

Time to Invigorate Your Business

In an earlier article, it was suggested that June and July are the months to plan company expansion and consider financial matters such as cash flow, amount of turnover and target profits. December and January are the months to consider new ideas, marketing strategies and fresh direction for the company.

December is about winding up the years activities and looking forward to a well earned break. There is little or nothing that can be done toward fixing or saving disasters that happened in the past. We can however guide and control what happens in the future, it is very easy to make changes that will result in a positive difference for the profitability of the company. January is a time to be motivated, to put the past behind us and see that there is a fresh year ahead, and with it comes an opportunity for a fresh start.

Of course, the projects which are currently under way need to be brought to a successful conclusion. Business managers should look beyond current projects and bring forward any ideas that have been sitting in the 'must get around to basket'. Revisiting and assessing such ideas could be the fresh start the company needs. Contractors and tradespeople are good at seeing problems within the building and construction industry, they may even have the solution to the perceived problem, but they don't always act in their best interests. For some, they become scared and a good idea is lost, or worse still, it is picked up by another person years later.

Providing your company with a fresh start may include rethinking the marketing plan. Targeting builders, developers or customers who focus only on the lowest price may not be the best strategy. A more profitable approach is to focus on the level of service and quality of work your company is able to provide. Builders who look only at the price are often short term customers. Unfortunately, there is a never ending line of contractors accommodating the customer with the lowest price theory. With your fresh start, review your marketing and look for good reasons why customers will want your services aside from price.

December is also the half way point for your financial year review, a great time to check if your targets are being met, if not, appropriate action can be taken to rectify the situation. Small adjustments are easier to carry out, while large adjustments may not be possible at the end of the financial year. Too often managers leave financial reporting up to their accountant. This is something I have always had difficulty with, trade contractors are generally intelligent people, who efficiently price work, construct the projects and manage to make a profit. It follows, that as a business manager, they should take the time to learn how to read a profit and loss statement as well as a financial balance sheet. With this information the direction of the company will be evident. The exception to this statement is taxation reporting, in which case an accountant is essential.

The general rule is, 'increase turnover and lower costs'. The result should be increased profits.

It is easy to be motivated during the New Year period, just look at how many people make resolutions, and in this case it can be your motivator for your business, particularly with new innovative ideas, inventions that resolve problems, or ways to reinvent the current business. Take the time to visit your ideas that have been sitting in the 'too hard basket', or the 'I am not sure folder'.

Whatever it is, do it now! Otherwise another year will pass by.

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