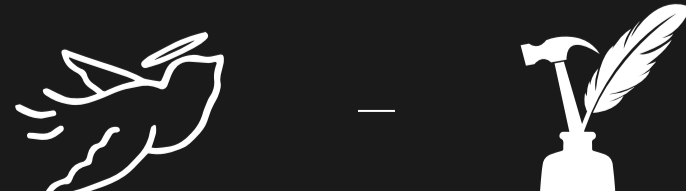




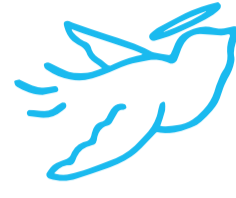
CONSTRUCTION SURVIVAL GUIDE



**THE ONLY BOOK YOU NEED TO START UP YOUR
CONSTRUCTION BUSINESS**



BROUGHT TO YOU BY SAINT FINANCIAL GROUP
& CONSTRUCTION INSIDER



**IF
OPPORTUNITY
DOESN'T KNOCK AT
THE DOOR,
BUILD A DOOR**



CONTENTS

Introduction

- Copyright & disclaimer - 4
- The Purpose of this book - 5
- Who is Saint? - 6

CPT 1 | Setting Up Camp

- Myths of the Construction Industry - 8
- Certifications for the Construction Industry - 10
- Leasing Vs Buying Assets - 13
- Bookkeeping Is Undervalued - 15
- Importance of Reporting - 18

CPT 2 | CIS & VAT Reverse Charge

- What is the Construction Industry Scheme (CIS)? - 21
- What is the VAT reverse charge? - 44

CPT 3 | Understand Your Figures

- Sole Trader vs Limited Company - 51
- Is It Worth Being VAT Registered? - 56
- Intro to Software - 58
- What Makes Up Profit? - 60
- Insights Into Pricing - 62
- Understanding Your Financial Statements - 64
- Directors Loan Account (DLA) - 67
- Your New Virtual Finance Function - 69

CPT 4 | Time Is Your Most Valuable Asset

- The Power of a VA - 74
- Why is Call Handling important - 75
- Having the Right Paperwork - 77
- Why Are Invoices So Important And Top Tips To Make Yours Better. - 79
- How To Get More Out Of Your Day! - 81
- Tricks For Getting The Most Out Of Your Emails - 84
- Keeping On Top Of Your Diary - 86

CPT 5 | Your Marketing Machine

- Why You Need An Online Presence To Survive - 90
- Why You? - 91
- Niche, Niche, Niche - 94
- Identity Crisis - 97
- The Tools of Survival - 100
- Crafting Your Reputation - 105
- Your Media & Marketing Solution - 106

CPT 6 | Constructing Construction

- Red flags of a problem client - 110
- Don't undervalue your work! - 114
- Managing Your Team - 116
- What To Do When The Plan Goes Wrong? - 118
- Importance of Customer Satisfaction - 120

Conclusion

Copyright & Disclaimer

Copyright © Saint Financial Group Ltd

Copyright © Construction Insider Ltd

All rights reserved. No part of this publication may be reproduced, distributed or transmitted in any form or by any means without the authorisation of Saint Financial Group & Construction Insider. This includes photocopying, recording, or other electronic or mechanical methods, except in the case of brief quotations embodied in reviews and certain other uses permitted by copyright law. This book is for educational purposes only. The views expressed are those of the author(s) alone, and should not be taken as expert instruction or command. The reader is responsible for their own actions.



The Purpose Of This Book

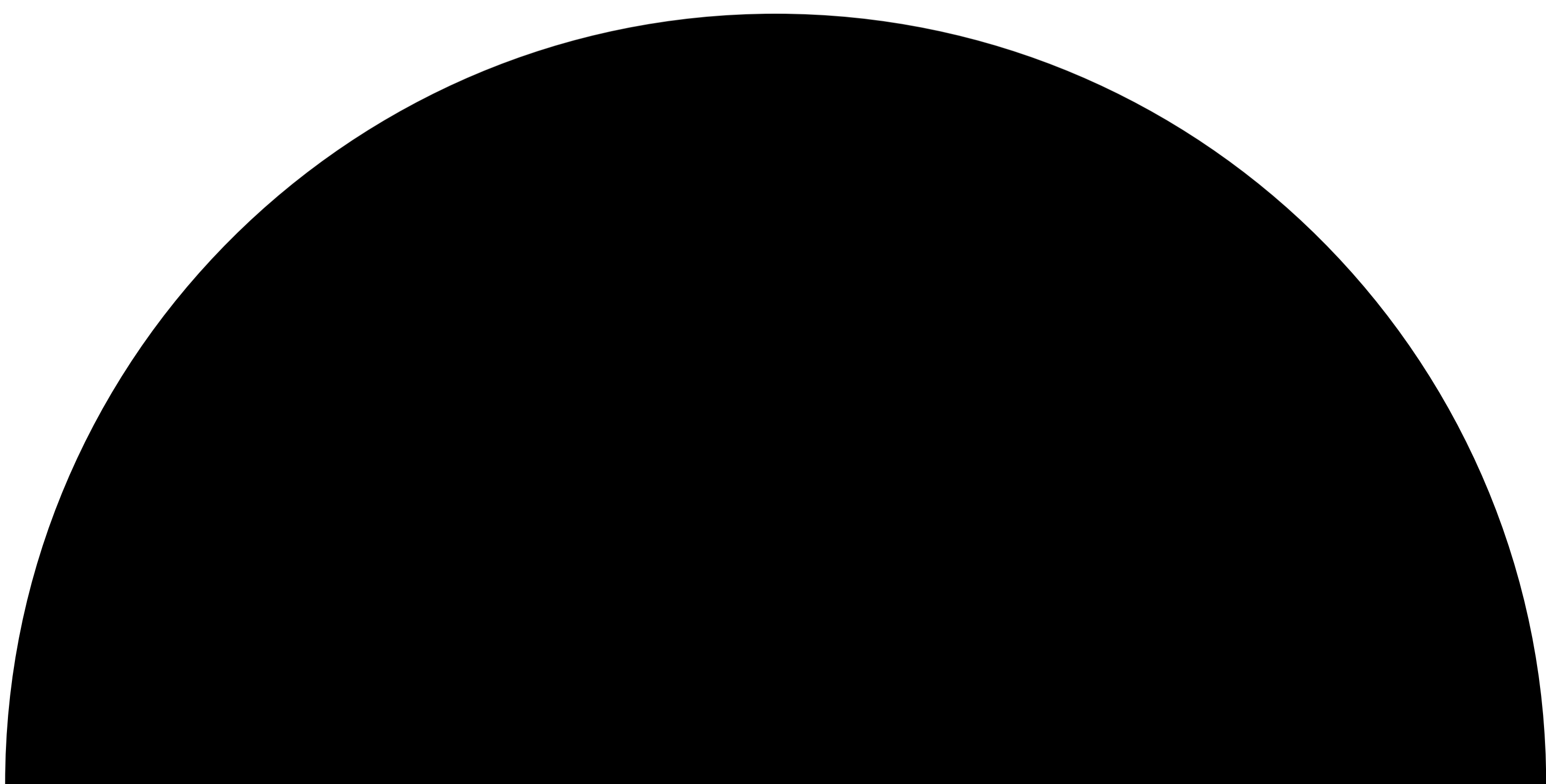
This book has been written for those who are interested in starting up their own business in the construction industry, but more so, to give you the techniques and insight into the construction industry in order to effectively start & grow your business.

The original purpose of this book was to be an internal document that we provided to new startups that approached SaintFG. Due to the wonderful feedback that we have received from the book, we have decided to release it to the public.

The scope of this book is to raise awareness on some of the many topics regarding growing a company within the construction industry. Growing a business is difficult regardless of the situation, it takes money, time and can be extremely stressful. It sounds like a nightmare but we do it for the reward, the financial freedom, the ownership of something we are proud of.

Starting your own construction is for sure not a get rich quick scheme, many tradesmen give up their jobs in order to get rich quick, but unfortunately, the truth is far from it and for every single successful person there are at least another 10 people failing. Nearly all of these people are very knowledgeable and are experts within their trade but they never learnt how to run a business. It is important to consider being a businessman first and a tradesman second.

We hope that the advice & insights within this book will help kickstart your startup and really give you an idea of how to run a successful business.



Who is Saint?

Saint Financial Group is an all-in-one solution for the construction industry, an intricate part of every business to work alongside you as partners in your success story.

We are the UK's No.1 Construction Support Company Saint has allowed business owners to reclaim the three freedoms; Time, Financial & Mind; encouraging businesses to recover their work-life balance and grow their business.

[Saint Accountants](#) | Providing a fresh approach to accountancy for construction businesses throughout the UK. Every business needs an accountant, but more importantly, every business owner needs to know what's actually going on. Regain control of your business.

[Saint Taxation](#) | Identifying hidden tax gems waiting to be unturned. We are putting businesses in control of their tax position. A 360 tax review of your business so you know every tax opportunity available to you.

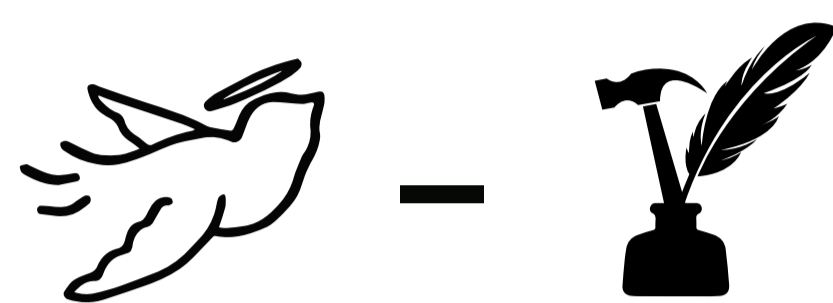
[Saint Business Development](#) | Take the natural next step within your construction business with a professional team of experts by your side.

[Media & Marketing](#) | Providing a creative approach to solving challenges within the construction industry through clear and simple design solutions that deliver results.

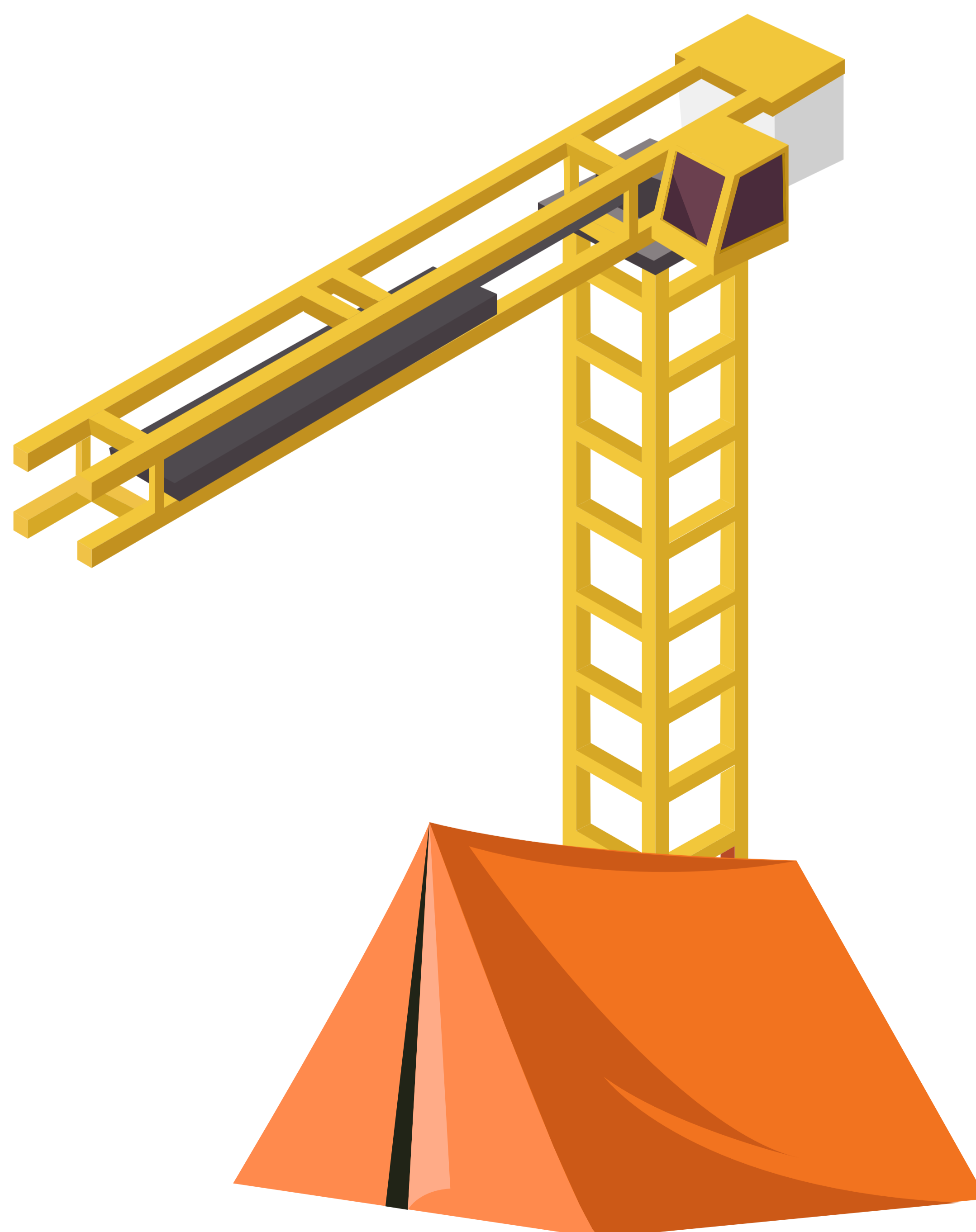
[Saint Virtual Assistants](#) | Time-saving experts keeping your business efficient & stress-free.

[Construction Insider](#) | Focused on both educating and providing valuable insight directly for the construction industry.

Throughout this book, you will see the solutions we have implemented for our most successful clients and we want to deliver our expertise and knowledge to you. Who knows, we may even be working together in the future!



- CHAPTER ONE - SETTING UP CAMP



Myths of the construction industry

MYTH #1 - Construction is bad for the environment

Construction gets a horrible reputation of being bad for the environment and this is due to the fact that many materials emit Carbon Dioxide and are not recyclable, while this can be seen throughout the construction industry, it is not always true.

The construction industry is actually moving more and more towards sustainability and is currently making a very large contribution with all of the green buildings and environmentally friendly designs that are becoming more and more popular.

MYTH #2 - Cowboy builders are prominent in the industry

We can see this in every industry, from fake get-rich schemes to cowboy builders. There are always a few untrained, dispassionate workers that produce awful work and get away with it. These lot normally get their work by undercutting everyone in price, but these builders do not make up the construction industry, they are a minority and they never last.

MYTH #3 - Getting into construction is a dead end

It is a common perception that the construction industry is a dead-end, but this couldn't be more wrong. Some join the trade because they are passionate about it, some join the trade because they see value in which they can provide. There are many reasons why someone might join the construction industry but no matter where we are, doesn't it only become a dead-end if we despise what we do?

Regardless, the industry being a "dead-end" is simply not the case. Many tradesmen decide to startup their own business and build something for themselves. This can vary so widely, they can carry on building etc, they can start training other firms, they can employ, the possibilities are endless.

MYTH #4 - Construction is the easy route

A regular myth that you hear is that the construction industry is the easy route, this is completely false. The industry requires a high education, for the most part, architects, civil engineers all have to train several years and have a huge amount of responsibility, such as ensuring that bridges or even floors to a building are able to withstand a substantial amount of weight.

Construction goes further than formal education, it requires people skills, negotiation skills, years of trade knowledge, managing time and deliveries. There is so much to the construction industry and even more when you are running a business.

MYTH #5 - The industry is too dangerous

While the idea of the construction industry does seem dangerous, climbing ladders, operating heavy machinery and so on, it is rather safe. There are a very strict set of health and safety guidelines that must be followed throughout every job. Risk assessments are an important health and safety document that is completed to ensure that the job is completed in a safe manner. By identifying the risks that may lie ahead, we are able to better prepare for them.

MYTH #6 - It's a man's industry

More and more women are joining the construction industry! Over 320,000 women are in the trades workforce within the UK alone. The industry is seen as a very male dominant one, but this is changing and the future is looking bright for women who are interested in starting their own trade.

Today's industry has a very equal and fair balance between men and women plus the construction industry is one of the few industries that is closing the pay gap between the genders!

Certifications for the Construction

A great way to show your dedication to your trade is to qualify & gain certifications that prove your commitment and skill. Certificates and accreditations are a great way of instantly forming trust with people who are interested in your services and it makes you stand out from your competitors.

There are a variety of certificates that you can achieve, but you should try and get those that are most relative to your business.

CSCS

The Construction Skill Certificate Scheme is a card of proof that individuals on construction sites have the appropriate training and qualifications in order to perform the job. The CSCS is administered by the Industry Training Board (CITB). More and more contractors are applying for these cards and in some places, workers must hold a valid CSCS card.

The CSCS card is not compulsory nor a legislative requirement, it is entirely up to the principal contractor or client whether workers are required to hold a card before they are permitted on site. It is important to note that most major companies require construction workers to hold a valid CSCS card.

For more information on how to apply for a CSCS card, [visit here](#).

BSI

BSI, also known as British Standards Institution, is the national standard body of the United Kingdom. The BSI is responsible for a variety of standards that spread across multiple industry sectors. Its codes of practice and specifications cover management and technical subjects from business continuity management to quality requirements. The BSI administration “Kitemark” is the licencing relating to a very wide range of goods, materials and systems used in all areas of the construction industry.

The Kitemark logo is frequently used to identify products where safety is a priority. This would include equipment such as crash helmets, smoke alarms and flood defences.

CHAS

CHAS is the UK's leading provider of risk prevention and compliance, CHAS was formed in 1997 and the goal is to help improve health and safety standards throughout the industry. You can view their accreditation packages [here](#). They provide 3 different tiers to their packages, all covering different aspects such as health & safety to Corporate Social Responsibility (CSR).

Construction Line

Construction Line is a register for pre-qualified contractors and consultants used by the construction industry within the United Kingdom. Construction Line provides a series of memberships which makes it easy for contractors to optimise performance, minimise risk and realise opportunities.

TRUSTMARK

Trustmark is a government-sponsored quality certification scheme for the entirety of the construction industry. It covers many different areas and aims to help consumers find reliable and trustworthy contractors. To become a part you must meet a set of criteria. You can find out more details about the trademark [here](#).

Gas Safety Certificate

By law, all gas businesses and their engineers must be on the Gas Safe Register to work legally on gas equipment. The Gas Safe Register is the only official gas registration body and covers the entirety of the United Kingdom, including Isle of Man & Guernsey.

Safe Contractor (SIPP & PAS91)

Safe Contractor allows businesses to get SSIP & PAS91 accredited and ensure that they meet the necessary requirements around health and safety, equal opportunities, diversity and environmental management practice. Safe Contractor allows businesses to demonstrate a high level of safety throughout the work, which will not only benefit you as a contractor but also the clients you carry out the work for.

Trade Association Membership

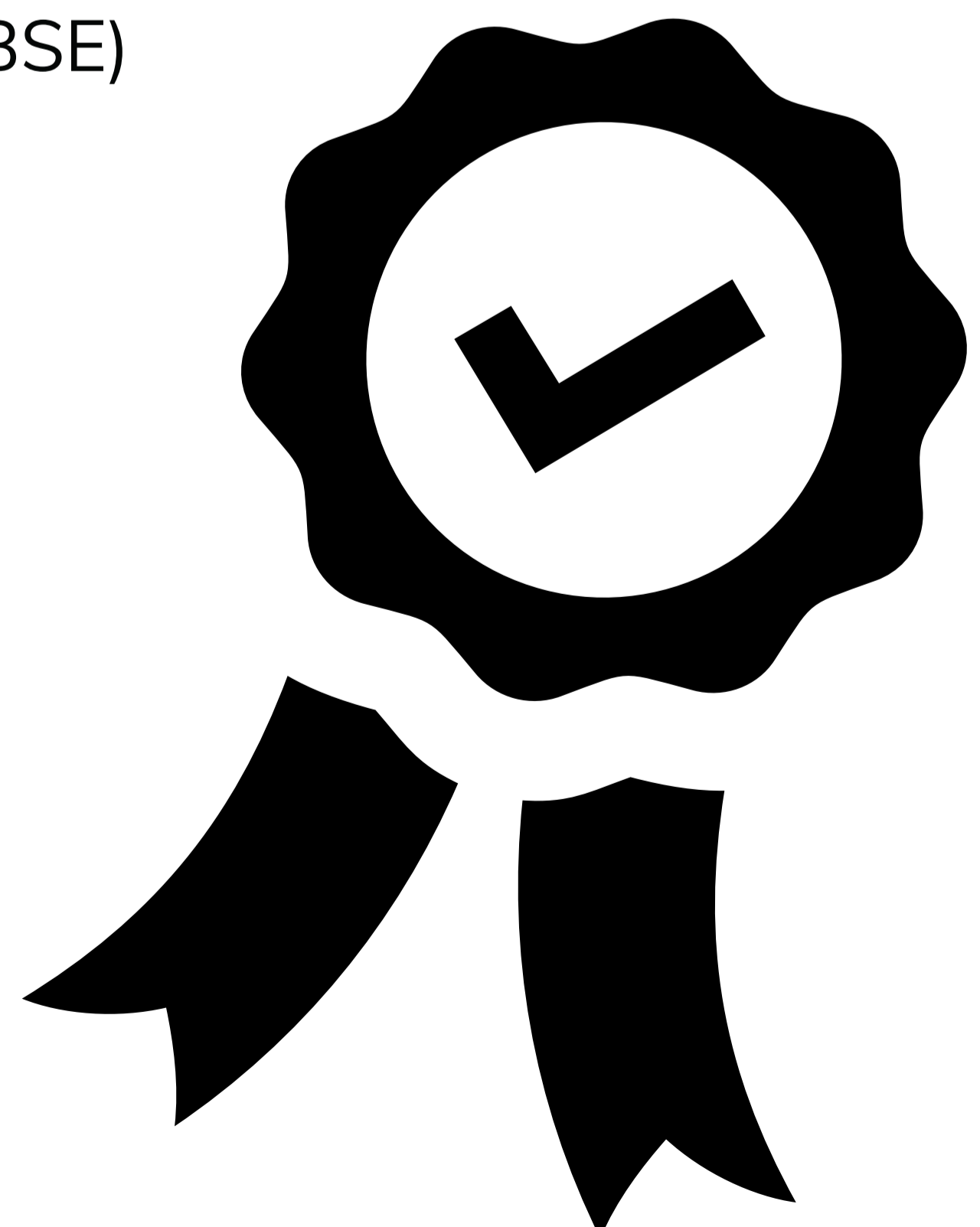
The Trade Association Membership is a non for profit organisation made up of a collection of companies within the same industry, this allows trade associations to have a “voice” and speak up on behalf of their members to the Government regarding regulators, laws and so on. Many trade associations have a code of conduct and minimum standards for their members. You will be able to display their logo to demonstrate your commitment to quality.

Here are some other reputable associations that might be beneficial:

- [The Guild of Master Craftsmen](#) (GMC)
- [The Federation of Master Builders](#) (FMB)

There is also Chartered Bodies such as:

- [The Chartered Institute of Building](#) (CIOB)
- [The Royal Institution of Chartered Surveyors](#) (RICS)
- [Chartered Institution of Building Services Engineers](#) (CIBSE)



Leasing Vs Buying Assets

When it comes to looking at new equipment, vehicles or new premises to expand, taking time to consider the impact it can have on your business is very important. Before deciding, it is crucial to take a few important factors into consideration:

- How long are you planning to use the asset? Is it a long term or short project?
- Is it a cost-effective purchase? Will it make you a return on investment?
- Does the asset become outdated easily?
- What is your current financial situation? Are there more important purchases that should be made first?

Buying an Asset

Buying an asset can have many benefits and it is usually cheaper in the long run. When it comes to buying an asset it will depend on your current circumstances such as:

- Is the asset an integral part of your overall business plans?
- Will it get used all the time?
- Do you want control over the asset?
- Is it easy to upgrade or scale up if demand increases?
- Can it easily be sold second hand?
- Is it convenient for maintenance purposes?

If you answered yes, then it sounds like it would make sense to invest in buying the asset however there is the financial impact that will need to be considered as well. If it would put the business at risk once the asset is bought, it would not be sensible to buy the asset.

Leasing an Asset

When you lease an asset, you will be renting it out for a period of time. With a lease, you will not have ownership of the asset, the leasing company will while your business has exclusive use for the term of the lease. A typical lease will last from 12 months to 60 months however shorter leases are available however the premiums will be higher. Once you have entered a lease it can be difficult to leave and often the remaining months of the term will need to be paid.

It will make sense to lease if:

- The asset could become outdated fast and updating often
- Will it get used all the time?
- You don't want to spend your cash reserve or risk financial trouble
- You are unsure of your financial position or the length of the asset is needed for so a shorter time frame would be ideal
- You're unsure whether the asset is the right fit for the company
- You want to maintain your cash to invest into other areas of the business or maintain a good casflow.

Borrowing Money To Fund The Lease Or Purchase

Another option is a hybrid option to finance the asset with a bank loan where you get the benefits of having the asset and monthly repayments.

This will allow you to preserve your cash and fund other activities at the same time however there will likely be a need to pay interest on the loan.

Bookkeeping Is Undervalued

Bookkeeping is probably the most undervalued work in your finance function as the only way to keep your financial information up to date and reliable is through bookkeeping.

Bookkeeping has two objectives:

1. To accurately document all financial transactions
2. To determine and analyse the financial outcomes of business activities

Many businesses fail to implement bookkeeping into their processes, resulting in a lack of insight into their business and massive frustration as you are pretty much blindly driving your business down a dark road.

If you have unreliable or outdated information, how would you know the financial position of your company is? You need this information to know what is happening within your business!

A common cause why construction businesses fail is due to poor cashflow management and a symptom of poor cashflow is poor bookkeeping!

If you want to build the foundations of your business correctly, the first step in any accounting process and probably the most important is bookkeeping.

The benefits of doing bookkeeping:

1. To Pay Less Tax

If you are using a bookkeeper (most accountants offer this service), you will be having someone who will be maximising your deductions and helping you pay less tax while keeping you on the right side of the taxman! Plus you are required to keep good records otherwise you could receive a penalty of up to £3,000...

If you are planning to start, or improve your current systems - using software like Xero or Quickbooks can be great for keeping you on the right path.

2. Reporting

If you undertake any reporting and have outdated information then your reports are pretty much useless... your reporting will be only as good as your bookkeeping.

Having up to date and reliable information makes your reports accurate and dependable to make important business decisions to maintain and scale your business.

3. Building Your Financial Blueprint

Building a budget is like a financial roadmap for your business, allowing you to plan for where you want to go and the costs you expect to happen along the way. When your bookkeeping is up to date and organised it will make it a hundred times easier for you to review your finances and costs to turn them into a budget.

4. Easier for a Tax Investigation

If you are chosen for a tax investigation it can be a time-sensitive and stressful process with a full review of your tax returns and accounts to ensure you are paying the correct tax to HMRC.

If HMRC investigates your business, your books need to be in order otherwise it will prolong the process and make your business more liable to fees and penalties due to poor bookkeeping.

5. Cashflow

Bookkeeping can actually help with your cashflow! With up to date information, you will be able to see what customers owe you money and if there are any coming up to their due date. One of the essentials for business owners is focusing on the cashflow management of your business.

If you want to systemise your finance function, you need to have updated financial information which can only be achieved through bookkeeping.

6. Peace of Mind

Unorganised books, HMRC giving you problems and tax deadlines approaching can contribute to stress and uncertainty within your business. As a business owner, the last thing you want on your mind is bookkeeping issues weighing you down.

When your books are complete and tidy (especially if you use a bookkeeper), you can sleep at night knowing what is happening in your business and what you need to do next. You know your information is correct and organised if HMRC ever needs to review your information.

Importance of Reporting

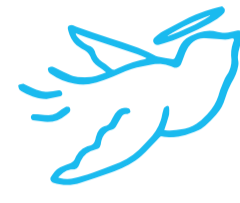
You might be thinking that reporting is a tool that is used in large companies only, however small businesses can benefit just as much as them! The main benefit of reporting is insight, an insight that you never would have had before. It may seem a bit daunting at first, with new names and numbers however with the right team you will be able to increase the performance of your business, noticing improvements month by month.

Why do we recommend reporting?

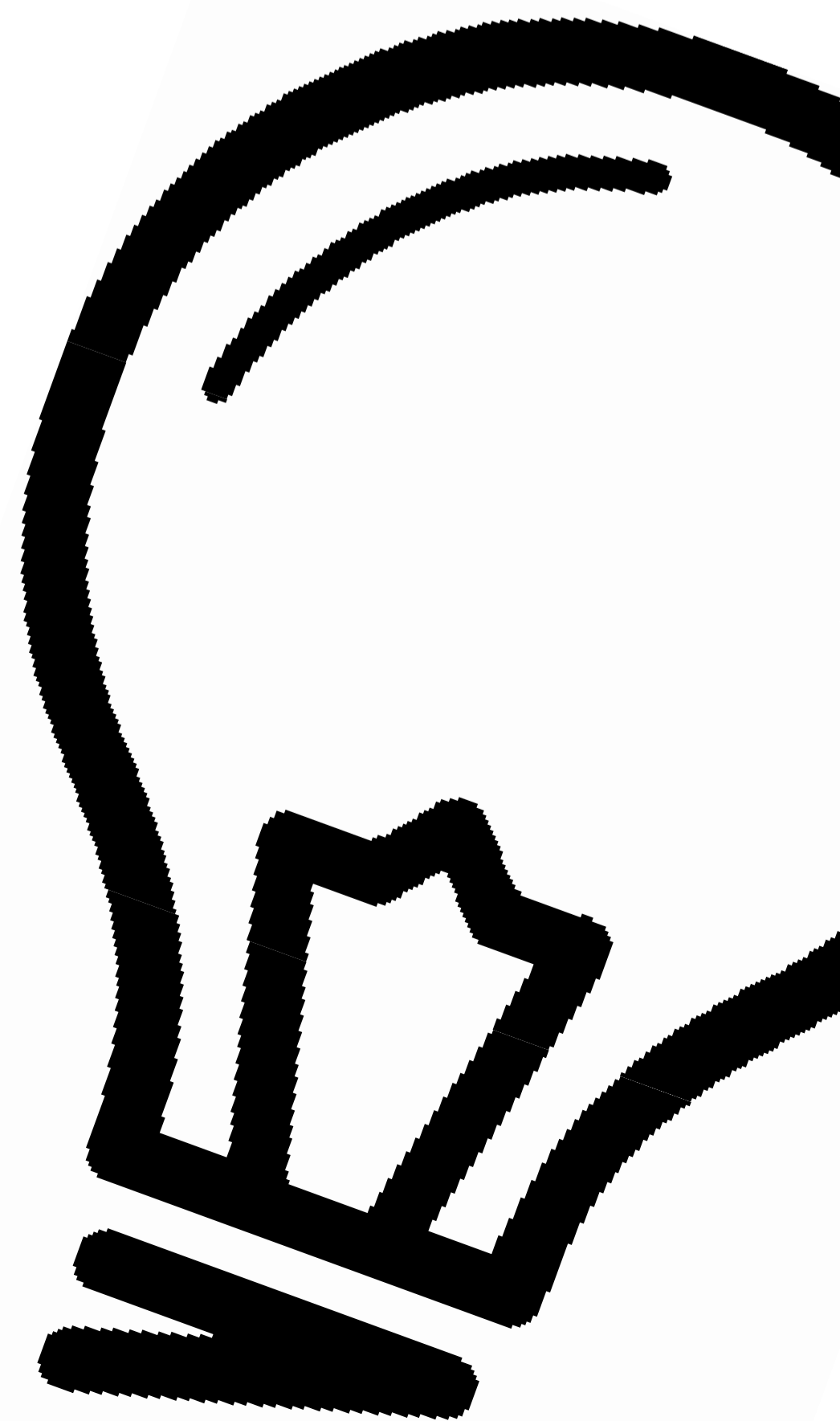
1. Measures your performance
2. Helps in planning
3. Assists in decision making
4. Increases your efficiency/productivity
5. Manages profitability
6. Reliability

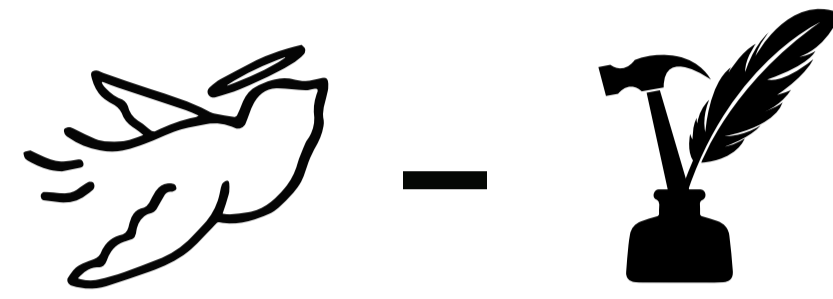
The insights from reporting are invaluable, even with basic reporting seeing your gross profit and net (operational) profit, for example, you will be able to see how much profit percentage you are making on your jobs from your gross profit and how much your overheads are affecting your overall profit by seeing your net profit. If your net profit is around the 5% mark in the construction industry, this is quite risky and long term survival can be very hard.

A good net profit percentage is around 10-15%, anything more you are doing very well.

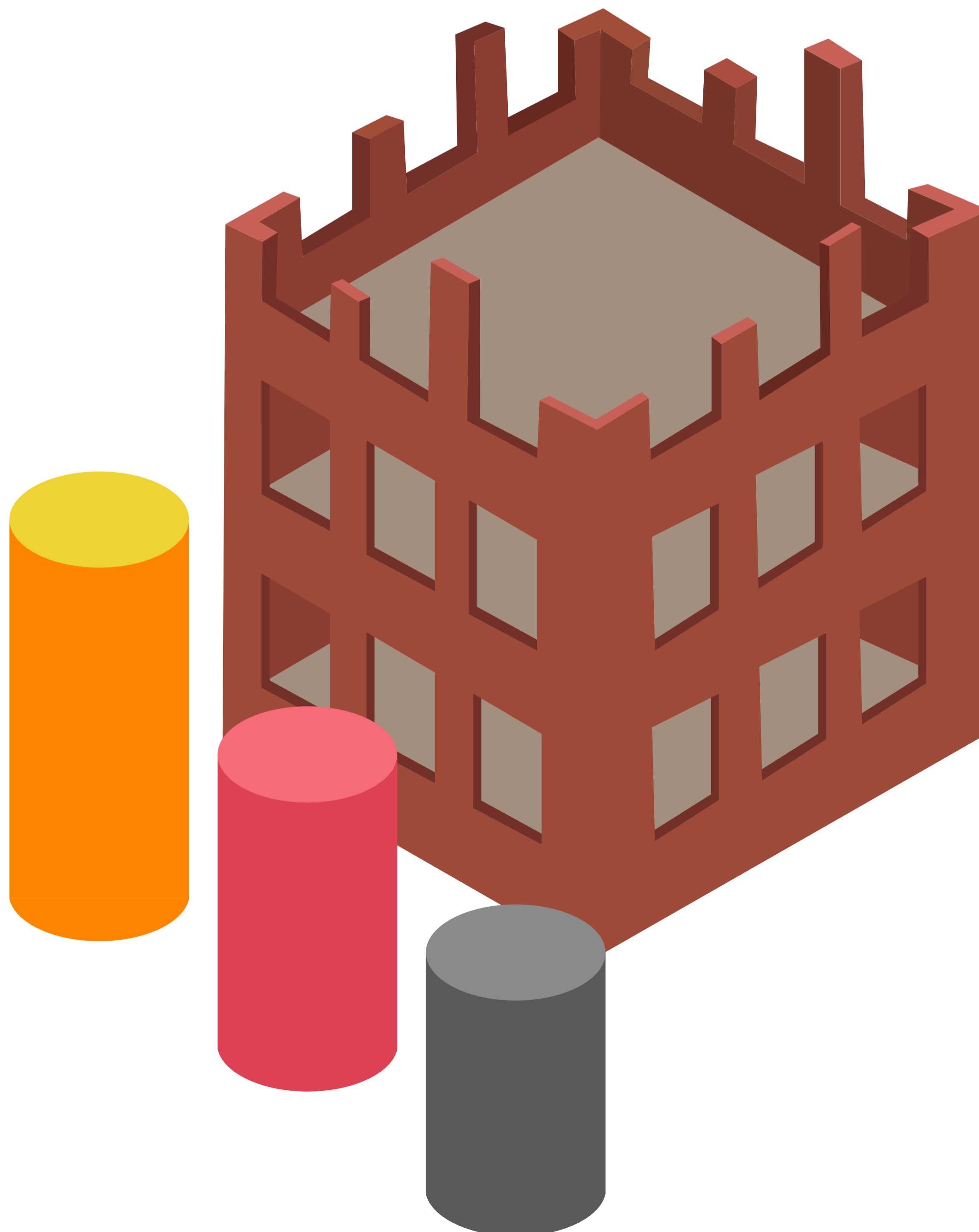


**YOU
ONLY FAIL
WHEN YOU
- QUIT -**





- CHAPTER TWO - CIS & VAT REVERSE CHARGE



What is the Construction Industry Scheme (CIS)?

The CIS is a scheme that affects businesses in the construction industry, CIS was set up by HMRC to reduce tax fraud within the industry as they believe it was too easy for subcontractors to keep the money and not declare it on their tax returns.

When Contractors are undertaking big building projects they will typically use subcontractors to assist in the project as an alternative to employing staff as this would incur additional amounts of taxes needing to be paid to HMRC.

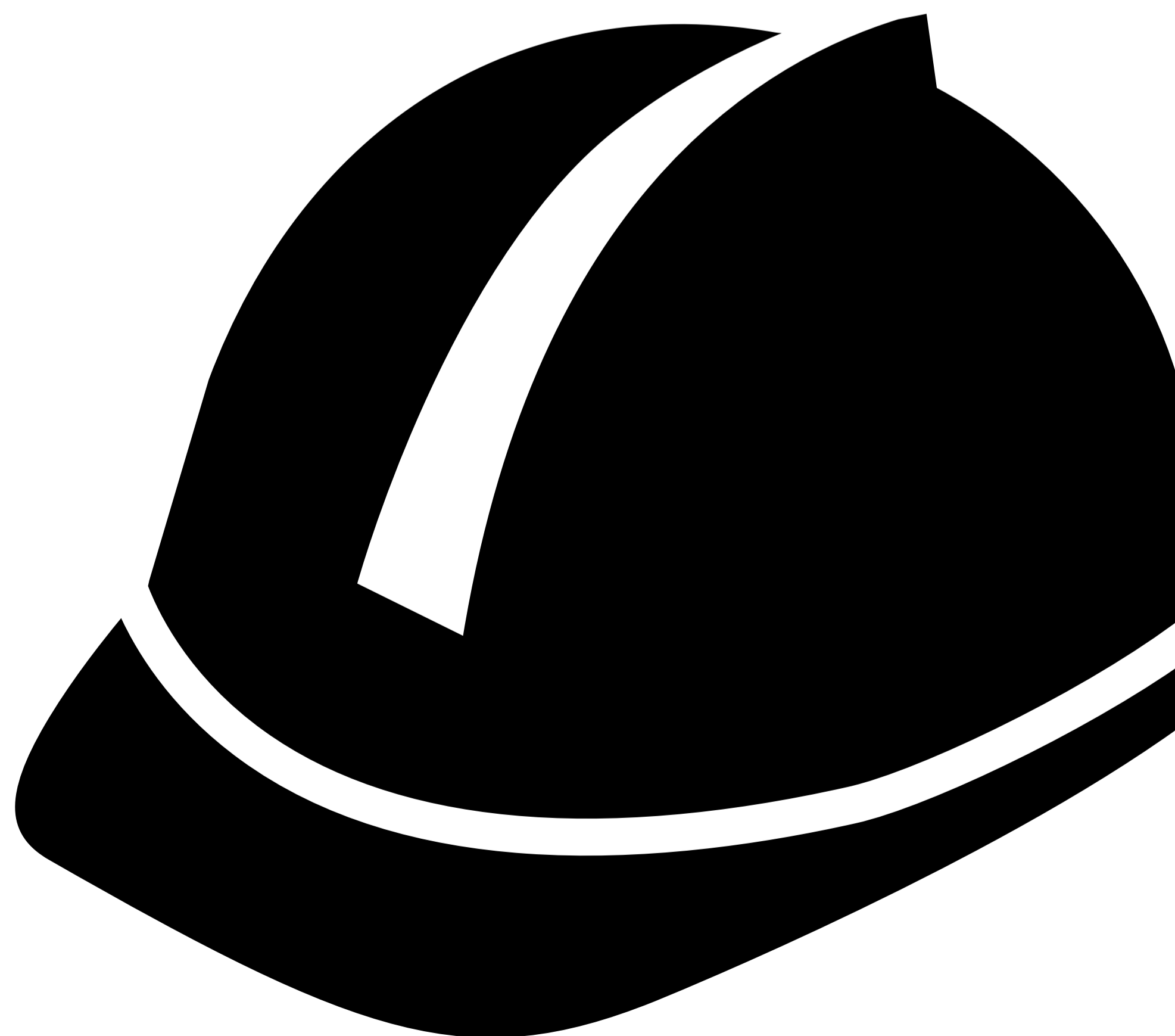
What Is CIS tax?

CIS is not an additional tax for contractors or subcontractors, it is simply a way of HMRC ensuring they are receiving their tax money by making contractors deduct CIS tax deductions before paying the subcontractor.

For example, if a subcontractors invoice is £2,000 and the CIS tax deduction is £400 then the contractor will pay £1,600 to the subcontractor and £400 to HMRC.

If you are a subcontractor, don't worry as you haven't just lost £400! The £400 will be used to offset against any tax you may owe to HMRC when you complete your year-end accounts.

In many cases, subcontractors receive a tax refund from HMRC.



What work falls under CIS?

CIS covers most construction projects involving:

- Permanent or temporary building or structure
- Plant hire which comes with an operators
- Erecting scaffolding
- Installation of Solar Panels (unless private)
- Civil engineering work such as roads, bridges, airports, railways etc
- Site preparation and cleaning inside of buildings after construction work
- Demolition and dismantling
- Building work including alterations, repairs, extensions and decorating
- Installing systems for heating, lighting, power, water and ventilation
- Any work forming part of land e.g. walls, roadworks, power lines and waterways etc

Certain jobs you do not have to register for such as:

- Architecture and surveying
- Plant hire which does not come with an operator
- Scaffolding hire (with no labour)
- Carpet fitting (unless involved with a construction project)
- Making materials used in construction including plant and machinery
- Delivery of materials
- Work on construction sites that's not construction, e.g. running a canteen or site facilities.
- Drilling for oil or gas
- Extracting minerals

If the customer is not a contractor then the work is not covered by CIS (residential)

For specific examples please see here [HMRC link](#).

Where exempt work is being carried out in conjunction with work that is covered by CIS, then often the exemption is lost. All of the work would be covered by CIS.

CIS Tax Rates

There are three different types of CIS tax rates currently:

- 30%
- 20%
- 0%

- CIS 30% Tax Deduction

If a subcontractor decides not to register for CIS (very rare!) then they will suffer the higher rate of CIS tax deduction at 30%. Most subcontractors will end up registering for CIS as they cannot afford to suffer a CIS tax rate of 30%.

Once they have registered as a subcontractor under CIS then the tax deduction rate reduces to 20%.

- CIS 20% Tax Deduction

Construction businesses which register as a subcontractor will suffer tax deductions at a lower rate of 20%. Once they have registered they are known as net subcontractors.

Smaller subcontractors will choose to accept the 20% CIS tax rate as the deductions suffered will be used to offset their personal liabilities (Individuals or Partnerships) or corporation tax liability (Ltd companies).

This can be particularly useful for businesses that struggle to pay their year-end tax liabilities.

However, if you are looking to grow and would like better cashflow, you should register to become a gross subcontractor as they pay 0% CIS tax (this makes you responsible for your tax liabilities).

- CIS 0% Tax Deduction

Under CIS, businesses have the option to register for 0% tax deduction which is called gross payment status.

If you have registered for gross payment status you will receive the full payment from your contractor. No CIS deductions! This is great for your cashflow however you are now responsible for ensuring your tax liabilities are met, otherwise you can be caught up in penalties and fines very quickly.

If you are worried about paying for your tax liabilities you can either get yourself a good accountant or if you want to go solo, set up a separate deposit account so you can use it to save up to pay your tax liabilities.

Registering As A Contractor Under CIS

When you become a contractor under CIS you have to register as soon as possible! A Contractor is someone who pays subcontractors for construction work or when their average annual spend over a three year period exceeds £1 million on construction work.

To register as a contractor it is quite simple, you use [this link](#) to go to HMRC website, where you can register as a CIS contractor.

You will be asked to answer a series of questions, they are quite simple to answer and at the end, you will be asked if you have a HMRC online account. If you don't you will be asked to create one.

Or you can ask your accountant to do it for you (there shouldn't be a charge as it is very straightforward).

What Are Your Contractor Responsibilities Under CIS?

Contractors have to make an online monthly return to HMRC:

1. Confirming that the employment status of subcontractors has been considered
2. Confirming that the verification process has been correctly dealt with
3. Detailing payments made to all subcontractors and
4. Detailing any deductions of tax made from those payments

The contractor must submit the following information to HMRC:

1. Subcontractors name
2. Verification number
3. Gross amount
4. Materials amount
5. Tax Deducted

Registering As A Subcontractor Under CIS

If you are carrying out construction work for a contractor, you are a subcontractor. If you fall under both categories you are required to register as a contractor and as a subcontractor.

The same rules apply with the CIS Tax Deduction rates so it makes sense to register as a CIS subcontractor to take advantage of the 20% tax deduction instead of 30%.

If you have a Government Gateway Account, this is where you can apply to be a subcontractor. Again, your accountant can do this for you.

What Information Do I Need To Register

To register for CIS you will need a few things:

- Your business name - you can also give your trading name if it is different
- Your National Insurance Number Your Unique Taxpayer Reference Number (UTR) for your business
- Your VAT number if you are VAT registered.
- You will need your Government Gateway ID and password that you used when you registered for Self-Assessment (or other services)

If you're a sole trader and you already have a UTR, you can register for CIS online. You will need your Government Gateway user ID and password you used when you registered for Self Assessment.

If you don't have a UTR, [visit here](#) and choose 'working as a subcontractor' when prompted to register for Self Assessment and CIS. [Limited companies](#) and [partnerships](#) have their own online forms. If you are a [partnership](#), HMRC will register this separately to your sole trader registration - they'll require your partnership UTR and trading name.

There is also a CIS helpline that you can use if needed - 0300 200 3210

(or you can simply message [Saint Financial Group](#)).

How to Apply for CIS Gross Status (0% Tax Deduction)

HMRC see CIS gross payment as a privilege for subcontractors to have and have the power to remove gross status at any time. HMRC would do this if you start making late filings or paying your tax liabilities late, they tend to act very fast on this and are usually quite strict with one warning usually being issued and only a reasonable excuse to stop them from removing your Gross Status. HMRC would take into account all your taxes and filings, not only your CIS... so a late payment for your personal tax liabilities can affect your Gross Status.

CIS Gross Status is where the contractor does not deduct any CIS tax on your behalf so the subcontractor will receive the full payment of their invoice. This will make the subcontractor responsible for paying their taxes at the end of the financial year.

Although the amount of tax paid on profits will be the same if you obtain CIS Gross Payment status, there will be improvements to cashflow and reductions in the cost of credit so it makes the application process worthwhile.

To become Gross Status, you simply log into your government gateway account, on the tax account select other services and then select subcontractors.

There are three tests you need to pass to gain CIS gross payment status:

Business Test

You need to prove you carry out construction work. You're unlikely to fail this test alone and any failure must be agreed upon by a Higher Officer within HMRC before you are informed. To pass the business test, HMRC will seek the following information:

- You are carrying on a business in the UK
- The business consists of, or includes carrying out construction operations, or supplying labour for construction operations
- The business is, to a substantial extent, carried on by means of an account with a bank.

Tips:

- Ensure you have a UK bank account
- Be able to support with documents/invoices that you operate in the Construction Industry

Turnover Test

Your turnover must be greater than £30,000 per director/partner or £100,000 for the whole company/partnership. The turnover is in reference to the last 12 months and refers to 'net' construction income. Net construction income is the total amount you have invoiced the customer, for activities within the construction industry, less related materials.

Related materials are costs incurred when carrying out the construction operations and include:

- Land, building materials and consumable items
- Fuel for plant
- The actual cost incurred for plant hire
- Any Construction industry Training Board Levy

The following items are not 'materials'

- Subsistence
- Fuel for Travelling
- Cost of scaffolding purchased by scaffolding subcontractors

If the turnover test is not met, you might be able to meet one of the other turnover tests:

Alternative Test

When multiplying the £30,000 threshold by the number of directors/partners is greater than your net construction income in the last 12 months due to a high number of directors/partners, the alternative test may be applied.

This test is for either a company or a partnership (not sole traders) and can be passed where the total net construction turnover exceeds £100,000 in the previous 12 months.

'Prospective' Receipt Test

The turnover test can be passed if the company or partnership (not sole traders) can show evidence relevant payments earned (including work in progress) exceed £30,000 and construction contracts have been entered into where the combined value exceeds £100,000.

'Subsidiary Company' Test

The turnover test can be passed if the company or partnership (not sole traders) can show evidence relevant payments earned (including work in progress) exceed £30,000 and construction contracts have been entered into where the combined value exceeds £100,000.

'Inherited Receipts' Test

Net contractor turnover in the 12 month period, earned by another business may be included in new applications if:

- Individuals operating as sole traders that form a partnership to succeed in their separate trades
- An individual that incorporates
- A partnership that incorporates, the former partners becoming directors/shareholders
- A company that joins a partnership made up of individuals or companies
- 'Transferred Receipts' test

Compliance Test

All of your tax affairs must be up to date and all tax returns and payments must be submitted by the deadlines. This includes:

- Company Tax Returns and Corporation Tax
- PAYE and National Insurance returns and payments for employees
- CIS payments and returns
- Self Assessment Tax Returns for each partner
- Income Tax and National Insurance payments for each director/payment under self-assessment

Gross payments status can be refused where HMRC have “reasons to expect” you will not continue to comply with future obligations on time.

Most businesses fail for CIS gross status due to the Compliance test, however, you can appeal the decision if you have a ‘reasonable excuse’ or if HMRC has not applied the test correctly. Examples of reasons are:

- Cashflow Difficulties

If you can prove that the late payment of tax was due to an unexpected failure of one of your customers or sudden difficulty of raising finance and where you have general good background compliance, HMRC can in some cases allow the appeal.

- Compliance Torrance

Ensure the refusal has not been made on a compliance breach that occurred before 12 months of the application.

- Reasonable Excuse such as:

- Sudden and serious illness during the 12 month period
- Unavoidable and unexpected absence close to the payment and filing dates because of business commitments or domestic emergencies
- Accidental destruction of records through flood or fire
- Exceptional postal delays

CIS Verifying Your Subcontractors

As a contractor, one of your responsibilities under CIS is to verify your subcontractors. Once you have verified a contractor HMRC will tell you the correct amount of tax to deduct.

When you take on a new subcontractor which you have not used before, you will have to verify them before payment is made.

To complete the CIS subcontractor verification process you will request the following information from your subcontractor to give to HMRC:

- Name
- UTR (Unique Tax Reference)
- Companies House Number (if limited company)
- National Insurance Number (if a sole trader or partnership but not essential for verification)

To verify a subcontractor you can use the [HMRC website](#) or a commercial software (or Saint).

Once you have logged in to the HMRC website, on the left hand side there should be a link called 'add subcontractor', you will be asked what type of business the subcontractor is (individual, partnership, company) then a new webpage will appear requesting the subcontractor information.

Once completed you will receive the verification results and HMRC will provide you with the tax to be deducted from the subcontractor and a verification number.

The tax you will need to deduct will either be:

- 30% deduction if they are not registered under CIS
- 20% deduction if they are registered (standard/net rate)
- 0% if they have applied for gross payment status.

The verification will usually be a V followed by 10 numbers. This is proof that you have deducted the correct amount of tax.

A subcontractor will not need to be verified again if the contractor has used the subcontractor within the last two years. HMRC will alert you when the verification is out of date and only then will you need to re-verify a subcontractor.

If a subcontractor changes its status (say 20% to 0%), HMRC will notify the contractor (only if they have an up to date verification) and subcontractor of the change.

Example of CIS Calculation

Calculation If you are using Xero or Quickbooks etc, the CIS calculation can be calculated for you automatically. However, to understand the process of CIS, we are going to run through the essentials of a CIS calculation.

Firstly let's understand what CIS is calculated upon:

1. Gross Amount The gross amount is the total invoice amount. If a subcontractor is VAT registered you would exclude VAT from the total.
2. Qualifying Materials The qualifying materials are the costs, which the subcontractor has incurred. Qualifying CIS materials do not suffer any CIS tax deduction.
3. CIS Tax to Deduct The contractor will deduct the qualifying materials from the gross amount, which gives a labour amount. The contractor will then calculate the tax to deduct by applying the CIS tax rate to the labour amount.

Example:

The contractor has verified the subcontractor and has been given a tax rate of 20%. The contractor has been given an invoice from the subcontractor:

Materials £400 + £80 VAT

Labour £1000 + £200 vat

Total Invoice amount = £1400 + £280 VAT

The contractor will be required to report the following numbers to HMRC:

Gross Amount £1400 - total amount invoiced not including VAT

Qualifying Materials £400 - not including VAT

CIS Tax To Deduct - £200 - This is calculated from the gross amount £1400 less the materials of £400 = £1000 x 20% CIS Tax Deduction Rate = £200 CIS to deduct.

The contractor will now pay HMRC £200 and the subcontractor £1,480.

CIS Materials

Where you are required to take CIS deductions for a subcontractor, the CIS tax rate is applied from the VAT-exclusive costs of:

- Labour Element
- Travelling expenses/subsistence (including fuel and accommodation costs)
- Profit element only on materials

Qualifying CIS materials include:

- Material costs
- Plant hire if costs are incurred to a 3rd party (if the subcontractor owns the plant it is not deducted)
- Fuel for the plant and machinery

Example,

A contractor has received an invoice from a subcontractor. The verification process has been completed and has been instructed to deduct 20% as the CIS tax rate.

Labour £4,000

Materials £600

Plant Hire £300

CIS Payment & Deduction Statement

When a contractor makes a CIS deduction they must provide the subcontractor with a CIS payment and deduction statement. This is evidence to show the subcontractor what deductions have been made and which they can use as evidence to provide any tax deductions to HMRC.

The CIS payment and deduction statement must be provided within 14 days of the end of the tax month in which the payment was made. The tax month ends on the 5th of each month so the reporting deadline will be the 19th.

If you pay a subcontractor multiple times in one month, all relating payments to that month can be included in one CIS payment and deduction statement. You can issue individual statements for each payment if you wish.

Xero (and others) produce the CIS Payment and Deduction Statement for you. The CIS payment and deduction statement must show the following information:

- The contractor's name
- The contractor's employer tax reference number
- The month to which the payment relates, for example, the month-end August 2021
- The subcontractor's unique tax reference number
- The verification number provided by HMRC during the verification process (only required for higher rate deductions at 30%)
- The gross amount
- The CIS qualifying materials amount
- The CIS tax amount

Where subcontractors have gross payment status there is no requirement to issue a CIS Payment and Deduction Statement.

CIS Monthly Return and Payments

As a contractor, you are required to file a CIS monthly return with HMRC. This must be filed within 14 days of the tax month end (all tax months end on the 5th) so the return must be filed by the 19th of the month.

In the CIS monthly return HMRC request all payments made to subcontractors in that month. The CIS monthly return will include all CIS subcontractors including 0%, 20% and 30% subcontractors.

HMRC will ask for the following information:

- Subcontractor name
- Verification number
- Gross amount
- Materials amount
- Tax deducted

If you have a month where you don't use any subcontractors so no payments have been made, a return still has to be filed to HMRC.

If needed you are allowed to amend previously filed CIS monthly returns without any consequences however if they believe the return was filed intentionally incorrect they may investigate further.

When making CIS payments to HMRC they are either paid monthly or quarterly.

1. Monthly Payments They must be paid within 14 days of the tax month-end or 17 days if paying electronically. Typically if the contractor also has PAYE and NIC due, this will be paid over at the same time.

2. Quarterly Payments They must be paid within 14 days of the quarter-end or 17 days if paying electronically. The quarter ends are on 5th July, 5th October, 5th January and 5th April. Quarterly payments can only be made if the average monthly liability for CIS, PAYE and NIC is less than £1,500 per month.

When paying HMRC it is best to pay with a Business Debit Card (they charge a fee if you use a credit card so it would depend on your circumstances) as this will be the easiest option.

To pay using this method you will need your 13 digit Accounts Office Reference number, it will look something like this 123PA01234567. To pay HMRC by card, follow [this link](#).

CIS Repayments

CIS Repayments are very common under CIS for subcontractors that are not in gross payment status. This is why it is essential to have a good understanding of your books and to keep appropriate records because if you have messy books you could be paying more in tax than you should be.

Subcontractors often have unused CIS deductions when contractors deduct 20%/30% from their invoices. These amounts can be used to:

- Offset against PAYE or National Insurance
- Offset against Corporation Tax (if Ltd company)
- Offset against VAT
- Paid straight into your bank account
- Or against any other taxes you might have.

If you are having large repayments every year, it is very advisable to apply for gross payment status.

HMRC wait until after the year-end to make any CIS repayments if they have had more deducted than necessary. HMRC do check and match all CIS repayments to check if the figures reclaimed are correct. Businesses are required to keep supporting evidence in case HMRC have any queries over your figures. This would include keeping all CIS payment and deduction statements they receive from their contractors as HMRC may request them.

How To Offset CIS Against Taxes or Payment Into Your Account

If you log into your HMRC Online Account, you will be able to complete the form to claim any CIS deductions.

If you prefer you can send HMRC a letter (sometimes better results - use recorded delivery) for CIS repayment. You don't have to include any calculations (it would help for clarification) however if the claim does not match HMRC records they will request further information. This can cause weeks of delay for your tax refund so ensure the figures are correct.

The letter to HMRC will have to include:

- The company name
- The PAYE reference number
- The amount reclaimed.

If the claim is for a refund into your bank account:

- Bank account number
- Sort Code
- Bank account holders name
- Write 'repay CIS into the bank account above'

If you would like to offset against your VAT:

- VAT registration number:
- VAT return period
- Write 'offset CIS repayment against VAT'

If you would like to offset against your Corporation Tax:

- The company UTR (Unique Reference Number)
- The accounting period to offset the CIS against
- Write 'offset CIS repayment against corporation tax'

CIS Penalties

CIS have quite strict penalties that easily end up in the £000's if you are not careful plus HMRC can remove your gross payment status at any time which will massively impact your cashflow.

Penalties for Late Filing

If a contractor fails to submit the monthly return on time the following penalties will be applied unless you have a reasonable excuse:

- 1 day late = £100
- 2 months late = £200
- 6 months late = £300 or 5% of the CIS deductions (whichever is higher)
- 12 months late = £300 or 5% of the CIS deductions (whichever is higher)
- Over 12 months late = potentially an additional £3,000 or 100% of the CIS deductions (whichever is higher)...

In addition, the CIS penalties are cumulative and they are for each monthly CIS return not filed on time.

If no contractors are paid in that month, you are still required to file a Nil return and if you miss the deadline an automatic penalty will still be applied however HMRC have confirmed they will cancel the CIS penalties when the contractor confirms the monthly return was Nil.

If you take a subcontractor on and treat them as an employee (quite common...) and continue to pay them as a subcontractor, you would now be avoiding paying the employment taxes due which would have been paid if they were employees. Declaring the wrong employment status can incur penalties of up to £3,000.

If you have an HMRC investigation, they are going to be asking for your CIS records showing information paid to subcontractors and the amount deducted. If these records are poor or non-existence, HMRC can issue a penalty of up to £3,000.

What is the VAT reverse charge?

The VAT reverse charge is the new Government update to try and prevent fraud within the construction industry. The VAT domestic reverse charge came into force on 1 March 2021 after multiple delays.

The VAT reverse charge is effectively an extension of the Construction Industry Scheme (CIS) and only applies to transactions that are reported under CIS and are between VAT-registered contractors and subcontractors.

This means if you are a subcontractor supplying construction services to a VAT registered contractor you no longer have to account for VAT.

Instead, the contractor will account for the VAT (it will be considered as input tax for them as if they have made the supply to themselves so they will be accounting for claiming back of VAT and the charging of VAT).

The Reverse Charge applies to both standard and reduced rate VAT supplies.

The payment received from the contractor will be for the cost of the work plus materials used, net of any CIS deductions for tax and National Insurance but no VAT will be paid on the invoice.

What Do The Normal Rules Or The Reverse Charge Rules Apply?

It may seem confusing at first however once you know, you know. To decide whether 'Normal VAT' applies or 'VAT Reverse Charge' applies the subcontractor must answer these 5 questions:

1. Are any of your supplies made within the scope of CIS?

The main types of work included within the construction industry:

- Permanent or temporary building or structure
- Plant hire which comes with an operators
- Erecting scaffolding
- Installation of Solar Panels (unless private)
- Civil engineering work such as roads, bridges, airports, railways etc
- Site preparation and cleaning inside of buildings after construction work
- Demolition and dismantling
- Building work including alterations, repairs, extensions and decorating
- Installing systems for heating, lighting, power, water and ventilation
- Any work forming part of land e.g. walls, roadworks, power lines and waterways etc

If you answer no, then normal VAT rules would apply. Basically, if it falls under CIS then the reverse charge will apply for this stage.

2. Is The Supply Standard or Reduced Rate for VAT?

If you answer no, it means the construction work is zero-rated (typically a new build) so normal VAT rules will apply. The VAT reverse charge only applies if the construction work is at a standard or reduced rate.

3. Is Your Customer Register For VAT?

You will need to find out if your contractor is VAT registered and obtain their VAT number if so. To check to see if a VAT number is valid, [check here](#).

If you answer no, then normal VAT rules will apply. If you are doing work for a homeowner etc normal VAT rules apply...

4. Will Your Payment Be Reported Under CIS?

You might need to check with your contractor to confirm if they are registered for CIS. If you have worked for a contractor before and have received a Statement of Payment & Deduction Statement then you will know they are CIS registered.

HMRC have also confirmed that you can use the CIS verification system to check if a contractor is registered.

If you answer no, normal VAT rules will apply. The VAT reverse charge only applies for construction work carried between a CIS registered contractor and subcontractor.

5. Customer Confirmed They Are The End User?

The end-user is someone who would be the last person to receive the work and they don't tend to recharge or make onward supplies on the work carried out. Effectively the end-user means the supply chain ends with them.

As a result, you will need to contact your customer and ask if they are the end-user. If you are unsure, HMRC has said that the default position should be to treat the customer as if they are NOT the end user.

If they are the end-user, so answering yes, you would apply normal VAT rules as the supply chain will be ending with them and that's how VAT works, it falls upon the last person. The VAT reverse charge rules only apply when there is a continuing supply chain.

To quickly summarise the above, if they are CIS registered, VAT registered, have a taxable supply (20% or 5% VAT rate) and are not the end-user then the reverse VAT charge will apply.

What Do You Need To Do?

If you are a contractor you need to include the VAT on the reverse charge supply from the subcontractor and you will then reclaim this VAT from HMRC on your VAT return.

You will also use the reverse charge for your supplies if your customer is not the end client (so if you are also a subcontractor).

If your customer is the end client then you will charge VAT.

Now if you are a subcontractor and use the reverse charge you will not include anything on your VAT return for reverse charge supplies.

Your contractor will include the VAT on their next VAT return.

The VAT Reverse Charge for construction industry business will have an effect on other VAT schemes such as the Flat Rate Scheme or Cash Accounting may no longer be beneficial under the new rules.

If you are a smaller subcontractor there could be major issues if potential issues are not mitigated. Some of the potential issues can include:

1. The current VAT scheme you are on? Cash Accounting and Flat Rate are unlikely to be favourable under the new rules
2. Applying for Gross Status as soon as possible to help with cashflow (receiving higher payments from customers)
3. Discussing payment terms with customers.
4. Delaying capital expenditure until cashflow is managed better Changing to monthly VAT returns if the business becomes a repayment trader.

A repayment trader is where you are consistently being refunded VAT as you have more input VAT (purchases etc) than outgoing VAT (sales).

How Will This Affect Your Cashflow

If you are a subcontractor and use the reverse charge and don't charge VAT to your contractor then this will affect your cashflow as:

1. You will not get the cashflow benefit of having the VAT payment from your customer.
2. But you also don't have to pay VAT over to HMRC.

If your customers are paying quickly and you are submitting your VAT returns quarterly, then you are at a cashflow disadvantage as you used to get paid VAT by your customer and then pay it to HMRC once a quarter but now you need to wait to reclaim your VAT at the end of the VAT quarter.

If you are a subcontractor then this will have a double impact on you if you have CIS Deductions at 20% (net status) and make reverse charge supplies, your cashflow will be impacted by this additional deduction.

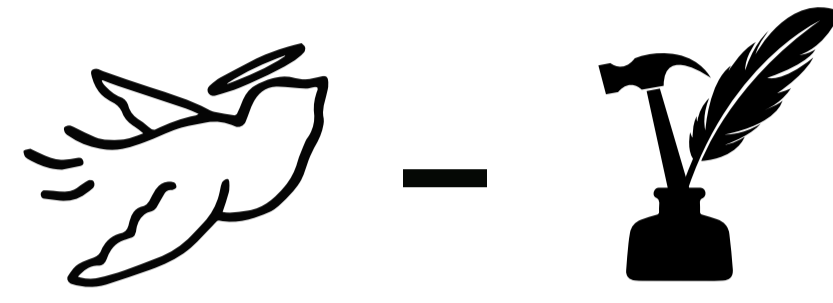
To improve your cashflow, an option is to move to monthly VAT returns, as you might find yourself in an unusual position of not having to charge VAT on most of their sales (if you're a subcontractor). As a result, they may become repayment traders and move to monthly VAT returns will therefore speed up the repayments due from HMRC.

A regularly updated cashflow forecast can help you identify times when cash will be tight and allow you to prepare for any upcoming payments.

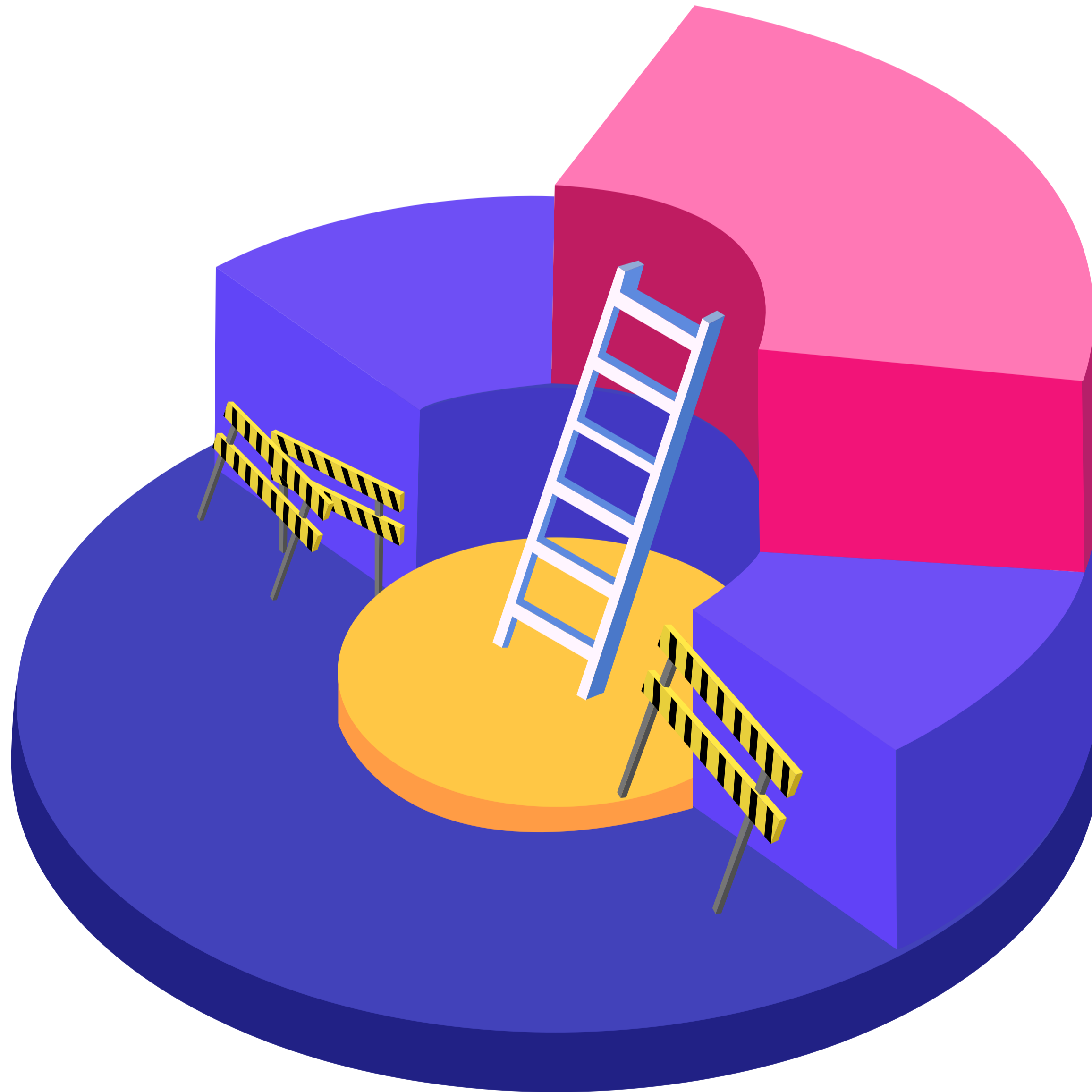
HARD WORK

.....+

F O C U S



- CHAPTER THREE - UNDERSTAND YOUR FIGURES



Sole Trader vs Limited Company

When you start looking into setting up a business, you will hear many different opinions on what one is the right option.

Choosing the right structure depends on lots of different factors and your own personal circumstances! It is not a one size fits all, some of the areas you need to consider are:

1. Are you going to be going for any business funding?
2. Is the nature of your business quite risky?
3. If something goes wrong, could you potentially be sued?
4. Are you looking to be VAT registered?
5. How much other income do you have?
6. What size company do you want to reach?

These are some of the crucial questions you need to ask yourself. If you are looking to build a scalable business then a limited company is usually the way to go.

The Pros of Being a Limited Company

1. Business Debts Are Not Personally

Yours Many business owners seem to forget that a limited company is a separate legal entity! The business finances and your own finances are completely separate and the same goes for its liabilities. This means that (provided you have acted reasonably), you will not be personally liable for any business debts you cannot pay.

2. Makes The Business Look Established

Some companies prefer to work with limited companies compared to sole traders. Even though it is not always the case, limited companies appear to be professional and established.

3. Usually More Tax Efficient From a tax perspective, you are treated separately from the Limited company. Once you start earning a certain level of profit, you will pay less tax operating as a limited company.

4. Finances Can Be Easier To Secure

Financing companies tend to be easier to deal with as a Limited Company compared to a Sole Trader.

5. Separate Business & Personal Finances

It is a legal requirement to have a separate business account for your business. This will help you maintain your business and personal finances more comfortably.

The The Cons Of Being A Limited Company

1. They Are More Complex To Set Up

There are a few extra steps but nothing crazy! We provide free incorporations for start-ups so you don't need to worry about this.

2. There is More Compliance

As a limited company, you will have to produce a tax return for that limited company (this is different from your personal assessment!), which will include the company profits and taxes. In addition, you will need to still file a personal self-assessment to show what you have earned/taken from the limited company as in salary/dividends.

3. Details of Your Business Are Published Online

Your name, date of birth, address and balance sheet can be publicly viewed (we allow our clients to use our Registered Address for a small fee which will keep your address private and HMRC correspondence handled).

4. Rules Around Withdrawing Money

As a limited company, the tax-efficient way to withdraw your earnings is to take a small salary and the remaining earnings in dividends. Watch out for the director's loan account, as if you take out more than you should, you can be taxed heavily as a result.

The Pros Of Being A Sole Trader

1. Easy To Set Up and Close Down

The process of setting up as a Sole Trader is very simple!

2. Low Start-Up Costs

There is no charge at HMRC to set up a Sole Trader however as a Limited company there is a £12 charge from HMRC.

3. Your Information Is Not Published Online

As Sole Trader, you have to complete a Self-Assessment which is only seen between you and HMRC.

4. Can Offset Against PAYE Income

If you have made a loss, you can choose to offset it against any future losses or your PAYE Income and potentially receive a refund.

5. Tax-Free Trading Allowance Sole

Traders are great for a hobby that is making you some side cash! If your gross turnover is less than £1,000, you can qualify for a tax-free trading allowance. The trading allowance can also apply where you have expenses less than £1,000 so instead of claiming £500 in your actual expenses, for example, you can use the trading allowance instead.

The Cons Of Being A Sole Trader

1. No Limitation of Liability

Any debts to suppliers, staff or loans will need to be paid. If you don't keep your cashflow in check, you can be held personally liable for the debts and can end up with a CCJ.

2. Can be harder to secure finance.

If you need to take out business loans, then your personal credit score is going to affect what you can borrow.

3. Can be less Tax Efficient

From a tax perspective, you and the Sole Trader business are seen as the same entity. Income tax, Class 2 NIC, Class 4 NIC all adds up!

4. VAT & Tax Bills

If you do not pay your HMRC bills on time, HMRC will chase and charge fines and penalties for any late returns and payments which will have to be paid out personally.

5. Some people prefer to work with a limited company

Limited Companies appear to be more established and professional compared to a Sole Trader which may go against you if you are compared to one of your competitors!

Is It Worth Being VAT Registered?

VAT stands for Value Added Tax and is a general tax placed on almost all goods and services sold. The simple principle behind VAT is that the end consumer pays tax on the product they buy.

A business has a legal requirement to register for VAT once its turnover reaches £85,000 and they will have to start charging VAT on the products you sell. If you miss this deadline, HMRC will seek to claim for any VAT that should have been charged on your work. This is very common and can leave you massively out of pocket. You are able to try and collect any VAT from your customers that should have been paid however we both know that would be very difficult.

If you have incurred any business expenses on equipment or materials etc you can claim back up to 4 years worth of VAT which can be a great cash boost for your business (this includes before you have registered your business). The same rules apply for any services however only for the last 6 months.

Deciding to start your business as a VAT registered will come down to your individual circumstances and there are a few questions you will need to think about when deciding to be VAT registered:

Who are your ideal customers?

If you are dealing with commercial clients, then they are likely to be VAT registered so are able to claim back the VAT on your invoice. If you are dealing with residential clients, then they are not able to claim back the VAT charge so in this case, it can be beneficial to not be VAT registered. However, if you do breach the £85,000 turnover limit, you do have to become VAT registered.

How do you want to position your company?

Similar to how a limited company makes you seem more established and professional, the same again can apply to being VAT registered. If you are working with VAT registered businesses then you are now 20% cheaper as they are able to claim back the VAT costs on your invoices.

Are you looking to grow your business past £85,000 turnover?

If you are looking to grow a business and pass £85,000 turnover, which is £7,000 a month (this is pure turnover, costs are not included within this), then it is highly recommended to start off as VAT registered.

If you are VAT registered from the start then your customers will not see a 20% increase in price due to becoming VAT registered later down the line.

Do you make a high amount of purchases?

Like any construction business, you are likely making a high amount of purchases. If you are a VAT registered business, you are able to claim back VAT on business expenditure!

Intro to Software

Xero

Using an accounting system from the start can help you organise your finances and have insights into your business you wouldn't be able to see otherwise! We highly recommend Xero as it allows great flexibility for growth and has one of the largest marketplaces for Apps allowing you to connect your favourite softwares and plug them straight into Xero.

Some of the benefits of using Xero are:

1. Access to your finances 24/7 through the cloud, giving you the data to make business decisions on the move.
2. Access to real-time information. Xero can show you what's happening in your business right now!
3. Live bank feeds means you can connect your bank account to Xero which will bring through any income or payments saving data entry time and ensures accurate, timely information on cash balances within your accounts.
4. Easily give access to anyone in your team, or even your accountant no matter where they are.
5. Security and encryption are at the same level as many banks.
6. Xero is continuously improving and any updates are included within the price.
7. Xero works with over 1000+ different softwares, meaning you can save hours on data entry with a Xero integration.

Some of the common softwares we see Construction businesses use that connect with Xero are:

ServiceM8

A software tailored for ease of use with features such as job dispatch, quoting and invoicing capability with real-time visibility on job status and staff location in the field. ServiceM8 also integrates with lots of softwares such as Google Calendar and Mailchimp to help with connecting with your clients. You can also accept online payments through the app to help with cashflow.

Tradify

Again, Tradify is focused on the construction trade industry and is designed for the smaller businesses of around 1-20 employees to help control business admin as an all-in-one job management software. Tradify has many key features to help your company run as smoothly as possible, such as pricing, inventory management, job tracking, online payments, reporting and many many more.

Flowlens

This is the next step up and where the pricing also jumps up as well, but if you are looking for an all in one CRM and service system with project tracking/management, Flowlens is for you. They have some amazing features to help keep client relationships, this software specialises in the construction manufacturing and technology industry.

SimPRO

Another expensive option to roll out and sometimes takes a bit longer to learn however SimPRO is designed to manage workflow, process, productivity, and profitability. SimPRO's main features are focused on Job and Project Management to help support the construction trade and engineering sector.

Softwares that work with Zapier can also be a great benefit for any softwares that don't have a direct integration with each other. The benefit is that Zapier can take away a lot of the repetitive actions you do day to day in your business.

What Makes Up Profit?

You have likely started your own business to create a better lifestyle for you and your family and to do this, you're probably thinking it is all about the profit you make on a job.

What about if we said your profit is a series of processes made from your business model?

This probably makes no sense however we are going to explain to you why this is the most important thing you need to know to fully understand in your business model to make the numbers work for you so you can manage and improve your profit.

Profit is the end result of $\text{Profit} = \text{Sales} - \text{Costs}$ which is a very simplistic way of looking at it so we need to dig further to see what these numbers are made up of.

Cost

Costs are made up of four elements:

1. Variable Costs (Direct Costs)

They will change in proportion to sales, for example, direct labour costs or the cost of raw materials. If your sales increase by 10% so would your variable costs and vice versa.

2. Fixed Costs Will not change and tend to be the same value each year such as premises cost, salaries etc. Large changes in the business tend to have an impact such as hiring a new administrative assistant.

3. Stepped Costs These are fixed costs that will increase in "steps" as the business grows. This is common in manufacturing where for example, 2 machines can produce 5,000 units in total and if they want to reach 5,001 units this would require an additional machine which will result in the fixed costs stepping up.

4. Semi-Variable Costs This will be where there is a fixed element to the cost (such as a monthly phone contract) and a variable element (such as being charged per minute for going outside your call allowance). versa.

Sales

What exactly drives sales?

Sales are made up of: The amount of customers x the amount they spend x the amount of transactions = sales

Most business owners looking to grow their business purely focus on attracting more customers, which is great but limits what your company can really achieve. Increasing your total customer number by 10% will result in 10% more customers. Simple.

However now we have established the drivers, let's put them into action. What would happen if you acquired 10% more customers, and got the customers to spend more each time by 10% and by 10% more frequently?

So by simply pushing all 3 drivers instead of the usual 1 by a small margin, we have now increased sales by 33.1% growing your business faster compared to only attracting new customers. You are probably thinking it is easier said than done to increase your prices by 10% as now you are 10% more expensive than your competition!

It is true that by putting your prices up we are likely to lose some customers who don't see the value in what you do, however, the number of customers you could lose will be much lower than you would expect. Sometimes it can even result in no customers being lost or even... more customers being gained!

If you increase your prices by 10% and as result, you lost 10% of your customers due to the price increase. If we take into account the reduced variable costs by 10% (because variable costs are proportional to sales), we can see that you can afford to lose 14.71% of your customers and still earn the same amount of profit!

Now you are working less but for the same profit.

Insights Into Pricing

The way you price your jobs can be one of the most misleading ways of how you understand your business. Many business owners simply put a percentage on top of the costs they have had to pay or suspect to payout which may seem fine at the time but when we come round to looking at your gross profit margin, your figure is going to be way off!

We are going to look at Markup vs Margin which is very similar in nature but they have a big difference which can be costing you tonnes in profit. Learning the difference between the two can help you increase your bottom line and one step closer to your profit goals.

A simple example is you have spent £100 on materials and have decided to put £20 on a job. Great, now we have made £120 in sales and £20 profit, what's your profit margin? You might be thinking 20%, if you are, you might be surprised...

This is where business owners are losing profits on every job they price. Your margin percentage and markup percentage do not equal each other! They are completely different and it is very important to remember this.

The way you price can show which method you are using. When you go to price a job do you:

- Look to reach a certain amount of money? This is Markup
- Or do you look to reach a certain amount of profit percentage? This is Margin

To show the difference between Margin and Markup, imagine you have a new job coming in, it is going to cost you £1000 to complete and you want to make £1000 profit so you have effectively doubled your money.

Under the markup method,
£1000 cost + £1000 profit = £2,000.

You're thinking you have had a result as you have just doubled your money!

If we take a moment to look at the margin on the job, you're probably thinking it is 100%?

However, if we calculate this under the margin method and see what profit we are actually making on the job:

$\text{£1,000 (profit) / £2,000 (total sales) } \times 100 = 50\% \text{ profit margin.}$

This shows that we only made a 50% profit on the job, instead of the 100% we actually thought we made.

It is essential to do this so you know the profit on every job you do, your margins are the most critical pieces for you to grow your business and profits.

The lower your markup, the smaller impact this will have on your business, for example, an 11% markup is a 10% margin. Say if you hit the jackpot of a job and manage to put a 233% markup on it, the unfortunate news is this is only a 70% profit margin! This is still great but puts it into perspective of how large of a difference this can make to your bottom line.

Let's say the common profit percentage a construction business would like to make is around 20%-30% and we would assume they are using the markup method.

A 20% markup would be a 16.67% margin and a 30% markup would be a 23.08% margin.

Every job you are pricing, you are losing 3.33% - 6.92% of your profits, imagine the effect this is having on your profits long term?

If you want to grow your business and have profits to reinvest into your business, understanding your pricing is the best thing you can do for yourself and your business.

Understanding Your Financial Statements

There are 3 fundamental statements that accountants should be producing for you:

1. Balance Sheet
2. Profit and Loss
3. Statement of Cashflow (you need to have this and many do not!)

Balance Sheet

The first financial statement is the Balance Sheet which can really be a valuable piece of information to give you a snapshot of where your business is at that time, however many business owners do not know how to read it.

A Balance Sheet is combined of 3 parts:

1. The Assets of the business (Total Assets) This is made up of Cash, Accounts Receivable (people who owe you money), Inventory (stock), and Property, Plant & Equipment.
2. What the business owes (Total Liabilities) This is made up of Accounts Payable (people you owe money to), Taxes Payable (how much tax you owe) and Debt Payable (any bank loans etc)
3. What the business owns (Shareholder Equity) This is the equity of the business which is made up of the Share Capital (amount of shares in the company) and Earnings (which is from the profit and loss).

The Total Assets will equal the Total Liabilities plus Shareholder Equity of the business.

Profit & Loss

This will basically show the sales of the business minus the costs which equals the profit (earnings) of the company.

The profit and loss will typically show a period of time (usually a year) and will present everything that has happened, this is different to the Balance Sheet as that shows a snapshot of the business at the date it was made. For example, Total Liabilities will show what liabilities the company has remaining at the date it was made.

The profit and loss is not a factual document as there are accounting entries that can influence the outcome of your profit and loss. One of the most common entries is depreciation. When you buy an asset, depreciation is a reduction in the value of the asset released to the profit and loss account over a period of time. Depreciation appears as an expense in the profit and loss so will reduce your profit overall (however as the tax rules are different from accounting rules, depreciation is added back to your profit in the tax computation).

Statement of Cashflow

One document which you may have not heard of before is the Statement of Cashflow which is completely factual. It is such a powerful and useful document, it can change your life and really give you peace of mind.

It shows the cash that has come into your business and the cash that has gone out.

It shows 3 different types of cashflow through the business:

1. Operating Cash
2. Investing Cash
3. Financing Cash

For a Statement of Cashflow, we start with the opening cash for that period of time and for each section we show the +/- on the cash position which brings us to the closing cash position.

The Operating Cash is calculated from any cash received from its products or services and any spending on the business's day-to-day activities.

Operating Cash Activities include:

- Cash received from the sale of goods or services
- Salary and subcontractor costs
- Payments to suppliers
- Tax Payments

If the operating cash is negative on a consistent basis, at some point, your business is going to run into trouble. It is very common for VAT registered businesses to have two months positive cash position and the third month will be a negative position due to an outgoing VAT payment.

The Operating Cashflow is a great indicator to see how your business is performing, checking every month to see if you have a positive cashflow will mean your business is bringing in more cash than there is going out.

The Financing Cash is cash generated or spent on financing activities and shows the net cashflow involved in funding the company's work.

Financing Cash Activities include:

- Loans
- Dividends Payments
- Stock Repurchases

The Investing Cash is cashflow generated from investing activities. Investing Activities include:

- Purchase of physical assets
- Investment in shares
- The sale of securities or assets

The Statement of Cashflow bridges the gap between the Profit & Loss and the Balance Sheet by showing how much cash is generated or spent on operating, investment and financing activities.

Directors Loan Account (DLA)

If you're a limited company, this can be one of the top causes of issues and stress within the business...

It comes down to two reasons why business owners don't like the DLA:

1. They don't understand what the DLA is.
2. They don't know their numbers.

The director's loan account is like a bank account within the business, it will show money going in (usually through dividends) and money going out (personal expenditure put through the business). When there is money going out, this is where usually your accountant has disallowed some sort of expenditure as it is not business-related. The biggest issue with this is that the accountant doesn't explain to the business owner why they have done this! As a result, the business owner will carry on putting through personal expenditure thinking everything is all okay, until the accountant mentions this balance at the end of the year which will need to be repaid.

Before we go any further, there are two situations when it comes to the DLA, the good one, where the company owes you money and the bad one, where you owe your company money.

It is very common for business owners to get caught in a bad situation with the DLA and to clear the DLA off, you would usually issue a dividend which can only be issued when your company is making a profit or has leftover distributable reserves (built-up profits from previous years of trading). If you issue a dividend when your company does not have any reserves, this will become an 'illegal dividend'.

This is when problems can occur to clear the DLA. If there is an overdrawn DLA at the year-end, so you owe money to the company, this can trigger S.455 tax charge which is a tax charged on the overdrawn DLA account at 32.5%.

If the overdrawn DLA is repaid back to the company by 9 months after year-end, the tax paid will be refunded back to the company however business owners tend to fall into a deadly circle where this repeats every year and can end up with a large tax bill.

Understanding your numbers will allow you to plan and get clarity over what you need to achieve to maintain your business and lifestyle. If you have a negative DLA and are in a tough financial position, it is critical to get a plan in place as soon as possible.

Your New Virtual Finance Function

At SaintFG, we offer a Virtual Finance Function that allows you to outsource your whole finance function so you can focus on what you are good at while we do what we are good at.

We often see many business owners surprised that this sort of service is available where they can have the important financial information broken down and the best steps to take next. Very quickly we are going to show you everything that should be in your Finance Function and if not, this is exactly what we do for our most successful clients!

Bookkeeping

As we mentioned earlier in the book, Bookkeeping is the foundation of your business and it is essential it is kept up to date as much as possible. For our clients, all we ask is for them to take photos of the receipts/invoices they receive using HubDoc and we can handle the rest from there!

Company Secretarial

Keeping in line with the Companies Act can be a lot of tasks that reoccur every year. Our company secretarial services is a cost-effective solution to have your company secretarial requirements covered for you. We will maintain your registers electronically; updating Shareholders Records, Control Office Records, Statutory Registers and Managing Company Details.

Registered Office Address

Keeping your address off HMRC records and for the public to view plus any HMRC correspondence we can handle on your behalf.

Financial Accounts/Tax Return

Probably the most common reason you go to your accountants, for your company accounts and tax return to be submitted to HMRC, however, did you know not all accountants are the same? With our company accounts service, you will receive free quarter reports that will estimate your corporation tax bill so you can know roughly how much is going to be due way before the deadline! On top of this, we also include a free tax planning meeting to cover any tax planning opportunities.

Credit Control

Struggling to keep on top of who owes you what and when? We can either act under your name or show that you are working with a third party to chase any overdue balances that may occur.

Payment Run

A payment run service is where we would manage all your outgoing payments (suppliers or employees etc) through the business. We use a secure third party software where we would pre-arrange the outgoing payments so all you need to do is approve the payment run and the rest will be handled by SaintFG.

VAT Returns

Many business owners do their own VAT returns as bookkeeping softwares claim it can be done in “one-click” however did you know our VAT return service on average results in 30% more being claimed!

Payroll

Preparation and filing of the company payroll to HMRC and providing payslips to employees through an online portal. Plus we can also handle all your CIS needs including supplying your subcontractors with their CIS Payment & Deduction Statements

Personal Self Assessment

Along with preparing the company accounts and tax returns, we will also prepare your personal Directors tax returns. These are required to declare your personal income (Salary & Dividends) for the year.

Business Plans

A Business Planning session will require you to take time out from day to day activities IN the business to focus ON the business.

Together we will review your past performance and clarify your future direction. We will set realistic 12-month goals and 90-day goals to define strategies for achievement. We will have created a Business Plan that will act as a guide map to ensure you are on course for success!

Management Accounts

Our Management Accounts is an in-depth analysis of your current position to provide a clear & comprehensive report to show your progress against the plan and adjust the targets to ensure you remain on track to achieve your results.

This will give you a clear understanding of where you are at right now and give you the ability to see what needs to happen.

Cashflow Forecasting

A modern and visual way to plan for your business while using financial modelling to accurately see the likely outcomes ahead. We will be able to show micro forecasts that make it easy to see the financial impacts of hiring a new staff member or purchasing an asset allowing you to see every opportunity for your business.

Tax Investigation Insurance

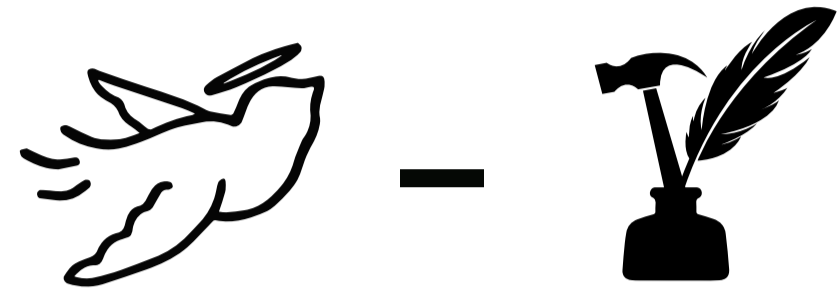
You are not able to prevent HMRC from raising an investigation however you can prepare for one with our HMRC defence package with up to £100,000 of our fees covered.

Why Is This Important?

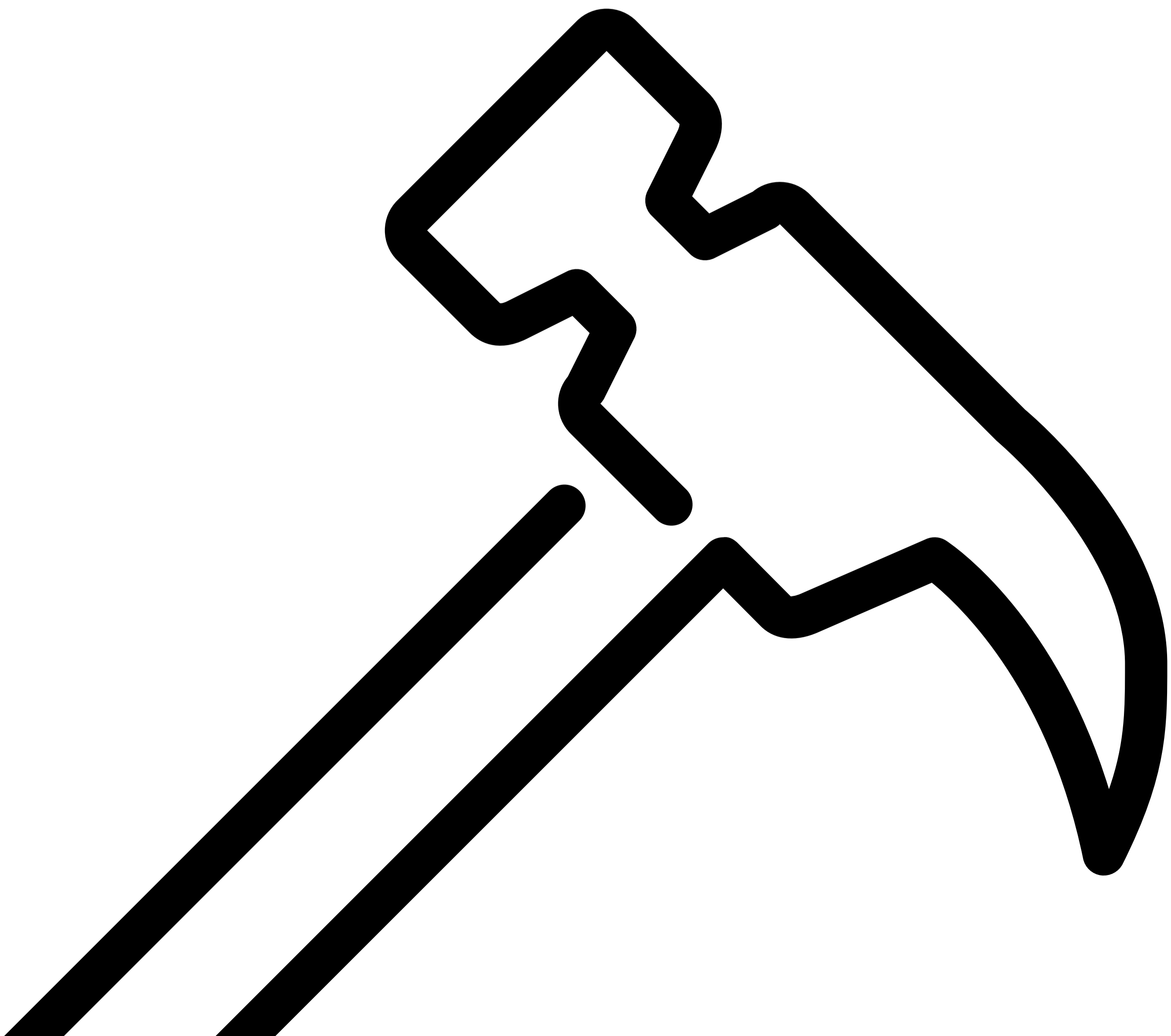
Business owners believe that it is difficult to change accountants or all accountants are the same! Don't let a few bad experiences put you off the actual good accountants out there!

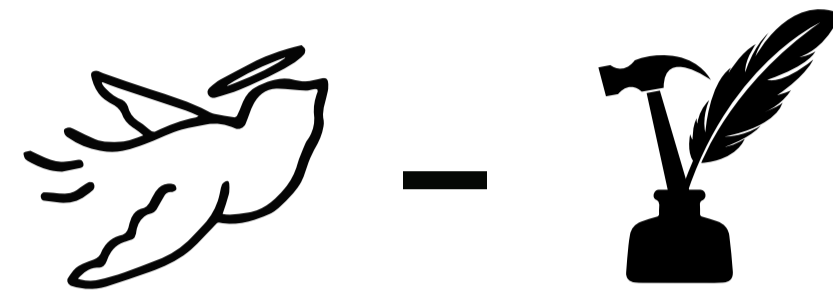
We treat every business as if it was our own, we don't just advise on the numbers, we want to make your business as successful as you want it to be. Accountancy and Tax is an important part of a business HOWEVER we want to provide a SOLUTION!

We only provide this service to businesses in the construction industry plus with 30 years of experience, you know you are in safe hands.

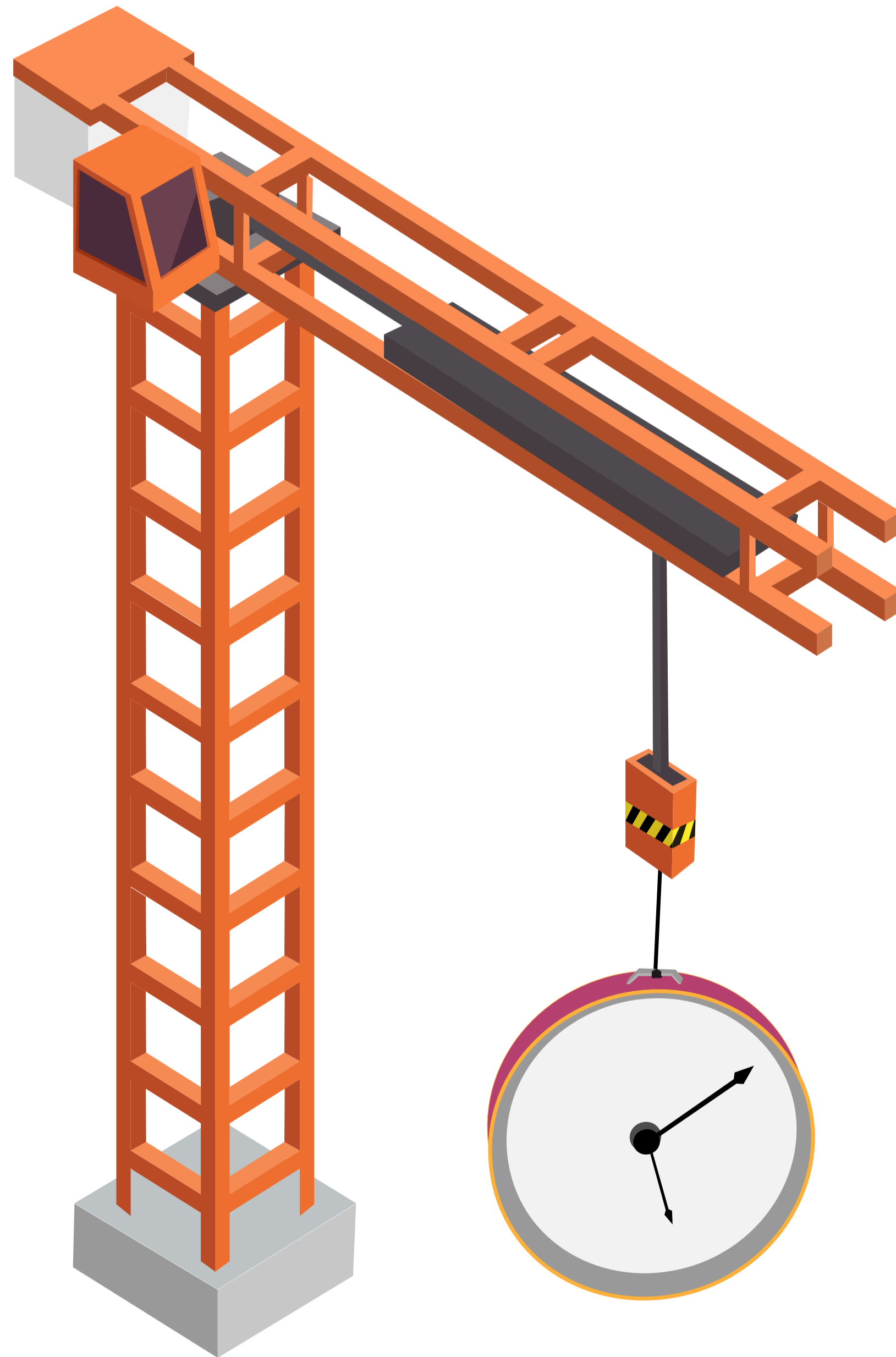


TAKE ACTION TODAY





- CHAPTER FOUR - TIME IS YOUR MOST VALUABLE ASSET



The power of a VA

- Diary management
- Email management
- Call Handling
- The right Paperwork
- And much more

To survive in the construction industry you will need to have an efficient structure in place for these four areas, they are the most crucial systems you need to be able to stand out from the crowd. Each one of these items shows efficiency and professionalism to your clients, every first phone call you take leaves an impression on the caller so you need to make it count. Working in the construction industry is not an easy job, let alone predictable. Your industry can be overwhelming and very unpredictable, these four areas (if done efficiently) can be the difference between complete chaos and an easy life.

Why is Call Handling important

Most companies do not really focus on this call handling because it seems small and not a big deal but in reality, this is one of the most important features of your business. People say you can tell a lot from a person by the way they handle their calls so always try to make a good impression.

When a prospect is looking for something to be done by your company, most of the time they will call you first. First impressions are not just important in dating, it is important in all aspects of life, if you are looking to pay someone for their services you want there to be a sense of trust and professionalism and this is all interpreted in the first contact.

Tip No.1 - Answer the phone in your company name,

this may sound obvious but as a matter of fact, 70% of business owners do not do this, and has had a negative impact on the caller causing confusion and shows unprofessionalism.

Tip No.2 - Try to keep the background noise low,

it's very hard to talk to someone when there are lots of going on in the background. Walk away from the noise to make it easier for the caller to hear you.

Tip No.3 - Answer by the third ring.

Out of respect for the caller's time try and not leave them waiting. If you are not going to answer the call, send it to voicemail rather than making them wait.

Tip No.4 - Avoid Slang

This one may sound obvious but a lot of people still do this. Avoid Slang. Nothing is more unprofessional than saying 'init' and 'alright' when you are trying to sell your services to a prospective client. The prospective client is calling you and wants to essentially invest in your business by taking out one of your services, this means you should always treat them with respect and not like one of your 'mates'.

Tip No.5 - Be Clear

Be Clear when speaking, it will be easier for the caller to hear what you say the first time rather than having to repeat yourself, this will be wasting your time and theirs. Speaking clearly is also a sign of good etiquette.

Tip No.6 - Be Positive!

The easiest way to sound positive is to speak with a smile, as strange as it may sound it has been proven that your tone changes when you speak with a smile. Also your language, instead of saying 'I don't know' try and say "I am not too sure but I can find this out for you". Make sure that you treat your callers with kindness and respect.

Tip No.7 - Wait to eat and drink until after the call.

Again this may seem obvious and a silly thing to point out but it happens all the time. This is to make sure you sound professional, as speaking with food and drink in your mouth makes your enunciation unclear, and I'm sure they do not want to hear you chewing and slurping in their ear.

Tip No.8 - Create a professional voicemail.

As we said previously about answering within 3 rings or sending them to voicemail. Having a professional voicemail is just as important as answering the phone in a professional manner and making sure you call them back within a suitable time frame, this is usually the same day or the following business day.

Tip No.9 - End on a positive note.

You can do this by saying "Thank you for your call today, enjoy the rest of your day" instead of saying goodbye at the end of the conversation. Studies have shown that callers are more likely to feel positively towards your organisation when you make them feel comfortable on the phone.

Having the Right Paperwork

Quotes and invoices are key to any construction business. You may feel safe taking a client's verbal agreement on a price but it can always be very risky.

We have seen many companies lose money on a job due to the fact of the client going back on their word and we would hate this to happen to you.

Quotes are the biggest safety net you can have in this industry, as some clients have agreed verbally to a price but they will wait till after the work has been fully completed to query the price and say they would never agree to that amount and you end up being the one losing money as you have no proof they agreed to it.

These are our top tips when it comes to quoting!

Tip No.1 - Always be specific

Always be specific in your descriptions and include any caveats. This is a very important tip when it comes to quoting. As this is to cover yourself more than anything else. Specify everything you plan to do in the job and seek written approval from the client before starting any work, the main reason for this is because you will find some untrusting client's and they will try anything to get some free work done.

Tip No.2 - Include an expiry date

Tip No.2 - Include an expiry date and follow up before it ends. We all know that material prices can go up and you may want to increase your labour costs, most companies do a 3-month expiry date but you can do as little or as long as you wish. This prevents people coming to you in a year or more wanting something for the same price as you quoted last year but since then you have increased your prices and can no longer do that job for that amount of money. If you follow up before the expiry date warning the client that the price may change after this date and will require a requote if they do not wish to go ahead at this time, they will appreciate that more than being left in the dark and finding out they have to pay more because your prices have gone up. People can also argue with you on this due to there being no expiry date and may expect you to do the work for the quoted price since you never covered yourself.

Tip No.3 - Have written confirmation

Having written confirmation from the client. This is also super important! Make sure you always send your quotation via email and receive a confirmation or purchase order back from the client saying to go ahead with the quote and they are happy with the price. This is your safety net if a client starts to query the price halfway through or at the end of the work.

Tip No.4 - Identify your business risks.

If you are concerned about the feasibility of a job, consider the impact of a worst-case scenario and propose including a clause in the quote that protects both parties from any undesirable outcomes.

Tip No.5 - Consider using software.

Lots of companies use software to help keep track of the progress of a job. Most softwares also have a quote converter to easily create invoices when you have finished a job. Some people use accounting software such as Xero or Quickbooks

Why Are Invoices So Important And Top Tips To Make Yours Better.

What is an invoice? Invoices are such an important part of record-keeping, they help keep detailed information regarding any purchases and sales. There are 11 items you should always include on your invoices:

Item No.1 - A unique identification number such as INV-12345 or 2802791

Item No.2 - Your Business name, address, and contact information

Item No.3 - Your customers business name and address

Item No.4 - A clear, in-depth description of what you're charging for

Item No.5 - The date the service or goods were provided (Supply Date)

Item No.6 - The date of the invoice

Item No.7 - The due date of the invoice/payment terms

Item No.8 - The amount being charged (Net amount)

Item No.9 - Clear view of the amount of VAT, the VAT rate, and your VAT number (if applicable)

Item No.10 - The total amount owed

Item No.11 - Clearly state this is an invoice at the top of the document

All of these items are essential to have on an invoice, not only for record-keeping purposes but it can also help avoid duplicate payments, making sure you are paid on time and any confusion with what the payee is paying for.

If you are a sole trader you must include:

- Your Name
- Any business name you are using
- An address that documents can be delivered to

If you are a limited company you should include:

- Your business's full name as shown on your certificate of incorporation
- If you choose to include a directors name on the invoice you need to include all the director's names

To make your company seem more professional and memorable, the appearance of your invoice can create a big impact on your customers.

Tip: Use professional fonts that match your brand and your logo and any colours if possible.

You can use anything to design your invoice, a lot of people use their accounting software to design their invoices but you can make your own if you wish.

How to get more out of your day!

In your line of work, being productive and getting the job done on time is essential! We want to share with you our best productivity hacks that are proven to help you get more out of your day.

Hack No.1 - Limit the time you spend on social media. This may sound obvious but you can easily spend too much time on it without realising the time.

If you find yourself doing nothing and you end up going on your phone, try and think if there is a way to better use your time, your time is valuable so you need to make it count. You could be organising tomorrow's workload or double-checking your materials have been ordered or even giving your customers a small courtesy call because it's the small things that leave the biggest impact.

Hack No.2 - Break down all of your BIG tasks. Having 1 big task can become overwhelming but when you break them down into 5 small tasks they feel easier to manage. It's easier to do 5 small tasks perfectly than 1 big task.

Hack No.3 - Take small and often breaks. It is easy to get caught up in work and forget to take a break and that's not good for your brain, it has been proven that taking small breaks helps reboot your brain and make you feel more productive and ready to take on anything that's thrown your way.

Small breaks are not just good for your mental wellbeing, it is also good for your physical wellbeing especially in the construction industry.

Hack No.4 - Learn to manage your stress. There is nothing worse than becoming stressed out in the middle of a job.

Working in the construction and engineering industries can be tough and may take its toll every so often and believe me when we say you are not alone. A lot of stress can be caused by poor time management as it will feel like you have so much to do in such little time.

It sounds like a vicious cycle so to help avoid that our best way to manage your stress is time management, you can do this by planning out your day in your diary, even by the minute, to help you stay on track or you could make a to-do list which is a popular way to manage your time because people find satisfaction in ticking off a task when it is been completed which provides motivation to get it done!

Hack No.5 - (This hack can also help with hack no.4) Prioritise your tasks. Try and prioritise your list in importance, this will help you focus more which will help with productivity.

Hack No.6 - Rest, sleep, and exercise. You are no use to anyone if you're tired and have had no sleep. Lack of sleep can cause short-term memory problems and in your industry that is not very good and can lead to some big issues. Lack of sleep and rest can cause many health and mental complications such as:

- Impaired judgment
- Memory and concentration difficulties
- Irritability
- Increased blood sugar levels
- Reduced coordination
- Drowsiness

You need to avoid all these things as you need to be on your guard all the time in your field. If you are easily irritated on a job and you suddenly take it out on an annoying client... yikes!

Exercise is good for your mental well-being as well as your physical wellbeing. The Construction industry can be one of the most physically demanding industries so you need to make sure you keep yourself fit and ready to help to be more productive. Exercising can have mental benefits and is very rewarding. It has been found to alleviate your self-esteem, reduce anxiety and get rid of that negative mood, making you feel more productive.

Hack No.7 - Create a routine. Now, this can be difficult especially for construction workers when each day can be different from the next but this does not have to be a work-based routine, improving your personal routine can help begin a work routine, but let's start small and work our way up. Building a routine is proven to boost productivity by 60%!

Hack No.8 - Cut your to-do list in half. This is quite simple, instead of having a large to-do list, that may seem overwhelming, you will start to stress about getting this done all in one day. Essentially we are cutting the to-do list based on what can be completed in a day or how long that job will take as this will make it a lot easier to manage plus make you feel more relaxed and productive.

Hack No.9 - Take a note of all your thoughts. You're a business owner, so that means you've got lots of ideas and thoughts running around your head, there is no use in them staying up there because they will get lost and hidden behind what you are doing at the moment. We've all been there, you have thought of a great idea, you get distracted and it's gone! To avoid this, always write down your thoughts so you can come back to them later.

Hack No.10 - Set reminders! This hack can be your lifesaver if done correctly! We have all had that horrible feeling when we know we are forgetting something important but cannot quite put our finger on it. To prevent this, always put any meetings or important dates and times in your calendar or diary with a reminder, soon it will become a habit you will not want to get out of.

Tricks For Getting The Most Out Of

Email management is very important when running a successful construction company! Having your emails organised is very important especially if you advertise it on your website or social media as potential customers may use this to contact you, and you do not want to miss that email if it makes you money.

These are the top 5 saving tricks to keeping your emails organised to help your business run as smoothly and stress-free as possible.

Trick No.1 - Create a filing system. This will help you find important emails quickly and efficiently as you will know exactly where it is stored, instead of spending 3 hours scrolling through your inbox trying to find it...

Create folders or labels (for Gmail) however you please but the more in-depth you are, the easier it will be later. Most people file by name and company or some people file based on the contents of the email, this method could be useful if you receive a lot of purchase invoices, purchase orders, or multiple documents.

Trick No.2 - Delete unnecessary emails whenever possible. This will make filing your emails so much faster when you do not have to be filing unimportant emails. When you see a meaningless email come through that does not require your attention, just delete it as this will also help keep your inbox tidy and give you more storage.

Trick No.3 - Read and action every email there and then. When you see the email come through take a look and read through it, if it seems unnecessary, delete it but if it requires an action try and do it there and then, or else if you just read them and move on you will keep reading it over and over again, therefore wasting your time.

Trick No.4 - Unsubscribe from ANY irrelevant emails and newsletters! This tends to happen when you buy something online and you get signed up to their newsletter, but you never read them so you just ignore them and it takes up your storage space. Delete all your old ones and unsubscribe as deleting them every time just wastes your time.

Trick No.5 - Save and send emails with relevant titles. This will make finding emails much quicker and easier! When you send an email with a specific subject, it will make your life a lot easier in the future when it comes to finding and filing them.

Keeping On Top Of Your Diary

As well as email management you can never forget diary management. They are both as equally important as each other but without one or the other, it could all go a bit sideways. With inefficient diary management, you could have double-booked meetings, missed appointments, and unhappy customers...

The best way to avoid this and this may be hard to hear but is to get rid of the book in your van.

Having a diary in your vehicle may feel easier but it really isn't. Can your diary remind you of your appointments the day before without you looking through it? Can your diary invite other people to the meeting/event? No.

Your best option is to go digital, it has been proven to make your working and personal life a lot easier. You can set up repeating meetings without having to put it in each time, you can even set up reminders and there is no limit to how many reminders you can have, can be a day before and a week before and it does not need to be a notification, it can also send you email reminders.

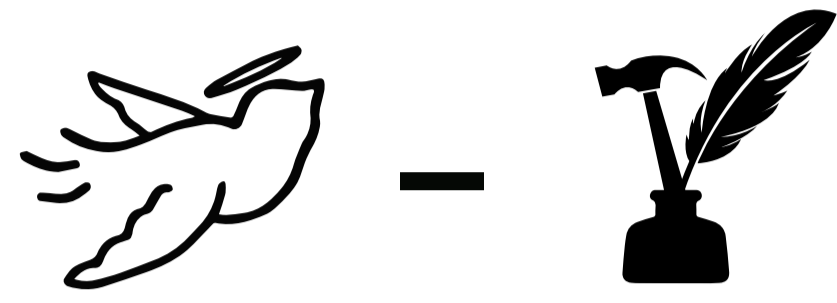
Tip No.1 - Always give yourself a buffer time before and after appointments, this may be for travel time, meeting preparation or you just fancy a lunch break

Tip No.2 - Set reminders for all appointments, this can be anything from 1 hour before or even 3 weeks before, whatever or how many you may need to make sure you are prepped and ready for the appointment.

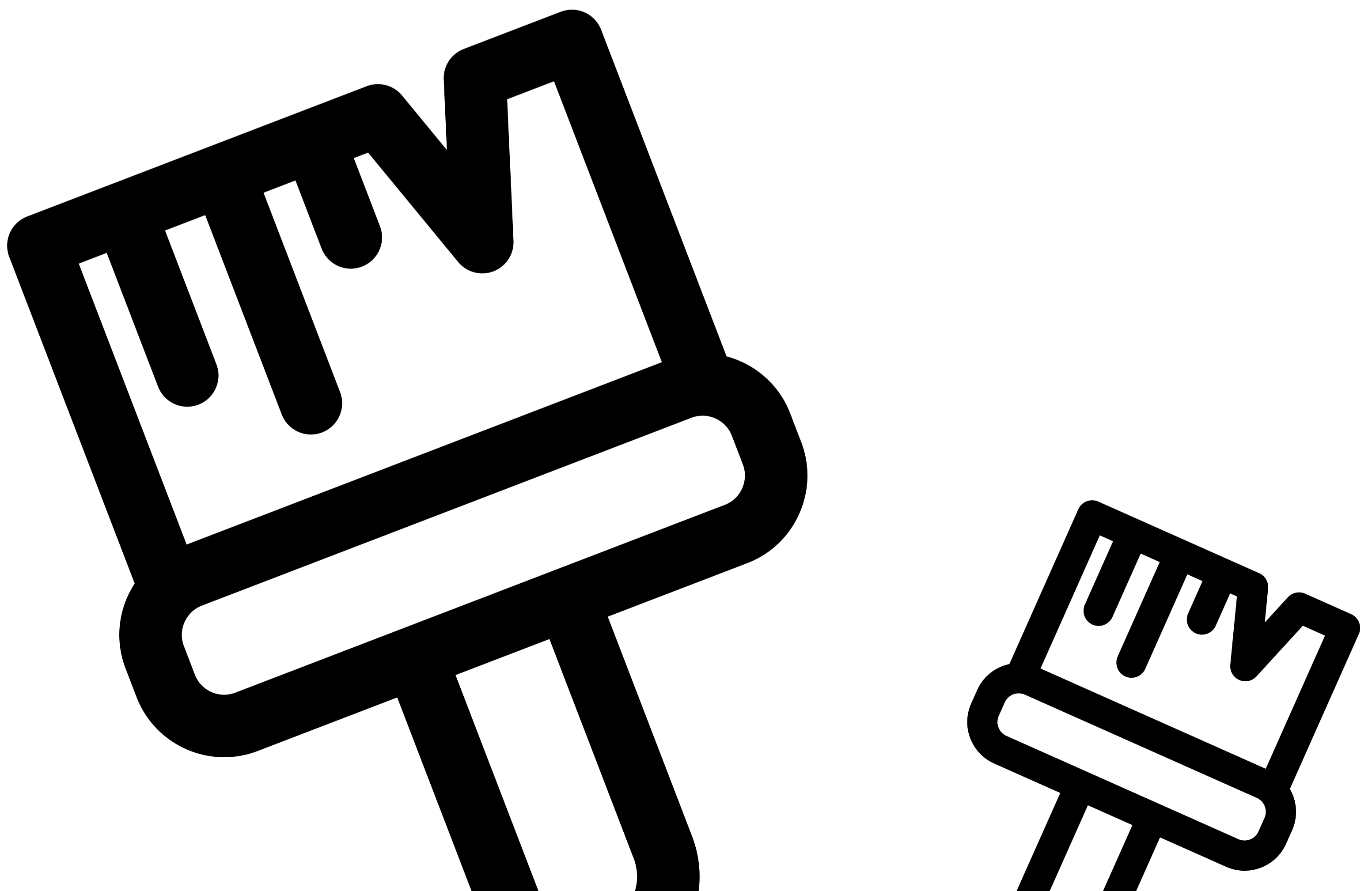
Tip No.3 - Colour code your meetings! This is so super useful when you carry out lots of different types of meetings or appointments, if you're in a rush this is a great way to take a quick glance and know exactly what you're doing.

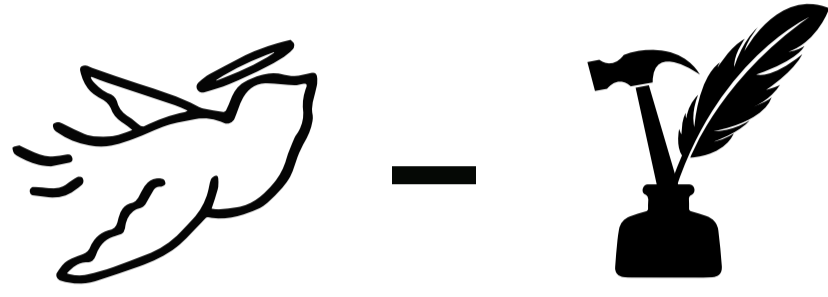
Tip No.4 - Back up your diary! Once you implement all of your diary management tips, you'll realise just how useful your diary is. In fact, most entrepreneurs and professionals would struggle to operate without an efficiently managed diary so it is vital that you backup your diary.

Gmail and Outlook have the most efficient diary management softwares to help avoid double bookings and missed meetings and lost appointments. You can also look at other softwares such as Calendly or acuity scheduling if you want to give your customers the option to schedule appointments.



CHASE YOUR DREAMS





- CHAPTER FIVE - YOUR MARKETING MACHINE



Why You Need An Online Presence

With traditional methods of marketing falling out of touch with the modern world, businesses are forced to face reality and do what is needed to keep their doors open. This was an unfortunate fate that a lot of businesses realised due to the impact of Covid-19, nevertheless, it was a fact that businesses across the globe were going to face.

If your business is not online already it's not too late. Within this section of The Construction Survival Guide, we will be telling you exactly what you need to bring your business online, stay in front of competitors and succeed!

Let's go over the key points why you need an online presence:

- Allow your current clients to contact you with ease
- Allow all future clients looking to find out more about you and your services.
- Showcase your past projects and build trust
- Build a brand that people remember
- Reach a wider audience
- A marketing tool that works for you around the clock.

We are sure that this list could go on forever, but this should be enough to prove that businesses without an online presence are seriously falling behind in the modern world. So let's get started in building the perfect online presence for your business!

Why You?

You'll be absolutely amazed by how many businesses out there are using the exact same, boring old structure as if they were made from a template. Businesses all copy from one another and over time they have formed a pool of boring ol' nothing...

This is where you come in and don't see this as a disadvantage as everyone else has the same and it is your job to be something different. This is your leverage and will pull you miles ahead.

You will hear time and time again businesses saying we have revolutionised "generic service", but that is all it is, a generic service. They say they are the new and improved version but prove nothing, they are doing the bog-standard stuff, just with a fancy name and this can be seen in every single industry.

It is your job to prove what makes you better than everyone else. This is not an easy job, but if you are truly passionate about your craft, you have the power to overthrow your competitors and come out victorious.

The first questions you need to ask yourself are:

- What do you do?
- Who do you do it for?
- What impact does your work have on others?

Answering these questions will prove to others and more importantly to yourself the true value of your work. To best explain this, we are going to make up a new domestic kitchen fitting company.

Now I have a very talented skillset, I am able to rip out an entire section of someone's house and replace it with something to be jealous of. This is what I do, but does it define my purpose? No.

I focus on providing my services to new homeowners in Essex, I target those who are moving into a new house or looking to renovate their kitchen into something spectacular.

Now I have a family to feed and bills to pay, but if this is what my true focus was I could have just got a job and settled with it. However, I chose to start up this business and pursue something I value. I am proud of the services I provide and know that hundreds of meals will be cooked up and memories will be formed.

This is a strong and powerful way to identify your unique selling point (USP). Your unique selling point is what defines your business and the reason why someone should choose you over the next competitor.

Many businesses don't have a reason for existing, if you stripped them of their brand name & logo they would look no different to their competitors. They are all saying the same thing with no realisation of what their clients actually want. When people think about getting a new kitchen, they are not thinking about the weeks of work, the thick layer of dust covering the house. They are thinking about what comes after; learning new recipes with the family, baking cakes with the kids and dancing around with a glass of wine.

The common approach to discovering your USP is to go down the "quality" or "great service" route. This is not unique. Here's why:

- *Quality and great service is a default expectation. No one is going to work with you if you offer anything less. This is a good business practice, it does not make you unique.*
- *The purpose of a USP is to attract people to your business, while something like quality is only seen after the services have been delivered.*

Every business has a USP, even if you don't see it yet, ask yourself these simple questions.

1. Why should they buy?
2. Why should they buy from me?

Discover your unfair advantage. Everyone has one. Here are some examples of unfair advantages:

- Insider information
- Expert endorsements
- Unique offer
- Customer Satisfaction

- Personal Authority
- Existing customers
- Community & Network

Although it's quite obvious, it is often missed. You are not selling to robots, you are selling to people. It does not matter if you are selling to the CEO of Google or someone down the street, people buy through emotions first, then logic later.

For example, if you spoke to someone who bought a Lamborghini, they might say "I bought the car for its quality & security features". Yeah right... The car was bought through emotions, that feeling that he owns a Lamborghini.

We are all big bags of emotions, regardless of who we are talking to.

Niche, Niche, Niche

“Be the biggest fish in a small pond? Or an ordinary fish in a big pond?”

What is a niche?

A niche is a specialised focus of a broad market that you deliver specifically to differentiate yourself.

Finding your niche is one of the key factors of your success, it may feel like you are limiting your success, but it's not the case. By niching down you are focusing on a specific sector of the market. But why is niching so important?

1. Developed more trust with clients Who would you prefer to work with, a web design agency that is experts within the construction industry and knows exactly how to deliver a website optimised for the construction industry or someone who jumps between industries and has no relationship with the industry at hand?

The answer is obvious, working with someone who knows the ins and outs of your industry is going to be the better option. They understand what you do, they understand the right audience, they understand the right message and they can do it effectively. This is also known as a master of all trades, experts of none.

2. Why shout in an empty park? When it comes to marketing, expenses can build up real quick. It's a game that is not fun to play if you do not know what you are doing. A lot of companies jump on to the hip-fire approach, where they try to increase “awareness” by sending their message to absolutely anyone. This can only be won if you had an atomic bomb in terms of budget and we are talking about the budget of Apple or similar companies.

Most of us are not in this situation, so let's scale things down and look at the numbers carefully. You want to target all of your marketing efforts in the right direction, be the big fish in the small lake. This approach allows you to make the most out of your marketing budget.

How do I Niche and build my Target Audience? A target audience is used to define your buyer's persona, these can be quite broad, but the more specific you get the better. Here are some characteristics you would focus on:

- Location
- Age
- Gender
- Employment
- Job Title
- Industry
- Income
- Interests
- Relationship

We will use the kitchen fitting company again as an example.

“My target audience is couples, 23-40, living in Essex, with an interest in home renovation.” This information is used to help understand your clients and how they make their purchasing decisions. Targeting a specific audience will allow you to reach the right people and convert viewers into paying clients. To dive deeper into your target audience, ask these questions:

1. *Who are they? This is pretty similar to what we did earlier, try and identify everything about your target audience.*
2. *What are their biggest challenges, difficulties or desires? What struggles or problems are your customers facing? Maybe it's not a struggle, maybe they desire something? Build up multiple situations why someone might need you and your business.*
3. *How can your service/product be their solution? So you have figured out why people need you, now conclude it with what your solution offers and what will be the end result.*

4. *Where are your customers? Where are your customers spending their time? Are they scrolling FaceBook? Are they growing their businesses on LinkedIn? Identify every channel your audience might be.*

5. What negative emotion attracts their attention? What pain points does your audience have? From being stuck with a run-down building or a leaking roof. By identifying these negative emotions we can use them in order to trigger an action within our audience. For example, for bookkeeping, we had a popular campaign where someone was “drowning in paperwork”. This pain point correlated with our audience and led to them passing the work onto SaintFG.

6. Who do they trust? Who does your audience trust? This might be through endorsements or partnerships and by identifying who they trust you can build connections and trust with your audience.

Identity Crisis

Your identity, or more commonly known as your branding. There is more to it than you would expect and is extremely overlooked. Now some within the construction industry nail their branding, but we have to admit that a solid 90% of it is very, very poor, which is unfortunate but that means you don't have much competition when it comes to building a quality brand.

Building your branding is the process of building a visual identity that presents your business values through the use of your logo, typeface, colours and so on. So it is clear to see that branding goes way past the logo. When you think about your brand, you want to think closely about your entire customer experience. Everything from the service in which you deliver to the quality of your services.

When you understand the true value of branding, it can seem a bit overwhelming, but hold onto this keynote. Branding speaks volumes about your business and what it delivers.

In short, it's the way your clients perceive you. All of us have massive amounts of competition out there, but customers are looking for businesses in which they can emotionally connect with. A strong brand is able to stand out in a densely crowded marketplace. People fall in love with brands, trust them, and believe in their values. How a brand is perceived by its audience defines its success, regardless of the industry or size.

Imagine if you were dealing with a company with a poorly put together website, broken buttons, poor logo design, everything is blurred and pixelated. It would give a terrible user experience and this is the first impression a potential client is having with the company. This instantly leaves a negative impression of the company and the quality of work it provides.

Good branding does not just prove that you deliver a quality service, it promotes recognition. People tend to do business with companies they are familiar with, if your branding is consistent and easy to recognise, it can help people feel more comfortable and trust what you are offering.

Here are a few other reasons why great branding is a necessity

- Your brand represents you and your promise
- A strong brand generates referrals
- Generates recurring revenue & upsell opportunities
- Creates brand equity
- A strong brand generates customer loyalty
- Provides clarity and connects emotionally with the client
- Creates brand awareness.

Consistency is key!

If you are not consistent with your branding, it will never become recognisable. Your branding should be consistent throughout everything you do, from invoices to van decal.

The reputation of your branding will slowly become familiar with your clients and audience, and when you have achieved this, you will develop trust and confidence with your clients.

What are some of the key elements that make your branding?

Colour

Colour is the best way to communicate emotions! Colour is one of the most important building blocks to your business identity. Here are some examples of what different colours mean:

Red - Danger / Love

Orange - Joyful / Creative

Yellow - Energy / Caution

Green - Money / Growth

Blue - Trust / Dedication

Purple - Royal / Magical

Pink - Calmness / Optimism

Black - Mystery / Death

Fonts

The font is all about the message you are delivering, it communicates the brand's personality very effectively BUT also how a message is received. We can use the exact text, word for word, and the power of a font change can change the entire meaning behind it

Personality.

The fact is, people buy from people, not corporations. Every brand has a personality to connect with their target audience, this is to both relate and develop trust with the audience. The personality of your brand is a strong point and it flows through everything from your logo, typography and the way you pick up the phone. Here are some examples that you can see in massive brands.

Sophisticated - Rolex, Gucci, Apple

Sincerity - Disney, Amazon, Cadbury

Competence - Google, Intel, Microsoft

Excitement - Tesla, Redbull, Coca-Cola

Ruggedness - Timberland, Jeep, North Face

How to build a strong brand

- Know your target audience
- Know your industry
- Differentiate from competitors
- Know your market purpose
- Amplify your unique personality
- Know your geographic location

The Tools of Survival

There are many tools you can equip your business with. Every tool that you bring into your business allows you to become more versatile and build an audience in order to grow, manage and scale your business. There are many tools out there, they all perform spectacularly, however they work on an industry to industry basis. Your first goal is to identify where your target audience is, then you can make the decision if pursuing this tool is beneficial to your business. Let's go through some of the best tools you can use for your business.

#TOOL 1 - WEBSITE

A lot of people think that if they don't sell products online, then they don't need a website. This could not be further from the truth. A good website is essential to any business's marketing strategy. It is the connection between every marketing effort and becomes the businesses true powerhouse - Your social media, your emails, your van livery all point directly towards your website! What is the purpose of a website within the construction industry?

- Brings in Leads & Customers
- If you don't have one you are falling behind your competitors
- Turns your business into a professional business
- Update visitors and clients
- Builds trust and respect

Regardless of what you do, people are going to end up searching for your business online, it is a necessity that you show up. If you don't have a website, you're setting a low standard for your business. However simply having a website isn't enough; you need to make sure that it's high quality and professional, this is where you will need a web development team in place. Professionals in this area are experts at creating websites that are easy to use and that converts visitors into paying clients. Get in touch with the team to start your web dev journey.

#TOOL 2 - SEO

SEO, short for Search Engine Optimisation. It is the process of optimising your website for Google and other search engines. The art of SEO is rather complex and is ever-changing with regular updates to search engines algorithms (Google's Brain). There are three main components we want to look out for when it comes to SEO:

1. Search Intent / Relevance Factor 1 is search intent. Search engines have the single purpose of satisfying the user's needs, this means if we search for a Plumber near me, Google's Brain will swiftly collect all the results together that answers my query and displays them.

2. Authority Factor 2 is Authority. Now that Google's Brain has gathered all relevant results, it will display them, however, that's not quite it. Google doesn't just want to show any site as it could be misleading or untrustworthy. That's where authority comes in, Google uses authority to identify what websites are trustworthy.

3. User experience Factor 3 is user experience, Google is able to tell what sites are well produced or are poor & spammy, such as the use of aggressive popups and so on. User experience covers everything from speed, mobile responsiveness and so on. It is a necessity for the success of your site that the user's experience is perfect.

#TOOL 2.1 - Blogs & Articles

Producing blogs and articles comes under the powerful SEO.

By producing blogs and articles we are able to achieve so much! Producing blogs allows us to target and rank certain keywords or queries and use them to our advantage. For example, a kitchen fitter may produce an article covering what makes the perfect kitchen. This is a popular search query and if the kitchen fitter can rank for it, he can direct all of that traffic directly through his site.

This would all be a part of our marketing strategy, bringing people from A to B is what it is all about.

#TOOL 3 - SOCIAL MEDIA

The construction business is a very visual industry and is based on a lot of trust. In the end, it is an expensive project that the client realistically has no idea how it's going to turn out. Social media is your tool to close that fear down to a minimum.

Not only can you identify and win new leads through social media but it allows you to build and grow relationships with your customers and audience. Your presence on social media shows the personality and authority of your business. Social media is your best avenue to develop trust and communicate with your audience, releasing updates, answering questions, showing off projects and so on.

#TOOL 4 - ADVERTISING

Advertising has the power to create awareness, the power to convert fresh viewers straight into clients and the power to persuade.

Advertising comes in all sorts, such as social media, search engines, radio, billboards, buses, the list goes on... From where we look, to what we wear, to what we eat, there is advertisement everywhere. But what makes them worthy? A good advertisement is able to connect to the audience that it is presented to. This may be targeting pain points like that leaking roof or selling dreams like that brand new kitchen.

Advertising is the most powerful and effective way to bring an audience of thousands to your business. How can advertising work for you? Let's just take one of the many examples, Search Engine Advertising (SEA) We can place advertisements on certain keywords that people type in on Google & other search engines. So, in the instance for our kitchen fitter, someone might type in, "Kitchen Fitter near me" - Now we are targeting that very phrase in that very location, it is the perfect match and we have been connected through the power of advertising.

#TOOL 5 - NETWORKING & WORD OF MOUTH

You may have heard “it’s not what you know, it’s who you know”. Many people believe that networking is just selling to everyone you know, but it’s not. It’s more about the development of relationships over time. This relationship allows for trust to be built and maybe they don’t even become a client however they might recommend one of their friends instead.

Here are some tips on how to build your network

1. Attend relevant events
2. Start networking before you need it
3. Leverage social media
4. Let them speak
5. Do not instantly & constantly sell!
6. Stay connected - don’t let them forget you.

#TOOL 6 - YOUTUBE

YouTube is becoming stronger and stronger. YouTube has 2 billion users logging in every single month, it is becoming a powerful part of our lives making it easy and simple for anyone to share content!

But how does it apply to the construction industry? You can put your unique twist on it! It all depends on the image you want to portray for your business anyways. Here are some quick ideas.

1. Professional Portfolio - Create a gallery of high-quality videos for all of the work that you complete. You can include testimonials from the client and so on.
2. Create time-lapses of big projects - Show your audience the sped-up version of your project! This is a great way to visualise the impact of your work.
3. Vlogging - Simply vlogging your process that you do with every project creates a time log and allows your audience to see the real side of what you go through within your jobs.

4. Create funny moments - There are a lot of laughs on-site, creating a reel of funny moments is a great way to connect with your audience on a personal level.
5. Educate - Take the time to educate your audience, this demonstrates the level of your expertise and develops trust with your audience.

#TOOL 7 - Neighbourhood Cards

This one brings us out of the digital space and works if you are visiting houses or offices a lot, it would be beneficial to invest in the production of some neighbourhood cards.

How do these work?

When you do work at someone's house, you can run round to the surrounding 20-30 houses and drop off a neighbourhood card which is just a nice visual promotion of your business saying something like "You may notice your neighbour smiling a lot more... That's because we have done x and so on.

These are so powerful as it is getting your business out there plus it provides proof of your work and how it has affected someone that they personally know. If you list what you do on your neighbourhood cards and they are interested in one of these services, they would speak to their neighbour and it will instantly validate the quality of your service.

Neighbourhood cards are a great thing to carry around with you, they are cheap, simple and effective. Sometimes you may hand the card to someone face to face which is great as you can really develop a relationship from there!

Crafting your reputation

Now that we have gone through how to build your online presence, it is now a key job to look after it. Although you may think you control everything said about you online, there are a lot of ways for competitors or negative experiences with clients that can affect you.

The power of reviews.

Reviews do so much for a business, anyone researching your business is virtually guaranteed to check out your reviews, why would they not? They are researching if your business is the right choice for their project and the best way to see what it will be like working with you, is to check out what other people are saying.

It is a very important job to maintain your reviews that you are receiving. You should continually invite customers to review your business as this is providing proof to future customers that your business is the right choice.

Now, what happens if you get a negative review?

Hopefully, this never happens but sometimes a negative review can appear, maybe for a job that just went out of your control and there was nothing you could possibly do. It is important to address the reviews, even more so

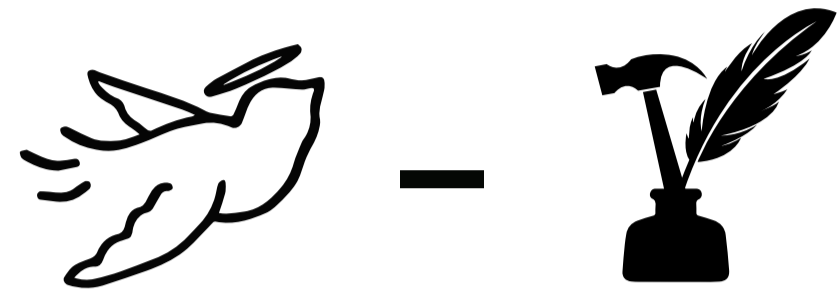
than the positive reviews. One negative review has the power to turn away future customers, so your response is needed!

You should address the issue that the client had and discuss potential resolutions that would solve the issue at hand. Just this response alone shows that your business is honest, maybe it did make a mistake, but you are here to fix it.

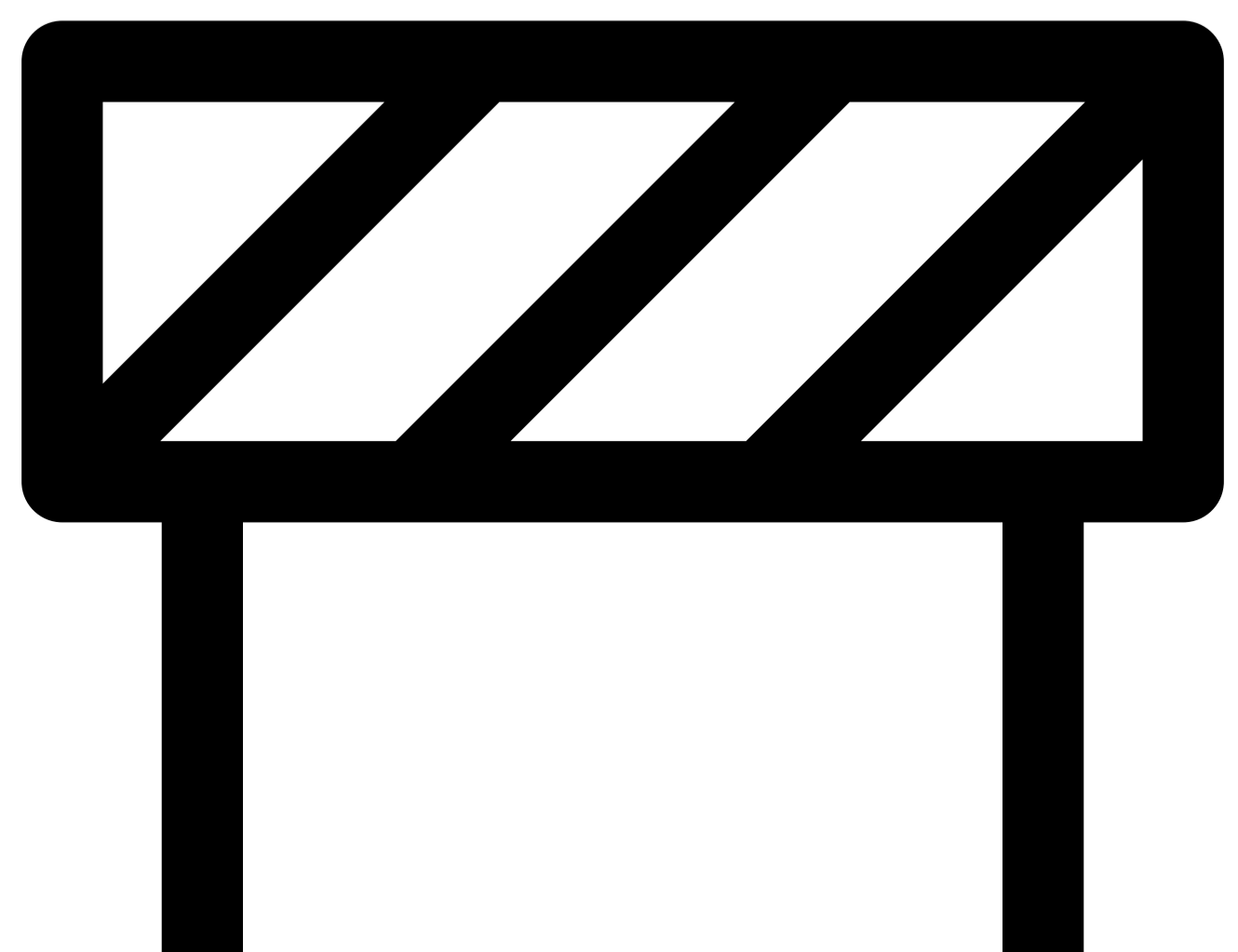
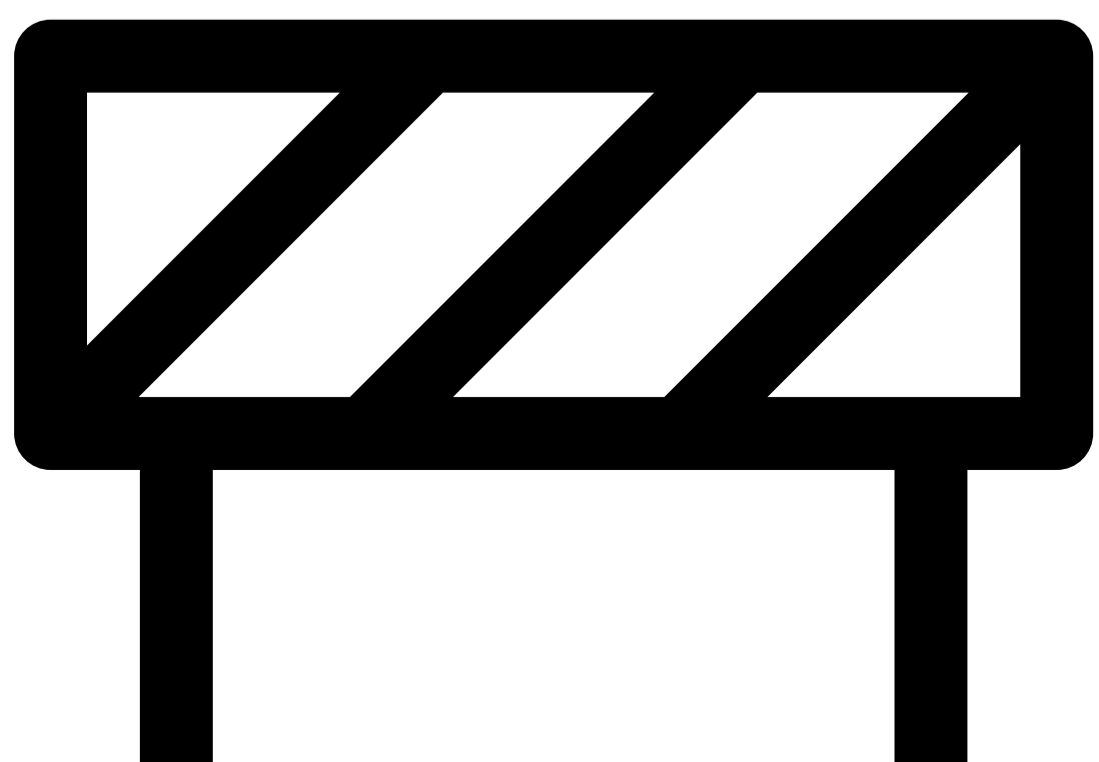
Your Media & Marketing Solution

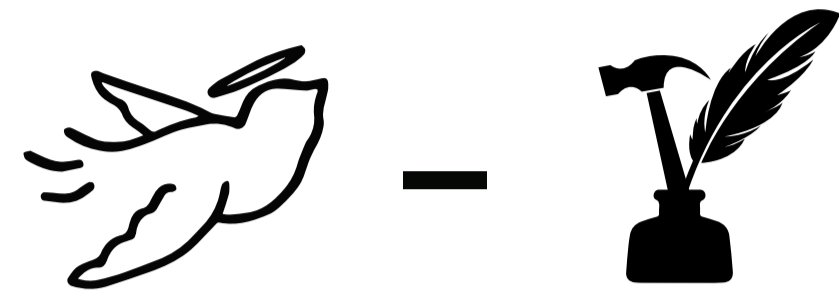
I hope that this chapter of the book has really allowed you to identify the importance of an online presence and more importantly how to build one.

The team at Saint Media & Marketing are more than happy to help with any of the solutions that we have discussed, with professional designs, developers and marketing experts on hand to deliver you something special!

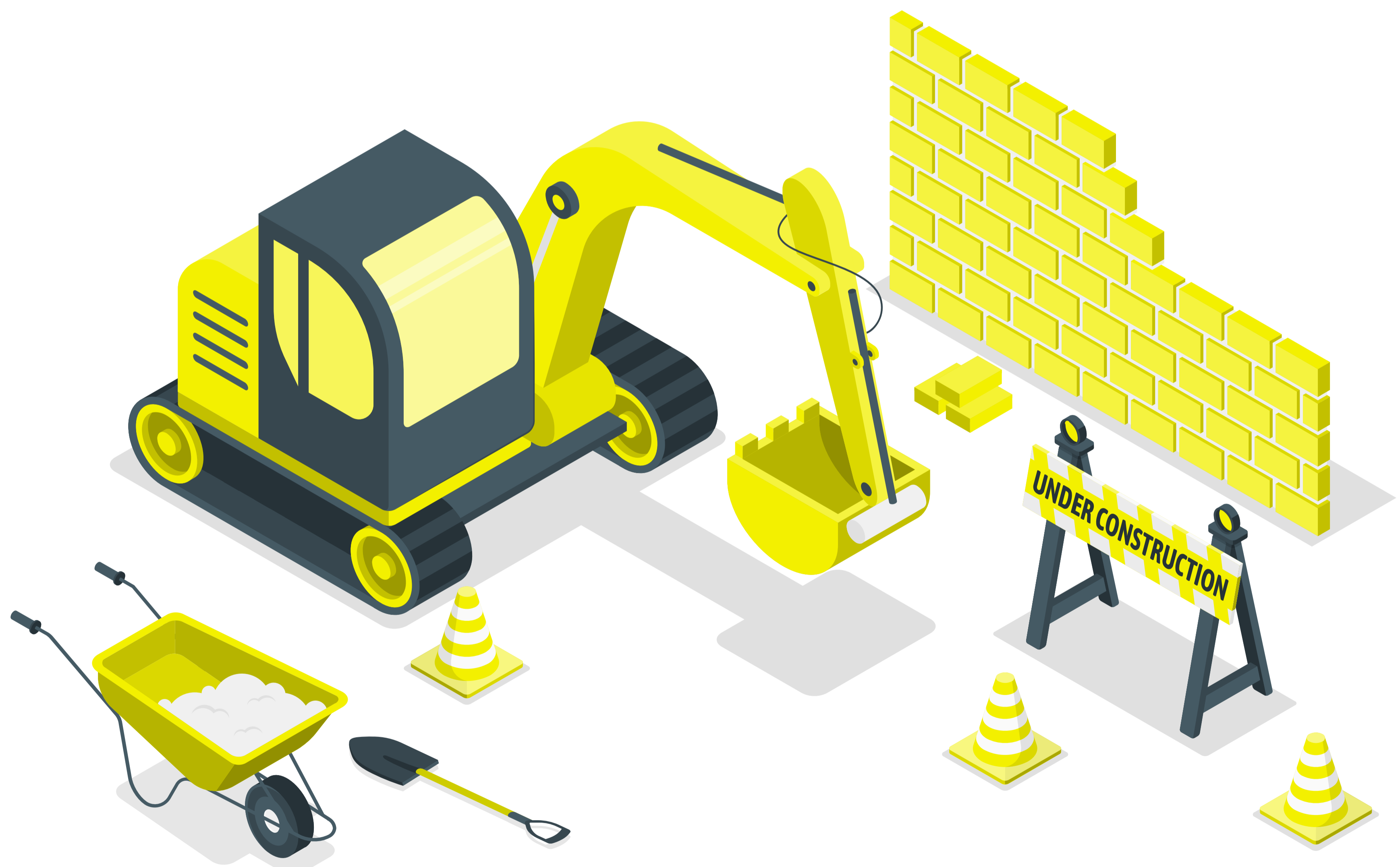


**GET
KNOCKED
-DOWN-
GET BACK
UP!**





- CHAPTER SIX - CONSTRUCTING CONSTRUCTION



Constructing Construction

The construction industry can be a world of pain, we hope that within this chapter you can identify and understand some of the possible solutions in order to fix and resonate issues that may occur.

Red Flags of a Problem Client

Painful clients can happen in both residential and commercial jobs, you could come across a client that is going to be a problem regardless of what you do. It was never a misunderstanding, it was never a mistake. Sometimes you'll face people who want to be a problem regardless of the situation as if they are looking for an issue.

The most important rule when dealing with a painful client is to remain calm, regardless of the situation. Raising your voice or getting angry will not solve problems, but only create more.

If you have ever dealt with a problem client before, you have probably heard one of these statements:

“I've got a quote half the price from another contractor”

“We will pay after the work is completed”

“I've spoken to other contractors, but they don't know what they are doing”

From time to time, construction businesses will face difficult clients. It is your job to be able to either get out of the situation or control it to the best of your ability.

Here are some of the problems that a difficult client can bring:

- Increased Stress
- Profit loss
- Severe delays
- Affect on reputation
- Business closure
- Mental Health issues
- Bankruptcy

Here are 6 types of painful clients that you might come across and the solution to dealing with them!

The Indecisive One

Indecisive clients can bring a lot of stress onto a business, it is like someone asking you to build a wall without telling you where. These types of clients will usually result in shouting or discrediting you for building the wall in the wrong place, even though it was due to the lack of instruction from them.

These clients may not know what they want, but they definitely know what they don't want. Sounds kind of counterintuitive, but it's the case and in the end, it boils down to a lack of communication which leads to a dissatisfied client.

How to deal with indecisive clients?

The main issue that you will be seeing with indecisive clients is their lack of communication, and while there's little you can do if your client doesn't want to communicate, you can take the necessary steps to ensure you are on the same page.

Therefore ensuring that you record and approve every step you do is critical, if you have drawn out a plan for a new conservatory, and they approve, they cannot blame you on the final project if it literally matches the very plans in which they approved.

Consistent nagging & revisions

Sometimes when we complete a project, there are certain revisions that the client requests which is understandable but can quickly become a problem. Clients can repeatedly request tiny alterations which can quickly take up a lot of your time & resources.

If a client wants to change a job in a way that implies more risk upon your end, it is an instant red flag and maybe a sign that the client plans to withhold payment.

How to deal with nagging clients.

Contractors know that it is not unusual for a client to request changes to the original job, for example, a homeowner might decide to change the bushes being put into his garden, but these changes should never be done on a verbal basis as it will lead to disaster later on. If changes are made after the original job has been made, a new scope of work should be made and the client should sign and approve the additional costing as a result of the change.

Dishonest Clients

A lot of work you may do will rely on forms of permission such as planning permission. In some cases, clients may become dishonest to achieve what they want. Failure to obtain or comply with planning permission can result in a lot of consequences such as removing all the work you have completed or even in some cases, legal enforcement can be put into place leading to fines and so on.

How to deal with dishonest clients?

If a client is insistent on proceeding with the work regardless of the required permission, it is your cue to walk away with integrity. These clients are usually in a hurry to complete the project at hand but it can lead to a pretty big headache down the line. You should insist that the required permission is put into place before starting any work.

The Hagglers

It is completely understandable that your clients will try to grab a discount if they can get it, but some clients take it one step too far. A problem occurs when clients take the haggling too far or too small, they are haggling over the smallest costs consistently, questioning why certain costs are there or trying to get additional work out of you for free.

These clients are virtually using you, being annoying, cutting into profits and wasting your time.

How to deal with hagglers?

Once you have explained your discount policy (which can just be “no discounts”), you have to be firm with the client. You’re a business and they need to understand and respect the boundaries that are in place. Plus if you start giving discounts how are you going to provide the same level of service to that client, as now you have to invest the same amount of money, time and commitment but for less money!

Anxious Clients

Unfortunately, there are cowboy builders out there, and their shoddy work has a dramatic effect on people. They don't know who to trust and they are constantly worrying about the work.

How to deal with anxious clients?

It's a shame that people have had to deal with such a poor level of work, and they are horrified at the thought of it happening again, therefore they are going to be very anxious about who to trust.

Dealing with these kinds of clients is going to be very dependent on the situation, but the best way to deal with it is to generally have a real conversation with them, show them your past work, and build a meaningful relationship. Who knows, you might have just gained a client for life for spending that bit of extra time with them.

Arrogant Clients

Sometimes clients think they know best, they think they could do the job better and so much easier if they had the tools and time. Arrogant clients normally try to undermine you and value your work for less than it is.

How to deal with arrogant clients?

Stand strong and prove yourself, say why you are charging for this and explain the quality that you deliver, unfortunately, some arrogant clients cannot be budged, but here are a few handy tips:

- Understand their pain points
- Be empathetic
- Stick to the facts

Don't undervalue your work!

Don't focus on being the cheapest! There is always someone who is willing to do the work cheaper than you. A lot of companies find themselves competing on price like it is the only thing your potential clients are thinking about, but in fact, your clients directly link a high costing product/service with quality.

We have seen hundreds of businesses undercharging for their work and barely making it though, this is a trap, once you lower your prices you will struggle to bring them back up, you will just keep lowering and lowering until you can make ends meet.

So why do businesses undervalue their work?

- “I would not get as much work”

You can easily work less and still receive the same amount of money. This means less stress, fewer jobs and the job at hand receives a higher level of work.

- “I am not sure that my work is worth that much”

Imposter syndrome is the internal experience of believing that you are not as competent as others within your industry, this happens to everyone and is a normal emotion. The best way to fix it is to realise it exists and to believe in yourself.

Failure to realise that prices are too low will result in problem clients finding you. Your prices reflect your value and expertise within your industry. If you undercharge your services you are sending the direct message of what your services are valued at.

Thinking you will get more clients with a cheaper service is a straight path towards disaster, you will see that people who are cheap / underpay you are often the ones who do not see the value in your work and will end up constantly belittling you, refusing to show respect and so on.

How do I charge a higher price for my services?

1. Understand the quality that you deliver and charge the price that your work is really valued at.
2. Charge for the experience and education you have gained over the years, not the cost of materials.
3. Overcome any mental blocks that are making you believe that you are not “worthy”
4. Focus on other marketing mediums other than word of mouth.
5. Develop stronger boundaries and self-respect. Learn the art of saying “No” - Know what your time is worth and respect that.
6. Start taking on high-quality clients only.

Managing Your Team

People are a key part of your business and should be valued as such, hence the need to properly deploy and manage them. This is a very important component of any business operating within the construction industry. Now managing people comes with its own problems, this is where you really have to develop a leader's perspective. You have to deal with things being late, incorrect, inconsistent.

This might sound like a lot of hard work, but in the end, once you have developed a strong team that is built within your company, things will get easier, you no longer have to rush around to every job nor have the pressure of being in a thousand places at once.

Importance of effective communication within a team. A team must develop trust, this is not an automatic process and will be formed over time. Trust is formed from reliance, vulnerability and support. Members of the team should be encouraged to communicate to one another more than they would in normal situations, they must hold the value of honesty sincerely, withholding the truth within a team is very damaging to morale and integrity.

Now a project can be completed much more efficiently if it had 3 people working on it in comparison to one, but as soon as you take effective communication out of this, things actually go in reverse.

Teams that communicate will complete projects at a higher quality while being quicker and more efficient. Teams that fail to communicate effectively will end up wasting time and energy doing busy work rather than the work that is required. This is due to a lack of understanding and miscommunication. This often leads to conflict within the group and therefore a break in trust which overtimes leads to worsening performance.

Clarifying Project goals and objectives

Clarity of purpose is essential for good project management. It is your responsibility to articulate clearly to the team what everyone's role is and the overarching goals of the project. When everyone has a clear understanding of the task at hand, you will still have to have a strong overview to ensure that everything is going in the correct direction.

- Keep everyone informed
- Request feedback
- Assign accountability

Connect on a personal level

Connecting with your team on a personal level will develop a strong relationship, no longer are you just the guy who pays their wages, you become a friend or maybe a mentor. Just by asking about their personal life, a barrier of formality is broken and a greater level of trust and respect is delivered.

Coaching and personal development

An important role to be played as a leader is to bring those up around you. Some of your staff will require support at times and by discussing the issues at hand and working through them together will bring a tremendous amount of trust while actually teaching something too.

Recognition and reward

It is important to realise that when someone puts a lot of hard work into a project they want to be recognised for it. If you just disrespect and disregard every project that they complete (good or bad), they will start to become less motivated and not care about any future projects that you assign them.

What to do when the plan goes

What can go wrong in construction? Unfortunately, a lot can...

Whether you are in the commercial or domestic sector, issues come up all the time, there are so many factors to take into consideration and due to the vast amount of variables that come with every project, things can get a little complicated and go completely wrong.

Contractor No-Show

Before hiring a contractor, thoroughly check them out. See their past projects, reviews, verify their licenses, ask people who have worked with them and so on. Make sure the people that you are trusting to work on the behalf of your business are reliable and respectable. You should speak with the contractor beforehand to ensure there is no miscommunication.

Multiple Project Overload

Taking on multiple projects at the same time can cause many problems, unfortunately, there are just not enough hours in the day to do some of the things we sign ourselves up for.

There are two approaches that you can take for multiple project overloads, but it depends greatly on the scale of them.

1. Take a minute and breathe, is this actually possible? Sometimes you have to create a meaningful strategy identifying where you should be, where your men should be, deliveries and so on. Time management is the key to a project's success.
2. Admit your losses, sometimes it is not possible to do it, in this case, it is the best option to be open and transparent with the clients. State the situation you are in, maybe you can come to an arrangement where a project is put on hold for a short period of time.

Delivery Delays

Delays of goods and materials can happen on any job and are completely out of your control, but that doesn't mean we shouldn't have a backup plan. Send your team to work on a different part of the project while you are waiting or maybe you are able to contact another supplier. A delay doesn't mean everything has gone wrong, use your leadership skills and make the most out of the situation.

Bad Weather

Another factor that no one can control is the weather and in a country like England, it becomes even more unreliable. The weather is something we can't control and it can delay work from going ahead, it is always wise to include an extra few days within your project timeline as a buffer.

Failure to Meet Expectations

Sometimes we fail to meet the expectations of the job at hand, from quality to timeframe, things just fall out of place and lead to a dissatisfied client. It is important to be open and transparent with the client as early as possible so you can both understand the situation at hand and conclude the best course of action in order to fix it.

Importance of Customer Satisfaction

Customer satisfaction is at the heart of every business and works through with the aim of delivering an exceptional service that leaves the customer feeling valued and respected. Although providing excellent customer service may come out as an additional cost, it will surely show a return on investment in the future.

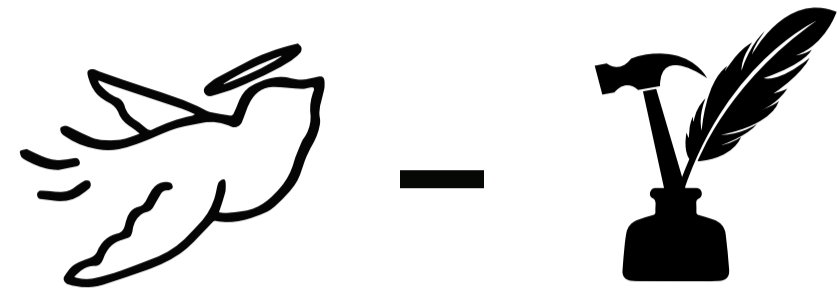
Great customer service will allow you to:

- Increase customer loyalty
- Increase job value
- Increase repeating business
- Generates a positive word of mouth
- Generates referrals

There are many reasons why you should value high customer satisfaction and should be held strongly throughout the values of your business, but you might be wondering how do you keep this high standard?

- Understand your client's needs and wants
- Treat everyone respectfully
- Undersell and overdeliver
- Keep your promises
- Handle complaints gracefully
- Go out of your way to help.

By putting these measures into place you can increase the overall lifetime value of your clients, maybe they will refer you, maybe they will ask for future work. You can work out the lifetime value of your clients with this [simple calculator](#).

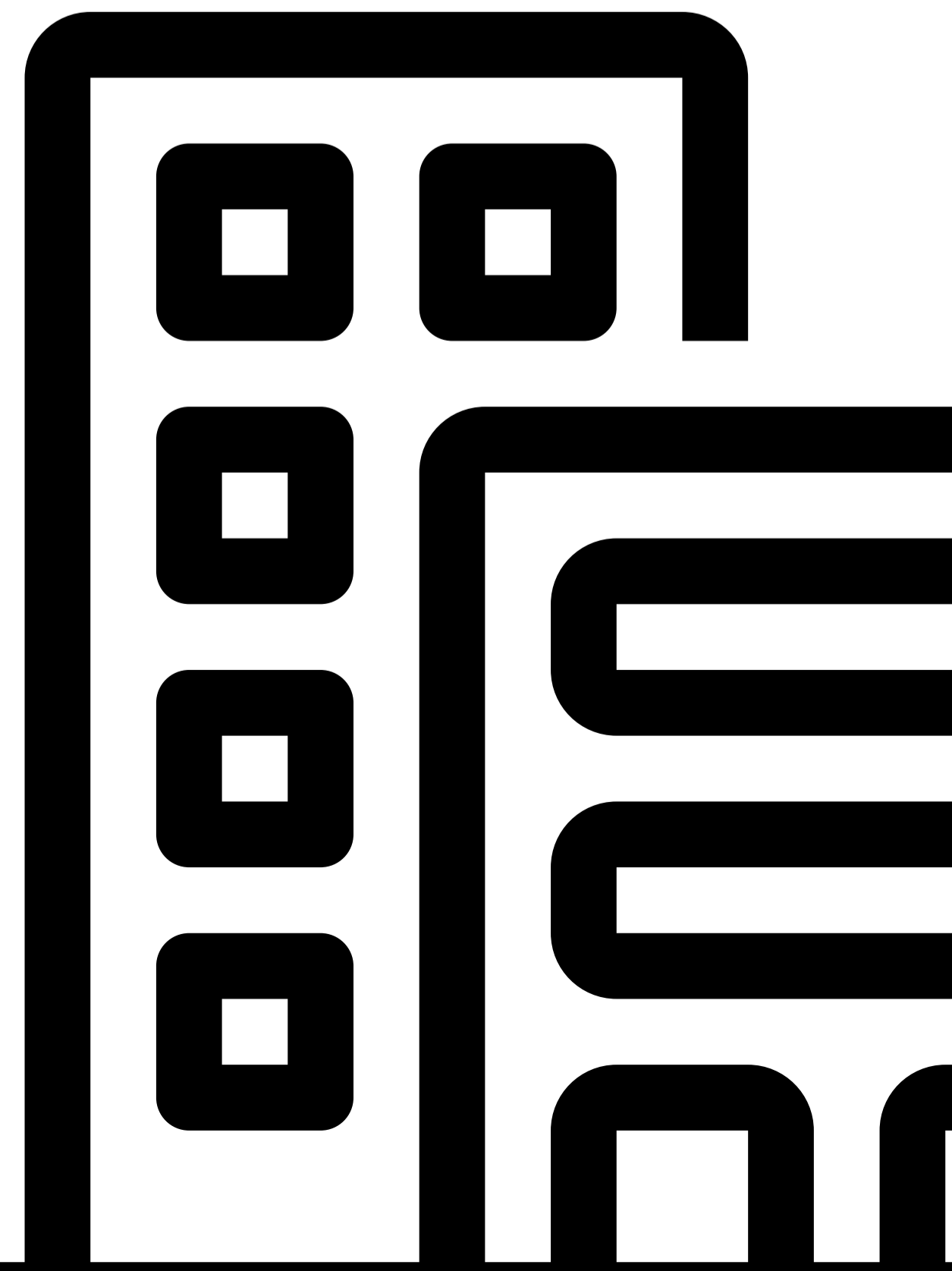
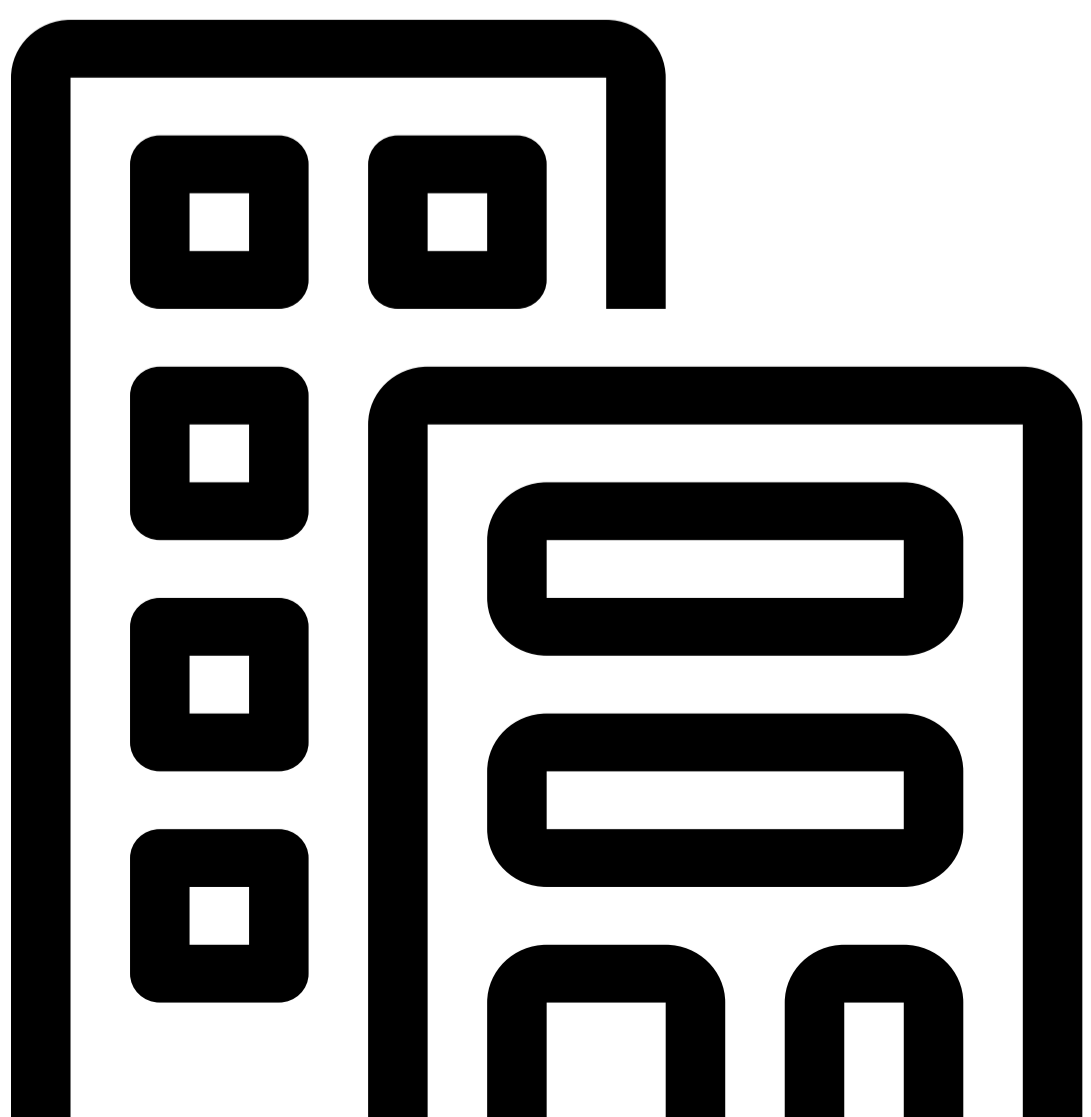


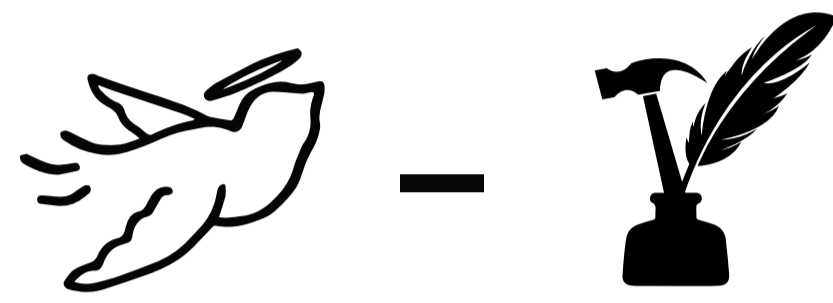
BEGIN

UNKNOWN

FINISH

UNFORGETTABLE





CONCLUSION



Conclusion!

Within this short book, we have been able to cover a lot of ground, we hope we have covered the main points to consider when starting or growing your business within the construction industry!

This book was originally created for Startup Construction Businesses that came into Saint, this was released to the public because of the wonderful reviews it was receiving. This book has been helping businesses across the country and we hope it can help yours too! It was targeted towards the ambitious owners of the trade industry that have an aspiration to grow. You should use this book as a reference tool, you can keep referring to the bits that have the most relevance to you and your current situation.

However, there are so many extra elements that you will need to consider from answering your calls or getting your business plan in place. Nevertheless, at SaintFG we really do try to provide an all in one solution for you. As a little bonus to all of the readers that have made it this far, we have put together an exclusive set of packages to really get you going within your business! [You can see your packages here!](#)

We are implementing these packages into construction businesses across the UK, yet every solution is still completely built around you. We are also giving you access to our golden ticket too! This means that for every person that you successfully refer to Saint Financial Group you will receive £100 respectively!

We hope you enjoy the eBook and if you have any questions (big or small), feel free to get in touch with your dedicated business manager. They will be more than happy to explain/go over any issues that you are facing.

We hope to hear from you soon. Contact us via:

- [Website: https://www.saintfinancialgroup.co.uk/](https://www.saintfinancialgroup.co.uk/)
- Phone: 020 8187 4201
- [Facebook: https://www.facebook.com/SaintFinancialGroup](https://www.facebook.com/SaintFinancialGroup)
- [LinkedIn: https://www.linkedin.com/company/42312259](https://www.linkedin.com/company/42312259)