TrueUp Systems

Infrastructure of Independence

SAMPLE DELIVERABLE · CONFIDENTIAL

Equity Gap Assessment

Pinnacle HVAC Solutions

Prepared by Derick Turner, TrueUp Systems · May 2026

COMPANY	REVENUE	EMPLOYEES	EXIT HORIZON	ASSESSED BY
Pinnacle HVAC	$2.8M annual	14 FT / 3 PT	2-3 years	Derick Turner

38

/ 100

EQUITY GAP SCORE

CRITICAL GAP

High owner dependency. Strong revenue, but currently priced as a job, not an asset. A buyer will discount significantly based on findings in this assessment.

PILLAR SCORES — 8 OPERATIONAL DIMENSIONS

Pillar	Finding	Status	Score
Founder Dependency	Owner approves all jobs over $3K	CRITICAL	2/10
Knowledge Security	No SOPs; pricing logic in owner's head	CRITICAL	1/10
Financial Clarity	ServiceTitan not synced to QuickBooks	DEVELOPING	4/10
Growth Engine	90% of leads via owner referrals	CRITICAL	2/10
Data Integrity	No automated job-level P&L reporting	CRITICAL	3/10
Sales Playbooks	Close rate materially dependent on owner involvement	CRITICAL	3/10
Tech Infrastructure	ServiceTitan not integrated with back office	DEVELOPING	5/10
Predictability	No 12-month forecast; bank-balance decisions	STRONG	8/10

TOP 3 PRIORITY GAPS

Gap 1 — Owner is the estimating bottleneck

Valuation impact: -0.8x EBITDA multiple (illustrative)

Every job over $3K requires owner approval. A buyer sees this as direct revenue risk — if the owner leaves, so does the close rate.

Gap 2 — No documented pricing or sales logic

Valuation impact: -0.5x EBITDA multiple (illustrative)

Pricing logic lives entirely in the owner's head. A buyer cannot verify revenue holds without him — the #1 cause of discounted sale prices.

Gap 3 — Lead gen is not owner-independent

Valuation impact: -0.4x EBITDA multiple (illustrative)

90% of leads come through owner relationships. A buyer pays a premium for a system that generates leads and discounts heavily when it depends on a person.

EQUITY GAP

CURRENT STATE

$1,410,000

$470K EBITDA x 3.0x | High-risk / owner-centric

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AFTER TRUEUP

$2,186,000

+$776,000 projected equity unlocked ($470K x 4.65x)

Based on industry exit multiples for systematized trade businesses

Source: 2025–2026 transaction data — Axial, ClearlyAcquired, Generational Equity, Breakwater M&A (residential MEP trade contractors, western U.S.)

See Page 2 for the full path forward.

Equity Gap Assessment · Pinnacle HVAC Solutions

Pillar Notes & Assessment Summary

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PILLAR-BY-PILLAR ASSESSMENT NOTES

Findings and observations from the assessment conversation.

Founder Dependency — 2/10 CRITICAL

Owner is present on every estimate above $3K and personally approves all bids. Field crew cannot close without him. When asked what would happen if he took two weeks off, he acknowledged new project intake would stop. No delegation framework exists.

Knowledge Security — 1/10 CRITICAL

Zero documented SOPs. Pricing logic, vendor relationships, and quality standards exist entirely in the owner's head. One key employee has partial knowledge but no written reference. If owner became incapacitated, the business would functionally stop within 30 days.

Financial Clarity — 4/10 DEVELOPING

ServiceTitan is used for job tracking but does not sync automatically with QuickBooks. Month-end reconciliation is done manually and takes 3-4 days. Job-level profitability cannot be pulled on demand. Owner cannot produce an accurate P&L by job in under 60 seconds.

Growth Engine — 2/10 CRITICAL

90% of new business comes from the owner's personal network and referrals. No paid lead generation, no SEO presence, no structured referral program. Google Business Profile exists but has not been actively managed. Owner is the entire growth engine.

Data Integrity — 3/10 CRITICAL

No automated reporting exists. Owner pulls numbers from memory or manually from ServiceTitan. Cannot produce a job-level P&L on demand. Financial decisions are made based on bank balance rather than margin data — a significant red flag for any buyer doing due diligence.

Sales Playbooks — 3/10 CRITICAL

Close rate is materially dependent on owner involvement. No written sales process exists. New hires have no reference material. One crew lead handles smaller estimates but uses no formal framework. A buyer will see this as a direct threat to revenue continuity post-acquisition.

Tech Infrastructure — 5/10 DEVELOPING

ServiceTitan is in use and the team is comfortable with it. However it is not integrated with back-office tools. No single source of truth exists. Owner uses ServiceTitan, QuickBooks, and spreadsheets that do not communicate. Integration work is feasible but has not been prioritized.

Predictability — 8/10 STRONG

Owner has a strong intuitive sense of revenue patterns and seasonal trends. With 11 years of operation, the underlying data and performance history are the strongest pillar — the best foundation to build on.

OVERALL ASSESSMENT SUMMARY

Pinnacle HVAC has loyal clients, consistent revenue, and real staying power. The challenge: almost none of it transfers without the owner. The gap between what this business is worth today versus after 90 days of structured work is over $776,000 in equity — and the window to act is still open.

PATH FORWARD

STEP 1
Succession Readiness Audit
$10,000
Full diagnostic across all 8 pillars. Written report, readiness score, and prioritized roadmap to a premium exit.

STEP 2
Succession Architecture
Custom engagement
90-day implementation of your Infrastructure of Independence. Systems built, owner removed from critical paths, valuation documented.

OPTIONAL
Guardian Retainer
$1,500–$5,500/mo
Ongoing fractional COO support to maintain systems, deploy new automations, and protect valuation through to exit.

Ready to close the gap?

Schedule your Succession Readiness Audit at trueupsystems.com
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