

"This book isn't just a glimpse behind the curtain, but is a comprehensive collection of advice, case studies and crucial tips on how to elevate your business, as I did mine."

Charlie Mullins OBE
Founder and Chairman of Pimlico Plumbers

BUILD AND GROW

How to go from Tradesperson
to Managing Director
in the Construction and
Trade Industries

ALISON
WARNER



RETHINK PRESS

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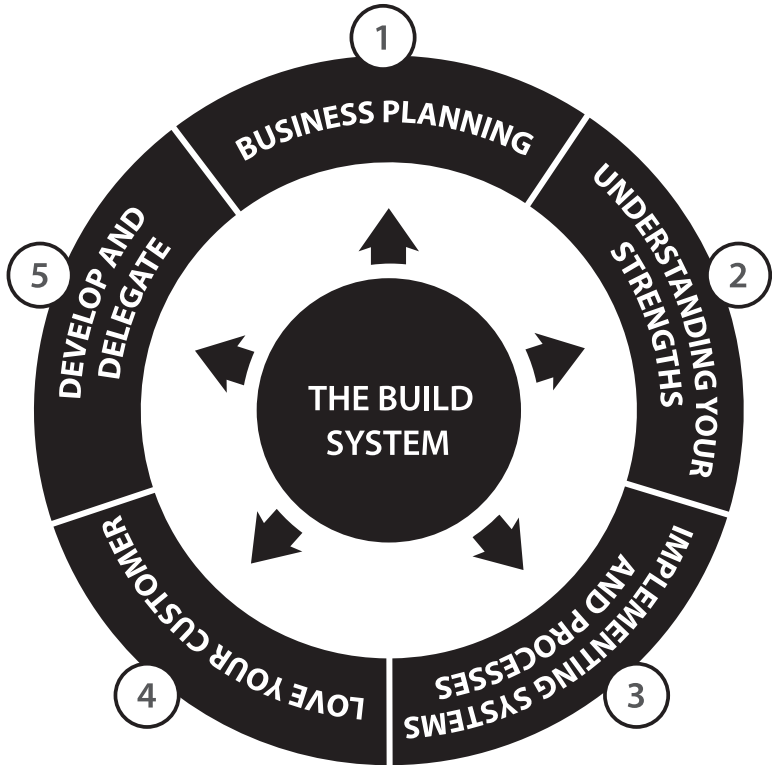
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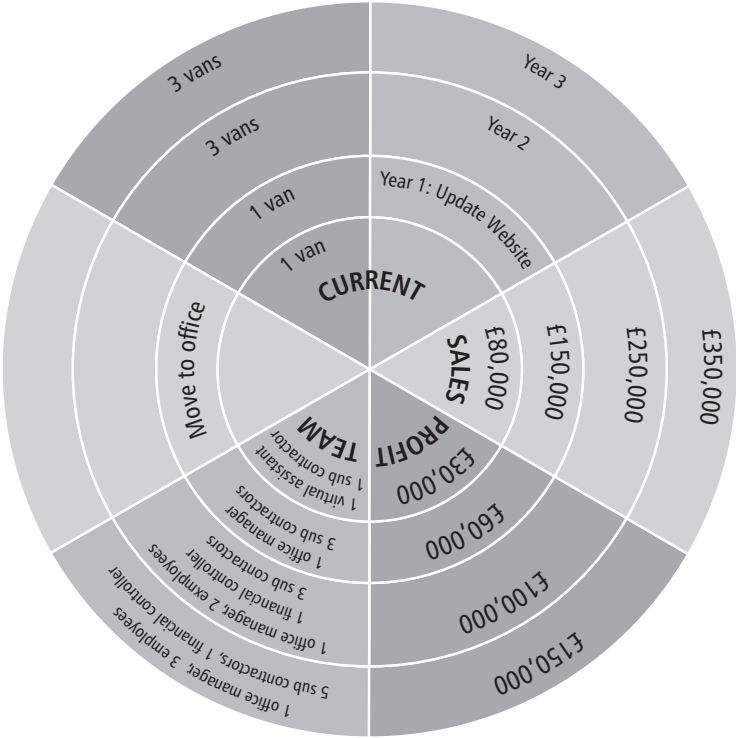
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The BUILD System



BUILD AND GROW



A N OTHER PLUMBERS LTD

Detailed Profit and Loss Account for the Year Ended 31 December 2016

	2016	2015	Notes
	£	£	
Turnover	£289,653	£217,635	This is the total amount of net sales over the year (without VAT)
Cost of Sales			
Purchases	£97,613	£76,172	These are the materials bought
Sub Contractor Labour	£23,172	£39,174	These are the costs of sub contractors i.e. any plumber who is not on the payroll
Total	£120,785	£115,346	Purchases + Sub Contractors
Gross Profit	£168,868	£102,289	This is the amount of profit left when sub contractor costs and purchases are deducted from sales
Semi-Variable costs			Otherwise referred to as overheads – what the business has spent over the year in the various areas
Advertising and marketing	£3,373	£2,435	e.g. website, advertising, marketing
Audit and Accountancy	£1,084	£1,167	
Bad Debt	£673	£465	unpaid invoices
Bank Fees	£266	£358	bank charges
Directors Remuneration	£11,000	£11,000	basic salary of director, all other income is taken from profit as dividends generally
Entertainment	£633	£456	
General Expenses	£716	£1,235	costs that can't be attributed to one of the cost lines
Insurance	£2,878	£2,567	
IT software and maintenance	£1,543	£867	computer costs
Motor Vehicle expenses	£5,341	£4,356	fuel, maintenance on vans
Pension	£1,200	£1,200	
Printing and Stationary	£276	£356	
Staff training	£1,119	£878	

BUSINESS PLANNING

			Notes
Subscriptions	£615	£567	any memberships
Telephone and Internet	£1,549	£1,456	
Travel	£572	£875	
Wages and Salaries	£72,413	£43,527	costs of employees on the payroll
Total semi-variable costs	£105,251	£73,765	all the semi-variable costs added together
Net Profit	£63,617	£28,524	This the profit made before tax is paid i.e. Net sales – Purchases – Sub Contractors – Semi-variable costs

		£	% of sales
A	Sales		
B	Materials		e.g. material costs divided by sales costs x 100
C	Subcontractor labour		
D	Gross profit (A minus B minus C)		
E	Overheads		
F	Operating profit (D minus E)		

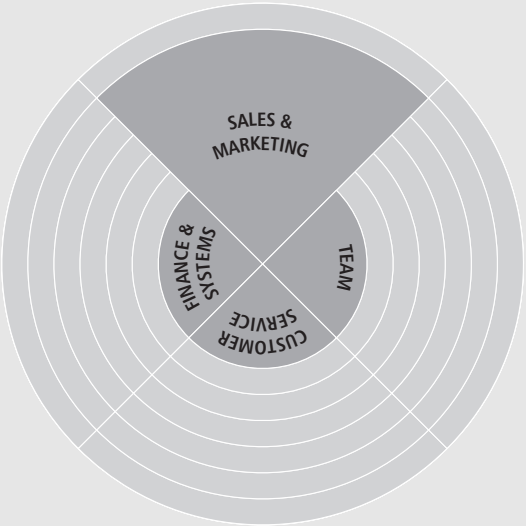
		£	% of sales
A	Sales		
B	Materials	% from above x forecasted sales, e.g. 30% would be 0.3 x sales	
C	Subcontractor labour	Repeat as above	
D	Gross profit (A minus B minus C)		
E	Overheads		
F	Operating profit (D minus E)		

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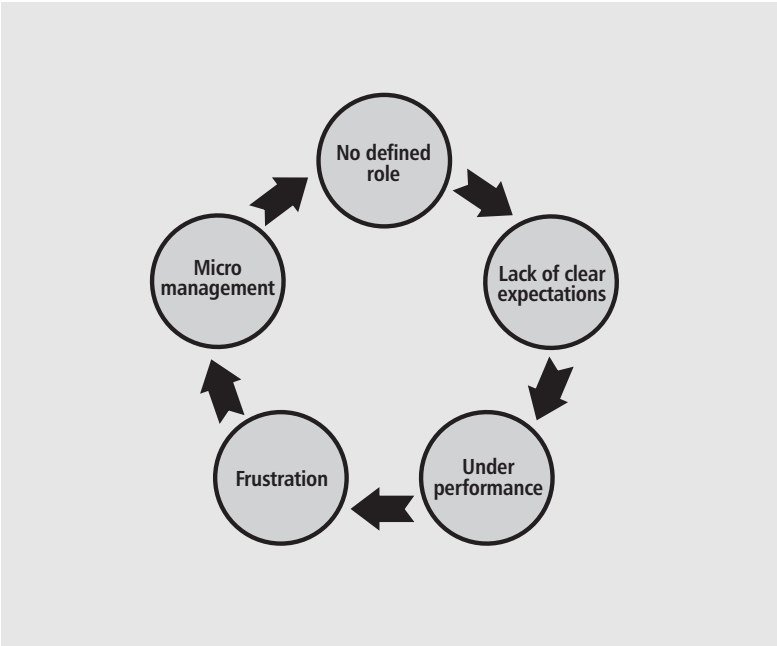
Annual sales	£147,895
Approximate number of weekly customers = 10	10 x 52 Weeks = 520 customers
Average value of client	£147,895 divided by 520 = £284

CASE STUDY

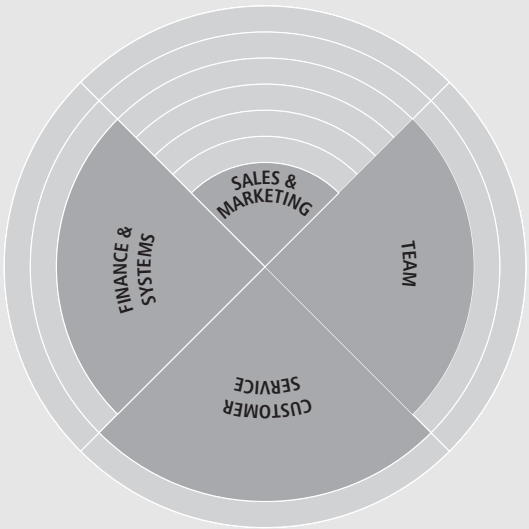
**Overwhelming demand, lack of
structure and under-resourced**



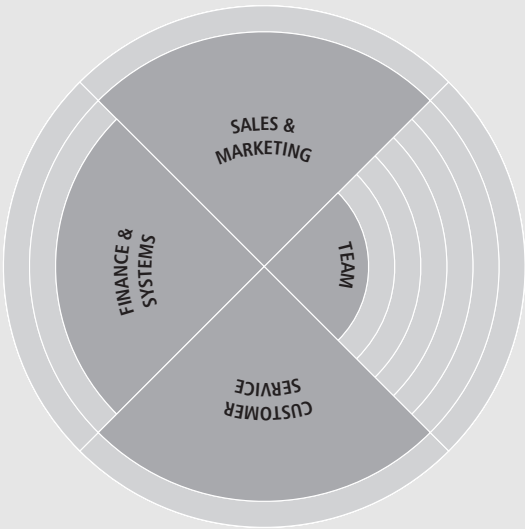
BUSINESS PLANNING



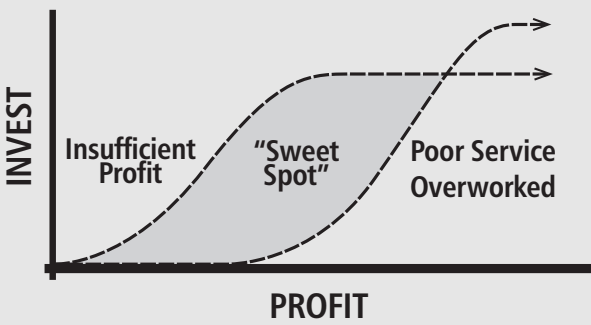
CASE STUDY
Over investment



CASE STUDY
Further growth stunted by lack of
people systems and processes



performance as well as those to help him identify and recruit the right talent.



Exercise

MARKETING	Yes/No
Channels	
Are you attracting enough new customers?	
Do you have an up to date website?	
Have you tried networking?	
Do you have relationships with key professions who can pass you business, and whom you can help in return?	
Product	
Are there any products or services that your customers want that you could be offering?	
Key question - are you getting sufficient leads and enquiries?	

CUSTOMER SERVICE	Yes/No
Experience	
Do you measure the customer service you are providing?	
Are there bottlenecks in the business?	

BUSINESS PLANNING

Market research	
Do you know what the latest trends are in your field and what the market is wanting?	
Are you charging enough?	
Key question – do customers readily refer and recommend you?	

TEAM	Yes/No
Numbers	
Do you have enough people?	
Ability	
Are they doing their job to standard?	
Attitude	
Are they keen to come to work and do a good job?	
Do they take feedback well?	
Are they reliable?	
Key question – are you happy with your team?	

FINANCE AND SYSTEMS	Yes/No
Sales and profit	
Do you have a financial forecast in place?	
Is your business growing?	
Is it profitable?	
Do you know this for certain?	
Cash flow	
Are invoices being sent out promptly?	
Is there a process in place to chase non-payments and deal with debtors?	
Systems	
Is there accounting software in place providing financial visibility?	
Is there a customer relationship management system in place specific to the Trade industry?	
Are your processes sufficiently documented, enabling others to be trained?	
Key question - do you feel you have the right systems and processes in place to provide you with information and create organisation?	

Relational – people focused		
Strength	If being used well	Watch out for the overdrive
Collaboration	You co-operate with others to overcome conflict and work towards a common goal	You may look to others to get their agreement which slows down your decision making
Compassion	You care about others, are kind and a good listener	People may take advantage of you and your caring nature
Developing others	You enjoy helping people develop, you see their strengths and their potential	You may spend too much time helping someone improve at the expense of something else
Empathy	You find it easy to step into someone else's shoes and see things from their point of view	You could lose the ability to see things objectively, agreeing with the other person too readily

UNDERSTANDING YOUR STRENGTHS

Leading	You enjoy leading a team, motivating and inspiring them	You may slip into micro-managing people when it isn't needed
Persuasiveness	You enjoy debating, bringing people round to your way of thinking	You could debate for debate's sake, regardless of the usefulness of the argument
Relationship building	You are good at building networks of contacts and putting people in touch with each other	You may spend too much time doing this at the expense of something else

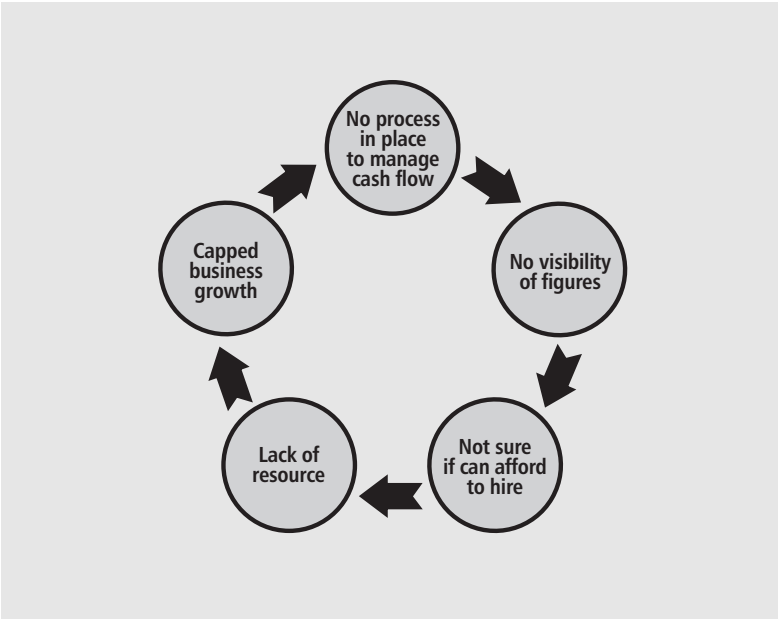
Execution – task focused		
Strength	If being used well	Watch out for the overdrive
Decisiveness	You find it easy to make decisions even when you may not have all the information required available	You may make decisions too quickly and then look back and either change the decision or regret it
Efficiency	You are methodical, planned and organised	You may try and fit too much in and/or be dismissive of anything that you perceive to take you off track
Flexibility	You adapt well to change and new situations	You may look for change for change's sake, and may appear restless to others
Initiative	You take action of your own accord, not waiting for others to tell you what to do	You may start too many new projects at the same time, not taking into account how likely they are to be successful

Results focused	You keep focused on the end result, and show consistent commitment throughout	In your enthusiasm to achieve results you may fail to look back to see what could be learnt or forget to recognise others
Self-improvement	You enjoy continually learning new things, developing yourself in the process	You could become a 'workshop junkie' learning lots of new things regardless of their value to the company

Thinking – task focused		
Strength	If being used well	Watch out for the overdrive
Common sense	You approach tasks in a logical manner, using your experience from previous situations	You could be dismissive of anything you consider to be a bit off the wall, preferring to stick to the tried and tested
Creativity	You enjoy coming up with innovative solutions to problems	You may come up with ideas that are not practical, overlooking the tried and tested
Critical thinking	You break things down to evaluate them, naturally spotting any risks	You could come across as being negative and/or over-critical, as you see where things could go wrong
Detail orientated	You have a strong attention to detail, regardless of the pressures	You could spend excessive time in the detail, losing sight of the big picture
Strategic minded	You enjoy looking at the big picture and are strategic in your approach	You could lose sight of the current realities as you are too focused on the big picture

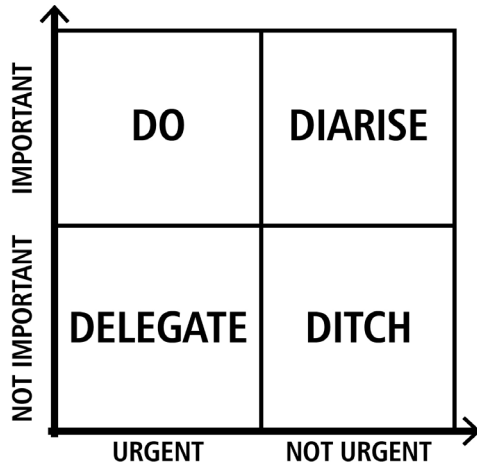
UNDERSTANDING YOUR STRENGTHS

Emotional – people focused		
Strength	If being used well	Watch out for the overdrive
Courage	You are prepared to take on challenges and face risks by standing up for what you believe in	You could come across as reckless or extreme when defending your beliefs and/or may take on things that are too risky
Emotional control	You are good at remaining calm and productive when under pressure	You could come across as difficult to read, not having any enthusiasm and/or aloof
Enthusiasm	You show your passion and enthusiasm openly when communicating your ideas and beliefs	You could come across as too emotional, which may discourage others from sharing their views if different
Optimism	You tend to look at the upside even during challenging times, remaining positive and believing you can influence the situation	You could fail to see areas of risk, and are unrealistically positive
Resilience	You enjoy overcoming challenges and deal well with setbacks	You could take on 'mission impossible' as you like having a challenge and winning against the odds
Self-confidence	You have a strong belief in your own abilities to get things done	You could come across as arrogant and/or be dismissive of feedback



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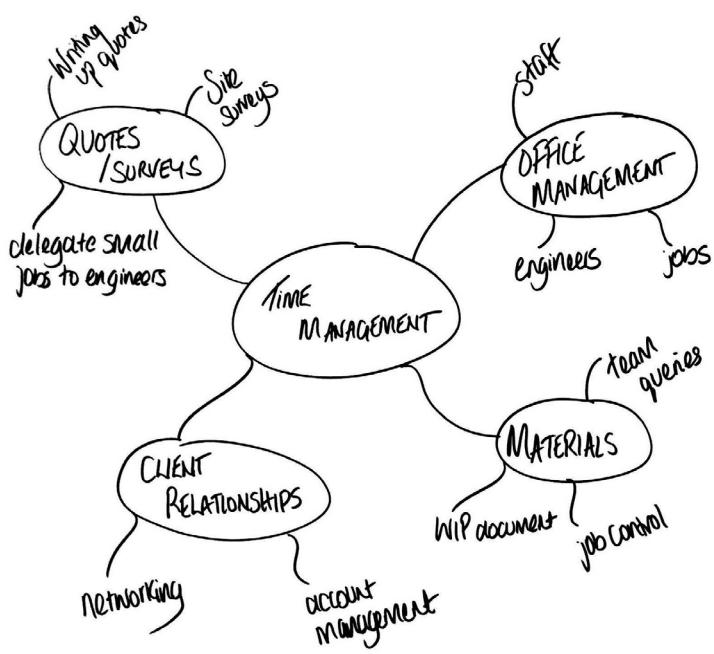


BUILD AND GROW

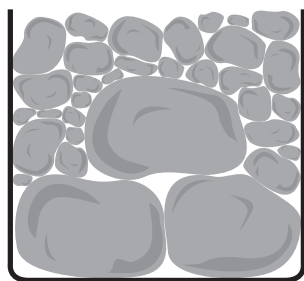
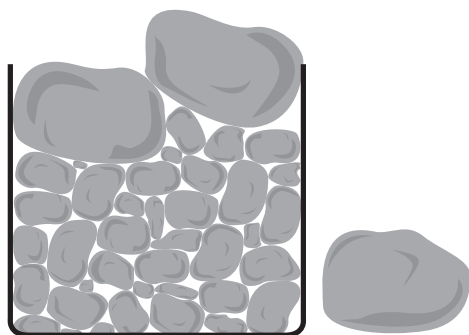
Task	Complexity of task	Value	Action taken
Invoicing	Medium	Medium	Recruit office assistant to take care of this
Sending out quotes	Medium	Medium	Recruit office assistant to take care of this
Visiting prospective clients	Medium	High	Remains with business owner as this activity totally in line with his profile (see Chapter 2)
Working on site	Medium	High	Recruit some more subcontractors to free business owner to see prospective clients
Answering phone and email enquiries	Low	Medium	Recruit office assistant to take care of this
Researching different suppliers to ensure best value materials are being bought (we identified this wasn't happening at all)	Low	High	Delegate to a team member who has strengths in this area

IMPLEMENTING SYSTEMS AND PROCESSES

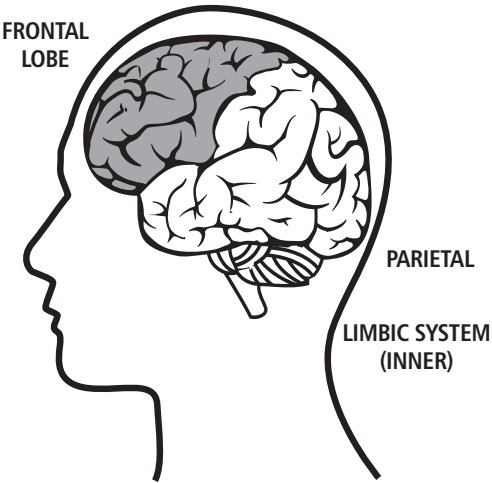
Running around the area picking up materials that were needed for jobs but hadn't been ordered	Low	High	Reviewed the whole process as part of the customer journey and implemented a GANTT chart to ensure that all jobs were properly planned and all materials required ready on site for start date
Chasing payments of overdue invoices (we identified this was happening either not at all, ad hoc or a significant time after the due date)	Medium	High	Recruit office assistant to take care of this
Follow up calls to customer once job complete to conduct satisfaction survey (we identified this wasn't happening at all)	Medium	High	Recruit office assistant to take care of this and design customer feedback survey
Following up with customers when a service was due on their equipment (we identified that this was happening ad hoc, but was often significantly later than the due date)	Low	High	Recruit office assistant to take care of this
Visiting the team on site to monitor and provide feedback (this was happening, but again ad hoc and insufficiently)	Low	High	By freeing up his time through better delegation, the owner was able to divert more time to this valuable activity



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IMPLEMENTING SYSTEMS AND PROCESSES

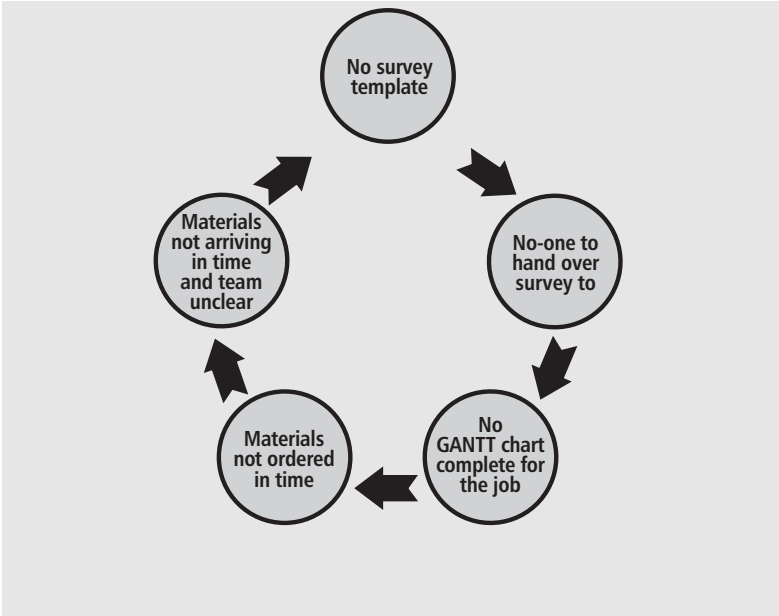


Energy	Tasks
Dynamo	Creative tasks
Blaze	People based tasks, e.g. networking, client and team meetings
Tempo	Planning and organising
Steel	Detail orientated tasks, financial analysis, accounting tasks

IMPLEMENTING SYSTEMS AND PROCESSES

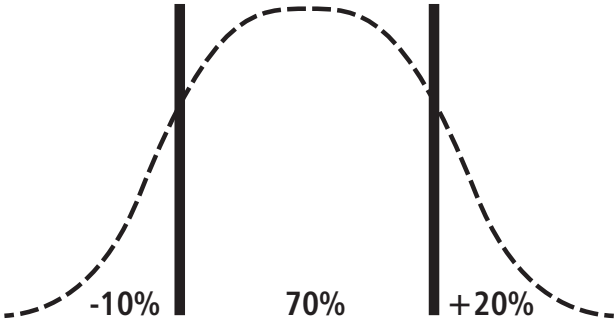
Day	AM	PM
Monday	Planning time (Tempo)	Review of the finances (Steel)
Tuesday	Seeing potential new clients (Tempo/Blaze)	Visiting sites to review progress of jobs (Blaze)
Wednesday	Office (Tempo/Steel)	Seeing potential new clients Tempo/Blaze)
Thursday	Networking meeting (Blaze)	Visiting sites to review progress of jobs (Blaze)
Friday	Seeing potential new clients (Tempo/Blaze)	Office (Tempo/Steel)

IMPLEMENTING SYSTEMS AND PROCESSES

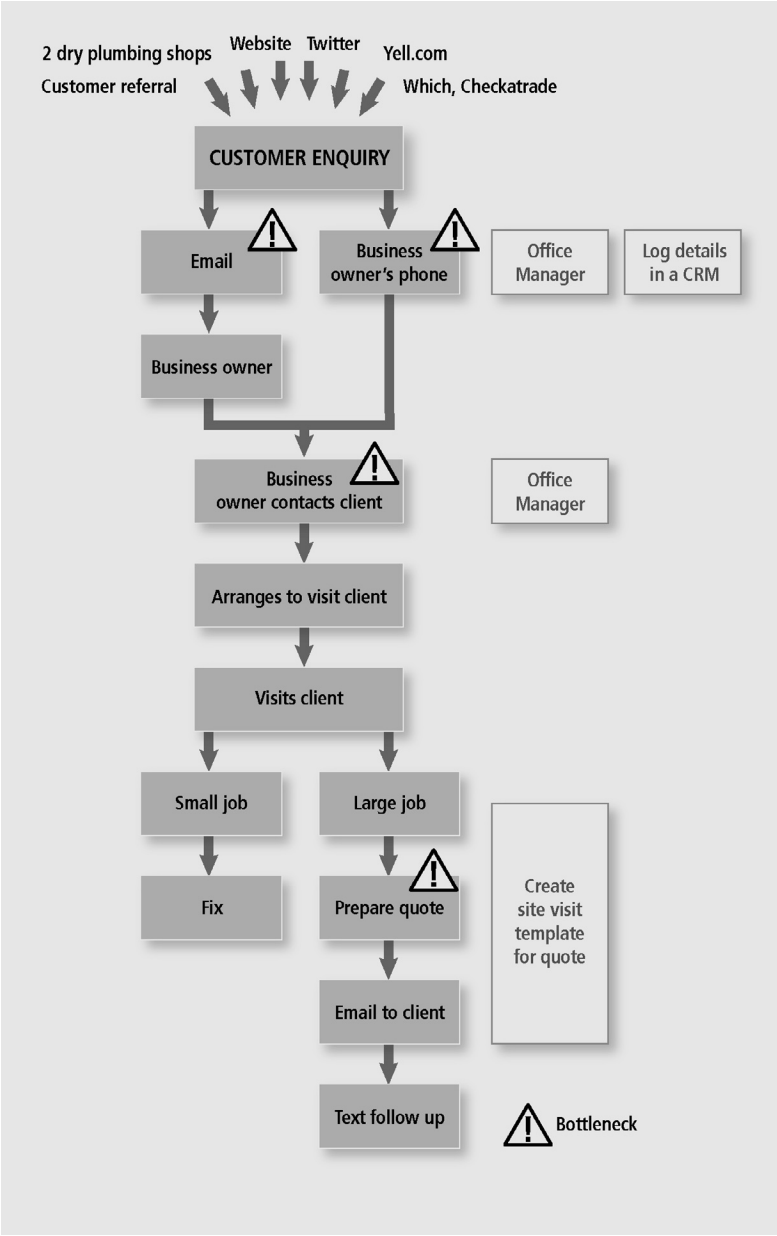


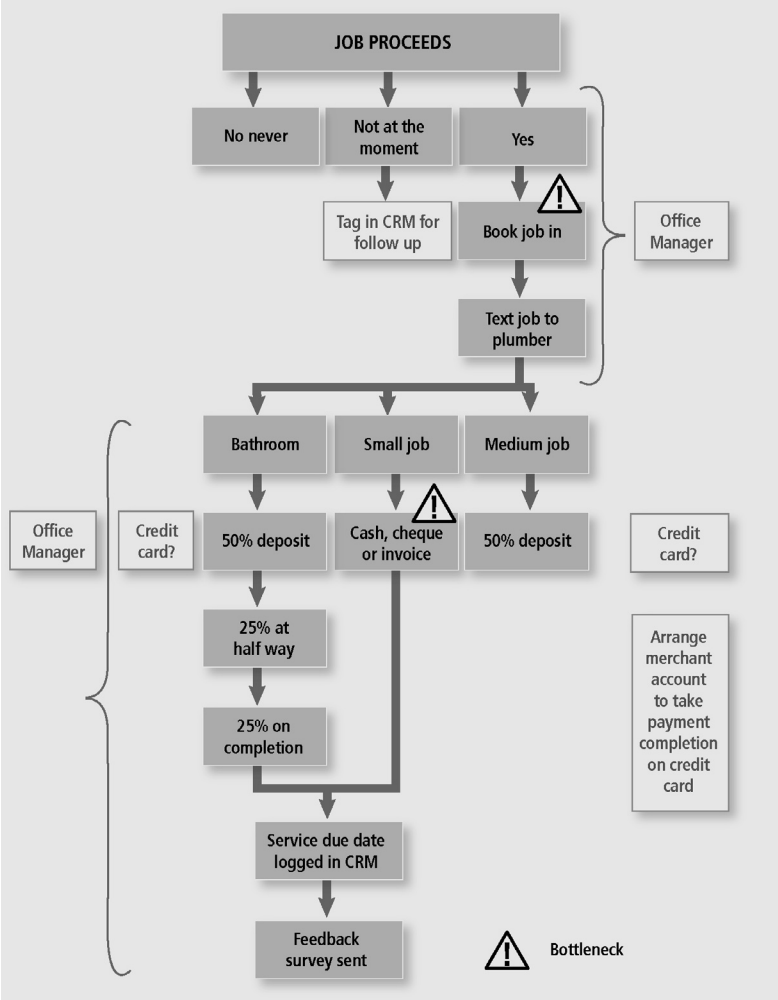
IMPLEMENTING SYSTEMS AND PROCESSES

Challenge	Response
We simply haven't got the time to get the whole team together.	You will find that productivity increases because people are more motivated and less likely to make mistakes, so you will in fact have more time. Maybe start by having quarterly meetings and increase from there.
I don't think the team should be seeing how much money we are making.	I would challenge you to think about how you expect people to take ownership and care about the quality of their work if they are not aware how much things cost. Show trust in your people and it will be returned.
I don't see how sitting around in a room will change anything.	The team will be better informed, feel more valued and it will be far easier to hold them accountable.
It is impossible to physically get everyone together at the same time. We are too geographically spread out.	Nowadays, we don't all need to be in the same room to have a productive meeting. Online meeting software such as GoToMeeting or Zoom is very effective and everyone can join via their phones.



LOVE YOUR CUSTOMER



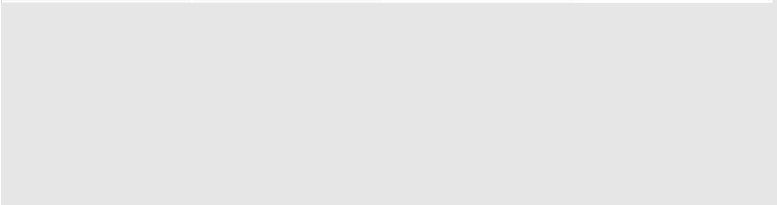


LOVE YOUR CUSTOMER

Bottleneck	Problem	Solution	Benefit
All enquiries going to Rob, the business owner	Lots of enquiries not being responded to, work is lost	Part-time office assistant Outsource to Moneypenny	Rob can concentrate on seeing new customers and overseeing jobs Customer has a much more professional experience
No customer relationship management (CRM) system	Customer details not kept in one place, inability to market to them	CRM system specific to the industry	Efficiency Ability to send customers marketing literature
No quote template in place	Rob has to remember the information and write down on different pieces of paper. Stressful Difficult to remember details Onus on him to write it all down when back in the office	Quote template that is in electronic format to send immediately to office to communicate back to customer	All quotes are stored in one place in the CRM system Easy to retrieve Customer is communicated with far quicker
Jobs all booked in by Rob	Customers may not hear back straight away	Office assistant	Rob can concentrate on seeing new customers and overseeing jobs Customer has a much more professional experience
Deposits	Not always taken and no facility to take a credit card payment on the spot	Merchant account so credit cards can be taken	Cash flow is sped up

BUILD AND GROW

Customer doesn't want to proceed right now but will in the future	No record of the customer or their requirements, i.e. no pipeline strategy	CRM system Office assistant Follow up process	All potential customer enquiries are followed up
Payments	No process in place to take instalments	Office assistant manages this with the help of the CRM	Improved cash flow Professional customer experience
Servicing of boilers	No record of when servicing of customers' boilers is due	Office assistant manages this with the help of the CRM	Increased sales Professional customer experience
Customer feedback	No system in place to measure the customer experience	Customer survey created and submitted	Regular measurement and ability to respond quickly to any concerns/issues



LOVE YOUR CUSTOMER

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	Not happy	Reasonably happy	Happy	Extremely happy
Initial contact				
Initial visit				
Producing the quote				
Quality of the job				
Post follow up				

DEVELOP AND DELEGATE – HIRING GOOD EMPLOYEES

Question	What you are looking for when asking this
What are you doing at the moment?	What skills do they have which are needed in the position that you have?
What have you done in the past?	Do they switch between completely different jobs? This could show that they haven't really found what they want to do.
Why are you looking for a new job?	Is it for career progression or are they unhappy? If they are unhappy, what is it that is making them so?
What do you enjoy about your job?	You obviously want someone who enjoys their job as opposed to someone who just needs a job.
What don't you enjoy about your job?	All of us probably have aspects of our jobs we don't enjoy, but these shouldn't be the main parts of the job.
How would your best friend describe you?	This is one that can catch people slightly, and you can therefore get a true response as opposed to the 'right' answer.
Can you think of the last time you let your employer down? What were the circumstances and how did you manage the situation?	Again this can catch people off guard and you are therefore more likely to get the truth. If someone tells you they have never let anyone down, they are probably lying!
When did you last have to make a difficult decision? What did you do?	This gives an indication of how they make decisions and whether they take action.

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When have you had to deal with a difficult customer? What did you do?	This shows you how they deal with complaints and issues. Are they likely to calm situations down and resolve problems?
Where do you see yourself in five years' time?	A bit of a cliché, but this can give you an indication of their level of ambition and how serious they are about the job.

DEVELOP AND DELEGATE – KEEPING EMPLOYEES

Customer focus	1	2	3
Is always professionally dressed and looks smart			
Keeps the site clean at all times			
Demonstrates care towards the customer's property and possessions			
Is punctual and reliable			
Communicates any delays immediately			
Is professional and courteous at all times with customers			
Can take complaints and criticism without getting emotional or taking it personally			
Responds to messages from customers and management promptly			
Is prepared to go above and beyond to do what is right for the customer			

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Results focus	1	2	3
Follows instructions and when appropriate raises issues with line manager			
Approaches their work in a methodical manner, ensuring that correct preparation is undertaken			
Demonstrates an ability to plan all jobs well so that they are done in the most efficient way			
Completes jobs within realistic timelines and without compromising on the quality of work			
Has excellent attention to detail, always strives to do a good job			
Demonstrates an eagerness to learn and continuously improve			
Maintains level of commitment consistently, ensuring job is completed to standard			
Sees mistakes as an opportunity to improve			

Teamwork	1	2	3
Builds good, effective working relationships with other team members			
Takes an interest in other team members' activities in regards to both productivity and health and safety			
Works effectively as part of a team, helping others when necessary			
Works with the team to ensure that they meet deadlines			

DEVELOP AND DELEGATE – KEEPING EMPLOYEES

Is supportive of their colleagues, approachable and responsive			
Is not afraid of talking to other team members in the right way if they are not performing or carrying out instructions			
Calms down heated situations			
Willing to take instructions from peers when necessary			

Ownership and decision making	1	2	3
Takes full ownership for their work and avoids blaming others			
Is reliable and punctual			
Takes the time to think of an appropriate solution to a problem			
Deals with unexpected circumstances in a logical manner and takes responsibility for them			
Approaches problems in a calm, effective manner, not afraid of making a mistake			
Gets the job done within the agreed timelines, takes ownership and goes beyond if necessary			
Reviews and reassesses plans and priorities on a regular basis			
Does not procrastinate; makes quick, effective decisions			

BUILD AND GROW

Communication	1	2	3
Communicates respectfully and effectively with other team members			
When circumstances change, communicates to line manager and/or customer			
Is appropriately assertive and confident without upsetting the customer			
Diffuses tension when faced with an angry or anxious customer			
Communicates with the customer during each job and upon completion to ensure that they are informed and happy			
Listens actively and attentively			
Uses appropriate method of communication to match the situation, e.g. phone, text or email			
Updates and informs line manager appropriately			

1 = Below expectations

2 = Meets expectations

3 = Exceeds expectations

GROWING SALES BEYOND THE BUILD SYSTEM

