

# THE BUILDERS AND TRADIES GUIDE TO WORKING LESS AND MAKING MORE

THE 10 KEYS TO CREATING A HIGHLY PROFITABLE BUSINESS THAT GIVES YOU BOTH THE LIFESTYLE AND THE LEISURE TIME THAT YOU'VE ALWAYS WANTED...



By Andreas Becker

# Introduction:

I've been working as a business coach with Builders and Tradies to help them create their 'dream business.'

In others words a business that works well, is highly profitable, and gives them both the lifestyle and leisure time that they have always wanted.

And I've discovered that if you want to build your 'dream business' then there are 10 key steps that you need to follow. These 10 keys have worked remarkably well with all my tradie clients and here is a good example...



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*I've been working with Andreas Becker in my building business for around 4 months now and I've been delighted with the remarkable results we've achieved already. Andreas has helped us by putting some great systems in place that make both me and my team instantly more productive on every building job that we do. My team now know exactly what to do on every job which means I have the peace of mind knowing that the work they do will be great regardless of whether I am on site or not.*

*I'm now spending a lot less time on admin work and have more time to enjoy with my family. In fact I'm heading away for a 6 day holiday and because of the systems that Andreas has helped me put in place I'm extremely confident that my team will work well without me there. (Before I began working with Andreas I would not have had the same confidence around taking a 6 day holiday and leaving my team working without me.) One of the best results of working with Andreas is that my wealth is actually growing by between \$5,000 and \$10,000 every month. This is real money that I'm setting aside every month from profits and am putting into a wealth account. (The great thing about doing this is that because we are now a lot more productive this money I'm now setting aside has not affected our cash flow at all.) I've signed up to use Andreas and his service for 12 months. And based on the results so far it's been a wonderful investment and one I highly recommend to other builders. If you want more productive staff, more money and more leisure time he's definitely the person to chat to!"*

Tim Nugteren  
Keystone Construction

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I know you will be delighted at how well these 10 keys work for you as well.

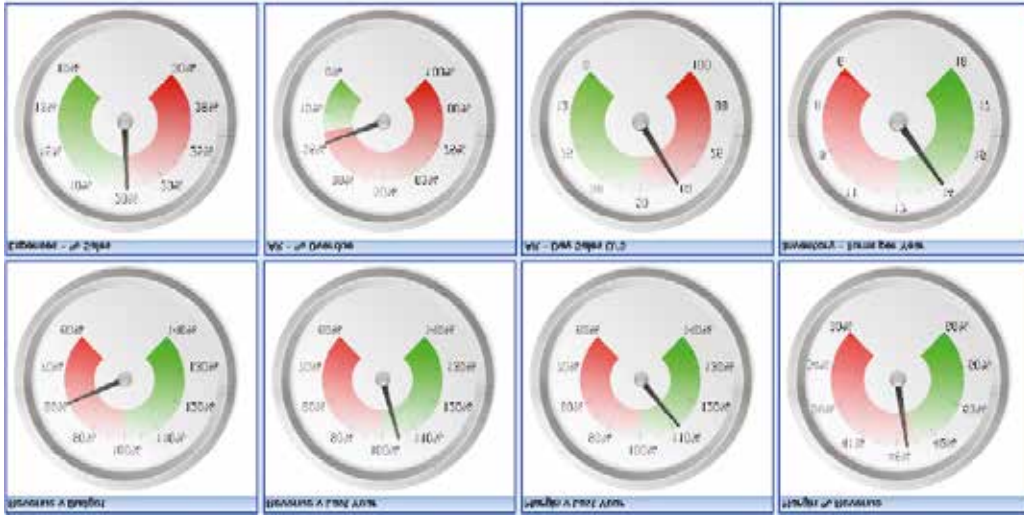
Let's get started...

Kind regards

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# Key One: Use a Business Dashboard – know your numbers.



A sure sign of not knowing your numbers is the lack of profit and a challenge with cash flow.

Nasty surprises, such as a big tax bill or the bank reluctant to extend your overdraft, will come up and bite you.

You cannot simply ignore the numbers and hope that things will go well – they very rarely do.

The negative effect is stress on you and your health, strained relationship with loved ones and often lying in bed unable to have a good night's sleep.

A good dashboard will instantly show you where your business is right now.

You also want to see how well you have been performing in the past and what your future is going to look like.

We call it a dashboard, because it is very similar to the dashboard in your car.

As you drive along, you regularly look at the dashboard and it will instantly tell you if you are going at the right speed, you've got enough fuel in the tank and if there are any alarm lights that you need to deal with. Your business dashboard needs to be exactly like that.

A very important part of a good dashboard is being able to see trends in your business. If you can see certain KPI's (Key Performance Figures) going up or going down over time, you can dig deeper and then make good decisions.

*You can't improve what you don't measure.*

## Example:

I recently worked with a Tile Laying Company and one of the first things we developed was a Business Dashboard.

One of the things we tracked was their Gross Profit and their Gross Profit Margin.

Over a few months we could see their Sales staying more or less the same but the Gross Profit Margin going down quite rapidly.

This started to affect the cash flow, and things did not look good.

At their normal Gross Profit Margin, they would be profitable and do well.

So we focussed on the Gross Margin and looked at all the possible variables that could affect it.

- Did the supplier increase their cost of materials – NO.
- Did the labour rate go up – NO.
- Did the cost of materials go up – YES.
- Was there more wastage on the job – NO.

The price of materials did not go up substantially, so we figured that materials must be going missing.

Digging a little deeper we found that a number of the staff were doing private tiling jobs on the weekends using the business' materials.

This way they could undercut their business' rates and make a nice profit, while the business was going broke.

The business owners got rid of those staff members and the business instantly went back to being profitable again.

I doubt that we could have found this hole in the bucket so quickly without a good dashboard.

Make a list of the most important figures in your business. Don't make it more than 10 because you want to look at the big picture that will help you identify areas that are doing well and areas that are not.

### **For builders I recommend these monthly figures:**

Invoices Sent, Labour and Materials, Gross Profit, Cash In, Cash Out, Receivables and Payables, Quotes written, Quotes Accepted, Work in Progress.

Create a simple spread sheet and add your items to the left column. Then add a new column for each month and track you figures over a 12 month period.

Review your figures for the last month in the first week of every month.



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## Key 2: Create Healthy Profit Margins

You need to know where and how to make a profit.

Knowing your costs and your pricing strategy is critical to the success of your business.

The best way is to start with a simple budget. Start with the profit you want to make from your business and then work backwards and figure out how you need to shape the business to deliver the profit you want.

**PROFIT IS NOT  
SOMETHING TO ADD ON  
AT THE END, IT IS  
SOMETHING TO PLAN  
FOR IN THE BEGINNING**

### Here are some of the keys to profit margins for Builders and Tradies

The starting point is what you charge out - your hourly rate.

Many Builders and Tradies don't know the true cost of their labour.

For example if they pay \$30 per hour to their staff there is somewhere between \$10 and \$20 per hour extra needed just to cover the normal overheads of their business plus holiday pay, sick leave, kiwi saver, training etc.

Most Builders and Tradies don't realise that so they pay their staff let's say \$30 an hour in wages. They then have another \$20 overhead cost per hour when this person works so we are already at \$50 and they might only be charging \$55 as their charge-out rate.

So they are only making \$5 an hour profit. Which is nowhere near enough.

### There are four main ways of improving your profits.

One way is by reducing overheads, which is often difficult to do. Whilst this is important, you simply cannot save yourself wealthy.

Another way is to charge more per hour. This is also difficult if you are working on a labour only basis. You should be very careful in labour only projects.

The best way is to ensure you are including material and sub-trades and you add a good margin to those costs.

And the last way is to become more efficient.

So, for example, if you quote and get paid for 100 hours to do a job and you can complete that job in only 75 hours you can make a significant profit. Once again there is a limit and a balance in saving time and doing it right the first time. Re-work is much more expensive than doing it right the first time.

Another area that Builders and Tradies need to be very careful about in their quoting is margins on the materials they use.



These margins need to be between 5% and 25% depending on the type of work that is being done.

A plumber would probably charge 20% margin on their materials.

A builder might be building a complete house. So in their case even 5% or 10% mark up on all the materials in a home can be quite a large sum of money.

**Note: You have to understand the difference between mark-up and margin. For example a 15% margin is 17.6% mark-up. It is best never to use mark-ups as you will be losing out on a lot of profit, unless you really know what you are doing.**

**It's really important you know what your numbers are to break even.**

I worked with a builder client who was charging \$55 an hour for their building work.

They had 3 staff and they were just breaking even each month.

The builder could just pay himself a salary.

We looked carefully at the numbers and what it was costing in terms of overheads and so on to run the business. I also got my client to measure the hours that he paid his staff, and the hours that he actually charged his clients.

This builder used a 'charge-up' model with his clients.

This means that on completion of the job he charged the client for the hours worked on a per hour basis. He then added the material cost plus the margin on the material.

So it's not a fixed price. It's a variable price.

When we looked over his figures we found two things.



First of all they were charging a rate that was too low to make a profit.

So they were making no money at all on the hourly rate for labour that they were charging the client.

And it got worse.

After introducing some good job tracking systems we discovered that the builder was paying his staff for a lot more hours than he was actually charging his client.

So in one month he might be paying his staff for 1000 hours of labour at say \$30 per hour. Yet his staff was only actually working on the job for 800 hours. So there were 200 hours wasted on training, overheads, driving, eating pies and all sorts of stuff that the builder had to pay them for but couldn't charge out to his client.

Once my builder client could see his numbers we took action.



First of all we put his hourly rate up from \$55 an hour to \$60 an hour.

He didn't lose any jobs when he made this change but now he was starting to make a good profit on every hour of work he charged a client for.

We then implemented some simple systems to help make his staff more productive and this meant he was now charging his client for all the hours he paid his staff.

That made a huge difference as well.



Many Builders and Tradies are not that well organised. A common scenario is that the builder sends his team to the job. They start building and after a short while they notice that they need to buy a box of nails. Two guys jump into the car and go to buy the nails. On the way back they stop to buy a pie. This all takes a lot of time and results in two hours wasted.

And this same type of thing could happen many times on a large job.

### The solution was simple:

We introduced a whiteboard on each site and they write on there what needs to be done the next day and what materials will be needed.

It sounds simple (and it is) and that made a huge difference because all of a sudden these guys can see what's happening on the job site and they don't run to the shop for every little thing.

On the white board they can see what is being done the next day and what materials they will need. On the way to the job they can order what is needed and get organised. They end up being a lot more efficient and the amount of wasted time goes down dramatically.

### Summary:

There are four ways for most Builders and Tradies to improve their profits.

One is to charge out more for your hourly rate, which is easy to do.

Two is to try and reduce your overheads, which is quite difficult to do.

Three, ensure you include material and sub-trades and add good margins to those.

And four is to become a lot more efficient in how you and your team work.

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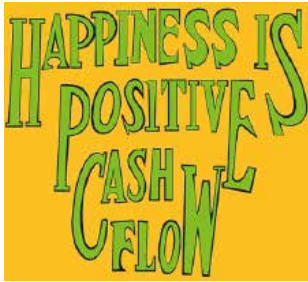
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## Key 3: Manage Your Cash flow



Cash flow is the lifeblood of your business.

Get a perfect insight into your cash flow and manage it accordingly.

You don't want any surprises (from your taxman or anyone else), which will distract you from focusing on your business.

Cash flow is the big problem for almost every Builder or Tradie.

What happens is that they don't plan far enough ahead so they have no idea what actually needs to be paid and what liabilities they have versus the money coming in.

There's one system that I use with Builders and Tradies that works particularly well if it is a crisis, we design a weekly "cash in - cash out" schedule.

We track in advance what cash is coming in and going out each week over the next 8 weeks.

We will then engineer it so that there is more, or at least the same, coming in than going out.

You can now do a couple of things:



You can make sure you get paid quicker.

Push jobs forward and speed up your invoicing. Reschedule jobs a little bit. For example, instead continuing on a big job we can finish a quick little job that brings us 5 grand in this week because we can invoice the client and get paid.

Also ensures you get paid on time.

By looking at this cash flow planner, we can easily find out exactly how much cash we need to get in.

The other way of working on the cash flow, is delaying some payments. If you need to make a payment say on the 20th and you just simply can't because there isn't enough cash, then a good option is to split the payment.

Give the person a call and say "We can't pay you the full amount this week, we'll pay you half now and the next half next week. Would you be OK with you?"

People are usually OK with that, as long as you make some payment now and show them that you actually want to stay on track.

This cash flow system puts you in control of the money and works fantastically for Builders or Tradies who are prepared to use it.

Keep in mind you that don't need to do this all the time. If your cash flow is really good then you don't need to worry about it, but if you are in trouble then you really need to implement this method.



Here is the good news. If you don't stick your head in the sand and implement the cash flow planner as soon as you feel the cash flow pinch, you can usually work yourself out of the hole. Get some help and focus on this for a few hours and you'll be surprised at what you can do.

If you find that there is simply no way out and you are going to be insolvent somewhere down the line, act immediately. Do not continue and in the end lose your house and drag a whole lot of sub-trades and suppliers down with you.

### Here's another simple tip to improve cash flow.

I have a client who installs and services heat pumps.

He would do an installation and then be so busy that he'd forget to invoice. Eventually he would invoice in the next month meaning that he had to wait for 20th of the following month for payment.

So he's now got two months worth of money that is outstanding significantly affecting his cash flow.

I said, "Get yourself a mobile EFTPOS machine. Work out what the thing costs, charge the client on the spot and get them to pay on the spot. Done."

This made a huge difference to his cash flow.

Nowadays you can get a mobile EFTPOS machine that connects to your mobile phone. It's the size of a small calculator and the cost of this is insignificant at around \$10 a week.



### Here's something to keep in mind.

For most things we buy we pay NOW.

We go to the supermarket and we pay now. Eat out and before you leave, you pay.

And if people can't pay cash they use their credit cards because then they've got their 30 days or 45 days grace for them to pay for it.

So make it easy for your clients to pay you now.

At the end of the job have your mobile EFTPOS machine so clients can pay you immediately.

I have a simple rule for all my Tradie Clients:

*"Don't Play Bank."*

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## Key 4: Create real wealth:

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This should be the #1 reason why you are in business in the 1st place.

So we need a simple and super effective system for the business to make you wealthy.

The best way to do this is to create a wealth account and to pay a certain percentage of cash coming into that account.

This needs to be done at least weekly.

Start with 5% and then regularly increase this amount to 10%.

Create a budget forecast as explained in point Key 1 and work out how much wealth you want to generate this year. Make sure you account for taxes.

You are in business to become wealthy so you need to plan that out.

Most Builders and Tradies don't do this.

Think about what happens in a normal business.

Money comes in and the business has all these liabilities that they have to pay.

Number one is the IRD. They want ACC and they want PAYE and they want GST and provisional taxes etc.

Then you have to pay your suppliers, then you have to pay your team, then you have to pay debts to the bank.

Then you pay yourself. (Last thing typically.)

You then have to pay all your personal bills, your mortgage, your kid's education and if there is anything left over, you might invest in some assets.

So that's a model that most people use and that's a really bad model to build wealth.

### **What I do with my Builders and Tradie clients is we create a wealth account.**

This wealth account is ideally in a different bank and it should be an interest bearing account. Then on a weekly basis we take a fixed percentage of any cash coming in (never less than 2% to start with) and put this into the wealth account.

Then as we increase the profitability of the business, using the strategies we talked about earlier, we can ramp this percentage up to 5%, 7% and then finally to 10%.

If Builders or Tradies do that, they've achieved their purpose of being in business.



Typically, a good builder can turnover about three million in a year. So at 10% there's \$300,000 per year they can be saving and investing in income generating assets.

One example I've been working with is a builder. He has around 10 staff on the tools plus his office staff and they've been in this business for 10 years plus. The builder had nothing to show other than personal income.

We introduced this wealth account system and within 3 months he had \$50,000 cash in his bank account that he could immediately start investing.

His goal is to save \$150,000 by the end of the year.

He then wants to then buy or build his own commercial unit to operate out of. He will then have another source of income which can also be part of his retirement plan.

Remember this wealth building principle. *"Pay Yourself First"*.

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## Key 5: Master Your Time

**Time = Life, Therefore,  
waste your time and  
waste of your life, or  
master your time and  
master your life.**

Alan Lakein

If you only work "IN" your business or even worse, "On the tools", you are limiting your business in a big way.

You need to re-design your business and your weekly calendar to allow you to work "On" the business.

Working "on the business" is time spent to plan, strategize and grow your business.

A Builder or Tradie first needs to calculate his hourly rate.

You might say “I want to make a profit this year of \$200,000.”

Then break this down into the hours available so you can work out what the value of your hourly rate needs to be in order for you achieve this profit goal.

To keep it simple, assume you have around 2,000 hours a year to play with.

(2,000 hours is 50 weeks times 40 hours week.)

This means if you are going to make \$200,000 profit this year, you as the owner of the business, needs to be doing work that is worth \$100 an hour.

So what type of work is worth \$100 an hour? (Or more.)

First of all it's not work that you can be paying one of your team \$35 an hour to do.

**One type of work that is worth \$100 an hour (or more) is developing systems for your business:**

### Here's a good example:

I worked with a swimming pool builder and in his business there are 3 stages of pool building.



The first stage is digging the hole for the pool, the second stage is building the pool itself and the third stage is finishing it off with all the plumbing and landscaping etc.

For each of these stages you have to take the appropriate tools and materials to the site to do the work required for that particular stage.

To make this simple and straightforward for his team we created a one-page tick sheet that lists off all the

things that need to be taken along.

Each morning before the team members head off to the site they take out the tick sheet and they say “today I'm doing a dig, so I need to take everything on this tick list”.

So they will get the tools and material needed for the work and they will tick them all off. Tick, tick, tick, tick.”

By doing this, the team never has to come back to get something they had forgotten as they always had in the past.

The amount of time they had been wasting by driving backwards and forwards to get things they had forgotten was huge. It used to cost them a lot of time that should have been spent doing the work for their clients.

With this tick sheet system that we developed that never happened again.

In the early stages if they did forget something we figured out what was missing on this list, why it wasn't it on the list and then amended the list.

### Here's the good news:

The owner of this swimming pool firm only needed to create this tick sheet system once. (Which took him 3-4 hours of his time.)

And this tick sheet system is now worth hundreds of dollars a week in extra staff productivity to this owner.

So the time he spend creating this tick sheet system is worth well over \$100 an hour.

Another valuable use of your time is developing a great system for quoting.

If you want to charge higher prices (and enjoy better profits on what you do) one thing that helps you to do this is to develop a more effective quoting system.

In other words you develop a quoting template that allows you to charge more money and get more of your potential clients to choose your business over your competitors.

It might take you 1-2 days of your time to develop a great quoting template.

But this improved quote could easily increase the hourly rate you can charge by \$10.00 or more an hour because your quote now looks so much better than your competitor's quote.

Prospective clients will look at your quote and think "wow this person is professional. He understands exactly what I want to do and he's already done great work for a lot of other people in similar situations. I need to work with this business."

And they will also look at some of your competitors' quotes and because their quotes don't look as professional they will be reluctant to use them.

Another valuable use of your time is to develop your Unique Selling Proposition. (Or USP as it is sometimes called.)

This takes time and you need to think it through carefully.

What is your niche?

What makes you different to all the other businesses in your field?

### Here's a good example:

I worked with a builder who was working as a general builder doing all types of building work.

We noticed that there were a lot of people in his area doing kitchen renovations but not nearly as many doing bathroom renovations.

So I encouraged him to position himself as an expert builder for bathroom renovations.



He already enjoyed doing bathroom renovations and was good at it.

I encouraged him to make that his niche that he specialised in, and it worked well for him. His margins went up, he got to work with the type of clients he wanted and he started enjoying higher profits.

All from investing some time wisely and working out what he wanted to specialise in.

The secret of mastering your time is to make sure that you, as the business owner, spend a lot of your time doing work that is worth \$100 an hour or more.

In other words you are spending a good amount of your time working on your business and not just working in your business.

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## Key 6: Use a Business Plan

Every good business needs a business plan. You need to be clear of the vision for your business what your goals are, understand your strengths and weaknesses and have an action plan to get you closer to your goals.

Your team needs to have input into this so that you have their buy-in.

Your business plan should all be on 1 page so that it is clear and easy to look at and understand.

By having this business plan your whole team is much more motivated because they all know where your business is now heading.

What should be in your business plan?

### One Page Business Plan

Firstly there's a vision statement of some sort.

What are we standing for?

What is the big thing that we want to achieve?

Then we would have a SWOT Analysis. We have strengths, weaknesses, opportunities and threats.

Now we know what strengths the business has that we can build on.

We also know the weaknesses, which means we need to overcome these weaknesses to move ahead. (And how to do this will be part of the plan.)

It is important to start your plan with your 3 to 5 year goals.

Then we need to know what we need to do this year to get us closer to these 3-5 year goals.

And then we need to know, something that we need to work on in the next 90 days. (There always need to be something happening in the next 90 days for the 3-5 year goal to be achieved.)

So these are the main ingredients of your business plan. We have the vision, the SWOT Analysis and then the 3 to 5 year, one year and 90 day goals.

You want to include your team in this plan.

So in the plan, what role will you be playing? How big is your team at this stage? Who will be managing the business? And so on.

So for example it could be in 3 to 5 years' time you just want to work one day per week on the business. At this stage your business will be managed by good people in your team. In one year's time you might want to work 1 day per week in the business and 4 days a week on the business. And in the next 90 days you'll work at least one full day "on the business" and not "in the business".

One of the key things we include in the one page business plan is money.

So then we will put down in writing how much money this business needs to generate and what profit you want it to make for you.

### Summary:

There are three main things we include in the business plan.

- Team
- Time
- Money

And when you have a good one page business plan that has all these things it gives you a great road map for you and your team to take action on.

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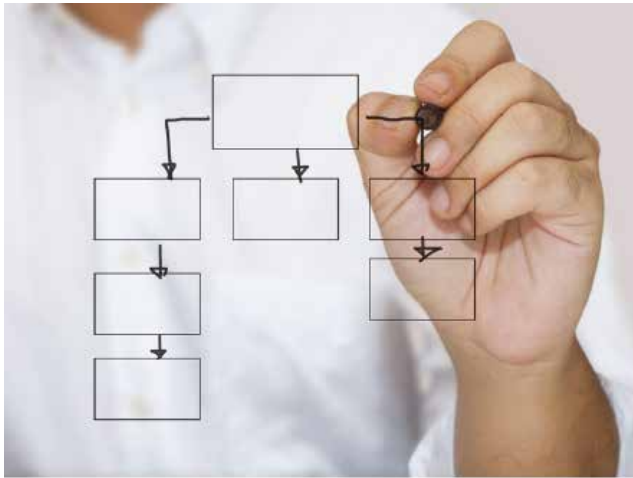
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## Key 7: Have a good Sales System



To improve your sales, you need a sales system. You need to be able to track every quote you have made and have a follow up system that runs on auto-pilot.

Good CRM (Client Relationship Management) software is the most useful tool to help you to get some order into your sales system.

I have a simple way to help my builders and tradie clients to create a good sales system.

We take a whiteboard and we write down every single step required to make a sale happen.

We describe everything what happens before the sale is made. We also include what happens after our quote or proposal is accepted. And we put down all the steps in the project itself and what we do after the work is completed.

Once we have listed all these steps we then enter any new steps that the Builder or Tradie hadn't thought of.

So for example at the end of the job, typically, a builder or tradie will get paid so they will walk away and there are no further steps they do.

(By not having any additional steps here, this builder or tradie is usually throwing away a fortune in repeat and referral business from their clients.)

So what we do is add some new steps to our sales system.

### For example:

After a client pays us we might send them a thank you gift.



It could be a nice gift basket along with a thank you card that says something like "We enjoyed working with you and hope you enjoy your brand new swimming pool."

Another step we might add after sending this thank you gift is a testimonial builder. (This is where we get our client to give us an amazing testimonial.)

Another step we might add is a system to make it easy for us to be notified of any issues that a client has with the work you did for them.



So what we do (and its part of the sales system) is design a system that can quickly notify us of what these issues are and we send a team out and get it fixed as quickly as possible.

All these new steps are now part of the sales system.

And once we've done this chart on a whiteboard we make sure that we have a CRM that tracks all these steps.

The end result is we have a series of things that need doing each week which these are easy to see and it's also easy to make sure that they get done.

Creating a great sales system like this takes time..

Yet it has made a big difference to many of my Builder and Tradie clients.

They often find that their quote conversion rate shoots up dramatically and can easily go from 25% of quotes being accepted to 50% of quotes being accepted.

A big benefit of getting more quotes accepted is you get to choose the type of work you do and the type of clients you want to work with.

If you are getting 50% of your quotes accepted it means you don't have to spend nearly as much time focussing on non-ideal clients or work you don't really want to do.

It also means that you can get a higher price and you end up making much more profit.

So having a good sales system is a critical part of building your business.

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## Key 8: Have an effective Marketing Strategy

Develop a few effective marketing strategies to bring in a good steady stream of enquiries.



The most obvious ones are:

Your site signage, your vehicle signage, your website, repeat business, referrals and networking.

All of these are relatively cheap and can be implemented quite quickly.

Site signage is the cheapest marketing you can get because you are already on the site. One of things you should have on your signage is a human picture because people relate to that and you want to have a reason for people to call you.

With regards to site signage we are talking of a big sign, as big as possible.

(You want to have 2.4 metres wide by 1.8 metres high.)

*With your website I would say the number one thing to do is to put a picture of yourself on it because very few Builders and Tradies actually do that.*

If possible I would have some kind of added value offer on your website.

In other words you offer something of value to people that they can download in exchange for their contact info.

So if you are a specialist in renovating bathrooms you might have a two page article that people can download called "The 7 Biggest Mistakes in Renovating your Bathroom".

Or perhaps you are a deck builder and you write a short article where you explain the difference and advantages between different decking materials.

This might outline the pros and cons between pine, hardwood and composite material and how to work out which of these materials are right for your deck.

For prospective clients thinking of building a deck this would be handy info to get so they would be happy to enter their name and contact info to get it.

In return the deck builder gets the name of someone who is interested in building a deck that they can then follow up on.

You don't want to do "shotgun marketing" like newspaper and radio. In most cases for Builders and Tradies this type of advertising is too expensive and not very effective.

In other words it is a waste of your money.

Instead you want to do things that are inexpensive yet have a big impact on sales.

Here's a good example:

### DWYPYWD:

A number of consumers were surveyed recently and asked the question “Why do you buy where you presently buy?”

In other words why you chose your present bank, why you bought groceries at a certain store, why you shopped with a certain travel agent.

The major, overriding, specific reason clients come back again and again to your business is summarised in these letters. DWYPYWD.

They stand for “Do What You Promised You Would Do”.

Isn't it amazing that by simply doing what you say you would do you can create loyal customers?

### The Punctual Plumber:

An extremely successful plumber has a simple way of making his clients feel good.

He always shows up exactly on time. So if he tells you he will be there at 10am in the morning that's exactly when he will arrive.

Do you know how rare it is for most trades people to consistently turn up at the time they said they would?

This plumber does and it makes his clients feel great. And he also gets a ton of repeat and referral business.

Developing good marketing strategies are a critical part of building a successful business.

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## Key 9: Create a delightful Customer Experience

We all know it's much easier to get repeat and referral business than sales from people who don't know you.

A key ingredient of getting positive referrals is giving every customer a great experience when they do business with you.

### **Here's a critical question I'd like you to think about.**

*What are your clients experiencing before, during and after doing business with you?*

This needs to be very well thought through and then implemented by everyone in the business.

Your clients can rarely judge you on your skills but they will always judge you by the experience they have in dealing with you and your team.

Make this a good experience and you will get lots of repeat business and referrals.

### **Here's a good example:**

I have a builder client and what he does after a renovation is have professional cleaners come in and clean the whole house. (His clients love this!)

Some time ago I worked with a swimming pool builder and what he did was hold a swimming pool party for his clients once the swimming pool was all finished.

During his sales presentation he told the prospect "At the end of the job we will throw you a party at your pool." Of course, the cost of doing this was included in his pricing.

So the builder throws a party and the owner gets invited to his party along with all his friends. There's a free barbeque and drinks and everyone has a good time. All the friends of the owner are coming there and they meet the builder of this pool.

And the pool builder gets a lot of warm referrals to talk to.

The key ingredient here, in terms of being successful as a Builder or Tradie, is the customer experience both before, during and after they do business with you.

### **Here are some of the things that make dealing with a Builder or Tradie a great experience both before the job is done, during the job and after a job...**

The first thing is to have a good telephone script.

So whoever answers the phone needs to have a fantastic way of answering the phone and have a simple script there that they always use.

So people when they call you up they think "wow this person is fantastic."

Another key to a great customer experience is the appearance of your worksite.

Like many builders one of my Builder Client's work sites always looked untidy and messy.

We trained his team to tidy up every single day, all the time. And everything now goes in a beautiful pile, nicely stacked. Clients come on site and think “Wow this builder is fantastic because they are so clean, neat and tidy”.

A builder who was doing renovations started to personally greet the owner every day. He knocks on the door and says, “Hi there we are on site, just letting you know if you have any questions”. The owners love this.

Another important practice is to make sure that when an owner comes on site the builder will immediately greet the person and always be friendly and polite.

Remember that every Builder or Tradie is also a sales person. So every time you communicate with any person you have the opportunity to influence them in a positive way.

There’s a great quote that is useful to remember when creating a great customer experience.



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## Key 10: Build a great Team

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Select the right team, train them and involve them. Create a win-win environment by incentivising your team for high efficiency and good performance.



In terms of selecting the right team, there's a strategy that I've used that works really well.

For many Builders and Tradies and builders it's quite difficult to find really good people.

So we have them tell their staff "Guys we need another builder or carpenter or something like that, go and talk to your friends and see if there's anyone willing to come to work for us. If we are successful, you will get a \$500 cash reward".

And it's amazing what happens when we do this.

All of a sudden they have friends that they can talk to and say "you need to talk to our company. This is a great company, we are really proud of this company and by the way, there's a position available right now and we need you."

And that's a way to find the best people. It creates that win/win because recruiting someone could easily cost you many thousands of dollars. If you give a team member \$500 for helping you recruit someone good that's a tiny amount of money.

Another thing to keep in mind with teams is how to engage them in becoming more efficient.

Let's say you allocate 100 hours to do a job, and you do the job to a high standard in only 80 hours.

That's 20 hours of income you can share and split with your team.

You take a portion and you give your team a portion.

You might say "Guys you've done everything well and there is no faults so we don't need to go in and do it again. Best of all you did it in 20 less hours than we quoted for our client. I'm going to give you a share of this money."

In other words your team need to know that if they do perform well there is a reward.

One of my clients has regular little competitions with his team.

When there's a new house being built there might be 4 or 5 people working on it.

He gives each person a door to put in. He says "I want you to each hang a door and install all the fittings. And this Friday I'm going to pick a winner of who did the best job of installing their door. The prize will be X."

It's amazing how much these guys love a fun competition like this and how hard they work towards being the best. This also raises the standard of all the work in his team.

The idea is to make work both fun and interesting. It can be little competitions, it can be cash rewards, it could be every now and then the team does well, take them away for a holiday.

Remember that with a good team you can get amazing things done.

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## Summary:

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In this short guide I've covered the 10 keys that any Builder and Tradie can use to create a highly profitable business that gives them the lifestyle they want and the time to enjoy it.

If you like what you've read, I highly recommend that we make a time to have a short chat on the phone or in person.

There is no charge or obligation for this and in our chat we'll find the #1 thing that is holding you and your business back and I'll then show you which 3 strategies you can implement right away in your own business.

My contact details are

**Phone: (03) 741 1613**

**Email: andreas@BuildersCoach.co.nz**

I look forward to chatting soon.

In the meantime best wishes for creating your dream business.

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*"I hired Andreas Becker as a consultant for my building company in October 2015. I wanted to take stock of how we were doing and set up systems and procedures so we could grow the business. I'm delighted with the results we've achieved since we began working with Andreas. My business is now more profitable and my outlook for the business is a lot more positive. I now have great confidence in my quotes and I've discovered that I can choose the type of clients that I want to do building work for. Andreas is excellent as an advisor to help your building business get a lot better by changing small things that you are doing. Andreas is very easy to contact at any time and is also very positive and encouraging. We have made some great improvements in our business already and I can see we have a lot of opportunities to do even better in the future. I highly recommend the services of Andreas to any building firm that wants to improve their results by making tiny improvements in the things they already do."*

Tom Aiken

Urbane NZ

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