SUN BELT GENERAC DEALER SERIES · VOL. 3

The 4% Rule

How to Recover $7,000/Month in Margin — Without Spending Another Dollar on Ads

A 10-page tactical guide for Generac Premier & Pinnacle dealers in FL, TX, GA, NC, SC, LA, AL, and MS

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Executive Summary — What the 4% Rule Is

The 4% Rule is a compounding-improvement principle applied to a Generac dealership's sales funnel.

Your funnel has 5 conversion stages between the moment a homeowner sees your ad and the moment a check clears for a completed installation. If you improve conversion at each stage by just 4%, the compounded effect on your bottom line is **not 4% better** — it's roughly **21% more revenue from the same ad spend.**

+21%

Revenue lift from 5 × 4% improvements — no extra ad spend

For the average Sun Belt Premier dealer doing $8,000–$15,000 in monthly ad spend, that 21% works out to **$6,800–$14,200 in additional monthly install revenue.** Round it to $7K/month at the low end. That's **$84,000 a year** — without a single extra dollar spent on ads, without hiring, without discounting.

The reason this rule matters: most dealers try to solve their revenue problem by spending more on ads. But 4% improvements at 5 funnel stages produce a bigger lift than doubling your ad spend — and the improvements cost nothing but attention.

This guide walks through:

- The math of how 5 × 4% compounds to 21%
- Where the 5 stages are in your funnel (most dealers can only name 2)
- The 4% fix for each stage, drawn from what we've seen work across 47 dealer interviews
- A 30-day implementation plan
- A calculator so you can plug in your own numbers

Read time: 18 minutes. **Implementation:** most fixes take under 60 minutes each.

The Math — Why 4% × 5 Compounds to 21%

Compound percentage growth doesn't add. It multiplies.

Example: Start with 100 leads.

Baseline funnel (typical dealer):

Stage	Conversion Rate	Number Advancing
Lead → Contact	55%	55
Contact → Appointment	60%	33
Appointment → Home Visit	75%	24.75
Home Visit → Quote	85%	21.04
Quote → Signed Install	32%	6.73

End result: 6.73 signed installs from 100 leads.

4%-improved funnel (add 4 percentage points to each stage):

Stage	Conversion Rate	Number Advancing
Lead → Contact	59%	59
Contact → Appointment	64%	37.76
Appointment → Home Visit	79%	29.83
Home Visit → Quote	89%	26.55
Quote → Signed Install	36%	9.56

End result: 9.56 signed installs from 100 leads.

The lift: 9.56 ÷ 6.73 = **42% more installs** — from the same ad spend.

Wait — 42%, not 21%?

Yes. When we say "4% improvement" throughout this guide, we mean *4 percentage points added to your current conversion rate at that stage* — which is a much bigger relative improvement (7% relative at a 55%-base stage, for example, and 12.5% relative at a 32%-base stage).

For dealers whose baseline conversion rates are already higher (say, a 75% Lead-to-Contact rate), the same 4-percentage-point fix produces a smaller relative lift at that stage. The compound result across the whole funnel typically lands between 18% and 42% total revenue lift depending on where your baseline sits.

Round it down to 21% for planning purposes. Even at the low end of the range, the recovered revenue dwarfs what an equivalent ad-spend increase would produce.

> **The key insight:** it is dramatically easier to add 4 percentage points to a stage that is currently converting at 55% than it is to double your ad budget. And 4 percentage points across all 5 stages compounds into a number that changes your year.

The 5 Stages of a Generac Dealer's Sales Funnel

Most dealers we interview can name 2 or 3 of these. The ones who can name all 5 — and measure conversion at each — are the top-quartile operators.

Stage 1 — Lead → Contact

A homeowner fills out a form, calls your number, or otherwise expresses interest. **The Lead-to-Contact rate is the percentage of those leads you actually reach on the phone** (a live conversation, not a voicemail). Sun Belt baseline: **45–65%.**

Stage 2 — Contact → Appointment

Of the leads you reach, how many book a home consultation? Sun Belt baseline: **50–70%.**

Stage 3 — Appointment → Home Visit

Of the appointments booked, how many result in you actually showing up at the home (no cancellations, no no-shows)? Sun Belt baseline: **65–80%.**

Stage 4 — Home Visit → Quote

Of the home visits, how many end with a formal, itemized quote handed to the homeowner (not just "let me get back to you with pricing")? Sun Belt baseline: **75–92%.**

Stage 5 — Quote → Signed Install

Of the quotes issued, how many convert to a signed contract with a scheduled installation date? Sun Belt baseline: **25–40%.**

Multiply them together to get your total conversion rate from lead to install. If your funnel looks like the "baseline" example above, roughly **7 out of every 100 leads become paid installs.**

> **Your next task before continuing this guide:** pull your last 90 days of CRM data and calculate your rate at each of the 5 stages. Even a rough estimate lets you see which stage is your weakest link — and where a 4-point improvement will have the biggest dollar impact.

Stage 1 Fix — The Speed-to-Lead Win

The rule: In our 47-dealer interview sample, dealers who contacted a new lead within 5 minutes of form submission had an **average Lead-to-Contact rate of 74%.** Dealers whose first contact attempt was more than 60 minutes later averaged **48%.**

That's not 4 points. That's 26 points. Which means: if speed-to-lead is your weakness, this single fix produces most of your funnel's total 21% lift by itself.

Why it works: homeowners fill out forms when the buying urgency is high (a storm scare, a neighbor's outage, a specific reliability concern). That urgency degrades over hours. If your CRM auto-routes a lead to a rep who checks email every 2 hours, you're calling into a cold room.

The fix:

1. **Set up SMS auto-response** in GHL or your CRM: within 60 seconds of form submission, send a personalized text. Example: *"Hey {{first_name}}, this is Roberto from Next Level Enterprise. Got your inquiry — when's a good time to call in the next hour?"* This alone lifts Lead-to-Contact by **8–14 points** in our sample.
2. **Set a first-call SLA of 5 minutes.** Assign one rep as the "quick call" owner during business hours.

3. **After-hours coverage:** Route leads submitted between 6pm and 8am to a next-morning 8:15am call slot, and confirm this in the auto-SMS.
4. **Multi-channel follow-up on Day 1:** if the first call misses, send a follow-up SMS within 30 minutes AND an email. Attempt again in 3 hours. Attempt again the next morning.

Expected lift: +4 to +14 percentage points on Lead-to-Contact.

Stage 2 Fix — The Frictionless Booking Win

The rule: Contact-to-Appointment breaks down when your booking process requires the homeowner to work around **your** availability. Dealers who use a self-service calendar link (Calendly, GHL calendar, ServiceTitan booking widget) show Contact-to-Appointment rates **6–11 points higher** than dealers who play phone-tag to schedule.

The fix:

1. **Send a calendar link during the first call.** Say: *"Great — I'm going to text you a link right now with my next 5 open slots. Pick whatever works."* This removes back-and-forth and closes the appointment in the same conversation.
2. **Make the appointment feel low-commitment.** In the first call, position it as *"a 30-minute consultation to see if we're the right fit for your home"* — not *"come out to your house to buy a $12,000 generator."*
3. **Confirm the appointment 3 times:** immediately (calendar invite email), 24 hours before (SMS reminder), and 2 hours before (SMS reminder). This is really a Stage 3 fix — but consistently confirmed appointments also lift Stage 2 booking rates because homeowners trust the process.
4. **Offer 2 formats** where possible: in-home consultation OR video walkthrough (for tech-comfortable customers who want the quote before hosting a rep). Adds 3–5 points in our sample.

Expected lift: +4 to +8 percentage points on Contact-to-Appointment.

Stage 3 Fix — The No-Show Recovery Win

The rule: The Sun Belt Appointment-to-Home Visit baseline of 65–80% means **1 in 5 booked appointments never happen.** For a dealer running 40 appointments a month, that's 8 no-shows. At an average revenue-per-completed-install of ~$1,000 in margin, no-shows cost a typical dealer $2,000–$3,000 in expected margin per month.

The fix:

1. **Automate the reminder cascade:** 24h before → SMS reminder. 2h before → SMS reminder with "reply YES to confirm." Morning-of → phone call if no confirmation.
2. **Build a same-day rescheduling path.** When a homeowner cancels, respond within 15 minutes with a text: *"No problem — grab a different slot here [link]."* Dealers who catch cancellations same-day rebook **40–55%** of them. Dealers who wait 48 hours rebook **12%.**
3. **Set a "2-strike" rule.** If a customer no-shows twice, move them to a lower-priority follow-up sequence (weekly email drip) so your reps stop calling into the void.
4. **Track the reasons.** If more than 15% of your no-shows cite *"forgot"* or *"scheduled during work,"* fix your reminder timing. If more than 15% cite *"changed my mind,"* your Stage 2 pitch is over-promising and Stage 3 is where reality corrects.

Expected lift: +4 to +9 percentage points on Appointment-to-Home Visit.

Stage 4 Fix — The Same-Visit Quote Win

The rule: The dealers in our sample who issued a quote **during the initial home visit** (not *"we'll email you the quote tomorrow"*) had Home-Visit-to-Quote rates of **89–94%.** Dealers who followed up later with a quote landed at **72–78%.**

Every hour between the home visit and the quote is an hour the homeowner is losing urgency, talking to their spouse, and calling your competitor.

The fix:

1. **Bring a mobile quote tool** to every home visit. Options: a laptop with your quote-generation software, a tablet with a pre-configured quote template, or a printed sheet with drop-in pricing

for the top 5 common install configurations. Even a paper sheet beats *"I'll email it tomorrow."*

2. **Standardize your load-calc process** so it takes 20 minutes, not 60. Practice with your reps until they can do it in the customer's kitchen without a spreadsheet.
3. **Present two quote tiers** on-site: a "recommended" install and a "premium/whole-home" install. Homeowners who see two prices tend to negotiate between the two rather than negotiating against zero.
4. **Leave a physical printed quote** with the homeowner, even if you also send a digital copy. Kitchen counters convert.

Expected lift: +4 to +12 percentage points on Home-Visit-to-Quote.

Stage 5 Fix — The Follow-Up + Financing Win

The rule: The single biggest revenue leak in a Generac dealership is Quote-to-Signed. Sun Belt baseline is 25–40%. That means **60–75% of the homes you visit and quote never sign.**

Most of that leakage happens in the 2 weeks after the quote, and most of it comes down to two things: **weak follow-up** and **financing friction.**

The fix:

1. **Set a follow-up SLA:** 24 hours after quote, 3 days after quote, 7 days after quote, 14 days after quote, 30 days after quote. If the customer doesn't sign by day 30, move them to a monthly nurture drip. Dealers running this exact cadence in our sample close **6–11 more percentage points** on Quote-to-Signed vs. dealers with ad-hoc follow-up.
2. **Pre-qualify financing before the home visit.** Dealers who ran a soft credit pull with the customer's permission during Stage 2 (before the visit) had Quote-to-Signed rates **9–15 points higher** than dealers who introduced financing options for the first time after the quote. Reason: homeowners who know their monthly payment before seeing the total price don't sticker-shock.
3. **Use a real deadline in the quote.** *"This price is good through [date 14 days out] because our install schedule fills for Q3 by then."* Dealers who use a real (not fake) deadline show 4–7 point lifts on quote-to-signed.
4. **Send a video follow-up on day 3.** A 60-second Loom or personalized video from the rep who did the home visit outperforms text-only follow-ups by roughly 2:1 in reply rate.

Expected lift: +4 to +15 percentage points on Quote-to-Signed. **This is your biggest single lever.**

Your Recovery Calculator

Fill in your numbers.

Step 1 — Baseline your funnel:

Stage	Your Current %	4-Point Improvement
Lead → Contact	___%	___%
Contact → Appointment	___%	___%
Appointment → Home Visit	___%	___%
Home Visit → Quote	___%	___%
Quote → Signed Install	___%	___%

Step 2 — Multiply your baseline rates together:

```
Baseline total = (Stage 1 %) × (Stage 2 %) × (Stage 3 %) × (Stage 4 %) × (Stage 5 %
               = _____%
```

Step 3 — Multiply your 4-point-improved rates:

```
Improved total = (Stage 1 + 4 %) × (Stage 2 + 4 %) × (Stage 3 + 4 %) × (Stage 4 + 4
               = _____%
```

Step 4 — Calculate your revenue lift:

```
Percentage lift = (Improved total ÷ Baseline total) × 100 − 100
                = ____%

Monthly install revenue (current) = $ ____

Monthly recovery potential = Monthly install revenue × (Percentage lift ÷ 100)
                           = $ ____

Annual recovery potential = Monthly recovery × 12
                          = $ ____
```

> For most dealers we've run this calculation with, the annual recovery number lands between **$65,000 and $180,000.**

Your Next 30 Days

If you implement one stage's fix per week, you can capture the full 21% lift in a single month.

Week 1 — Baseline + Stage 1 (Speed-to-Lead)

1. Pull your last 90 days of CRM data. Calculate conversion rates at each of the 5 stages.
2. Set up an SMS auto-response in GHL for every new form submission (within 60 seconds).
3. Assign a first-call SLA of 5 minutes during business hours.
4. Test the SMS auto-response with a form submission yourself. Confirm it fires.

Week 2 — Stage 2 (Frictionless Booking) + Stage 3 (No-Show Recovery)

1. Create a self-service calendar link (GHL, Calendly, or your CRM's native tool). Text it during the first call from now on.
2. Set up the 3-touch reminder cascade for every appointment: 24h SMS, 2h SMS, morning-of call.
3. Write the same-day rescheduling SMS template. Add it to your CRM as a saved reply.

Week 3 — Stage 4 (Same-Visit Quote)

1. Set up a mobile quote tool (laptop, tablet, or printed quote sheet with drop-in pricing for top 5 configurations).
2. Practice the 20-minute load-calc with your reps until it flows without hesitation.
3. Print quote templates in duplicate — one to leave with the homeowner, one to keep in the file.

Week 4 — Stage 5 (Follow-Up + Financing Pre-Qualification)

1. Build the follow-up cadence in your CRM: Day 1, 3, 7, 14, 30. Automate the first 3.
2. Introduce soft-pull financing pre-qualification into Stage 2 (before the home visit) — talk to your finance partner about setup.
3. Add a real (not fake) deadline to every quote you issue.
4. Set up a video-follow-up template (Loom or Vidyard) for Day 3 outreach.

Week 5 (bonus) — Measurement

Re-pull your CRM data. Compare Week 5's rates to your Week 1 baseline. Celebrate what improved. Diagnose what didn't.

What Comes Next — When You've Squeezed Every Stage

The 4% Rule is a compound-improvement principle. Once you're running near the top of every stage's benchmark range, further gains come from:

1. **Ad quality improvements** (better creative, better keyword targeting) — increases lead volume, not conversion rate
2. **Team size** (adding a second closer, a dedicated appointment-setter) — scales throughput
3. **Product/pricing repositioning** (financing options, service bundles, warranty tiers) — improves Stage 5 close rate ceiling

The audit we run covers the diagnostic side — pulling your CRM data, ad account, and P&L to identify exactly which of these levers has the biggest 90-day ROI for your specific dealership.

Book Your Discovery Call

Pricing: $1,500 flat.
Founding cohorts: $750 through November 30, 2026 (limit 1 dealer per metro).

Book a 15-minute discovery call at:
audit.nlenterpricellc.com/generac-quiz-book

Or email **contact@nlenterpricellc.com** with your metro, your monthly ad spend, and your current 5-stage funnel numbers (even rough estimates).

Sources & Methodology

Dealer interviews: 47 Sun Belt Generac Premier and Pinnacle dealers, conducted 2024–2026. Interview scope: funnel-stage conversion rates, follow-up cadence, financing partner integration, no-show handling.

CRM data samples: 12 Sun Belt Generac dealers (FL, TX, GA, NC, SC), 90-day pulls reviewed under NDA. Benchmarks reflect median values across the sample.

Speed-to-lead research: Cross-referenced with the well-documented "5-minute" speed-to-lead literature from Harvard Business Review (2011) and MIT's speed-to-response studies, applied to the residential generator install context based on our own interview data.

Follow-up cadence benchmarks: Derived from our dealer sample. Cadence effectiveness is well-documented across residential home-services industries broadly.

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