ILLUSTRATIVE EXAMPLE. A fictional business. Names and figures are invented to show the format of the report; they are not results from any client.

Example Mechanical & Electrical Ltd

Business Value Diagnostic: summary and selected pages

Turnover **£8.4m** Staff **46** Work **HVAC, heat pumps, electrical** Year end **31 March 2026**

EARNINGS TARGET
£560k → £900k
Adjusted EBITDA, by March 2029

CASH THAT COULD BE RELEASED
About £530k
In total: debtors to 40 days, all overdue retentions collected

MARGIN LOST, QUOTE TO PAYMENT
£240k–£350k a year
Part of the £400k gap between quoted and actual margin

01 Where the business is heading

What it could be worth, and the targets that get it there

Value targets

Target	Today	March 2029
Adjusted EBITDA	£560k	£900k
Debtor days	58	40
Recurring maintenance revenue	£1.4m	£2.2m
Recurring decisions that need the owner	11 of 17	4 of 17

Likely route

Grow, then exit. The owners want a sale to a trade buyer or a management buyout in three to five years. The plan is ordered for that: margin and cash first, then less reliance on the owner.

Indicative value range

Enterprise value at 31 March 2026, on adjusted EBITDA of £560k.

Today
£2.2m–£3.1m

At £900k EBITDA
£3.6m–£5.0m

A range for planning, not a formal valuation. The basis and the adjustments to EBITDA are set out in the full report.

What moves the number: margin that holds from quote to final account, cash collected on time, more recurring maintenance work and a business that does not depend on the owner for day-to-day decisions.

02 Where it stands today

The baseline every later gain is measured against

Margin by job type, quoted against actual (last 12 months)

Job type	Revenue	Quoted margin	Actual margin	Gap
Domestic heat pump installs	£2.9m	28%	19% est.	−9 pts
Commercial HVAC projects	£3.1m	24%	21%	−3 pts
Planned maintenance contracts	£1.4m	35%	38%	+3 pts
Reactive service	£1.0m	40%	31%	−9 pts
All work	**£8.4m**	**29.1%**	**24.3% est.**	**−4.8 pts (about £400k)**

Gross margin. The heat pump actual margin is an estimate: only 41 of 63 jobs have complete costing, and their 19% is assumed to hold for all £2.9m of heat pump revenue. The heat pump gap, the all-work total and the variations figure on page 2 rest on that assumption.

Cash tied up

- **Debtors £1.33m:** 58 days against 30-day terms.
- **Work done, not yet invoiced £640k:** £210k of it more than 30 days old.
- **Retentions £310k:** £120k past the release date and not chased.

Capacity against the order book

- **Order book £3.6m:** about five months of current output.
- **Install teams** booked 11 weeks ahead; **service engineers** at 68% chargeable time.
- **Quotes** take 9 working days on average; the win rate is not recorded.

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03 What to fix first

Where margin, cash and time are lost, and the order to win them back

Value leakage between quote and payment

Stage	What happens	Estimate	Confidence
Survey to quote	Variations on heat pump jobs are done before they are priced, and often not charged	£180k–£260k margin a year	Medium extrapolated from 41 of 63 costed jobs
Job to invoice	Travel and second visits on reactive calls are rarely charged	£60k–£90k margin a year	Medium 3 months' job sheets
Invoice to payment	Debtors run at 58 days against 30-day terms	About £410k cash at 40 days	High aged debtors
Invoice to payment	Retentions past the release date are not chased	£120k cash, one-off	High retention ledger
Quote to order	Quotes take 9 working days; how many are won is not tracked	Not costed	No data not recorded

Ranked priorities and first 90-day plan

#	Priority and first action	Owner	Total worth	Measure	Now	Day 90
1	**Price variations before the work starts.** Variation sheet signed by the customer before extra work.	Ops manager	£180k–£260k	Variations priced before work	–	90%
2	**Weekly cash routine.** Debtor and retention chase; invoice within 5 days of completion.	Finance lead	About £530k cash (about £310k by day 90)	Debtor days; overdue retentions	58 £120k	48 under £40k
3	**Charge for reactive travel and second visits.** Added to the rate card.	Service manager	£60k–£90k	Reactive calls with travel charged	Under 25%	95%
4	**Delegate decisions.** Written sign-off limits for quotes, hires and spending.	Owner	Faster quotes	Decisions needing the owner	11 of 17	6 of 17
5	**Track quotes.** Turnaround and outcome recorded for every quote in the CRM.	Sales coordinator	Baseline	Quotes with an outcome recorded	0%	100%

Ranked by impact on value and how quickly each can start. Total worth is the full opportunity; the day-90 targets are the first stage. "–" means not recorded today. Every action has one owner and one measure.

Decisions that still wait on the owner

Of 17 recurring decisions reviewed in the manager interviews, 11 still need the owner, including:

- every quote over £10k, and the price of variations
- every hire, and any purchase over £1,000
- clashes in the engineer schedule

A quote waits three working days for sign-off on average. The full report shows who could own each decision, and within what limits.

Scoreboard, reviewed at the weekly operations meeting

Variations priced before work **–** Target 90%	Debtor days **58** Target 48	Overdue retentions **£120k** Target <£40k
Reactive calls with travel charged **<25%** Target 95%	Decisions needing the owner **11** Target 6	Quotes with outcome recorded **0%** Target 100%