



# The Playbook to Hiring & Empowering Managers

How to Build Leaders That Grow the Business Without You

Presented by Ricardo Torres | President, Tiffany Couture Cleaners



# Leadership Solves Most Business Problems

## MODULE 1: LEADERSHIP MENTALITY

### What Owners Think They Need

- Better employees
- Better equipment
- Better software
- Better marketing

### What They Actually Need

- Better leadership
- Better accountability
- Better execution

The military places leaders over aircraft squadrons, logistics groups, and intelligence organizations — without prior industry experience. Why? Because **leadership is transferable**. Discipline, standards, communication, accountability, and execution work in every business.



What you tolerate becomes the standard. What you enforce becomes the culture.



# Chaos vs. Structure

## MODULE 2: WHAT A HEALTHY BUSINESS LOOKS LIKE

### Unhealthy Business

The owner is simultaneously the sales manager, HR manager, operations manager, customer service rep, and complaint department. Symptoms include constant fires, employee confusion, zero accountability, and staff bypassing managers to escalate directly to the owner. **Everything depends on one person.**

### Healthy Business

Clear vision, mission, org chart, defined responsibilities, and enforced accountability. Every employee knows who they report to, what success looks like, and exactly how their performance is measured. The owner is **free to lead — not firefight.**

# Every Position Must Have a Purpose

## MODULE 3: BUILDING THE ORGANIZATIONAL CHART

Ask this question about every role on your org chart: "If I eliminated this position tomorrow, what revenue would be affected?" If the answer is "none," the role may not be necessary — or it needs to be redesigned.

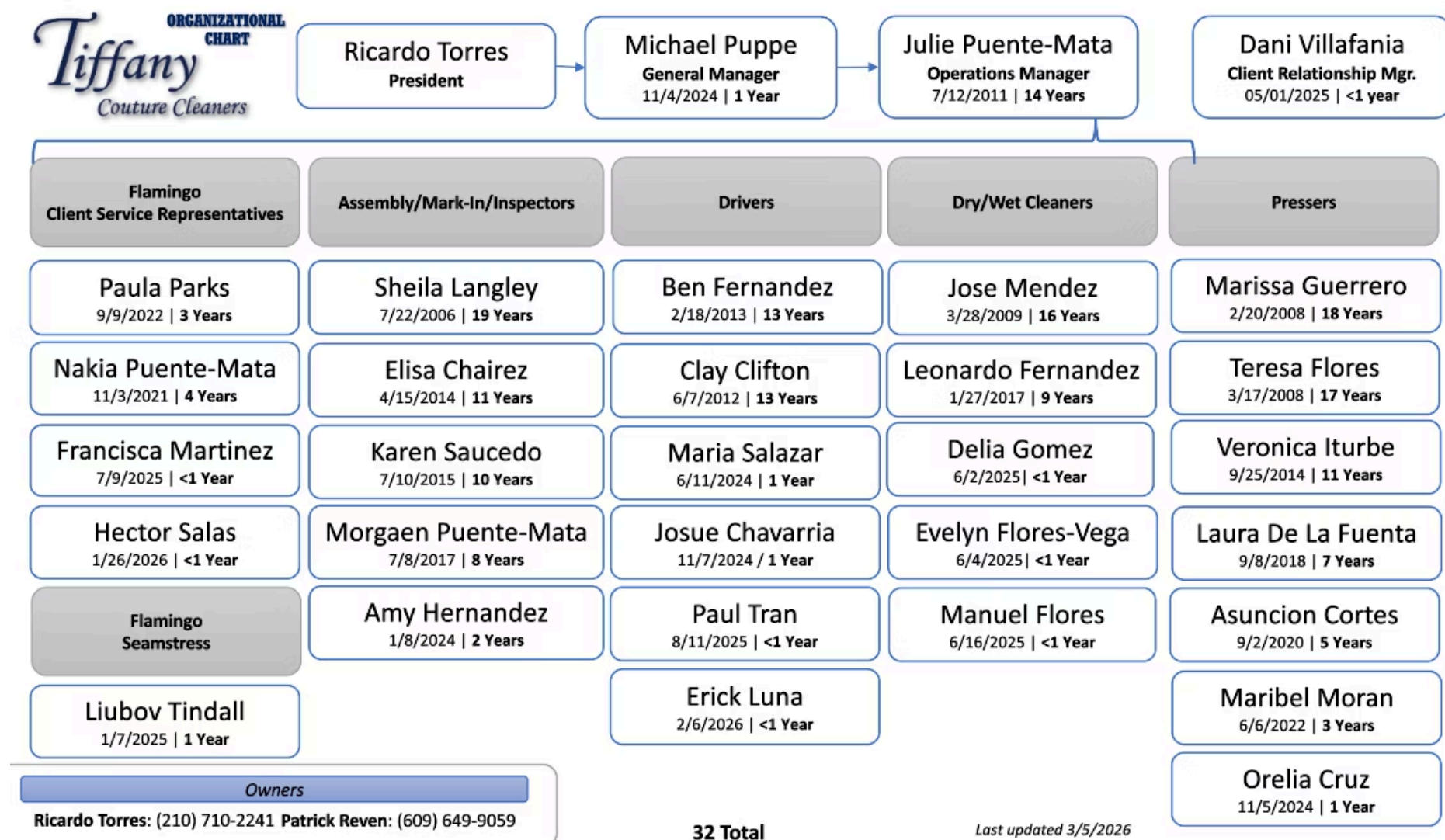
### Revenue-Producing Roles

- Route Drivers
- Counter Sales
- Customer Relationship Managers
- Sales Representatives
- Production Staff

### Support Roles

- Office Manager
- HR
- Administrative Assistant

Even non-revenue roles must connect to increased efficiency, customer retention, labor savings, or revenue generation.



# Stop Hiring Resumes

## MODULE 4: WHO SHOULD BE YOUR MANAGER?

Many owners hire impressive credentials — experience, degrees, fancy titles — then wonder why performance suffers. The best managers aren't the ones with the longest résumés. They're the ones who say "What needs to get done?" instead of "That's not my job."



### Roll-Up-The-Sleeves Mentality

In dry cleaning, a great manager may need to work a front counter, load a route truck, handle upset customers, or jump into production. They take ownership in every situation.



### Problem Solvers

Look for people who step into difficult situations and lead from the front. They don't wait for permission to fix a problem — they identify it and act.



### Ownership Mindset

The right manager treats the business as if it's theirs. They care about outcomes, not just job descriptions. They protect the brand, the team, and the customer.



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**Employee Name:** Mike Puppe  
**Position:** General Manager  
**Location(s) Managed:** ALL locations.  
**Minimum Hours:** Salaried  
**Reports To:** President

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**Responsibility:** The General Manager is responsible for the day-to-day operations of Tiffany Couture Cleaners. Including but not limited to internal and external client relations, sales growth, staffing, training production, finance, safety, quality standards, and maintenance.

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### Employment & Staffing

- Train all new and existing employees to perform according to company protocol.
- Responsible for recruiting, correct staffing, and new hire training.
  - Hire, release, train, discipline, evaluate, and schedule employees.
  - Coordinate recruitment and advertising of employment.
  - All hiring, firing and pay modifications will be discussed with ownership prior to action.
- Have the plant staffed correctly to ensure sufficient employees are working at peak times and minimum staffing at slow times, strict attention to Operations Manager collaboration to achieve this.
- Use progressive discipline – warning, warning, released, employee documentation of performance.
- Coordinate with Production Manager to ensure proper/required employment paperwork is completed.
- Monitor performance and morale of all employees.
- Responsible for continued education, training, and seminars for all employees.
  - Communicate to leadership at a minimum, goals, desires and overall performance of employees.

### Plant, Drop Store Operations & Production

- Must be competent performing all positions within your plant. Must perform to specifications at each position.
- Ensure plant is opened and closed properly.
- Monitor adherence to company standards on production, quality, and safety. Maintain quality control for tailoring, shirts, and dry cleaning.
- Develop and post a schedule for all employees each week, in collaboration with Operations Manager.
- Monitor performance for entire crew. Ensure completion through Operations Manager.
- Pitch in where necessary to avoid bottlenecks and to ensure a continuous and correct production flow.
- Attempt to repair broken equipment immediately. Notify ownership of any malfunctioning equipment that you are unable to repair.

# The Traits That Matter

## MODULE 5: CHARACTER OVER EXPERIENCE

Skills can be taught. Character cannot. When evaluating manager candidates, these five traits separate leaders who grow with your business from those who hold it back.

### Accountability

Do they own their mistakes — or explain them away? The best managers take responsibility before making excuses.

### Humility

Can they be coached? Can they learn? Arrogance is a ceiling. Humility is a ladder.

### Resilience

How do they respond when things go wrong? Watch how a candidate handles adversity — that's who they'll be under pressure.

### Integrity

Do they tell the truth when it's uncomfortable? Trust requires honesty, especially when the news is bad.

### Emotional Stability

Can they stay calm during high-pressure seasons? A manager who unravels under stress will lose the team's confidence fast.

# Kill the Deal First

## MODULE 6: THE INTERVIEW PROCESS

One of the biggest hiring mistakes owners make: trying to sell the candidate on the job. Instead, show them reality upfront. Tell them about the difficult customers, the staffing challenges, the holiday rush stress, and the non-negotiable expectations.

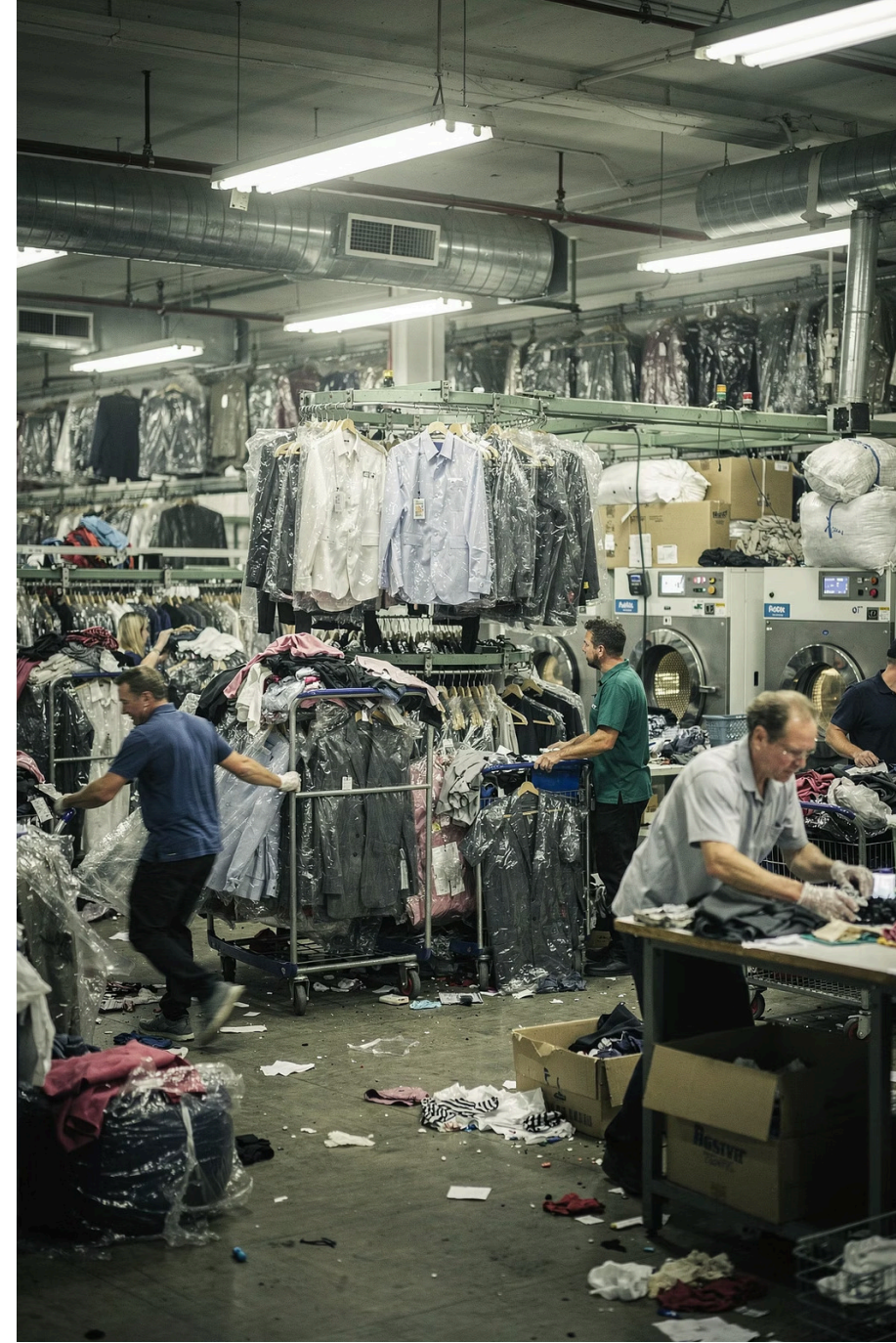
### Show Real Challenges

- Holiday & prom season rushes
- Wedding season volume spikes
- Route issues & production bottlenecks
- Difficult customer situations
- Give a hypothetical customer complaint via email - see what they do with it

### Then Ask

**"After hearing all of this — are you still interested?"**

If they walk out, good. They just saved you time, money, and the headache of a bad hire. The candidate who stays is the one worth investing in.



# Never Hire a Manager From a Desk Interview Alone

## MODULE 7: THE FIELD INTERVIEW

A polished résumé and a confident handshake reveal almost nothing about how someone will actually lead your team. Take candidates into the real environment — walk the facility, observe their instincts, and let the operation do the talking.



### Watch Their Curiosity

Do they ask intelligent questions about the operation, or do they just nod along? Curiosity signals a growth mindset and genuine interest.



### Observe Their Interactions

How do they engage with employees on the floor? Do they treat frontline workers with respect and interest? Leadership character shows up immediately in those moments.



### Notice What They Notice

Do they spot inefficiencies? Do they comment on how things could be better? A true leader walks into a new environment and begins thinking like an owner within minutes.

# Interview Questions That Reveal True Character

## MODULE 7: THE FIELD INTERVIEW

These three questions cut through polished answers and surface the real leader underneath. Use them in every manager interview — and listen carefully to what they reveal.

**Question 1: "Tell me about a time you were responsible for a failure that affected other people. Walk me through exactly what happened, what your role was, and what you did afterward."**

What you're looking for:

- Do they take ownership or blame others?
- Do they use "I" or "they"?
- Are they transparent about mistakes?
- Can they articulate lessons learned?

Green Flags:

- Takes responsibility quickly
- Admits specific mistakes
- Explains corrective action
- Shows growth

Red Flags:

- "It wasn't really my fault."
- Blames previous management, employees, customers, or the economy
- Cannot identify personal shortcomings

📌 A leader's true character is often found in how they discuss failure.

**Question 2: "Tell me about the hardest conversation you've ever had with an employee. What was the situation, what did you say, and what happened afterward?"**

What you're looking for:

- Courage
- Emotional intelligence
- Ability to balance accountability and empathy
- Whether they avoid conflict or lean into it

Green Flags:

- Addresses issues directly
- Shows respect for the employee
- Holds standards while preserving dignity
- Can explain their thought process

Red Flags:

- Avoids difficult conversations
- Lets problems linger
- Uses intimidation, anger, or passive-aggressive behavior
- Focuses only on results and not people

📌 The quality of a leader is often measured by the quality of their difficult conversations.

**Question 3: "Imagine I call your last five direct reports and ask them, 'What's the hardest thing about working for this person?' What would they tell me?"**

Why it works:

- Forces self-awareness
- Reveals humility
- Exposes blind spots
- Shows whether they have reflected on their leadership impact

Green Flags:

- Gives a thoughtful, honest answer
- Acknowledges weaknesses
- Has worked to improve them

Red Flags:

- "Honestly, nothing."
- Can't think of a weakness
- Becomes defensive

📌 The best leaders know exactly where they are strong and where they struggle.

# What Isn't Measured Cannot Be Managed

## MODULE 8: THE MANAGER SCORECARD

### Without Numbers

Management becomes a matter of opinions, feelings, and assumptions. Performance reviews turn into subjective conversations. Accountability disappears.

### With Numbers

Management becomes objective. Every conversation is anchored in data. Managers know exactly where they stand — and exactly what they need to fix.

- ❑ Every manager should know their numbers before ownership even asks.



A scorecard creates the foundation for real accountability. It removes emotion from performance conversations and replaces it with clarity and shared expectations.

# KPI #1: Gross Profit Margin

Data Source: Profit & Loss Statement, Quickbooks

MODULE 9: DRY CLEANING KPI SCORECARD

**Formula: Revenue – COGS – Labor.** This is the foundational metric every dry cleaning manager must own. Most operators don't have a revenue problem — they have a **labor control problem** disguised as a margin problem.



## Production Labor %

Track cost as a percentage of revenue generated in production.



## Route Labor %

Monitor driver efficiency relative to route revenue generated.



## Counter Labor %

Measure front-counter staffing costs against counter revenue.



## Overtime %

Uncontrolled overtime silently destroys margin. Track it weekly.

## Profit & Loss Statement

Profit & Loss Statement		
	Jan-26	
	\$	%
Description		
<b>Revenue</b>	<b>\$ 241,421</b>	
Wages	\$ 89,238	37%
Payroll Taxes	\$ 16,450	7%
Cost of Goods Sold (COGS)	\$ 15,652	6%
Cost of Professional Fees (COS)		0%
*		
*		
*		
<b>Cost of Revenue</b>	<b>\$ 121,341</b>	<b>50%</b>
<b>Gross Profit</b>	<b>\$ 120,081</b>	<b>50%</b>
Sales Compensation		0%
Officer Salary	\$ 9,231	4%
Advertising & Promotion	\$ 585	0%
Alarm	\$ 243	0%
Automobile Expense (Fuel)	\$ 2,959	1%
Bank Service Charge	\$ 111	0%
Computer & Internet Expense	\$ 355	0%
Credit Card Fees	\$ (7)	0%
Dues & Subscriptions	\$ 2,745	1%
Employee Event		0%
Employee Insurance	\$ 46	0%
HOA Fees	\$ 600	0%
Insurance Expenses	\$ 1,128	0%
Interest Expense	\$ 29,047	12%
Meals & Entertainment		0%
Office Supplies	\$ 3,161	1%
Online Marketing	\$ 1,399	1%
Payroll Expenses	\$ 571	0%
Professional Fees		0%
QuickBooks Payments Fees		0%
Rent Expense (Drop Store)	\$ 4,114	2%
Rent Expense (Plant/RE Holdings)		0%
Repairs & Maintenance	\$ 1,023	0%
Shipping	\$ 47	0%
Telephone Expense	\$ 1,541	1%
Travel Expenses	\$ 1,176	0%
Travel Meals	\$ 368	0%
Utilities	\$ 3,977	2%
Vehicle Parts	\$ 135	0%
Workers Comp Expense	\$ 764	0%
Merchant Fees	\$ 6,305	3%
Property Tax	\$ 734	0%
Waste Disposal	\$ 630	0%
POS Software Expense	\$ 1,899	1%
<b>Total Operating Expense</b>	<b>\$ 74,886</b>	<b>31%</b>
<b>Net Operating Profit</b>	<b>\$ 45,194</b>	<b>19%</b>
Refunds		0%
Other Expenses		0%
Bank Interest	\$ 0	0%
Additional Note		0%
<b>Total Other Expenses</b>	<b>\$ 0</b>	<b>0%</b>
<b>Net Income</b>	<b>\$ 45,194</b>	<b>19%</b>
<b>ADD BACKS</b>		
Depreciation & Amortization		0%
Interest Expense	\$ 29,047	12%
Excessive RE Holdings (Plant Rent)		0%
Travel Expenses	\$ 1,176	0%
Travel Meals	\$ 368	0%
Dues & Subscriptions (Owner Specific)		0%
Officer Salary	\$ 9,231	4%
Officer Life Insurance	\$ 216	0%
Add back 9		0%
Add back 10		0%
<b>Total Add Backs</b>	<b>\$ 40,038</b>	<b>17%</b>
<b>Adjusted EBITDA</b>	<b>\$ 85,232</b>	<b>35%</b>

## Why Transparency Wins

- **Gross Revenue** — Everyone on the leadership team should know the top line. It sets the tone for what's possible and what's expected.
- **Wages & Labor** — Your single largest controllable cost. When managers see it, they own it.
- **Gross Profit** — Tells you if the operation is healthy before overhead touches it.
- **Controllable Expenses** — Managers can't control what they can't see. Visibility drives accountability.
- **Net Income** — Leaders who understand net income make better decisions every day.
- **Adjusted EBITDA** — When your team understands what builds equity, they start thinking like owners.

A manager who sees the numbers is a manager who feels the weight of the business — and leads accordingly.

# KPI #2: Labor Percentage

Data Source: Profit & Loss Statement, Quickbooks, Payroll Software

MODULE 9: DRY CLEANING KPI SCORECARD

## General Labor % of Revenue

Labor as a percentage of revenue should fall between **34%–40%**, depending on your specific business model. Route-heavy operations may sit at the higher end; counter-driven stores can often achieve tighter ratios.

Labor percentage is the single most controllable cost in a dry cleaning operation. A manager who doesn't own this number is not fully managing the business.

## What to Watch For

### Overtime Creep

Hours that slip past 40 per week often signal scheduling failures, not workload increases.

### Uncontrolled Overtime

Uncontrolled overtime silently destroys margin — track it weekly and address it immediately.



# KPI #3: Revenue Per Employee

Data Source: Profit & Loss Statement, Quickbooks

## MODULE 9: DRY CLEANING KPI SCORECARD

Revenue per employee measures overall team effectiveness — not just individual productivity. When this number is high, it typically signals better systems, stronger management, and a culture of accountability. When it's low, the root cause is usually one of three things: underperforming staff, inefficient processes, or weak managerial oversight. Managers should track this metric month-over-month and benchmark against prior periods to identify trends before they become problems.

**Example:** If your goal is \$100,000/per employee per year, and you need to hire more employees, your revenue should be able to justify the growth.

# KPI #4: Route Density

Data Source: SPOT > Reports > Route Outgoing Summary

MODULE 9: DRY CLEANING KPI SCORECARD

For pickup and delivery operations, route density is a profitability multiplier. More stops per route day, and more revenue per stop, directly translate to higher margins without adding headcount or vehicles.

## Stops

Per Route

Track how many customer stops each driver completes per route day. More stops = better utilization.

## Rev/\$

Per Stop

Average revenue generated at each customer stop. Drives upsell and service expansion strategy.

## Route

Per Day

Total revenue per route per day. The clearest indicator of whether a route is worth running.

# KPI #5: Customer Retention

Data Source: SPOT > Reports > Customers > Lost Tuna

MODULE 9: DRY CLEANING KPI SCORECARD

## Managers Must Own This

Customer retention isn't a marketing problem — it's a management problem. Your manager should be personally accountable for every lost customer, every win-back effort, and every reactivation campaign.

## What to Track

- **Monthly Attrition Rate:** What percentage of active customers stopped using your service?
- **Reactivation Rate:** Of lapsed customers contacted, how many returned?
- **Win-Back Campaigns:** Is the manager proactively reaching out to lost accounts?

Acquiring a new customer costs five times more than retaining an existing one. Retention is the highest-ROI activity your manager can focus on.

# KPI #6: Google, RMDC, Yelp, Secret Shoppers

Data Source: Various

## MODULE 9: DRY CLEANING KPI SCORECARD

Your online reputation is a living, public scorecard of your operation's quality and service. Managers should own it — not passively watch it.



### New Reviews

Track volume of new reviews each month. Managers should actively encourage happy customers to leave reviews — it doesn't happen automatically.



### Overall Review Score

Monitor the average rating weekly. A declining score is an early warning signal — catch it before it affects new customer acquisition.



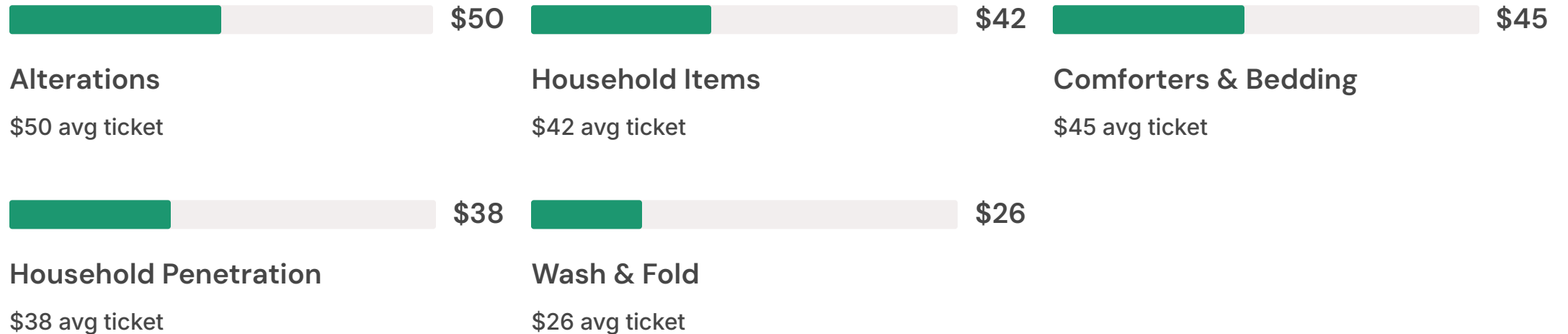
### Customer Complaints


Negative reviews must be responded to promptly and professionally. The manager owns both the resolution and the public response.

# KPI #7: Average Ticket Value

## MODULE 9: DRY CLEANING KPI SCORECARD

Average ticket value measures how effectively your team is capturing the full revenue potential of every customer interaction. A manager who only processes what walks in the door is leaving money on the table. Managers should constantly drive household penetration and upsell opportunities at every touchpoint.



 **Coaching Note: Alterations, Comforters & Bedding, and Household Items are your highest revenue-per-transaction services — and they don't sell themselves. Train your team to mention them at every drop-off and pickup as an additional service. One upsell conversation per hour can move your average ticket significantly. Don't just process orders — grow them.**

# KPI #8: Cash Flow

MODULE 9: DRY CLEANING KPI SCORECARD

**Revenue is vanity. Profit is sanity. Cash flow is reality.**

A manager who understands cash flow thinks differently about every decision — staffing, supply orders, equipment investments, and discount promotions. They understand that a busy week doesn't always mean a profitable week, and that profitability on paper doesn't guarantee money in the bank. Building cash flow awareness into your manager scorecard elevates your leadership team from operators to business stewards.

## Revenue

What came in — the number everyone celebrates. Necessary but not sufficient.

## Profit

What remained after expenses. The true measure of business health — but still not the full picture.

## Cash Flow

What's actually available to pay bills, invest, and grow. This is the number that keeps the doors open.

# Every Manager Reports the Same Way

## MODULE 10: THE MANAGER WEEKLY MEETING

Consistent reporting structures eliminate ambiguity and build accountability into your weekly rhythm. Every manager, every week, every time — no exceptions.

### The Weekly Scorecard Review

1. KPI Performance vs. targets
2. Wins from the past week
3. Challenges and root causes
4. Action items with owners and deadlines
5. Support needed from ownership

### The Standard Has Changed

Managers should never show up saying *"Things are going good."*

They should show up saying:

"Labor is at 27.4%. Rewash rate is 1.2%. Route revenue is up 6%. Here's my plan for next week."

# The Real Goal: Know Your Equity Valuation

## MODULE 10: WHY ALL OF THIS MATTERS

Every KPI you track, every manager you hire, every system you build — it all points to one number: the value of your business. Most owners are running a job. The goal is to build an enterprise. Understanding your Target Equity Valuation transforms how you lead, hire, and operate.

## What Is EBITDA?

EBITDA stands for Earnings Before Interest, Taxes, Depreciation, and Amortization. It is the most widely used metric to determine the value of a business when it sells.

Formula: Net Income + Add Backs (owner salary, depreciation, interest, non-recurring expenses) = Adjusted EBITDA

Example callout: Net Income: \$542,328 | Total Add Backs: \$480,456 | Adjusted EBITDA: \$1,022,784 (35% margin) — Annualized

ACCOUNT	AMOUNT	PCT
Total Other Expenses	\$ 0	0%
Net Income	\$ 45,194	19%
ADD BACKS		
Depreciation & Amortization		0%
Interest Expense	\$ 29,047	12%
Excessive RE Holdings (Plant Rent)		0%
Travel Expenses	\$ 1,176	0%
Travel Meals	\$ 368	0%
Dues & Subscriptions (Owner Specific)		0%
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Officer Life Insurance	\$ 216	0%
Add back 9		0%
Add back 10		0%
Total Add Backs	\$ 40,038	17%
<b>Adjusted EBITDA</b>	<b>\$ 85,232</b>	<b>35%</b>

## What Is a Multiple?

When a business sells, buyers apply a "multiple" to your Adjusted EBITDA to determine the purchase price.

### Low Risk Business (3–5x Multiple)

- Strong management team in place
- Owner not required to operate daily
- Documented systems and SOPs
- Consistent KPI performance
- High customer retention

Example: \$1,022,784 EBITDA × 4x = \$4,091,136 valuation

### Medium Risk Business (2–3x Multiple)

- Owner partially involved in operations
- Some systems documented
- Moderate customer retention
- KPIs tracked but inconsistently

Example: \$1,022,784 EBITDA × 2.5x = \$2,556,960 valuation

### High Risk Business (1–2x Multiple)

- Owner IS the business
- No management team
- No documented systems
- Inconsistent performance

Example: \$1,022,784 EBITDA × 1.5x = \$1,534,176 valuation

## The Connection to Hiring & Leadership

**You are not just hiring a manager. You are reducing risk, increasing your multiple, and building equity.**

- Every great manager you hire removes you from daily operations — and raises your multiple
- Every KPI system you build reduces buyer risk — and raises your multiple
- Every customer you retain increases recurring revenue — and raises your multiple
- Every documented process you create makes the business transferable — and raises your multiple

**Stop owning a job. Start building an enterprise worth selling.**



# Create Leaders Who Create Leaders

## MODULE 12: THE ULTIMATE GOAL

1

### Manage Employees

The starting point — but not the destination.

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2

### Develop Managers

Teaching others to run the operation independently.

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3

### Develop Leaders

The highest-leverage activity an owner can do.

- 📌 A business becomes valuable when it no longer depends on the owner. The owner's job is not to be the hero — it's to build leaders who can win without them.

# Closing Exercise

Before you leave today, answer these five questions honestly. Write them down. Your answers will determine your first leadership move this week.

01

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## Who is my current manager?

Name them specifically. Is this role formally defined and understood by the entire team?

02

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## Should they actually be a manager?

Evaluate against the five character traits: accountability, humility, resilience, integrity, and emotional stability.

03

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## What KPIs should they own?

Assign specific metrics from the scorecard. If they don't own a number, they don't own the outcome.

04

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## What decisions am I still making that they should be making?

Identify every decision you've made this week that your manager should have handled without you.

05

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## What is one leadership change I will implement this week?

Commit to one specific, measurable action. Not someday — **this week.**

# The Enterprise You Deserve Is Waiting

You didn't build this business by accident. You built it through sacrifice, long hours, hard decisions, and sheer will. But surviving isn't the same as thriving — and managing isn't the same as leading.

You've done it this long. You've proven you can run it. Now it's time to prove you can lead it. The next level isn't about working harder — it's about building smarter. It's about surrounding yourself with leaders who carry the vision, own the numbers, and grow the business even when you're not in the room.

## Be the leader your company — and your enterprise — deserves.

The playbook is in your hands. The decision is yours to make. Not someday. Today.

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