

# Phoenix Branch Reorganization

## Key Statistics & Quick Reference Guide

**Date:** October 10, 2025



### PORTFOLIO OVERVIEW

#### Current Active Accounts

- **Total Active Accounts:** 1,481
- **Total ZIP Codes Served:** 120
- **Average Accounts per ZIP:** 12.3
- **Average Annual Contract Value:** \$1,586

#### Historical Terminations (Last 4 Years)

- **Total Terminated Accounts:** 6,444
- **Lost Annual Contract Value:** \$10,219,317
- **Average Lost Revenue per Account:** \$1,586
- **Annual Termination Rate:** ~1,611 accounts/year

#### Combined Portfolio

- **Total Historical Accounts:** 7,925 (active + terminated)
- **Overall Churn Rate (4-year):** 81.3%
- **Estimated Annual Churn Rate:** 40-50%

 **PROPOSED BRANCH BREAKDOWN**

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<b>Branch #</b>	<b>Territory Name</b>	<b>Active Accts</b>	<b>Termin-ated (4yr)</b>	<b>Market Potential</b>	<b>Churn Rate</b>	<b>Penetra-tion</b>
1	North Scottsdale	131	557	22,970	81.0%	0.57%
2	Central Scottsdale/PV	77	402	17,675	83.9%	0.44%
3	North Phoenix I-17	89	387	18,769	81.3%	0.47%
4	Central PHX/South	174	843	28,591	82.9%	0.61%
5	Peoria/ Surprise North	84	531	18,582	86.3%	0.45%
6	Glendale/ West PHX	128	600	21,114	82.4%	0.61%
7	Southwest Valley/ Laveen	112	570	18,485	83.6%	0.61%
8	Tempe/ Chandler West	165	611	23,191	78.7%	0.71%
9	Chandler/ Gilbert South	127	418	24,181	76.7%	0.53%
10	Mesa Central/Gilbert East	116	412	25,488	78.0%	0.46%
11	Mesa East/ Pinal Outliers	72	243	17,589	77.1%	0.41%
<b>UNAS-SIGNED</b>	<b>CRITICAL GAP</b>	<b>206</b>	<b>870</b>	<b>Unknown</b>	<b>80.9%</b>	<b>N/A</b>
<b>TOTAL</b>	<b>All Branches</b>	<b>1,481</b>	<b>6,444</b>	<b>235,545</b>	<b>81.3%</b>	<b>0.63%</b>



 **TOP 25 PRIORITY ZIP CODES (by Priority Score)**

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Rank	ZIP	Active	Termin-ated	Churn Rate	Priority Score	Pro-posed Branch	Status
1	85308	41	216	84.1%	84.5	Branch 6	⚠ CRIT-ICAL
2	85254	56	156	73.6%	83.7	UNAS-SIGNED	⚠ CRIT-ICAL
3	85255	39	136	77.7%	70.1	Branch 1	⚠ CRIT-ICAL
4	85339	31	152	83.1%	68.2	Branch 7	⚠ CRIT-ICAL
5	85249	33	112	77.2%	62.3	Branch 9	HIGH
6	85018	25	119	82.6%	59.2	Branch 2	HIGH
7	85207	34	85	71.4%	57.5	Branch 11	HIGH
8	85383	21	120	85.1%	57.2	Branch 5	HIGH
9	85331	21	116	84.7%	56.5	Branch 1	HIGH
10	85042	27	97	78.2%	56.2	Branch 4	HIGH
11	85259	22	104	82.5%	54.9	Branch 1	HIGH
12	85048	27	88	76.5%	54.5	Branch 8	HIGH
13	85041	17	114	87.0%	54.1	Branch 4	HIGH
14	85028	23	95	80.5%	53.8	UNAS-SIGNED	HIGH
15	85260	22	92	80.7%	52.7	Branch 1	HIGH
16	85284	19	92	82.9%	51.2	Branch 8	HIGH
17	85282	20	85	81.0%	50.4	Branch 8	MEDIUM
18	85226	21	82	79.6%	50.3	Branch 9	MEDIUM
19	85283	23	77	77.0%	50.2	Branch 8	MEDIUM
20	85345	16	92	85.2%	49.8	Branch 5	MEDIUM

Rank	ZIP	Active	Termin-ated	Churn Rate	Priority Score	Pro-posed Branch	Status
21	85286	26	68	72.3%	49.7	Branch 8	MEDIUM
22	85296	23	73	76.0%	49.4	Branch 10	MEDIUM
23	85020	19	75	79.8%	47.9	Branch 4	MEDIUM
24	85021	19	75	79.8%	47.9	Branch 4	MEDIUM
25	85379	12	92	88.5%	47.9	Branch 5	MEDIUM

**Priority Score Calculation:**

- Active Account Score (40% weight) + Churn Score (30% weight) + Terminated Account Score (30% weight)

- Score 70-100 = CRITICAL | Score 50-70 = HIGH | Score 30-50 = MEDIUM

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 **UNASSIGNED ZIP CODES (206 Active Accounts)**

<b>ZIP Code</b>	<b>Active Ac- counts</b>	<b>Terminated (4yr)</b>	<b>Churn Rate</b>	<b>Recommended Branch Assign- ment</b>
85254	56	156	73.6%	Branch 2 (Cent- ral Scottsdale/ PV) or Branch 1
85028	23	95	80.5%	Branch 3 (North Phoenix I-17)
85248	22	70	76.1%	Branch 9 (Chandler/Gil- bert South)
85212	15	60	80.0%	Branch 10 (Mesa Central/Gilbert East)
85257	14	58	80.6%	Branch 2 (Cent- ral Scottsdale/ PV)
85388	13	12	48.0%	Branch 5 (Peor- ia/Surprise North)
85032	13	88	87.1%	Branch 3 (North Phoenix I-17)
85024	10	72	87.8%	Branch 2 or 3 (Border area)
Others	40	259	~86%	Various
<b>TOTAL</b>	<b>206</b>	<b>870</b>	<b>80.9%</b>	<b>MUST BE AS- SIGNED</b>

**Financial Impact of Gap:** \$329,600 in annual revenue not assigned to any branch

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## \$ FINANCIAL PROJECTIONS

### Churn Reduction Impact (Annual)

Scenario	Churn Reduction	Accounts Retained	Additional Revenue	3-Year Cumulative
Conservative	20%	322/year	\$515,000	\$1.5M
Moderate	30%	483/year	\$773,000	\$2.3M
Aggressive	50%	806/year	\$1,290,000	\$3.9M

### Investment Requirements

Category	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)	Total
<b>Retention Programs</b>	\$255K	\$315K	\$400K	\$970K
<b>Branch Startup (Phase 1)</b>	\$635K	-	-	\$635K
<b>Branch Startup (Phase 2)</b>	-	\$1,000K	-	\$1,000K
<b>Branch Startup (Phase 3)</b>	-	-	\$1,000K	\$1,000K
<b>Technology &amp; Systems</b>	\$60K	\$75K	\$90K	\$225K
<b>TOTAL INVESTMENT</b>	\$950K	\$1,390K	\$1,490K	\$3,830K

## Break-Even Analysis (Moderate Scenario)

Year	Revenue Gained	Investment	Net Impact	Cumulative
Year 1	\$773K	\$950K	-\$177K	-\$177K
Year 2	\$773K	\$1,390K	-\$617K	-\$794K
Year 3	\$773K	\$1,490K	-\$717K	-\$1,511K
Year 4	\$773K	\$400K*	+\$373K	-\$1,138K
Year 5	\$773K	\$400K*	+\$373K	-\$765K
Year 6+	\$773K/year	\$400K/year*	+\$373K/year	Positive

\*Ongoing retention program costs only

**Note:** This model is CONSERVATIVE - does not include growth from better service reputation, referrals, or market share gains.

## Realistic Total Impact (Including Growth)

Benefit Source	3-Year Impact
Retained revenue (30% churn reduction)	\$2.3M
New account growth from better service	\$1.5M
Win-back campaigns	\$0.5M
Premium service tier adoption	\$0.3M
<b>TOTAL BENEFIT</b>	<b>\$4.6M</b>

**Investment:** \$3.8M

**Net 3-Year Benefit:** +\$800K (plus ongoing profitability)

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## PHASED ROLLOUT SCHEDULE

### Phase 1 (2026): 3 Branches

Branch	Launch Month	Starting Accounts	End Year 1 Target	Investment
Branch 6 - Glendale/West PHX	April 2026	128	150	\$200K
Branch 1 - North Scottsdale	July 2026	187*	202	\$225K
Branch 8 - Tempe/Chandler West	October 2026	165	202	\$210K
<b>Phase 1 Total</b>	<b>2026</b>	<b>480</b>	<b>554</b>	<b>\$635K</b>

\*Assumes ZIP 85254, 85257, 85024 added to Branch 1

### Phase 2 (2027): 4 Branches

Branch	Launch Month	Starting Accounts	Investment
Branch 9 - Chandler/Gilbert South	April 2027	127	\$225K
Branch 10 - Mesa Central/Gilbert East	June 2027	116	\$225K
Branch 4 - Central PHX/South	August 2027	174	\$275K
Branch 3 - North Phoenix I-17	November 2027	125*	\$275K
<b>Phase 2 Total</b>	<b>2027</b>	<b>542</b>	<b>\$1,000K</b>

\*Assumes ZIP 85028, 85032, 85024 added to Branch 3

## Phase 3 (2028): 4 Branches

Branch	Launch Month	Starting Accounts	Investment
Branch 2 - Central Scottsdale/PV	March 2028	77+	\$225K
Branch 5 - Peoria/Surprise North	June 2028	84	\$250K
Branch 7 - Southwest Valley/Laveen	September 2028	112	\$275K
Branch 11 - Mesa East/Pinal Outliers	December 2028	72	\$250K
<b>Phase 3 Total</b>	<b>2028</b>	<b>345</b>	<b>\$1,000K</b>

**Full Rollout Complete:** December 2028 (11 branches operational)

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## 🎯 SUCCESS METRICS & TARGETS

### Customer Retention Metrics

Metric	Current	Year 1 Target	Year 2 Target	Year 3 Target
Annual Churn Rate	~45%*	<35%	<30%	<25%
Customer Satisfaction	Unknown	>4.0/5.0	>4.1/5.0	>4.2/5.0
Net Promoter Score (NPS)	Unknown	>30	>35	>40
Customer Lifetime (avg)	1.2 years	1.8 years	2.3 years	3.0 years

\*Estimated from 81% 4-year cumulative

## Market Growth Metrics

Metric	Current	Year 1 Target	Year 2 Target	Year 3 Target
Total Active Accounts	1,481	1,800	2,500	3,500
Market Penetration	0.63%	1.0%	1.5%	2.5%
Revenue per Account	\$1,586	\$1,650	\$1,700	\$1,750
Total Annual Revenue	\$2.35M	\$2.97M	\$4.25M	\$6.13M

## Branch Performance Metrics

Metric	Phase 1 Target	Phase 2 Target	Phase 3 Target
Branch EBITDA %	2-5% (Year 1)	8-10% (Year 2)	10-12% (Year 3)
Accounts per Branch	150-200	200-300	300-400
Service Completion Rate	>98%	>98%	>99%
On-Time Service Rate	>95%	>96%	>97%

## Operational Excellence Metrics

Metric	Target
Service Completion Rate	>98%
Chemical Balance Accuracy	>95%
Customer Response Time	<24 hours
Service Recovery Rate	100% of complaints addressed
Employee Retention	>85% annually
Staff Training Completion	100%


**ORGANIZATIONAL STRUCTURE & COSTS**
**Revised Branch Structure (per branch)**

<b>Role</b>	<b>Salary</b>	<b>Quantity</b>	<b>Total Cost</b>
General Manager	\$85,000	1	\$85,000
Customer Success Manager	\$50,000	1	\$50,000
Operations Manager	\$55,000	1	\$55,000
Senior Service Pro	\$50,000	1	\$50,000
Service Pros	\$40,000 avg	4-6	\$160,000-240,000
Administrative Assistant	\$38,000	1	\$38,000
<b>Subtotal - Salaries</b>			<b>\$438,000-518,000</b>
Service Pro Variable Pay	\$8-11/pool		\$48,000-66,000
<b>Total Labor Cost</b>			<b>\$486,000-584,000</b>

**Per-Branch Economics (at 300 accounts)**

<b>Revenue/Cost</b>	<b>Amount</b>	<b>% of Revenue</b>
Revenue (300 accounts @ \$1,650)	\$495,000	100%
Labor	\$486,000	98%
COGS (chemicals, equipment)	\$222,750	45%
G&A (rent, utilities, supplies)	\$95,500	19%
Marketing	\$14,850	3%
<b>Total Costs</b>	\$819,100	165%
<b>EBITDA</b>	-\$324,100	<b>-65%</b>

**At 400 accounts:**

<b>Revenue/Cost</b>	<b>Amount</b>	<b>% of Revenue</b>
Revenue (400 accounts @ \$1,650)	\$660,000	100%
Labor	\$550,000	83%
COGS	\$297,000	45%
G&A	\$95,500	14%
Marketing	\$19,800	3%
<b>Total Costs</b>	<b>\$962,300</b>	<b>146%</b>
<b>EBITDA</b>	<b>-\$302,300</b>	<b>-46%</b>

**At 495 accounts (break-even model):**

<b>Revenue/Cost</b>	<b>Amount</b>	<b>% of Revenue</b>
Revenue (495 accounts @ \$1,650)	\$816,750	100%
Labor	\$585,000	72%
COGS	\$367,538	45%
G&A	\$95,500	12%
Marketing	\$24,503	3%
<b>Total Costs</b>	<b>\$1,072,540</b>	<b>131%</b>
<b>EBITDA</b>	<b>-\$255,790</b>	<b>-31%</b>

**⚠ NOTE:** Current financial model has significant issues. Branch break-even appears to require 600-700 accounts, not 495 as stated.

**Alternative Analysis Needed:** Review labor model, COGS %, and G&A allocation.

## CRITICAL ACTION CHECKLIST

### Before ANY Branch Launch:

- [ ]  Territory assignment gaps resolved (all 206 accounts assigned)
- [ ]  Churn root cause analysis complete
- [ ]  Technology platform implemented and tested
- [ ]  Organizational structure finalized (Customer Success Manager role added)

- [ ]  Financial models revised for accurate break-even
- [ ]  Branch Launch Playbook created
- [ ]  Pilot retention program results validated (>20% churn reduction)
- [ ]  GM incentive structure revised (retention metrics added)
- [ ]  Service quality standards documented
- [ ]  Customer communication templates ready

## **Before Each Specific Branch Launch:**

- [ ] GM hired and trained (3 months before)
  - [ ] Branch location secured (2 months before)
  - [ ] All staff hired (6 weeks before)
  - [ ] Training completed (2 weeks before)
  - [ ] Customer communication sent (3 weeks before)
  - [ ] Technology configured (2 weeks before)
  - [ ] Soft launch completed (1 week before)
  - [ ] Service routes optimized
  - [ ] Equipment and supplies stocked
  - [ ] Emergency response protocols in place
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## **KEY CONTACTS & RESOURCES**

### **Strategic Analysis Documents:**

- Full Strategic Analysis (61 pages): `Phoenix_Branch_Reorganization_Strategic_Analysis.md`
- Executive Summary (14 pages): `Executive_Summary_Phoenix_Branch_Analysis.md`
- This Quick Reference: `Key_Statistics_Reference.md`

### **Data Files:**

- ZIP Code Analysis: `zip_code_analysis.csv`
- Branch Analysis: `branch_analysis.csv`
- Priority ZIP Codes: `priority_zip_codes.csv`

### **Visualizations:**

- Branch Comparison Chart: `viz1_branch_comparison.html`
  - Churn Rate Analysis: `viz2_churn_rate.html`
  - Market Penetration: `viz3_market_penetration.html`
  - Priority ZIP Codes: `viz4_priority_zips.html`
  - Unassigned Gap: `viz5_unassigned_gap.html`
  - Lost Revenue Impact: `viz6_lost_revenue.html`
  - Branch Size Distribution: `viz7_branch_size.html`
  - Churn Timeline: `viz8_churn_timeline.html`
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## THE CRITICAL PATH

NOV 2025: Approve strategy, begin "Fix It" period  
DEC 2025: Churn analysis, technology implementation  
JAN 2026: Pilot retention program, hire Phase 1 GMs  
FEB 2026: Validate pilot results, finalize territory plan  
MAR 2026: Complete all pre-launch requirements  
APR 2026: LAUNCH BRANCH 6 (Glendale/West PHX)  
JUL 2026: LAUNCH BRANCH 1 (North Scottsdale)  
OCT 2026: LAUNCH BRANCH 8 (Tempe/Chandler West)  
DEC 2026: Assess Phase 1, decide on Phase 2  
2027: Launch 4 Phase 2 branches  
2028: Launch 4 Phase 3 branches  
2029: All 11 branches mature **and** profitable

**Success Requirement:** Fix retention BEFORE scaling!

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**Last Updated:** October 10, 2025

**For Questions:** Refer to full Strategic Analysis document