



5 mistakes
while running your
Construction Company
and how to avoid them

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Introduction

You probably started your business because you wanted to become an independent contractor. You never thought you'd have to do all paperwork too. Working on your clients projects each day and finding time for accounting and bookkeeping can be very difficult. As a result, you become tired, don't know where your money is going, you lose control of your business finances, and you find it challenging to maintain the lifestyle you want. You may have asked your accountant for help, but it might have been minimal or none.

There are two main reasons for this. Accountants usually focus on compliance work, i.e. filing your bills and tax returns on time and completing your payroll. Secondly, your accountant might not be an expert in what you do, not understanding the realities of the construction world.

Accountants are generalists; therefore, you should expect limited advice from them regarding your specific field of work. They are very good at keeping compliant with HMRC and Companies House but they don't usually work alongside clients helping to grow their business, and they wouldn't normally have a plan for their client's business in future. We are different.

Where do you want to be?

This is a question most construction company owners don't have an answer for. They may have a little idea, but no real vision, or clear plan. They often desire more time, or more money and control, but they don't really know how to achieve it.

Therefore, as the start of your journey to change, we recommend you take some time and think about your personal goals such as:

- ✓ How much money do you want to take home at the end of each month?
- ✓ How many hours per week do you want to work?
- ✓ What do you want to do during these working hours?
- ✓ Do you want to sell your business in the future?

These goals, and how you feel about them will determine the path you will take on your journey. If you know the answers already, make also a note of how achieving these goals will make a difference to your future? And how would this make you feel?

When your construction company was set up and business operations began, you may never have imagine that you would find yourself in the constant stress of every day life, worsen by the fact that there were not enough hours in the day! In the beginning running your own business meant having more free time, choosing your own working hours, and you were sure you would have more money than you currently do.

Unfortunately, unless you have a clear, specific plan of what you want to achieve and how you are going to achieve it, something will always get in your way. Maybe it's time to take back control and get the freedom you desired from the beginning.





The Reality for Most Small Construction Companies.

Cash flow is always tight, and there is never enough time to run your business, liaise with subcontractors, investors and to take care of your finances. You are always stressed and work over hours, very often away from your family, traveling to sites and meeting your clients or investors. You worry about unpaid bills or unfinished VAT returns. You don't have time to answer all your emails, tight deadlines to complete construction projects or to chase payments from clients to improve your cash flow.

There is a very simple solution to overcome your challenges: Time. Unfortunately for all of us, we can't make more hours in a day. Instead, we can help you review your daily, weekly, and monthly processes to see where your time goes. We believe that having the right processes in place and following them through every day will save you time and money!

In all the stress of running your business, you probably forgot how important it is to understand your numbers and how they can impact your company. Do you know the answers to some of the questions?

- What is your net profit?
- How much do you pay in taxes?
- Does your company have any debt?
- Does your company have any savings?

As the company owner, it is crucial to have clarity and get answers to these questions. Likely, you don't understand your numbers.

Sometimes it's easier to just keep going as we always have because facing problems can seem overwhelming. However, if you don't make a change, you will get what you always have and never overcome these problems. So, you have to patiently tackle them one by one. Once you get so important clarity in what you want to accomplish, it will be much easier to take action and to reach your bigger goals set for the future. And we are here to help.

5 Common Mistakes.

Do you recognise yourself making any of these common mistakes?

Mistake 1. Doing things, you needn't be doing

This involves little things and tasks like bookkeeping, complying with HMRC and Companies House, credit control, getting involved in helping your subcontractors with tasks that do not belong to you, getting yourself drawn into every little thing relating to the business. All that causes you to not be able to concentrate on running your business in a capacity you should be doing.

Mistake 2. Having less or not having enough time

Are you constantly being drawn into things you should not be doing? Do you end up not having enough time to run your construction company? To steer your business in the direction of goals you set for yourself, you need to spend time on the site, on your business, not just your paperwork. The consequence of spending too much time on everyday business and getting caught up in all the small tasks, are you being overworked, stressed, without the time to develop your business or free time for yourself and your family.

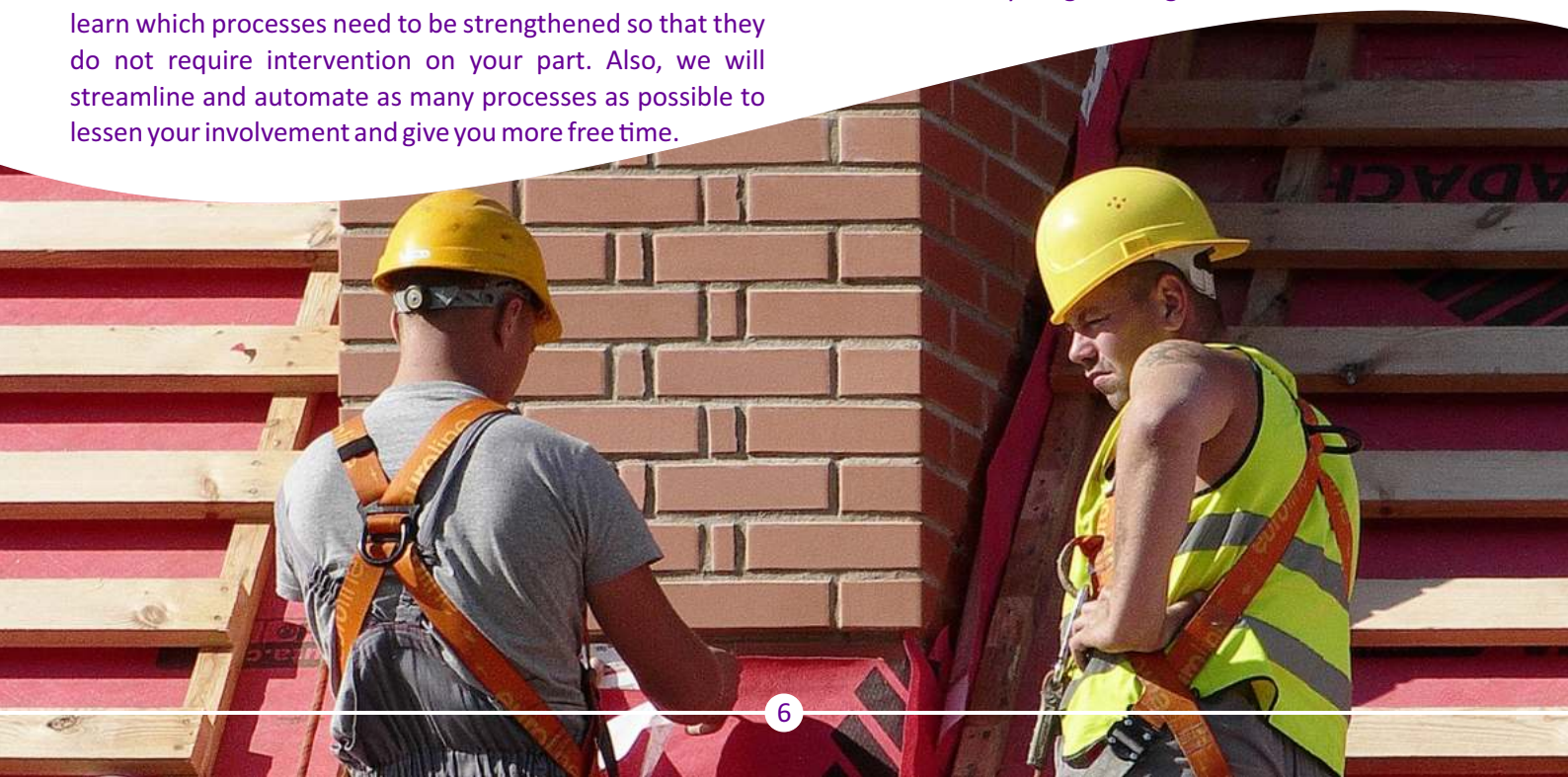
Solution for you: As we mentioned before, you'll need to prioritise. A good way to start is by prioritising everything in your life, both business and personal. Write down and decide which little things you get caught up with, that you really shouldn't? We will help you decide which business activities can be outsourced or transferred to others. You'll learn which processes need to be strengthened so that they do not require intervention on your part. Also, we will streamline and automate as many processes as possible to lessen your involvement and give you more free time.

Mistake 3. Not understanding your numbers

Do you know what is the foundation of your business? Numbers. That means bookkeeping lays the foundation for your business. If you don't understand your numbers, you don't know what they are telling and how to use them. Ultimately you are leaving your success to chance. As the consequence your business will float without clear direction, that'll mean you won't have control and are making oblivious decisions about course you're taking your business on, and where you'll end up. By not planning, you plan to fail, and you cannot plan without understanding your numbers in your business.

Solution for you: Keep an eye on your numbers regularly. There is a lot of information about your business and enables you to control your cash flow. You will know what are the strengths and weaknesses of your business. You'll be able to determine which areas of your business need improving to get it on the right track, so it's on the right path to get you the life you want.

You should also set goals for yourself and for your business and review them regularly. By setting achievable targets, your business will be on the track to destination you want it to be. You will likely come across some difficulties and obstacles on your way, but in no doubt, you will overcome those when you have more clarity and know your company through and throughout. We can help you to maneuver your business towards your greatest goals in life.





Mistake 4. Lack of having clear and accurate processes

When you started your business, did you define how things should be done in your company? Do you know what your customer's journey will look like? Do you have a system of storing their data and process to ensure the project is completed within given deadlines? Do you have processes within your finance function? Are these processes written down? Have you trained your staff on these processes? If not, there is no doubt that the procedures become cluttered with errors and missed tasks.

As a consequence, you're receiving and sending loads of emails with questions and requests for clarification. Very often without a process to follow and efficient tools information gets lost, paperwork is missing. Causing chaos and bringing you more stress, as you need to take more time to solve all the problems, yet again.

Solution for you: Map out all the processes in your business. Everything from how you organise your daily tasks, how you communicate with your subcontractors, investors, and admin team. Identify all the procedures that your business has to go through every day in all areas of your operation. It also gives you insight into areas where you can streamline and automate processes to save time. An advantage of this is that it also highlights risk points that need to be shored up.

Mistake 5. The lack of clarity to overcome these problems

Do you spend too much time fire fighting? If you are stressed and running a confused business, chances are the thought of solving the things that are causing your stress are the last things on your mind, and the thought of tackling them makes you feel paralysed. You end up chasing mistakes rather than focusing on growth. However, as we said before if you do what you've always done, you will get what you always have. If you want something different and better, you have to evaluate and make a plan.

Solution for you: Assess your business as a whole. As we mentioned before, take your time and list what needs to be resolved, and prioritize those issues. This is where we specialise.

How does the Right Finance Function help?

As a company owner/CEO, you should not take an active role in holding the finance function. Your entire finance function should be organised effortlessly and transparently so it's functional and does not require any intervention on your part.

With the right finance function within your company, you will find that your returns are filed on time, your bills are looked after, you have enough money to cover upcoming tax payments. Having the right finance function, you will gain time that we all want to have, you'll be able to relax knowing everything is in place. Finally!

1. We will understand your goals and help you develop a plan to achieve them.
2. We will execute KPI's (Key Performance Indicators) that allow you to keep track of the five to eight key business metrics leading you to success.
3. We will provide management accounts reporting so you can understand your numbers and give you a full explanation of where they're coming from, instead of bombarding you with confusing accounting language.
4. We will know what you are going through; we will understand all difficulties and obstacles you need to conquer and we can help you overcome these challenges.
5. Rather than just preparing your accounts, we analyse your business's performance and tell you if your prices, and margins are all satisfactory.





Where to Start?

An action plan is now Needed.

1. Decide what you want. Take another look at the section on where you want to be - the personal goals, write them down and prioritise.
2. Provide clarity and streamline your processes.
3. Determine whether you have enough internal support for process improvement.
4. Outsource the work to qualified personnel or subcontractors (i.e., bookkeeping to us)

Get started now! If you wait until you think you have enough time, or “the time is right”, you'll never escape the vicious circle of being overworked, running out of time to do everything you need to do, and fall behind on delivering the deadlines. You won't see any improvement in your current situation or you won't have any idea how to get out. Save yourself time and act now, because this comparatively small investment will soon pay off - and it will continue to pay for itself.

Or take a shortcut and give us a call.

1. We will help you define your financial goals.
2. We will set up the plan of action for you.
3. We will then introduce financial systems into your organisation, to make sure you understand key financial information.
4. We help you create your financial reports, you will be able to use each month to manage your company's financial situation and recognise problems that may come in the future.
5. We can provide outsourced financial support that your business needs. Stop spending your weekends worried about unfinished tasks and get yourself a chance to spend more time with loved ones. We will arrange everything for you.
6. We will create regular, financial updates for you. You'll know you're always in control now of your business in the office and at the site.
7. We will supervise all compliance work for you - preparing and filing your accounts, running payroll, and CIS, and filing tax returns. Everything will be done, on time, every time.
8. We will meet regularly and discuss progress with you. You now have your own Finance Director.

At InterTax, we have the insight and clarity you need in your finance function. We provide personalized accounting and consulting solutions to construction business owners who are willing to make a change, take control, and get their lives back. We specialize in helping construction business owners maximize profits, streamline processes, and lead stress-free lives.

We don't just want to be the "usual accountant" who only cares about your tax returns and books. Instead, we have chosen to be a friend of all the companies that come our way.

Our goal is to bring you closer to the accounting department without compromising our reputation and global best practices.

Intertax is owned and founded by two sisters who consider us a family business. Our interest in construction companies grew out of our understanding of the difficulty of moving forward as a company.

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