.

What is a CAT deployment program?

A carrier or TPA program that activates pre-qualified restoration contractors to deploy to disaster-affected markets following major weather events. Participation requires advance qualification — application, insurance verification, and performance history review.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- CAT Mobilization Economics
- Ice Dam and Winter Storm Damage
- Contents Division Economics

Residential vs. Commercial Restoration: Choosing Your Strategy

Source: <https://profitdetective.net/restoration-company-residential-vs-commercial-strategy/> Published: May 1, 2026

The residential vs. commercial restoration decision is a strategic choice about which client segments, loss types, and sales channels a company prioritizes — a choice that shapes hiring, equipment investment, marketing spend, and long-term growth trajectory.

The Fundamental Differences Between Residential and Commercial

Residential restoration jobs are typically smaller in dollar value, faster to close, emotionally charged for clients, and driven by insurance referrals and homeowner networks. Commercial losses are larger, slower, often competitively bid, require proof of commercial capability, and involve facilities managers or property management companies rather than homeowners.

Margin Profiles Differ

Commercial jobs often appear more profitable due to larger dollar amounts, but the sales cycle is longer, payment terms are slower (net 30–60 is common), and competition can compress margins. Residential insurance work moves faster and pays faster, but volume is needed to replace large single commercial losses.

Operational Requirements by Segment

Commercial work requires after-hours and weekend availability, containment expertise for occupied buildings, client-facing project reporting, and often Certificates of Insurance with higher coverage limits. Residential work requires empathy skills, fast response, and strong adjuster relationships. Both require IICRC-certified technicians but the mix of other skills differs.

Choosing a Strategic Focus

Most restoration companies start residential and add commercial as they grow. A deliberate decision to pursue commercial requires investment in sales capability (someone who can call on property managers and facilities directors), documentation systems that meet commercial client expectations, and the financial reserves to carry larger jobs through 60-day payment cycles.

The Case for Residential Focus

Residential is more predictable, referral-driven, and accessible to smaller companies. Strong adjuster relationships and a good TPA presence can generate consistent volume without complex sales infrastructure. For companies under \$3M revenue, residential focus often drives better margins and faster growth.

The Case for Commercial Diversification

Commercial contracts provide revenue predictability through service agreements and priority response contracts with large property owners. A single commercial account can represent significant annual revenue. The right commercial client is stickier than residential referrals.

FAQ: Residential vs. Commercial Restoration

At what revenue level should a restoration company pursue commercial work?

There's no fixed threshold, but companies under \$2M annual revenue often lack the operational depth and financial reserves to pursue commercial effectively. \$3M–\$5M is typically when the infrastructure to serve commercial clients well is in place.

Can a restoration company successfully serve both segments?

Yes, but it requires clear operational differentiation. Many successful mid-size companies run separate PM tracks for residential and commercial with different KPIs, documentation standards, and client communication protocols.

How do I land my first commercial accounts?

Target property management companies, large HOAs, and commercial real estate firms. Ask your insurance adjuster contacts who handles commercial losses. Industry associations like BOMA (Building Owners and Managers Association) provide networking access to facilities decision-makers.

Published by the Profit Detective editorial team. Profit Detective helps restoration company owners find hidden revenue and build sustainable profit systems.

Related reading

- Why Some Restoration Companies Grow Revenue but Still Can't Scale
- The \$3M Restoration Trap
- What Breaks First When a Restoration Company Hits \$1 Million

The Sub Rules: 12 Non-Negotiables Before a Trade Partner Touches Your Job

Source: <https://profitdetective.net/restoration-company-subcontractor-management-2/> Published: May 1, 2026

Every experienced restoration owner has a subcontractor story that cost them five figures. The companies that stop collecting those stories run their subs by rules — written down, applied every time, no exceptions for the guy who “seems solid.” These are the twelve I install in every engagement.

Before the First Job

Rule 1. No certificate, no work. Current general liability with your company listed as additional insured, workers' comp coverage, state licensing where required — copies in your file before day one. An expired certificate is a liability trap with your name on it. **Rule 2.** Two references from comparable restoration work, actually called. Not supplied — called. **Rule 3.** A signed master subcontractor agreement before the first job, covering scope definition, change order authorization, payment terms, insurance, dispute resolution, and

indemnification. Have an attorney review the template once; it's worth it every year after. **Rule 4.** Two to three vetted subs per trade. One is a scheduling hostage situation. Six is a relationship you can't manage.

In the Field

Rule 5. Every job with subcontracted work has a named PM who owns the schedule, the quality walk, and the punchlist. Subs with active oversight perform better than subs left to self-manage; daily check-ins on active reconstruction are job cost protection, not micromanagement. **Rule 6.** No work outside the original scope without a written change order — signed by the owner, authorized by the adjuster if the job is insurance-funded. Verbal approvals are not approvals. **Rule 7.** Everything documented, same day. The sub who can't work inside a paper process isn't the right partner, however good his hands are.

The Money

Rule 8. Pay on milestones, as a percentage of completion — never upfront lump sums. **Rule 9.** Retain 10% until final punchlist completion and client sign-off. Retainage is what keeps the last 10% of the job — the part clients remember — from becoming your problem at your expense. **Rule 10.** A callback caused by the sub is remediated by the sub, at the sub's cost, and logged in their file.

The File

Rule 11. Two documented quality failures in a year earns a performance conversation. Three earns a replacement. Feelings don't manage subs; files do. **Rule 12.** Classify honestly. A worker who functions as an employee but is paid as a 1099 creates tax and labor-law exposure that dwarfs whatever it saves. If you're not sure which side of the line a worker sits on, that's a CPA conversation, not a judgment call.

Run this way, subcontractors stop being a margin leak and become what they should be: capacity you can trust at a margin you can predict. The full management framework — vetting, agreements, field control, and payment structure in detail — is in Subcontractor Management for Restoration Companies.

Related reading

- Subcontractor Management for Restoration Companies
- Equipment and Fleet Economics for Restoration Companies
- Subcontractor Management System for Restoration Companies

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who has worked personally with 150+ restoration companies across North America.

Building Insurance Adjuster Relationships for Restoration Companies

Source: <https://profitdetective.net/restoration-company-insurance-adjuster-relationships/> Published: May 1, 2026

Insurance adjuster relationships are the professional connections restoration contractors build with claims handlers that lead to preferred vendor status, faster approvals, and a steady pipeline of referred or pre-approved work.

Why Adjuster Relationships Shape Your Revenue Ceiling

Insurance-funded restoration work flows through adjusters. The adjuster decides whether your scope is approved, whether you get called for future losses in their portfolio, and whether disputes get resolved in your favor or dragged out. A strong adjuster network is one of the most durable competitive moats in the industry.

Independent vs. Staff Adjusters

Staff adjusters work directly for insurance carriers. Independent adjusters (IAs) are contracted and often handle catastrophe work. Both matter but require different relationship strategies. Staff adjusters can become long-term referral sources within a carrier. IAs move with volume and need you to be reliable across multiple carrier relationships.

What Adjusters Need From You

Adjusters want contractors who document thoroughly, write defensible scopes, respond quickly, and don't create client complaints. Make their job easier and they'll think of you when a loss comes in. Make their job harder and you'll disappear from their call list.

How to Build the Relationship

Start with the adjusters already connected to your current claims. After a smooth job, ask for five minutes of feedback. What did you do well? What would have made their job easier? This positions you as a professional and opens the door to future conversations.

Continuing Education as a Relationship Tool

Offer to present at local adjuster association meetings on drying science, mold protocols, or documentation best practices. Adjusters need CE credits. You become a trusted resource rather than just a vendor.

Navigating Preferred Vendor Programs

Many carriers operate preferred vendor programs (TPAs). These can be a volume source but often come with margin compression and strict compliance requirements. Evaluate each program on its own merits. Adjuster relationships outside TPA programs often yield better-margin work.

FAQ: Insurance Adjuster Relationships

Is it ethical to take adjusters out to lunch or give gifts?

Normal business relationship-building is standard practice. Large gifts, cash, or anything that creates a kickback appearance is both unethical and potentially illegal. When in doubt, keep gestures modest and professional.

How do I handle a bad adjuster relationship after a dispute?

Request a post-dispute debrief focused on process improvement. Keep the conversation professional and forward-looking. Many strong long-term relationships were built after a difficult claim that both parties handled maturely.

How many adjuster relationships should I actively maintain?

Focus on depth. Ten to twenty strong relationships with active adjusters in your market will drive more revenue than a hundred superficial connections.

Published by the Profit Detective editorial team. Profit Detective helps restoration company owners find hidden revenue and build sustainable profit systems.

Related reading

- Signs a Restoration Company Is Burning Your Insurance Program (For TPAs and Adjusters)
- Insurance Claim Documentation for Restoration Companies
- Beyond Insurance: How Restoration Companies Build Non-Insurance Revenue Streams

From Restoration to HVAC: How the Profit Detective Methodology Crosses Industries

Source: <https://profitdetective.net/restoration-company-commercial-hvac-adjacent-industries/> Published: May 1, 2026

How does restoration business consulting apply to HVAC companies? The Profit Detective diagnostic — forensic examination of job costing, cash flow, labor productivity, sales systems, and leadership structure — applies to any field service business. HVAC, plumbing, electrical, and commercial cleaning companies face structurally identical profit leak patterns as restoration companies.

From Restoration to HVAC: How the Profit Detective Methodology Crosses Industries

After 36 years working inside restoration businesses, I've noticed something that surprised me: the problems are the same across field service industries. The names are different. The job types are different. But the fundamental patterns — the places where profit disappears between the estimate and the bank account — are structurally identical.

The Shared Profit Leak Zones

Labor productivity (technician billable hours in restoration = calls-per-day in HVAC = billable hours per plumber), estimating accuracy (Xactimate gaps in restoration = flat-rate pricing errors in HVAC = underestimated labor hours in commercial cleaning), cash flow gap (TPA payment cycles in restoration = Net 30/60 commercial terms in HVAC = monthly service contract delays in cleaning), and owner-operator bottleneck — the most universal pattern across all field service businesses at \$1M-\$3M revenue.

The Profit Detective Diagnostic in HVAC

Service profitability by job type (maintenance vs. replacement vs. commercial vs. residential emergency), technician productivity (average calls per day, parts first-call resolution rate, average revenue per call), flat-rate pricing accuracy (are prices current or set three years ago?), service agreement profitability (maintenance agreements must be priced correctly or they're guaranteed margin losers), and dispatch efficiency.

FAQ

Does The Profit Detective work with companies outside restoration?

Yes. While the deepest expertise is in restoration, the diagnostic methodology applies to any field service business. HVAC, plumbing, commercial cleaning, and other direct labor service companies share the same structural profit leak patterns.

What is a flat-rate pricing book in HVAC?

A flat-rate pricing book is a standardized price list for common HVAC service and replacement tasks specifying a fixed customer price regardless of actual time spent. It requires regular updates to reflect current parts costs and labor burden.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group. He is expanding his diagnostic practice to adjacent field service industries.

Related reading

- Why Your Last Restoration Consultant Didn't Work (And What That Says About the Engagement)
- The Profit Detective Diagnostic
- What to Expect from a Profit Detective Diagnostic Engagement

Should Your Restoration Company Add a Reconstruction Division?

Source: <https://profitdetective.net/restoration-company-reconstruction-division/> Published: May 1, 2026

Should a restoration company do reconstruction? Adding a reconstruction division captures 30-45% gross margin on work currently being referred to GCs, deepens the customer relationship through the full project lifecycle, and creates a natural upsell from every mitigation job. The decision depends on management capacity, licensing requirements, and working capital.

Should Your Restoration Company Add a Reconstruction Division?

The honest answer is: it depends. But the factors it depends on are specific and analyzable — and most owners who ask the question haven't run the analysis.

The Case For Adding Reconstruction

When you complete a mitigation job and refer reconstruction to a GC, you're handing over 30-45% gross margin on the rebuild phase. On a \$50,000 combined job where reconstruction is \$30,000, that's \$9,000-\$13,500 in gross profit going elsewhere. Across 50 reconstruction-eligible jobs per year, that's \$450,000-\$675,000 in additional gross profit potential. Full-service capability also strengthens commercial account relationships — facility managers prefer vendors who handle complete jobs.

The Case Against (or The Timing Question)

GC licensing is required in most states above certain dollar thresholds. Reconstruction project management is categorically different from mitigation PM — it involves subcontractor coordination, permit management, material procurement, and draw schedule management. Adding reconstruction without adding reconstruction-specific management is a recipe for quality problems and margin erosion. Working capital requirements also increase significantly.

The Right Sequence

Step 1: Obtain the required GC license. Step 2: Hire a dedicated reconstruction PM before you have jobs. Step 3: Build your subcontractor network (framing, drywall, flooring, painting, electrical, plumbing) before you need them. Step 4: Start with residential reconstruction on existing mitigation relationships. Step 5: Build reconstruction estimating capability separately. Step 6: Track reconstruction margin separately from mitigation from day one.

FAQ

What is the gross margin on reconstruction restoration work?

Reconstruction gross margins typically run 30-45%, significantly below water mitigation (60-75%) but still meaningful contribution to profitability when executed correctly.

What is the minimum revenue level to justify adding a reconstruction division?

A rough guideline: if you're referring 30+ reconstruction jobs per year with an average value of \$15,000+, the margin capture opportunity likely justifies the investment in licensing, management, and working capital.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- CAT Mobilization Economics
- Contents Division Economics
- Healthcare Facility Restoration

Restoration Industry Associations: RIA, IICRC, and Why They Matter for Your Business

Source: <https://profitdetective.net/restoration-industry-associations-iicrc-ria/> Published: May 1, 2026

What are the main professional associations in the restoration industry? The two primary professional associations are the Restoration Industry Association (RIA) — the trade association for restoration companies — and the Institute of Inspection, Cleaning and Restoration Certification (IICRC) — the standards body that establishes technical certifications and industry protocols.

Restoration Industry Associations: RIA, IICRC, and Why They Matter for Your Business

After 36 years in restoration, I can tell you with confidence that the companies that engage actively in industry associations are not just better connected — they're operationally sharper, commercially better positioned, and significantly better informed about the regulatory and market changes that affect their business. Association membership is not a dues payment and a credential on your website. When used strategically, it's a competitive advantage.

The Restoration Industry Association (RIA)

The RIA provides: peer network access through annual convention and regional chapter events; insurance industry access where restoration contractors and insurance professionals share programming and networking; industry intelligence through Cost of Doing Business Survey and market reports; legislative and regulatory advocacy monitoring legislation affecting restoration contractors; and the Certified Restorer (CR) professional designation, a preferred vendor credential for commercial accounts and sophisticated insurance buyers.

The IICRC

The IICRC provides: technical credibility through recognized professional certifications (WRT, ASD, AMRT, FSRT) required by most insurance carriers for approved vendor lists; defensibility — “Per IICRC S500” in scope narratives is a citation that holds up to adjuster scrutiny; continuous education maintaining current knowledge of evolving best practices; and differentiation in markets where most competitors have fewer certifications.

Maximizing Association ROI

Attend conferences in person (relationships built at in-person events are categorically different from webinar attendance). Join committees (sustained contact with the most engaged people in the industry). Speak or present if you have genuine expertise. Use the research — Cost of Doing Business Survey, market reports, standards updates — in your business planning and client conversations.

FAQ

Is IICRC certification required for restoration work?

IICRC certification is not universally legally required, but it is required by most insurance carriers and TPAs for contractors on their approved vendor lists. It is effectively a market requirement for any restoration company seeking commercial and insurance-driven work.

What is the IICRC S500?

IICRC S500 is the Standard and Reference Guide for Professional Water Damage Restoration. It establishes industry standard protocols for water damage assessment, water category and class classification, equipment deployment, drying goals, and documentation.

Mike McCabe is The Profit Detective — a Master Cleaner, Master Restorer, and 36-year restoration industry veteran with deep involvement in industry associations and standards organizations.

Related reading

- Why Some Restoration Companies Grow Revenue but Still Can't Scale
- Restoration Industry Trends for 2025-2026
- Strategic Planning for Restoration Companies

Lines of Credit for Restoration Companies: How to Use Them Right

Source: <https://profitdetective.net/restoration-company-cash-flow-line-of-credit/> Published: May 1, 2026

What is a line of credit for a restoration company? A business line of credit is a revolving credit facility providing access to funds up to a maximum limit, used to bridge the gap between job costs incurred and insurance or TPA payments received. It is the primary working capital tool for growing restoration companies managing 45-90 day payment cycles.

Lines of Credit for Restoration Companies: How to Use Them Right

A line of credit is one of the most useful financial tools available to a growing restoration company. It's also one of the most misused. When used correctly, it's a cash flow management instrument — a short-term bridge between job costs and TPA payment receipt. When used incorrectly, it becomes a slow-motion financing of losses, with a growing balance that masks underlying profitability problems.

How Much Credit Do You Actually Need?

Formula: Monthly revenue $\times$ (average days to payment $\div$ 30) $\times$ direct cost percentage = working capital requirement. Example: \$250K monthly revenue $\times$ (75/30) $\times$ 0.55 = \$343,750 needed. If you're drawing a \$200K line to its maximum regularly, you're underfunded. Set your limit 20-30% above your calculated working capital requirement. Plan for where you're going, not where you are.

The Warning Signs That Your Line Is Being Misused

The balance never goes to zero. You're drawing to fund payroll every period. The balance is growing with revenue faster than expected. You think of the line as your money. A healthy line of credit cycles — up when jobs are active, down as collections come in. A line that hasn't had a zero balance in six months indicates the business is consistently unprofitable or the line is funding losses.

Invoice Factoring as an Alternative

Factoring involves selling outstanding invoices to a third party at a discount (2-5%) for immediate cash. The cost is higher than a bank line, but it scales automatically with revenue without requiring credit limit increases. Some restoration companies use factoring as a bridge while building banking relationships, then transition to a traditional line as the balance sheet strengthens.

FAQ

Should restoration companies have a line of credit even if they don't need it?

Yes. Establishing a line of credit when you don't need it — when your balance sheet is strong — is far easier than establishing one during a cash crisis. Having available credit you don't use costs nothing (or minimal commitment fees) and provides significant optionality for growth and emergencies.

What financial documents do I need to get a business line of credit?

Typically: 2-3 years of business tax returns, current year-to-date P&L and balance sheet, current AR aging report, and personal financial statements from all owners with 20%+ equity. Clean AR quality with low 90+ day balances significantly improves approval likelihood.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Where Is Your Profit Hiding? A Restoration Owner's Diagnostic
- The Job Lifecycle Profit Map
- Cash Flow vs. Profit

Workers' Compensation in Restoration: Why Your Labor Cost Is Higher Than You Think

Source: <https://profitdetective.net/restoration-company-workers-comp-labor-burden/> Published: May 1, 2026

What is labor burden in restoration? Labor burden is the total employer cost of an employee above their base wage, including payroll taxes, workers' compensation insurance, health benefits, and paid time off. In restoration, fully-loaded labor burden typically runs 35–50% above base wages due to high workers' comp rates in a physically demanding industry.

Workers' Compensation in Restoration: Why Your Labor Cost Is Higher Than You Think

The gap between what owners think labor costs and what it actually costs — when you include workers' compensation, payroll taxes, benefits, and PTO — is the most consistently damaging cost misunderstanding in restoration diagnostics. A technician earning \$22/hour costs \$30-36/hour fully loaded. If you're estimating at wages, you're understating your cost by 40-60% on every job. Over a year, on a \$3M company with a \$900K labor budget, that gap represents \$360,000-\$540,000 of unaccounted cost.

Breaking Down Labor Burden

Base wage + FICA (7.65%) + FUTA/SUTA (est. 2.5%) + Workers' comp (8-16% of payroll in restoration) + Health benefits (\$3.00/hr est.) + PTO/holidays (\$0.85/hr est.) = total burden of approximately \$30-36/hour on a \$22/hour technician — 38-64% above base wage. Companies that estimate at base wages price themselves below their actual cost of labor on every job.

The Experience Modification Rate: The Most Controllable Variable

Your workers' comp premium is multiplied by your EMR — a factor calculated from your actual claims history vs. industry average. An EMR of 1.3 means you're paying 30% above industry average. On a \$100K annual premium, that's \$30,000 per year in excess cost a well-run safety program would eliminate. The highest-impact EMR reduction actions: formalize your safety program with written policies and documented enforcement, implement return-to-work programs for injured employees, and enforce PPE standards.

FAQ

What is the experience modification rate (EMR)?

The EMR is a multiplier applied to your base workers' comp premium based on your actual claims history compared to industry average. An EMR above 1.0 increases your premium; below 1.0 reduces it. It's recalculated annually based on a three-year rolling claims history.

How do I reduce workers' comp costs in my restoration company?

The three highest-impact actions: implement a formal written safety program with documented training, establish a return-to-work program for injured employees, and audit your employee classifications to ensure accuracy. Shop your coverage at renewal with at least three carriers.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who has consulted on labor cost management and workers' compensation programs for restoration companies across North America.

Related reading

- WIP Management for Restoration Companies
- Reading a Job Cost Report in Restoration
- Closeout Discipline: Why Restoration Companies Leave 8–15% on the Table at Job End

Large Loss Restoration: How to Build the Capability and Win the Work

Source: <https://profitdetective.net/restoration-company-commercial-large-loss-strategy/> Published: May 1, 2026

What is large loss restoration? Large loss restoration refers to significant commercial or residential property damage events — typically exceeding \$100,000 — that require multi-trade coordination, extended project timelines, and specialized project management capabilities beyond routine residential mitigation.

Large Loss Restoration: How to Build the Capability and Win the Work

Large loss commercial restoration is the category that separates restoration companies that grow to \$8M+ from those that plateau at \$3M. A single large loss can represent three to six months of residential volume. But large loss work is not just residential work at higher dollar amounts — it requires different project management capability, different financial infrastructure, different subcontractor relationships, and a different customer model. Companies that try to execute large loss work with residential operating systems fail.

The Four Capability Requirements

1. Large Loss Project Management

A dedicated PM whose sole responsibility for the duration of the job is that job — with daily site presence during active phases, authority to make routine decisions without owner approval, multi-trade coordination experience, documentation capability at a professional level, and commercial client relationship management. If you don't have a PM who can do all of this, large loss work will expose that gap quickly.

2. Financial Infrastructure

A \$500,000 job may require \$200,000-\$300,000 in direct costs before the first draw is approved. Know your maximum single-job capacity, negotiate draw schedules explicitly at the start of every large loss, and understand the payment process for the specific carrier before you mobilize resources.

3. Subcontractor Network

Large loss reconstruction requires structural engineers, general contracting, specialty flooring, commercial HVAC, electrical, plumbing. Build these subcontractor relationships before you have a large loss job — finding subcontractors while a \$500,000 job is waiting is not the right sequence.

4. Large Loss Estimating

Site walk with the adjuster before estimating begins, multi-phase scope development as separate estimate components, explicit documentation of what is and is not in scope, and change order discipline from day one.

FAQ

What is a draw schedule in large loss restoration?

A draw schedule is a pre-negotiated payment schedule specifying amounts and timing of payments at defined project milestones. Negotiating a draw schedule upfront is essential for managing cash flow on large loss jobs.

What qualifies as a large loss in restoration?

Losses exceeding \$100,000 in total restoration scope are commonly classified as large loss. Many national carrier programs define large loss thresholds at \$150,000-\$250,000.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

Related reading

- Restoration Company Resilience
- How to Evaluate a Restoration Contractor Before a Commercial Loss Happens
- Community Disaster Preparedness

Strategic Planning for Restoration Companies: Building a Business Plan That Actually Gets Used

Source: <https://profitdetective.net/restoration-business-plan-strategic-planning/> Published: May 1, 2026

What should a restoration company business plan include? A restoration company business plan should include a clear revenue and margin target, a defined service mix and geographic strategy, a staffing and management development plan, a capital allocation strategy, and 90-day operational priorities — reviewed quarterly and updated annually.

Strategic Planning for Restoration Companies: Building a Business Plan That Actually Gets Used

Most restoration business plans share a common feature: written once, presented to a bank or franchisor, and never looked at again. A business plan that doesn't drive weekly decisions is not a business plan — it's a writing exercise. The restoration owners who build companies intentionally do it with a living plan that is specific, measurable, and reviewed regularly.

The Four Components of a Working Restoration Business Plan

Component 1: The Financial Target

Not just revenue — margin. Your financial target should specify: target revenue by service line, target gross margin by service line, target overhead as a percentage of revenue, target net margin, and target owner compensation. If you can't articulate those five numbers for next year, you don't have a financial plan.

Component 2: The Strategic Direction

What kind of company are you building, and for whom? Service mix (mitigation-only vs. full-service), market focus (residential volume vs. commercial specialist vs. hybrid), geographic strategy, and customer type — each choice shapes capital requirements, staffing, and margin profile. Without strategic direction, every opportunity looks equally valid and you end up excelling at nothing.

Component 3: The People Plan

What positions need to be filled in the next 12 months? Who internally has promotion potential? What is your recruiting pipeline? At what revenue level do you need each additional hire? Most restoration companies hire reactively — when overwhelmed they hire, when slow they stop. A people plan built 12 months in advance converts labor cost from a crisis reaction into a strategic variable.

Component 4: The 90-Day Priority Queue

Annual plans are too abstract to drive daily behavior. Each quarter: identify 3-5 operational priorities, assign an owner to each, define what “done” looks like, set a completion date, and review progress weekly. This is the mechanism that converts a business plan from a document into a management system.

FAQ

How often should a restoration company update its business plan?

The 90-day priority queue should be updated quarterly. Annual financial targets and strategic direction should be reviewed and updated annually — ideally in Q4 for the coming year.

What is a good net margin for a restoration company?

Well-managed restoration companies typically achieve 8-15% net margin. Best-in-class operators with strong job costing, low overhead, and commercial account mix can achieve 15-20%. Below 5% indicates structural problems requiring diagnostic attention.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group. Strategic planning is a core component of his diagnostic practice.

Related reading

- Why Some Restoration Companies Grow Revenue but Still Can't Scale
- The Annual Planning Process for Restoration Companies
- Why \$10M Restoration Companies Still Bleed Cash

Why Restoration Companies Plateau at \$2M — and How to Break Through

Source: <https://profitdetective.net/restoration-company-growth-plateau-breakthrough/> Published: May 1, 2026

Why do restoration companies plateau? Restoration company growth plateaus typically occur when internal constraints — owner bandwidth, estimating capacity, management depth, or cash flow structure — prevent the company from absorbing additional volume. The ceiling is almost always internal, not market-driven.

Why Restoration Companies Plateau at \$2M — and How to Break Through

The \$1.5M–\$2.5M revenue range is the most common place restoration companies stall. Not because the market can't support more volume. Not because competition is too intense. Because something inside the business has stopped scaling.

The Four Most Common \$2M Plateau Constraints

Constraint 1: The Owner Is the Estimating Department

At \$1M–2M, it's common for the owner to write 70–90% of estimates. This works until it doesn't — which is right around \$2M, when inbound volume exceeds what one person can estimate without creating a backlog. The breakthrough: develop and certify a second estimator to handle routine residential jobs.

Constraint 2: Cash Flow Can't Fund Growth

Growing from \$2M to \$3M requires more working capital. Companies already stretching their line of credit at \$2M often can't fund growth to \$3M even when demand exists. The breakthrough: establish adequate working capital before pursuing growth — larger line of credit, invoice factoring on TPA receivables, or improved cash flow timing.

Constraint 3: There's No Management Layer

At \$2M, most restoration companies have the owner and a handful of senior technicians informally managing the crew. At \$3M–\$4M, the complexity of active jobs exceeds what one person can monitor. The breakthrough: add a formalized operations manager role before you need it, not after quality problems appear.

Constraint 4: Sales Is Reactive, Not Systematic

Most \$2M restoration companies grow primarily on emergency residential work that finds them. Breaking through \$2M typically requires developing a proactive commercial account pipeline. The breakthrough: allocate 10–15% of the owner's time specifically to commercial account development.

The Growth Diagnostic

If you had 30% more volume tomorrow, what would break first? If estimating — Constraint 1. If cash — Constraint 2. If management or quality control — Constraint 3. If you don't know where 30% more volume would come from — Constraint 4.

FAQ

What revenue level do most restoration companies plateau at?

The most common plateaus occur at \$1.5M–2.5M (owner bandwidth constraint) and \$4M–6M (management depth constraint). Each plateau has different root causes and different solutions.

What is invoice factoring in restoration?

Invoice factoring is a financing tool where a third party purchases your outstanding invoices at a discount (typically 2–5%) in exchange for immediate cash payment. It converts slow TPA receivables into immediate working capital.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who has diagnosed and resolved growth constraints for 150+ restoration companies across North America.

Related reading

- The \$3M Restoration Trap
- Why Some Restoration Companies Grow Revenue but Still Can't Scale
- Why \$10M Restoration Companies Still Bleed Cash

How Restoration Companies Win Facility Management Accounts

Source: <https://profitdetective.net/restoration-company-commercial-accounts-facility-management/> Published: May 1, 2026

How do restoration companies get commercial accounts? Restoration companies win commercial facility management accounts through systematic relationship development with property managers and facility directors — not through price competition. The key is demonstrating response reliability, documentation quality, and IICRC certification depth before a loss event occurs, so the relationship exists when the emergency happens.

How Restoration Companies Win Facility Management Accounts

The best commercial restoration relationships aren't won in a competitive bid process. They're won months or years before the first job, through relationship development that positions your company as the obvious choice when something goes wrong.

The Facility Management Account Development Framework

Step 1: Build the Target Account List

Identify the 30–50 commercial properties in your market that represent the highest-value restoration accounts. Targets include: large multi-family residential complexes (200+ units), commercial office parks, healthcare facilities, retail centers, and hospitality properties. These properties have high loss probability, significant restoration scope when losses occur, and professional property management that values vendor relationships.

Step 2: Research the Decision Maker

The restoration vendor decision for most commercial properties is made by the facility manager or director of facilities — not by ownership or finance. LinkedIn, building management websites, and local BOMA (Building Owners and Managers Association) membership directories are the best sources for identifying these contacts.

Step 3: The Value-First Outreach Sequence

Cold outreach focused on “we want to be your restoration contractor” doesn’t work. Value-first outreach does. Effective approaches include: offering a complimentary building vulnerability assessment (water intrusion risks, drainage issues, aging infrastructure), inviting the facility manager to an IICRC continuing education lunch, or providing a written reference on your company’s emergency response protocols that they can file in their vendor binder.

Step 4: The Preferred Vendor Agreement

When the relationship is developed, formalize it with a preferred vendor agreement — a simple document that establishes your company as the first call for restoration emergencies at their property. Include your 24/7 emergency contact, response time commitment, and a summary of your certifications. The agreement doesn’t need to be exclusive or contractually binding to be effective — it just needs to exist so that when the emergency happens, you’re on the list.

FAQ

What is BOMA and how can it help restoration companies?

BOMA (Building Owners and Managers Association) is the primary professional association for commercial real estate property managers. BOMA chapters hold regular events, publish member directories, and provide networking access to the facility managers who control commercial restoration vendor relationships. Membership and active participation in local BOMA chapters is one of the most direct paths to commercial account development.

How long does it take to win a commercial facility management account?

Commercial account development typically requires 6–18 months of relationship building before the first significant job. The timeline depends on when a loss event occurs at the target property — which is why a portfolio approach (developing relationships with 20–30 targets simultaneously) is more effective than focusing on a single account.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who has developed commercial account strategies for restoration companies across North America.

Related reading

- Restoration Company Resilience
- How Restoration Companies Keep Their Best Commercial Accounts
- The Commercial Proof Architecture

The Bank Account Was Right: A \$4M Company That ‘Made Money’ Every Month

Source: <https://profitdetective.net/profit-detective-files-4m-restoration-company-diagnostic-2/> Published: May 1, 2026

The call came in March. The owner had a \$4M restoration company, a solid reputation in his market, and a P&L showing 24% gross margin. His accountant told him the business was performing well. His bank was less enthusiastic — he had drawn on his line of credit four consecutive months to make payroll.

“I don’t understand it,” he told me. “The numbers say I’m making money. The bank account says I’m not. Somebody is wrong.” Nobody was wrong. The P&L and the bank account were both telling the truth — about different things. What sat between them was the most expensive dynamic in his business.

The Symptom Was Cash. The Causes Were Three.

Cause one: margin mix. His 24% gross margin was real — at the company level. Underneath it: residential water mitigation at 38%, TPA-driven work at 19%, and commercial reconstruction at 11%. His largest, fastest-growing segment was his least profitable one. Commercial jobs looked impressive on revenue, so the company had been drifting toward its worst work without anyone deciding that.

Cause two: the payment float. TPA work was paying in 82 days on average. Commercial reconstruction was paying in 91. On \$2.9M of combined revenue, he was floating roughly \$700,000 of completed, invoiced, approved work at any given moment — funded entirely by his line of credit. His growth was being financed by his bank, at his expense.

Cause three: the estimating gap. Reviewing 30 water mitigation estimates, he was missing 18% of potential billable scope on average. On \$1.8M of mitigation revenue, that is \$324,000 of unbilled work a year. Even recovering half of it adds about \$162,000 to the top line — and at a 38% mitigation margin, roughly \$61,000 straight to the bottom.

The Finding That Wasn’t About Money

His lead estimator wrote 80% of the company’s estimates — and had been quietly interviewing with a competitor for two months. Every bit of that estimating knowledge lived in one person’s head. Of everything I found, that was the largest single risk in the business, and it didn’t appear on any report he owned.

Six Months Later

He stopped pursuing commercial reconstruction below 22% gross margin and redirected toward higher-margin segments; blended gross margin moved from 24% to 28%. He negotiated 45-day payment terms with his three largest commercial clients, and average days-to-cash fell from 82 to 61. A scope checklist and supplement process raised average mitigation job revenue 14%. He cross-trained a second estimator and gave the lead a 12-month retention package. The lead stayed.

The owner thought he had a cash problem. He had three problems — margin mix, payment timing, and estimating gaps — compounding into a cash symptom. That is the pattern I see most often in this industry: the presenting problem is almost never the real problem, and you cannot solve a cash problem by watching the bank account. You solve it by finding what’s creating it. The full case file, with the complete diagnostic sequence, is *The Profit Detective Files: What I Found in a \$4M Restoration Company*.

Related reading

- [What I Found in a \\$4M Restoration Company](#)
- [What I Found in a \\$2.3M Alberta Restoration Company With No Cash](#)
- [The Commercial Restoration Company Bleeding Cash on Its Best Client](#)

Mike McCabe is The Profit Detective — a Master Cleaner, Master Restorer, and 36-year restoration industry veteran. He has conducted forensic business diagnostics for 150+ restoration companies across North America.

What I See When I Look at Your Company: A Buyer's Walk-Through

Source: <https://profitdetective.net/succession-planning-restoration-company-enterprise-value-2/> Published: May 1, 2026

Private equity firms have acquired more than 50 restoration platforms since 2018. Sooner or later, one of their people may walk through your business — or you'll walk through it yourself, preparing to. Either way, the walk follows the same route. Here is what a buyer is actually examining, in the order they examine it, and the question underneath each stop. Restoration companies change hands at roughly 3–7x EBITDA: a \$5M company with \$750K of EBITDA lands somewhere between \$2.25M and \$4.5M. Where you land in that range is decided on this walk.

Stop One: The Owner's Chair

The first question is never about revenue. It's this: *if the owner were hit by a bus, what happens?* If every significant decision routes through you, the buyer sees a business with no transferable value beyond its equipment and customer list — and prices it that way. Owner dependency is the single largest multiple-killer in this industry.

Stop Two: The Books

Clean job-level cost tracking, consistent accounting, documented revenue recognition. A buyer isn't being picky here — messy books mean unquantifiable risk, and risk gets priced as a discount or doesn't get priced at all because the buyer walks.

Stop Three: The Revenue Map

Where does the money come from, and how concentrated is it? If 40% of revenue rides on one TPA or one commercial client, the buyer sees a single-event risk. In a business built for value, no single customer represents more than 20% of revenue.

Stop Four: The Predictability Test

Revenue that is contractually obligated or statistically predictable is worth more than the same revenue that arrived by chance. The buyer is underwriting next year's cash flow, not admiring last year's.

Stop Five: The Playbooks

Does “how we do things” exist on paper, or only in the owner's head? Documented SOPs and a team that runs them are value. A brilliant owner with nothing written down is a key-person policy waiting to be priced.

Stop Six: The Team

The quality, loyalty, and capability of your leadership team is a genuine value driver — it's the difference between buying a business and buying a job with assets attached. I know this stop personally: I sold my own company to my management team. That outcome doesn't happen by accident.

The Point of the Walk

Everything that raises your multiple — independence from the owner, clean books, diversified revenue, documented systems, a team that leads — also makes the company more profitable and more enjoyable to run this year. Succession planning isn't about getting out. It's about building something real enough that getting out is a choice. The companion piece, on how to build that value deliberately whether you ever sell or not, is *Succession Planning for Restoration Companies: What Buyers Actually Look For*.

Related reading

- Succession Planning for Restoration Companies
- Franchise vs. Independent Restoration
- Restoration Company Exit Planning

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran who built and sold his own restoration company to his management team. He now works with restoration owners on operations, profitability, and enterprise value.

Follow \$15,000 Through a Restoration Company

Source: <https://profitdetective.net/cash-flow-vs-profit-restoration-companies-2/> Published: May 1, 2026

Pick a standard water mitigation job — \$15,000 when it's done. On the day it closes, the P&L will call it profitable. Follow the actual money, day by day, and a different story appears: the story that decides whether you make payroll in the meantime.

The Ledger of One Job

Day 1: The call comes in. Crews roll, extraction starts, equipment goes out the door. You begin spending money — labor, fuel, materials — within the first hours, before a single dollar has been approved by anyone.

Days 1–14: Costs accumulate. On a job this size you will typically spend \$8,000–\$10,000 before the work is complete. Every dollar of it is yours, out of your account.

Day 14: The job is complete. The invoice goes in. The P&L books \$15,000 of revenue. Your bank account has seen none of it.

Day 45: The supplement is approved. (If it was identified late or submitted slowly, this date moves — and everything after it moves with it.)

Days 75–90: Payment arrives. From first dollar spent to first dollar received: roughly a quarter of a year.

Now Multiply by Thirty

No company runs one job. Run twenty to fifty of these timelines at once, all staggered, all front-loaded, and you have the structural reality of restoration: a working capital requirement that *grows with your revenue*. The faster you grow, the more cash the gap consumes. This is why I have sat across from owners whose companies were profitable — growing, even — and who could not make payroll without a line of credit. Four forces widen the gap: TPA payment cycles of 60–90 days as the baseline; front-loaded labor in the first 24–48 hours; reconstruction milestone billing, where \$200,000 of work in progress may not be invoiced until framing is

complete; and equipment sitting in a warehouse, paying nothing back.

How Owners Shorten the Gap

Five working tools. **The 13-week cash flow forecast** — expected inflows and outflows projected a quarter forward, updated weekly, so a shortfall is visible before it is a crisis. **AR aging by payer type** — TPA, homeowner insurance, direct commercial, and self-pay all pay on different clocks; track them separately. **Invoice immediately** — every day between completion and submission is a day added to your cycle; invoices out within 24 hours. **Discipline the supplements** — anything over \$500 submitted within 72 hours of identification. **Negotiate terms** — net-30 from submission is achievable with commercial clients who value the relationship. A well-managed book targets average days-to-payment of 45 days or less; TPA work will run longer, which is precisely why the rest has to run shorter.

Profit is an opinion about a period. Cash is a fact about a day. The long version of this argument — including why the gap, not the margin, is the most common financial crisis in the industry — is in Cash Flow vs. Profit: The Difference That Kills Restoration Companies.

Related reading

- Cash Flow vs. Profit
- Where Is Your Profit Hiding? A Restoration Owner's Diagnostic
- The Job Lifecycle Profit Map

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group.

The TPA Trap: Are Managed Repair Programs Costing You More Than They're Worth?

Source: <https://profitdetective.net/tpa-trap-managed-repair-programs-restoration/> Published: May 1, 2026

What is a TPA in restoration? A Third-Party Administrator (TPA) is a company hired by insurance carriers to manage claims and direct repair work to a network of pre-approved restoration contractors. TPAs set pricing, compliance standards, and payment terms for contractors in their network.

I want to ask you a question that most restoration owners can't answer: *What is your actual gross margin on TPA program work — not the revenue, not the gross revenue, the actual margin after your real costs?*

If you don't know — and most owners don't — you may be running one of the most common profit traps in the restoration industry without realizing it.

How TPA Programs Work — and Where the Economics Get Complicated

When you join a managed repair program, you're agreeing to fixed or capped pricing (Xactimate-based with O&P often reduced or eliminated), compliance requirements that add administrative cost, payment terms of 45-90 days from invoice approval, and volume expectations that affect how you staff and schedule. None of these are inherently bad. But they change your cost structure in ways the TPA rate was not designed to accommodate.

The Hidden Costs of TPA Participation

Compliance Administration: Documentation requirements add 2-4 hours of administrative cost to the average mitigation job — \$50-140 per job in cost the TPA rate doesn't cover. **Overhead and Profit Exclusion:** Many TPA programs reduce or eliminate O&P on reconstruction — reducing effective margin by 15-20% compared to non-program jobs. **Cash Flow Cost:** TPA payment cycles of 60-90 days are funded by your working capital, which has a real cost even if you don't think of it that way. **Supplemental Approval Friction:** The administrative cost of pursuing supplements in TPA work often makes small supplements not worth billing — which means you absorb the cost.

Calculating Your Real TPA Margin

Step 1: Pull all TPA jobs from the last 12 months — total revenue, total direct cost, total administrative time. Step 2: Calculate direct gross margin. Step 3: Add back administrative time cost at your fully-loaded admin rate. Step 4: Compare to non-program work of the same job type.

In my experience, the gap between perceived TPA margin and actual TPA margin — when administrative cost is properly allocated — runs 8-15 percentage points. Companies that think they're running 35% margin on program work are often actually running 22-27%. That's not always a reason to leave the program. But it's always a reason to know.

What to Do With This Information

Option 1: Renegotiate. If your volume is significant, you have leverage. Document your compliance cost and come to the table with data, not complaints. **Option 2: Segment your business** — run TPA work as baseline volume while directing sales energy toward higher-margin direct commercial. **Option 3: Reduce compliance overhead** through templates and pre-built workflows. **Option 4: Know your floor** — the revenue level below which TPA work is margin-negative for your specific cost structure.

Frequently Asked Questions

Can I negotiate TPA program rates? Yes, particularly if you have significant volume, strong satisfaction scores, and low supplement dispute rates. Documentation of your actual compliance cost is the foundation of a credible negotiation.

What are typical TPA payment terms in restoration? Most TPA programs pay within 45-90 days of invoice approval, with approval taking an additional 15-30 days after submission. Total time from job completion to payment often runs 60-120 days.

What is overhead and profit in restoration estimating? O&P is a Xactimate line item covering general contractor overhead and margin on reconstruction. Many TPA programs reduce or eliminate O&P, significantly affecting profitability on reconstruction phases.

Mike McCabe is The Profit Detective — a 36-year restoration industry veteran and Fractional Operations Manager at Floodlight Consulting Group. He has worked with 150+ restoration companies across North America.

Related reading

- TPA Fee Schedule Math
- Signs a Restoration Company Is Burning Your Insurance Program (For TPAs and Adjusters)
- A/R Aging Strategy for Insurance Work

The Profit Detective Files: The Mold Company That Was Busy and Broke

Source: <https://profitdetective.net/profit-detective-files-mold-company-turnaround/> Published: April 7, 2026

Can a mold remediation company be busy and unprofitable? Yes — high job volume without job-level cost tracking, pricing below actual cost burden, and slow TPA collections can produce a mold company that grows revenue while simultaneously losing working capital. This is one of the most common patterns in service businesses that prioritize volume over margin discipline.

The Profit Detective Files is a series of case studies from 36 years of restoration business diagnostics. Details are changed to protect client confidentiality. The numbers and the outcomes are real.

I got the call in late autumn. The owner ran a mold remediation company — primarily residential, with a growing commercial component through two property management relationships. She'd built it to 40 jobs per month over four years. Revenue was \$2.4M and climbing. Her accountant said the business was profitable. Her bank account told a different story. She'd been overdrawn twice in the previous quarter, covered both times by drawing down her personal savings.

"I'm not losing money," she told me. "The P&L says I'm making money. So where is it going?"

I told her I'd find it.

What the Diagnostic Found

Finding 1: Pricing Based on Competitors, Not Costs

The first thing I asked for was her cost per square foot of mold remediation by job type. She didn't have it. She priced based on what competitors were charging — roughly \$15–22 per square foot. Her instinct was that if she was competitive and winning jobs, the economics were fine.

When we built her actual cost per square foot from labor burden, PPE, containment materials, disposal, and overhead allocation, her cost for standard residential remediation was \$11.40. At \$15/sqft she was running 24% gross margin. At \$22/sqft she was running 48%. The problem: she was pricing some jobs at \$15 and some at \$22, with no consistent logic. Her lowest-margin jobs were often her largest ones — because she was aggressive on price to win high-volume commercial work. Blended, she was running 29% gross margin. She thought she was running 38%.

Finding 2: Containment Costs Systematically Underestimated

Mold remediation containment is the most consistently underestimated cost category I find in the field. Her technicians were spending 4–6 labor hours on containment setup and breakdown per job, and the estimate was allocating 2 hours. The containment material cost in the estimate was averaging 40% below actual on complex multi-room remediations. On 40 jobs per month, that gap was accumulating to approximately \$18,000–\$22,000 per month of unrecovered cost.

Finding 3: Commercial Pricing Below Real Cost

Her two commercial property management clients — her most reliable volume sources — were negotiated at flat per-square-foot rates two years earlier, before she fully understood her cost structure. At her current costs, those accounts were contributing approximately 14% gross margin. The residential jobs she was occasionally turning away to keep commercial capacity were running 35–42% margin. She was prioritizing her worst-margin work to maintain relationships that felt important but were quietly subsidized by her higher-margin residential jobs.

Finding 4: No Line of Credit, No Cash Flow Buffer

With 60–70 day payment cycles on commercial work and 45-day cycles on insurance-driven residential work, she was typically floating \$180,000–\$220,000 in completed, invoiced, unpaid work at any given time. She had no line of credit — she'd never established one because she'd never needed it until recently. Growth had outpaced her working capital, and she was funding the gap with personal savings.

What Changed

Pricing: She rebuilt her pricing model from cost up — actual cost per square foot plus 45% target gross margin equals her minimum price. Jobs below that floor required owner approval with explicit rationale.

Containment estimating: She built a containment time allowance into her scope checklist based on room count and square footage — and stopped letting technicians estimate containment time based on optimistic projections.

Commercial repricing: She went to both property management clients with a rate increase proposal documenting her actual cost structure. One client accepted immediately. The other pushed back. She held her floor. That client eventually accepted.

Line of credit: She established a \$250,000 revolving line of credit through her bank using her clean AR as collateral. She hasn't needed to draw on it more than twice in the eighteen months since.

Result: Revenue is similar. Gross margin improved from 29% to 41%. She hasn't touched her personal savings in over a year.

The Lesson

She wasn't failing. She was succeeding at the wrong things. Volume felt like success because volume is visible. Margin is invisible until you measure it. The discipline of measuring at the job level, pricing from cost up, and establishing the financial infrastructure to manage cash flow — these are operational fundamentals that growth had simply masked until the diagnostic made them visible.

Book a free diagnostic call ->

Frequently Asked Questions

What causes cash flow problems in growing mold remediation companies?

The most common causes are pricing below actual cost burden (especially on commercial accounts negotiated before the full cost structure was understood), systematic underestimation of containment costs, slow insurance payment cycles, and the absence of a working capital credit facility. Any one of these alone is manageable. All

four together produce a company that is busy and broke.

How do you price mold remediation correctly?

Build your actual cost per square foot from labor burden, PPE, containment materials, disposal, and overhead allocation. Set your price floor at cost plus your target gross margin percentage. Never price based on competitor rates without first verifying your own cost structure — your costs may be materially different from a competitor with different overhead, insurance rates, or labor markets.

How often should mold remediation companies review their pricing?

Annually at minimum. When labor costs, workers' comp rates, materials prices, or regulatory compliance requirements change significantly — review immediately. Cost structures drift faster than most owners realize, especially during inflationary periods when multiple cost inputs are rising simultaneously.

What is the right gross margin for mold remediation?

Well-executed mold remediation should yield 45–60% gross margin when properly scoped, correctly priced, and job-costed accurately. Below 35% indicates either a pricing problem or a cost control problem that requires diagnostic attention. The most common root cause is containment cost underestimation.

How do I establish a business line of credit as a mold remediation company?

Bring 2–3 years of tax returns, current year P&L and balance sheet, and a current AR aging report showing clean receivables. Establish the line when you don't need it — not during a cash crisis. Banks lend to companies with clean AR and consistent revenue; they don't rescue companies in distress.

Mike McCabe is The Profit Detective — a Master Cleaner, Master Restorer, and 36-year restoration business consultant. He has worked personally with 150+ restoration companies across North America, diagnosing the profit leaks that most owners never see on a P&L. He serves as Fractional Operations Manager at Floodlight Consulting Group and speaks at major industry events including the DKI Canada AGM. Book a free diagnostic conversation at calendly.com/profitdetective.

Related reading

- The Water Damage Company That Priced Like a Carpet Cleaner
- Mold Remediation Profit Margins
- What I Found in a \$2.3M Alberta Restoration Company With No Cash

The Profit Detective Files: What I Found in a \$4M Restoration Company

Source: <https://profitdetective.net/profit-detective-files-4m-restoration-company-diagnostic/> Published: April 7, 2026

What is a Profit Detective Report? A Profit Detective Report (PDR) is Mike McCabe's proprietary business diagnostic — a forensic examination of a restoration company's operations, financials, estimating, job costing, and leadership structure to identify the specific gaps between reported profit and actual financial health.

The Profit Detective Files is a series of case studies from 36 years of restoration business diagnostics. Details are changed to protect client confidentiality. The numbers and the outcomes are real.

The Call That Started This Diagnostic

The call came in March. The owner had a \$4M restoration company, solid reputation in his market, and a P&L that showed 24% gross margin. His accountant told him the business was performing well. His bank was less enthusiastic — he'd been drawing on his line of credit for four consecutive months to make payroll, and the bank wanted a conversation about his liquidity position.

"I don't understand it," he told me on the first call. "The numbers say I'm making money. The bank account says I'm not. Somebody is wrong."

Neither of them was wrong. They were both right, in different ways. And the gap between them was the most expensive financial dynamic in his business.

What the Diagnostic Found

Finding 1: His P&L Was Accurate and Useless

His gross margin of 24% was real — at the company level, on an accrual basis. What it didn't show was that his business had three distinct revenue streams with radically different economics:

- Residential water mitigation: **38% gross margin**
- Commercial reconstruction: **11% gross margin**
- TPA-driven residential mitigation and reconstruction: **19% gross margin**

His best work — residential water mitigation — was running 38% margins. His largest and fastest-growing segment — commercial reconstruction — was running 11%. He'd been unconsciously shifting his business toward his least profitable work because commercial jobs looked impressive on a revenue basis. The 24% blended margin obscured the fact that he was building the wrong business.

Finding 2: His TPA Payment Cycle Was Funding His Growth

His TPA-driven work, which represented about 45% of revenue, was paying in an average of 82 days from job completion. His fastest-growing commercial reconstruction segment — milestone-billed — was paying in an average of 91 days.

On \$1.8M of TPA revenue and \$1.1M of commercial reconstruction revenue, he was floating approximately \$700,000 of completed, invoiced, approved work at any given moment. That's \$700,000 of profit that had been earned but not received — funded entirely by his line of credit. He wasn't experiencing a cash crisis. He was experiencing the cash cost of growing a business with 90-day payment cycles.

Finding 3: His Estimating Had a Systematic Gap

I reviewed 30 of his water mitigation estimates against the Xactimate line item checklist I use for audits. On average, he was missing 18% of potential billable scope — primarily in content manipulation, detach-and-reset items, and supplement billing for work discovered during drying.

On \$1.8M of mitigation revenue, 18% is \$324,000 of unbilled work annually. Even recovering half of that would add \$162,000 to his top line — and at 38% mitigation margin, roughly \$61,000 to his bottom line.

Finding 4: One Key Person Was the Entire Estimating Function

His lead estimator — the person who wrote 80% of the company's estimates — had been quietly interviewing with a competitor for two months. The owner didn't know. The estimator had been with the company for six years and had developed an institutional knowledge base that existed nowhere else.

This was the single largest business risk I found. Not the cash flow. Not the margin mix. The fact that the entire estimating function lived in one person's head, with no backup, no documentation, and no succession plan.

What Changed — Six Months Later

Margin Mix

He stopped actively pursuing commercial reconstruction work below 22% gross margin and redirected business development toward residential mitigation and commercial mitigation — his highest-margin segments. Blended gross margin moved from 24% to 28% on roughly the same revenue.

Cash Flow

He negotiated 45-day net payment terms with his three largest commercial clients (replacing 90-day billing cycles) and implemented same-day invoicing on all residential work. Average days-to-cash dropped from 82 to 61 days. Line of credit utilization dropped by 60%.

Estimating Gap

He implemented a 15-item scope checklist for water mitigation jobs and a formal supplement review at 50% job completion. Supplement approval increased, and average mitigation job revenue increased 14% on comparable scope jobs.

Key Person Risk

He documented his estimating process, cross-trained a second estimator, and gave his lead estimator a retention package with a 12-month vesting period. The lead estimator stayed.

The Lesson

The owner thought he had a cash problem. He didn't. He had three problems — margin mix, payment timing, and estimating gaps — that were compounding into a cash symptom.

This is the most consistent pattern in my 36 years of diagnostics: the presenting problem is almost never the real problem. The real problem is operational, and it becomes a financial symptom only when the operational gaps accumulate long enough.

You can't solve a cash problem by watching the bank account. You solve it by finding what's creating it. That's what the Profit Detective does.

Book a free diagnostic conversation ->

Frequently Asked Questions

What causes cash flow problems in profitable restoration companies?

The most common causes are slow TPA payment cycles (60–90 days), front-loaded labor costs on mitigation jobs, unbilled work from estimating gaps, and margin mix decisions that prioritize high-revenue but low-margin

work.

What is margin mix in restoration?

Margin mix is the proportion of revenue coming from different job types, each with different gross margins. A company doing primarily high-margin mitigation work has a different financial profile than one doing primarily lower-margin reconstruction, even at the same total revenue.

What is key person risk in a restoration company?

Key person risk is the business vulnerability created when critical knowledge, relationships, or capabilities reside primarily in a single individual — most commonly an estimator or operations manager whose departure would cripple a critical function.

How do I know if I have an estimating gap?

Compare your estimates to Xactimate's complete line item database for your job types, then compare estimate approvals to final approved scopes. Consistent patterns of underscoped line items — particularly in content manipulation, detach-and-reset, and supplement categories — indicate an estimating gap.

How much does a restoration business diagnostic cost?

The first diagnostic conversation with The Profit Detective is always free. Contact Mike directly through his Calendly link to discuss scope and structure for a full engagement.

Mike McCabe is The Profit Detective — a Master Cleaner, Master Restorer, and 36-year restoration industry veteran. He has conducted forensic business diagnostics for 150+ restoration companies across North America. Book your free diagnostic conversation.

Related reading

- The Mold Company That Was Busy and Broke
- The Profit Detective Diagnostic
- What I Found in a \$2.3M Alberta Restoration Company With No Cash