Expectations

1. **Company values and philosophy:**
2. Adhere to the company’s stated core values and beliefs.
3. Promote the company, and the brand wherever possible
4. Conduct all operations within the framework of the law, and the ethics of good business practices, and within the common operating systems of ABC.
5. Exercise good judgement in all areas where the company’s interests are represented.
6. Work within the team first, individual second philosophy.
7. Come to work each and every day dressed with a positive mental approach.
8. **Leadership Expectations**
9. Set the tone for the local Company by adhering to core values.
10. Set clear, concise direction for the local Company personnel by having and sharing a vision, the mission of the company, and the company goals.
11. Give regular feedback to all employees in a constructive manner.
12. Keep a neat, clean, and organized retail Company.
13. Lead the efforts in creating an, open, vital & trusting environment.
14. Develop the next set of leaders within the company.
15. Responsible for establishing training and skill development
16. **Customer Service Expectations:**
17. Assure 100% customer satisfaction for all consumers.
18. Exceed the customers, expectations for quality and value.
19. Handle and solve all customer complaints within a 48/hr. period.
20. Insure the phone is answered within four rings at all times at the local Company level, and by a real person.
21. Return all calls within a 24-hour period.
22. Communicate any issues, concerns, or questions to your immediate supervisor in a reasonable amount of time for direction, and resolution.
23. Pick up voice mails 3 times a day minimum– before 8AM, afternoon once, and before leaving for the day.
24. **Company Performance:**
25. Meet or exceed all goals for performance as outlined in GM Agreement. Revenues, margins, expense controls, pre-tax earnings, receivables collections, inventory management, EBITDA Free Cash Flow and capital usage.
26. Implement all better practices and operating systems in a timely manner and with a positive attitude.
27. Manage the local Company operation to meet or exceed the
28. Company’s Key Performance Indicators.
29. Become process driven by implementing company initiatives while continuing to meet established goals.
30. Install the company’s core values, and culture through vision, mission, and values training.
31. Hire/Identify a successor to GM role and mentor; train the person to become a GM, while you are still a GM.
32. Hold regular employee meetings, and functions to develop a team and communicate key information.
33. Develop a company operating plan each year.
34. Complete budgetary process in a timely manner with accuracy.
35. Develop a marketing plan for the local Company in the respective geographic markets.
36. Understand thoroughly the reports required as a General Manager.
37. GM will fully understand the software systems, and all accounting practices required to maintain local Company compliance with corporate requirements.
38. GM to attend all meeting and functions as required by the company such as board meetings, training etc...
39. **Communications, Reporting and Compliance:**
40. GM will report all relevant information, reports, and data to the board as required to promote the free flow of information within the company.
41. GM will comply with all local, state, & federal codes, as well as all laws, and the company code of conduct.
42. GM will report any relevant issues or concerns directly to management upon discovery or knowledge concerning an issue.
43. **Reviews, feedback and personnel:**
44. GM will conduct three trimester personnel reviews of all direct reports with direct feedback on the expectations set forth in the Company goals and plan.
45. The GM will give constant positive coaching and feedback to all team members.
46. The GM will maintain accurate and detailed personnel files at all times, keeping them current.
47. The GM will work directly with Human Resources to define training needs, and support for the employees within the Company to insure proper work environment.
48. **Skill Development:**
49. GM will identify and work to develop areas of skill development for all direct reports, and work with any managers to do the same for their reports.
50. GM will develop an employee-training plan to support skill development of each direct report and be sure the same is completed for all personnel in the company.
51. GM will work with key managers, and employees to support implementation of their respective skill development plans.

Employee Signature:

Date:

Manager’s Signature:

Date:

**Title: General Manager – ABC**

**Reports To: Owners and Board of Directors**

**Location: Field Operations**

**Scope of Role:**

The position of General Manager in the market reports to the Board of Directors and is located in the local market where the Company resides.

The role of the General Manager is to “Lead”! This requires planning, directing through communication and leadership skills, plus controlling and developing the management functions of the Company operations. The GM is responsible for all leadership, management, and performance of the local Company.

**Functional Areas of Accountability:**

1. Customer Development and satisfaction.
2. Leadership – establishing a vision, supporting the company core values, building a vital and healthy culture for employees, and maintaining a safe and healthy work environment.
3. All planning, preparation, and execution to meet performance goals of the Company.
4. The execution of the operational functions in the business, which includes all marketing, financial, organizational development, and operations/production systems.
5. Communications with all employees and the corporation in a timely and accurate manner.
6. Development of the market area through internal growth, and acquisitions.
7. The use of cost effective and approved technology to improve human performance within the Company.
8. To operate the Company within KPI performance guidelines, and within local, state and federal codes.
9. Any other functional areas as designated by the board.

**General Responsibilities:**

1. **Customer development and satisfaction**
2. Exceeding all customers’ expectations for services provided.
3. Satisfactory solutions to customers’ needs, concerns, issues, complaints within a 48 hr. time frame from receipt of customer notification.
4. The GM needs to focus on developing long term customer relationships - the lifetime value of the customer concept - to insure long term market growth.
5. GM to develop local Company systems and operations that focus and enhance customer service and relations, and insure quality installation and service.
6. GM to enforce the development, and maintenance of ethical standards, which are in the customer's best interest when selling or recommending services.
7. GM is to define, and measure quality control processes, customer service KPI's, and insure customer satisfaction and the meeting/exceeding of quality standards.
8. **Leadership - establishing a vital, healthy and growth oriented work environment.**
9. GM must develop and communicate a Company plan to all employees. It is essential all employees not only see the plan and goals, they must also understand their role in supporting the plan.
10. GM must lead and manage by continuously training on the core values established by the company.
11. GM will establish and maintain regular (Monthly) employee meetings and share all goals and performance information about the Company, and the company.
12. GM will create an environment for all employees that is open, honest, team oriented, healthy, and vital.
13. GM will develop management talent within the Company, including the process of developing a successor to GM role.
14. GM must lead the personal skill development process, and focus training efforts on all employees to develop skill sets outside of Service Experts training.
15. **Planning and preparation to meet performance criteria.**
16. Establish and manage using a written company operating plan.
17. Develop and maintain a 3 month rolling forecast of monthly sales, costs of sales, margins, SG&A and pretax.
18. Develop a yearly budget and update as required to meet performance goals.
19. GM to communicate the company operating goals, the plan, and any key initiatives in an open communication environment.
20. Develop and execute a lead and marketing forecast.
21. Train all key employees and managers on the performance criteria.
22. **GM is responsible for the execution of the operating functions, which include marketing, financial management, operations and production systems, and organizational functions.**
23. Develop and execute a company business/operating plan to meet Company performance goals. Includes all acquisitions, and negotiations.
24. Implement and manage based on key performance indicators (KPI's).
25. Develop and execute a marketing plan to meet revenues, leads, sales training, customer service functions, image protocols, public relations, and internal communications and promotion.
26. Develop and implement an organizational development program which includes a formal organization plan, job and role descriptions, training, compliance with all human resource policies of the company, hiring and recruiting, reviews and feedback, communications, employee retention.
27. Develop a financial plan which includes budgeting processes, forecasts, and complete departmentalization processes, reporting, installing and facilitating information systems, managing to key performance indicators, labor management controls, and regular financial reviews of the Company.
28. Develop and implement an operational/production plan which supports safety policies, quality processes, and installation and service systems meeting KPI's and customer satisfaction measurements, a technology plan to improve productivity.
29. **Communications with all employees and support Company in a timely, and accurate manner.**
30. GM to hold regular meetings within Company to update, and facilitate performance knowledge of the Company and the company.
31. Complete requests for information from the support Company in a timely and accurate manner communicating even if a deadline may be missed.
32. Regular (daily) reviews of voice mail, e-mail, and requests from employees and customers.
33. Conducting tri-annual reviews of each direct report providing written feedback to employees on performance to goals, and to Company specific measurements set by GM. Leader development.
34. Establish and maintain accurate personnel files for each employee.
35. Establish goal-tracking boards for visual weekly performance for all employees.
36. **Development of the market area through internal growth and acquisitions.**
37. Grow the local Company same store sales year over year at XXX % or greater maintaining pretax margin percentage.
38. Support the company’s growth estimates through acquisition effort to develop the market by providing leads. GM has direct leadership involvement in acquisition process.
39. Develop the reputation and image of Company brand within the local market.
40. Introduce new products and services to support the market demand, consumer wants and needs, and the trends occurring in the local market.
41. **GM to utilize technology to improve productivity within the local Company.**
42. Define the current technology, and implement a plan to enhance productivity. Company public relations plan and execution.
43. Provide ROI backup to support capital expenditures, and any hardware / software technology.
44. Define capital spending plan.
45. **GM to operate local Company within guidelines of all local, State and federal codes**
46. GM to communicate and manage based on core values and beliefs.
47. GM to attend, along with appropriate employees from the local Company, all company sponsored training and events.
48. GM to communicate and train all employees on company policies, procedures, and guidelines.
49. **GM will complete all assignments within, and outside the designated role description that may be assigned by the Board of Directors. GM is a member of the board of directors of the company as well as several other active board members.**

Employee Signature:

Date:

Board of Directors Signature:

Date:

General Manager Compensation System

The General Manager is paid on a salary and a bonus program for EBITDA.

The basis for this compensation program is the GM is responsible for creating positive cash flow, using working capital wisely, and managing fixed assets well.

* The GM salary is paid monthly and is established at the start of the year, and is tied to revenues/EBITDA.
* GM bonuses are paid on EBITDA and are paid semi-annually.
* The GM will have a standard company benefits package.
* The GM will also have access to a company owned truck if board approved.
* If the GM holds an equity position, he would be eligible for a profit sharing distribution as well, based upon any percentage owned, and the distribution amount based on this ownership.

The compensation philosophy is performance based pay for all employees, to include the leadership team.

Our philosophy is not to cap any compensation, but to reward excellent performance from the GM for building free cash flow for the company, while also growing the top line revenues as well.

This same philosophy also carries with it the consequence of performance based pay, meaning salary moves slowly, but peak compensation comes with peak cash flow performance. Poor performance means a salary with very little bonuses. It’s win/win – or lose/lose. GM Salary is based on revenue/EBITDA:

GM Base Pay is a salary and is based on a revenue amount.

Salary moves up for the next year if the company achieves a revenue growth target, and meets a minimum EBIT of 10% and the Board of Directors approves the change.

In all cases the Board of Directors must approve any compensation changes from this plan. The Board can also elect to change this plan with 60 day notice to the GM, for the following year’s plan, and it must be given in writing to the GM 30 days before the start of the coming year.

As Revenues reach targets and a 10% pre-tax profit (10% EBIT) is met, the base salary increases to match targets below pending Board approval.

**Base Salary Revenue Matrix**

Revenues: EBIT Target Salary

$1,000,000 10% 75K

$1,250,000 10% 80K

$1,500,000 10% 85K

$2,000.000 10% 90K

$2,500,000 10% 100K

$3,000,000 10% 110K

$4,000,000 10% 120K

$5,000,000 10% 140K

**Bonuses Based on Free Cash Flow Model**

EBITDA (Earnings Before Interest, Taxes, Less Depreciation & Amortization)

EBITDA: Bonus % Paid From EBITDA

Less than 8% 0.00%

8.01 – 9.99% 1.00%

10.00 – 14.99% 1.75%

15.00 – 17.99% 2.00%

18.00 - 19.99% 2.50%

20% or Greater 3.00%

GM Compensation Plan Notes

1. A position of ownership is established based on a 15% to 49% opportunity based on invested capital and agreement with the board.
2. Salary is paid monthly at end of month pay period.
3. Free Cash Flow is defined as EBITDA – Earnings before interest and taxes, less accumulated depreciation and amortization.
4. EBIT is defined as operating profit or earnings before interest and taxes.
5. Bonuses for GM on Free Cash Flow are paid 2 times a year, once at the end of July for June Accounting close, and once at the end of January the following year after Year end December close. These are mutually exclusive bonus programs and remain independent so the 1st half program terminates at the end of the 1st half calendar year accounting period.
6. Revenues are considered for compensation purposes when collection is completed and deposited in company accounts.
7. Depreciation and amortization are set by accounting standards at the beginning of the year. Any changes must be approved by the Board of Directors, and are considered based on the overall well-being of the company.
8. The Board will form a compensation committee and meet to review compensation items for the General Manager.