

FREE GUIDE

The 3 Hidden Cash Flow Leaks

in Every \$5M+ Roofing Company

How Roofing Companies Lose \$400K–\$1.2M Annually
And Exactly How to Recover It

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Why Your \$5M+ Company Is Bleeding Cash

You built a \$5M+ roofing company through grit, relationships, and knowing your craft. But here is the uncomfortable truth: the same instincts that got you here are now costing you hundreds of thousands of dollars every year.

At \$5M in revenue, complexity explodes. More crews, more jobs, more leads, more moving parts. And in that complexity, cash disappears through leaks that are almost impossible to see from the inside.

After coaching roofing CEOs through more than \$147M in combined client revenue, I have identified three specific leaks that exist in virtually every \$5M–\$15M roofing operation. These are not theoretical. They are measurable, fixable, and typically worth \$400K–\$1.2M in recovered cash flow per year.

The Three Leaks at a Glance

\$500K–\$1.2M/yr Leak #1: Sales Inefficiency

\$150K–\$400K/yr Leak #2: Scheduling & Production Waste

\$200K–\$1M+/yr Leak #3: The Founder Bottleneck

This guide walks you through each leak, gives you the diagnostic questions to calculate YOUR specific losses, and provides the immediate fix for each one.

Let us find your money.

LEAK #1

Sales Inefficiency

Estimated Annual Loss: \$500K–\$1.2M

Most roofing companies at \$5M+ have a sales team that is busy. They are running appointments, writing estimates, and closing deals. But "busy" is not the same as "efficient." Here is where the money disappears:

Speed-to-Lead Failure

Industry data shows that responding to a lead within 5 minutes increases conversion by 400%. Yet most roofing companies take 4–24 hours to respond. Every hour of delay, your close rate drops. If your average job is \$15K and your team misses 50 leads per year due to slow response, that is \$750K in lost revenue.

No-Sold Lead Abandonment

When a prospect says "not right now," most sales teams move on permanently. But 60% of "no-solds" will buy within 12 months — from someone. If you are not running automated long-term nurture sequences, you are handing warm leads to your competitors. A \$5M company with 200 "no-solds" per year at a 10% eventual close rate and \$15K average job is leaving \$300K on the table.

Follow-Up Inconsistency

Studies show it takes 7–12 touches to close a sale. Most reps give up after 2. Without a systematic follow-up cadence built into your CRM, your sales team is relying on memory and motivation — both of which are unreliable at scale.

Diagnostic Questions

Q1: What is your average lead response time? (Under 5 min = good, over 1 hour = leak)

Q2: How many "no-sold" leads do you have from the past 12 months? What percentage got any follow-up?

Q3: Does your CRM automatically trigger follow-up sequences, or does it depend on your reps remembering?

Q4: What is your current close rate? (Industry average: 25–35%. Top performers: 40%+)

The Fix

1 Implement automated lead response (SMS + email within 60 seconds of form submission)

2 Build a 12-month "no-sold" nurture sequence that runs without human intervention

9C Create a standardized follow-up cadence: Day 1, Day 3, Day 7, Day 14, Day 30

9T Track close rate weekly by rep — what gets measured gets managed

LEAK #2

Scheduling & Production Waste

Estimated Annual Loss: \$150K–\$400K

Production is where the work happens — and where margin silently erodes. Most \$5M+ roofing companies are losing 5–15% of their gross margin to scheduling gaps, crew downtime, and job costing errors they cannot see until it is too late.

Crew Utilization Gaps

When your scheduling is reactive instead of proactive, crews sit idle between jobs or travel excessive distances. A crew that bills \$3,000/day but loses one day per week to poor scheduling costs you \$150K/year — per crew. Multiply that across your operation and the numbers are staggering.

Job Costing Blindness

If you are not tracking actual job costs against estimated costs in real time, you are flying blind. The companies I work with typically discover that 20–30% of their jobs are underperforming estimates by 10–25%. On \$5M in revenue, that is \$100K–\$375K in margin you thought you earned but did not.

Material Waste and Overordering

Material costs have increased 10–25% in the past two years. Without precise material takeoffs and return processes, most companies over-order by 8–15%. On a \$10M company spending \$3M on materials, that is \$240K–\$450K in waste.

Diagnostic Questions

Q1: What percentage of your crew days are billable vs. non-billable (travel, waiting, weather)?

Q2: Do you compare actual job costs to estimates? What is the average variance?

Q3: How do you track materials usage per job? Do you have a returns process?

Q4: Can you see crew utilization data in a dashboard, or do you rely on your super's report?

The Fix

1 Implement GPS-enabled scheduling that optimizes crew routing and reduces travel time

2 Require real-time job cost tracking — compare actuals to estimates DURING the job, not after

3 Create a materials reconciliation process: order, track, return excess, measure variance

4 Build a production dashboard showing daily/weekly crew utilization rates

LEAK #3

The Founder Bottleneck

Estimated Annual Loss: \$200K–\$1M+ in Opportunity Cost

This is the leak nobody talks about because it feels like "just being a good owner." But when every decision, every big deal, and every crisis runs through you, the business cannot grow past your personal capacity. And the cost is not just stress — it is real money.

Revenue Ceiling from Owner Dependence

If you are personally involved in closing every major deal, your revenue is capped by the number of hours in your day. The companies that break through \$10M do it by building sales systems that work without the founder on every call. Every deal you could not take because you were on another job site is money left on the table.

Valuation Discount

Private Equity firms and buyers discount owner-dependent businesses by 30% or more. If your company is worth \$5M on paper but relies entirely on you, a buyer sees it as worth \$3.5M. That is a \$1.5M haircut — the most expensive leak of all.

Decision Fatigue and Error Rate

When you are making 50+ decisions per day — from material orders to HR issues to client disputes — the quality of each decision degrades. Research shows decision fatigue increases error rates by 40% over a workday. Those errors compound into bad hires, mispriced jobs, and missed opportunities.

Diagnostic Questions

- Q1:** Could your business operate normally for 30 days without you answering a phone call?
- Q2:** How many decisions per day require YOUR specific input vs. following a documented process?
- Q3:** What is the biggest deal you lost because you were personally unavailable?
- Q4:** If a buyer evaluated your company today, would they see a business — or a very busy person?

The Fix

- D**ocument your top 20 recurring decisions as SOPs so your team can handle them
- I**nstall a "second-in-command" who can run daily operations for 30 days without you
- C**reate a decision authority matrix: who can decide what, up to what dollar amount
- B**lock 2 hours per week for strategic work ONLY — no firefighting allowed

Your Cash Flow Leak Calculator

Use the estimates below to calculate the approximate annual impact of each leak on your specific company. Be honest — the numbers only help you if they are real.

Leak #1: Sales Inefficiency

Average job value: \$_____

Estimated leads lost to slow response per year: _____

"No-sold" leads with zero follow-up per year: _____

Estimated recovery if 10% of those convert: \$_____

Your Leak #1 Estimate: \$_____ /year

Leak #2: Scheduling & Production Waste

Number of crews: _____

Estimated non-billable days per crew per month: _____

Daily crew billing rate: \$_____

Annual material spend: \$_____ × Est. waste %: _____%

Your Leak #2 Estimate: \$_____ /year

Leak #3: The Founder Bottleneck

Revenue opportunities missed due to your unavailability (past 12 months): \$_____

Current company valuation estimate: \$_____ × 30% owner-dependence discount:
\$_____

Hours per week spent on tasks a documented process could handle: _____

Your Leak #3 Estimate: \$_____ /year

Your Total Estimated Annual Cash Flow Leak:

\$_____

What Happens Next

Now that you can see where your cash is going, the question is: how fast do you want it back?

Most CEOs I work with recover \$200K+ in the first 30 days just by fixing the highest-impact leak. The diagnostic you just completed tells you exactly where to start.

Your Next Step: Book a Growth Audit

In a 45-minute strategy session, we will:

- Review your diagnostic results together
- Identify which leak is costing you the most right now
- Build a 90-day action plan to recover that cash
- Determine if the CEO Accelerator program is a fit

Apply for a Growth Audit

matthewmangold.com/apply

About Matthew Mangold

Matthew Mangold is a business coach specializing in roofing companies scaling from \$5M to \$10M+. Using the Theory of Constraints, he helps CEOs identify and remove the single biggest bottleneck limiting their growth. His clients have generated over \$147M in combined revenue with an average growth rate of 7.15x.

Matthew works with a select number of CEOs through the Critical Path Profit System™ — a 10-week accelerator that builds the operational systems, financial clarity, and leadership frameworks required to scale without burning out.

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