

THE STABILITY DIAGNOSTIC

The 5 stability metrics that make a business worth owning.

The scorecard we use to value our painting companies.
Score your business on the five factors of stability in about ten minutes – and see exactly where it stands.

START HERE

You want a business that **pays you — for years.**

You built a painting company to make a good living for a long time, not to run yourself into the ground doing it. The difference between a **business that quietly drains you** and one that **pays you well, season after season** comes down to one thing: **stability**.

Every year, for each company in our partnership, we measure exactly how stable it is — because a stable business is worth far more **to the person who owns it**. It throws off more profit, it holds up through slow seasons, and it stops depending on you for every decision. This scorecard hands you the same five factors we measure, so you can grade your own business the way we do.

WHY STABILITY IS WORTH SO MUCH TO YOU

Stability means the profit shows up, the team holds, and the work gets done **without you in the middle of every job**. That's what turns a stressful grind into a business that funds your life for years. More stability means **more money, more reliably, with less on your shoulders**.

THE FIVE FACTORS OF STABILITY

1 The Team	2 Gross Margin	3 Sales & Marketing Cost on Margin	4 Brand Equity & Net Promoters	5 Net Profit
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EACH FACTOR IS SCORED ACROSS FIVE DEGREES OF STABILITY

1 Unstable	2 Building & Growing	3 Unproven	4 Stable	5 Consistently Stable
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1

Read each factor and its benchmark — the real target a stable painting company hits.

2

Circle your honest score, 1 to 5, for where your business sits today.

3

Add all five on the final scorecard to find your overall stability rating.

The Team

Are the right people in the right seats — and are they hitting the standard for that seat?

A stable business doesn't depend on the owner doing every job that matters. It runs because each seat — leadership, sales, coordination, project management — is filled by someone consistently hitting a clear, measurable standard. When 80% of the team is at or above standard, the business can grow without the wheels coming off.

THE STABLE-STATE BENCHMARK

80% or more of your team is hitting or exceeding the standard for their role.

THE ROLE STANDARDS ALEPH MEASURES AGAINST

Leader / Integrator	Cost-on-margin <35% · Gross margin 40%+ · Revenue growth 20%+ · Sales success ratio 40%+ · NPS 70+ · Net income 10%+
Salesperson	Success ratio 40%+ · Margin 40%+ · Revenue to plan · Returning year over year
Coordinator	Cost-on-margin <6% · Revenue to plan · NPS 70+ · Returning
Project Manager	Cost-on-margin <17% · Margin 40% · NPS 70+ · Returning

SCORE 5

Nearly every seat is filled and consistently at or above standard; the business runs without you in every job.

SCORE 1

Key seats are empty, in flux, or filled by people well below standard; the business runs on you.

Circle your score for **The Team**

1

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3

4

5

Gross Margin

What’s left after labor, materials, and production — before overhead.

Gross margin is the oxygen of a painting company. It funds your team, your marketing, and your profit. Thin margin quietly starves everything downstream: you can’t invest in lead flow, you can’t pay for A-players, and profit disappears. Margin is where stability is won or lost first.

THE STABLE-STATE BENCHMARK

A gross margin of 40% or greater, held consistently.

WHAT SITS INSIDE A HEALTHY 40% MARGIN

Labor	Less than 39% of revenue
Materials	Less than 14% of revenue
Project management	Around 7% of revenue
Gross margin	40% or greater

SCORE 5 Margin sits at 40%+ across the year, priced and produced deliberately – not by accident.

SCORE 1 Margin runs in the low 30s or bounces around; you’re not sure job-to-job what you’ll keep.

Circle your score for **Gross Margin**

1

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Sales & Marketing Cost on Margin

How much of your gross margin you spend to win the work.

Growth is only real if you can afford it. This factor asks a hard question: for every dollar of margin you earn, how much did it cost to go get it? A business that spends half its margin buying leads is fragile – the moment ad costs rise or leads soften, profit vanishes. Stable businesses acquire work efficiently, increasingly on reputation rather than paid spend.

THE STABLE-STATE BENCHMARK

Sales & marketing cost is 35% or less of gross margin – typically around 12–14% of revenue or less.

HOW TO READ YOUR NUMBER

Add it up	Total sales cost + total marketing cost
Divide by margin	That total ÷ your gross-margin dollars
Stable	35% or less of margin
Unstable	Approaching or above 50% of margin

- SCORE 5

You win work for 35% of margin or less, and a growing share comes from repeat and referral.
- SCORE 1

Half or more of your margin goes to acquiring the next job; growth stops the moment spend does.

Circle your score for Sales & Marketing Cost on Margin

1

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5

Brand Equity & Net Promoters

How much of your growth comes from reputation — not paid ads.

Brand equity is the quiet advantage most owners never measure. When customers rave, refer, and come back, your cost of acquisition falls and your growth gets more predictable every year — which means more profit reaching you, with less spent chasing the next job. It’s one of the surest signs the business has built something durable in its market.

THE STABLE-STATE BENCHMARK

A healthy Net Promoter Score and a healthy share of revenue from repeat customers and referrals.

STABLE-STATE TARGETS

Net Promoter Score	Greater than 70
NPS response rate	Greater than 50%
Years in business	5 or more
Sales from repeat / referral	33% or more
Google reviews / score	200+ reviews · 4.9 rating

SCORE 5

NPS above 70, a third or more of revenue from repeat and referral, and a deep review moat.

SCORE 1

Reviews are thin, referrals are rare, and almost all new work is bought through ads.

Circle your score for **Brand Equity & Net Promoters**

1

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Net Profit

What actually reaches the bottom line — and whether every cost band is healthy.

Revenue is vanity; net profit is the truth. A business can grow its top line for years and still be unstable if profit never shows up. This factor checks not just the final number but whether each major cost category sits in a healthy range — because durable profit comes from a business in balance, not from one good year.

THE STABLE-STATE BENCHMARK

Net profit of 15% or greater, with every major category in its stable range.

THE HEALTHY P&L SHAPE

Gross margin	40% or greater
Sales & marketing	Around 12% of revenue
Corporate overhead	Around 13% of revenue
Net income	15% or greater

SCORE 5 Net profit is 15%+ and every cost band sits in its healthy range, year after year.

SCORE 1 Profit is near zero or negative despite the work; the top line grows but nothing reaches the bottom.

Circle your score for **Net Profit**

1

2

3

4

5

ADD IT UP

Your **stability** score.

Bring your five scores together. Total them out of 25, then find your band below – the same language we use when we grade a company's stability.

	FACTOR	YOUR SCORE (1-5)	ENTER
1	The Team	1 2 3 4 5	
2	Gross Margin	1 2 3 4 5	
3	Sales & Marketing Cost on Margin	1 2 3 4 5	
4	Brand Equity & Net Promoters	1 2 3 4 5	
5	Net Profit	1 2 3 4 5	
TOTAL STABILITY SCORE			
Add all five factors – 25 possible			/ 25

WHAT YOUR TOTAL MEANS

22-25**Consistently Stable**

This is a business that works for you. It runs without you in every job, it's consistently profitable, and it can pay you well for years. Your job now is to protect and compound it.

18-21**Stable**

A solid, healthy business that takes care of you. Tighten one or two factors and it runs smoothly and pays reliably through any season.

13-17**Unproven**

The pieces are there, but the results aren't repeatable yet. The profit and the freedom this business should give you stay just out of reach until the good years become every year.

8-12**Building & Growing**

Real momentum, but growth is outrunning stability. Thin profit and heavy acquisition cost make this the most stressful place to own from – and the most common.

5-7**Unstable**

Right now the business depends on you for everything and doesn't yet pay you what it should. That's fixable – and it's exactly where the biggest gains in profit and freedom are.

WHERE DID YOU LAND?

Now let's raise the score.

Every one of these factors is something we help our partners improve — margin, team, acquisition cost, brand, and profit — while you keep your name over the door and the wheel in your hands. **Turn a business that runs you into one that pays you well, for years.**

Book a call with Aleph Ventures →

Or see how we value and grow painting companies at aleph-ventures.com