

Content

How To Attend a One-Day Intensive

Timeline for the Day

Module 1.

NUMBERS MINDSET

We will cover:

Language of Business

Know & Show your Numbers

Budgeting & Reporting

Four Money Hats

Identity Iceberg

Roadblocks

Module 2.

PROFIT

We will cover:

Profit & Loss

Margins

Breakeven Calculator

Planning for Profit

Key Performance Indicators

Module 3.

CLIENT OF THE QUARTER

We will cover:

We interview 3 of the top clients from the past 90 days and see what they've been working on and what massive results they've achieved!

Module 4.

**DAVID SANDERSON
EC CREDIT CONTROL**

We will cover:

David will show you how to structure your contracts and your collection process so they have the teeth you need to get paid on time, every time.

Module 5.

PRICING FOR PROFIT

Mark up vs. Margin

Back Costing

Affect on Price

Pricing Approaches

Set Pricing

Profit Boosters

Module 6.

CASH FLOW PLANNING

Cash Flow Forecast

Module 7.

TONY CHRISTIANSEN

We will cover:

Tony is a world-leading motivational and inspirational speaker. He is humourous, bold and straight talking as he brings you a story you will never forget. The basis of Tony's presentation is self-belief; the theme is simply "Your attitude determines your altitude in life".

How To Attend a One-Day Intensive

The average (growing) Plumber spends \$958 a year on some form of self-improvement. Seminars, books, CD's, DVD's, Software systems or courses to make themselves better people and better business people, in short: to make more money.

Seminars and courses are the best opportunities because they're live performances. They offer "in your face" information that is timely—which makes you evaluate the information in terms of what you are doing "right now".

Business people go to live seminars eager to get more information, but few know how to attend for maximum benefit. Here are few guidelines and ideas I've compiled from both seminar leaders and seminar attendees - These tips will ensure you walk away with the gold:

1. **Lower your sensitivity meter - or better yet, turn it off.** You're here to get information not be offended by a remark or word.
2. **Self-evaluate it, don't "I know it".** When you hear a fact that will make you better, don't tell yourself "I know that" rather ask yourself, "how good am I at that?" Self-evaluation is the only way to get better.
3. **Search for idea-gold.** Look for what you don't know - not what you do know. Try to walk away with 6 things you can use tomorrow.
4. **Listen with the intent to understand.** Don't cut off the thought too soon. Stick with it...listen all the way out. Don't be smarter than the presenter - just listen with the intent to learn and get better.
5. **Don't do it like they do it. Do it like you do it.** Adapt the seminar leader's concepts and words to your personality and style.
6. **Ask anything any time.** Challenge anything any time. If you don't understand, ask why. Write down questions as they occur to you and ask them at the first appropriate moment.
7. **All information won't work all of the time.** So what? Pick out what WILL work and concentrate on that.
8. **Take the general information and adapt it to your situation.** Think, "how will this work in my business?" Try to adapt the principle as soon as you hear it.
9. **Don't criticise the presenter - instead listen for the one or two gems that may impact you forever.**
10. **Your objective is to make yourself better.** That's why you came in the first place. Don't strut what you already know. Find the "BFOs (Blinding Flashes of the Obvious)" and convert them to your world. Leave with new things that will help you, not the same information you came with.
11. **Sit with someone you don't know -Stay away from the people you came with.** Make new friends. Look for a potential new customer or contact.
12. **Take great notes and record them at the end of the event.** Too many times great ideas go fallow before they have a chance to be implemented. All great seminar ideas fall victim to the every day work that awaits you after the event. If you record your notes and listen to then every day for two weeks, you are more likely to do the things you would have put off for a month, maybe forever.

Today's Timeline

PLUMBERS
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Million Dollar Plumber – Profitable Numbers Boot Camp Friday 3rd June 2016

9:00am	Introduction – Numbers Mindset
9:30am	Profit
10:30am	Morning Tea
10:50am	Client of the Quarter Interviews
11:20am	Guest Speaker – David Sanderson
12:20pm	Lunch
1:10pm	Pricing For Profit
2:00pm	Cash Flow Planning
3:00pm	Afternoon Tea
3:30pm	Guest Speaker- Tony Christiansen
4:30pm	That's a Wrap
4:45pm	Finish- Drinks and Snacks

PLUMBERS
COACH

MODULE 1

NUMBERS MINDSET

Profitable Numbers Boot Camp

Notes

Language of Business



Know & Show



Budgeting and Reporting



Four Money Hats



Identity Iceberg



Action Steps

Backburners

Default Diary Template

	Mon	Tue	Wed	Thu	Fri	Sat	Sun
6.00am							
7.00							
8.00							
9.00							
10.00							
11.00							
12.00pm							
1.00							
2.00							
3.00							
4.00							
5.00							
6.00							
∞							

Default dairy example

Scheduled in "wife / Family" time

Proactive Marketing Activity

Quadrant 2 activities would be better earlier in the week and earlier in the day

Time	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Task	Time
7.00am								
8.00am	Team Meeting	Administration	In Office Pricing	Administration	Administration		Team Management	1 hr
9.00am	Administration	On Site Quoting		On Site Customer Meetings	Health and Safety		Administration	6 hr
10.00am	In Office Pricing				Gas Compliance		In Office Pricing	4 hr
							On Site Quoting	6 hr
							On Site Customer Meetings	4 hr
							Health and Safety	0 hr
							Gas Compliance	6 hr
							Business Development	4 hr
							Gym	0 hr
1.00pm	Lunch	Lunch	Lunch with my wife	Lunch	Lunch			
2.00pm	In Office Pricing	In Office Pricing		On Site Quoting	Business Development		Total	44.5 hrs
3.00pm								
4.00pm								
5.00pm								

Could be more specific

Group site visits/ quoting together to reduce travel logistics & breaking up day

Tradie Ladder

THE MILLION DOLLAR TRADIE LADDER

SYMPTOMS

Freedom Time & Money. Exploring Other Ventures

Released....Almost. Struggling to Train the Team & System

Profitable but Burnout. Business Dependant on Owner. Lacking a Management Team

Steady but Stuck. Need Systems Both Onsite & in Office. Unreliable Sales & Marketing

Stressed & Keen to Grow. Managing Cash Flow. Staff Headaches

Excited but Overwhelmed. Needing a Plan

CRITICAL SUCCESS FACTORS

Employ a General Manager & Board of Directors. Grow Wealth Through Other Business Activities. Exit Strategies...

Provide Guidance to Management Team. Build Key Client Relationships.

Develop Management Team & System to Achieve Leverage.

Create Onsite Systems to Free up Time & Improve Quality of Work. Know your Numbers

Get More Work. Hire Staff. On The Tools

Manage Jobs & Own Projects



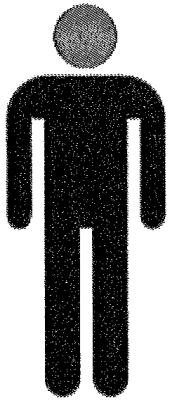
5% Increase in Margin Exercise

Write down how much would a 5% increase in margin be?

A series of horizontal dashed lines for writing the answer to the exercise question.

Exercise

What money roadblocks do I have?



1.

2.

3.

4.

Exercise

PLUMBERS
COACH

MODULE 2

PROFIT

Profitable Numbers Boot Camp

Notes

Profit & Loss

Margins

Breakeven Calculator

Planning for Profit

**Key Performance
Indicator**

Action Steps

Backburners

Profitability Formulas

Gross Profit = Sales – Cost of Goods Sold

Net Profit = Gross Profit – Fixed Costs

Gross Profit Margin = (Gross Profit ÷ Sales) x 100

Net Profit Margin = (Net Profit ÷ Sales) x 100

Mark Up = (Gross Profit ÷ Cost of Goods Sold) x 100

Profit & Loss Statement Example

Profit and Loss Statement for July 2014

SALES		
LESS COST OF GOODS SOLD		
Opening Stock	\$10,000	
Opening WIP	\$10,000	
Wages (on the tools)	\$19,500	
Materials	\$39,000	
Sub Contractors	\$14,700	
Less closing stock	\$10,000	
Less Closing WIP	\$10,000	
		\$73,200
GROSS PROFIT		
LESS FIXED COSTS		
Bank fees	\$135	
ACC Levies	\$756	
Marketing	\$778	
Power	\$502	
Phone	\$810	
Repairs & Maintenance	\$2,965	
Fuel	\$1,779	
Road user chargers	\$375	
Accounting	\$850	
Insurance	\$711	
Rent	\$1,800	
Interest	\$917	
Stationery	\$386	
Office Wages	\$6,696	
Salaries	\$7,200	
Subscriptions	\$321	
General Expenses	\$1,023	
		\$28,004
NET PROFIT (PRE-TAX)		\$20,796

Direct Costs (include your wages if you are on the tools)

Fixed Costs (overheads / indirect costs)

Include a market salary for yourself if you're off the tools

Chart of Accounts Template

A chart of accounts is the codes you use to categorise the transactions in your plumbing business into the right groups. For instance: Sales, Cost of Goods Sold, Expenses, Assets, Liabilities and Capital. Within each area you have sub codes. For instance, Fuel, ACC, Insurance, Wages etc.

Your Book Keeper or Accountant will help you set up your chart of accounts. There are a couple of key points to ensure your book keeper or accountant has covered.

Sales:

You can break the sales into different categories for more detailed analysis. For example:

- Maintenance
- Drain Laying
- Construction

Creating codes to this level of detail is not a must but it helps analyse which type of jobs are most profitable.

Cost of Goods Sold:

The basic codes needed are:

- Labour or Wages (on the tools only)
- Materials
- Subcontractors
- Equipment Hire

You can break these codes down into different categories as above for more detailed analysis. For example:

- Labour Maintenance
- Materials Maintenance
- Subcontractors Maintenance

You will also need to create a Work in Progress (WIP P & L) code for your Profit and Loss Statement and a Work In Progress (WIP Bal) for your balance sheet.

If you carry large amounts of stock in your workshop you will also need a Stock (P & L) for your Profit and Loss Statement and a Stock (Bal) for your balance sheet.

Fixed Costs

All other expenses are included in the fixed costs. Note the following are included in fixed costs:

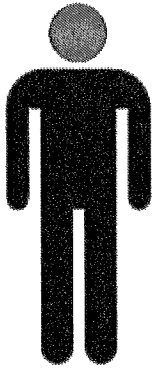
- Administration / Office Wages
- Salaries (for people off on the tools. E.g. Operations Manager and Business Owner).

Please note that if you take drawings this will not show on your Profit and Loss Statement. You simply add the drawings back once you're completed the monthly Profit and Loss by hand to get a realistic monthly performance. Your Accountant will tidy up your Shareholders Salary at the end of the financial year.

Profit and Loss Statement for XYZ Plumbing

INCOME	2015
Sales	\$ 1,800,000
Cost of Goods Sold	
Opening Stock	\$ 10,000
Opening Work in Progress	\$ 10,000
Materials	\$ 639,000
Subcontractors	\$ 48,000
Wages	\$ 403,500
Less Closing Stock	-\$ 10,000
Less Closing Work in Progress	-\$ 10,000
Total Cost of Sales	<u>\$ 1,090,500</u>
GROSS PROFIT	\$ 709,500
OVERHEADS	
Bank Fees	\$ 1,620
ACC Levies	\$ 9,072
Marketing	\$ 21,600
Power	\$ 6,024
Phone	\$ 13,200
Repairs and Maintenance	\$ 35,580
Fuel	\$ 33,600
Road User Charges	\$ 8,940
Accounting	\$ 10,200
Insurance	\$ 16,800
Rent	\$ 37,200
Operations Manager	\$ 48,000
Interest	\$ 7,452
Stationery	\$ 5,100
Office Wages	\$ 87,000
Directors Salaries	\$ 96,000
Subscriptions	\$ 6,600
General Expenses	<u>\$ 13,464</u>
TOTAL OVERHEADS	<u>\$ 457,452</u>
NET PROFIT (pre-tax)	<u><u>\$ 252,048</u></u>

What is my Gross Profit Margin?

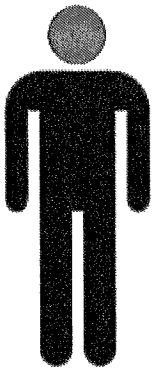


Example:

My Numbers:

Exercise

What is my Net Profit Margin?



Example:

My Numbers:

Exercise

Break-Even Calculator

XYZ Plumbing and Gas



1st Calculate your gross margin: the percentage of each dollar you sell that stays with you to pay for overhead.

2nd Calculate your break-even sales: the total sales you need to break-even on your fixed costs.

Time Period	2014	Yearly	Monthly	Weekly	Daily
Total Sales/Revenues	2,250,000	475,000	39,583	9,135	1,301
-					
Cost of Sales/Goods Sold/Variable Costs	1,350,000				
=					
Gross Income	900,000				
		40%			
		1,187,500	98,958	22,837	3,253

Gross Margin
40.0%

3rd Calculate your break-even transactions: the total # transactions you need to reach break-even sales.

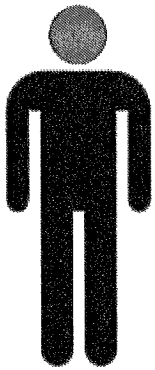
Average \$ Sale	1,250	(Value of average order/sale)		
Break-Even Transactions	950	79	18	3
Conversion Rate	50%	(% of leads converting to sale)		
# Leads Require	1,900	158	37	5
Net Profit \$	425,000			
Net Profit %	18.9%			

Colour Key:

Enter data to blue cells

Yellow cells compute automatically

What is Your Breakeven Point?



Example:

My Numbers:

Exercise

Are you Planning for Profit?

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12 months

Enter Your Desired Profit in Box 1	1	
Enter Your Fixed Costs (Incl. Your Salary) in Box 2	2	
Calculate Gross Profit (Add Box 1 & 2)	3	
Write Your Gross Margin in box 4	4	
Calculate Your Annual Sales (Box 3 ÷ Box 4) eg.(400,000 ÷ 0.4)	5	
Calculate Monthly Sales (Box 5 ÷ 12)	6	
Write Your Average Sale Value (total sales ÷ no. of jobs done) in Box 7	7	
Calculate Number of Jobs You Need to Complete each Month (Monthly Sales ÷ Average Sale) (Box 6 ÷ Box 7)	8	
Write Your Conversion Rate (no. of jobs won ÷ no. of quotes done) in Box 9	9	
Calculate Number of Leads You Require Each Month (Box 8 ÷ Box 9 E.g. 200 ÷ 0.80)	10	

Planning for Profit?

Exercise

KPI's Selector

Marketing & Sales

Financial

Operation/ Production

People

Suppliers

Innovation

1. Market share
2. Leads by source
3. Number of prospects
4. Conversion rate
5. Average \$ sales
6. Profit per customer
7. Numbers of transactions per customer
8. Customer satisfaction
9. Number of new customer
10. Brand awareness
11. Number of customers
12. Referrals
13. Sales mix
14. Customer profitability
15. Number of orders
16. Customer retention
17. Lifetime value of a customer
18. Click-through-rates
19. Bounce rate

1. Revenue
2. Profit Margin
3. Gross margin
4. Revenue/Expense ratio
5. Days sales outstanding
6. Return on investment
7. Cash in bank
8. Cost of goods sold
9. Inventory turns per year
10. Cash Flow
11. Return on capital
12. Bank overdraft
13. Inventory
14. Aged accounts payable
15. EBITDA
16. Capital expenditure
17. Debt to equity ratio
18. Training expenditure
19. Marketing expenditure
20. Current liabilities
21. Interest expenses
22. Bad debts
23. Overhead recovery

1. Number of employees
2. Capacity utilisation
3. Safety, e.g.. days lost or comp claims
4. Back orders
5. Costs
6. Re-work (#, %)
7. Response time
8. Quality data
9. Timeliness
10. Post Sale
- Warranty claims (#,%)
- Repairs
- Returns
- Defects
11. No. of complaints
12. Value of customer complaints
13. Work in Progress
14. Labour hours
15. Overtime
16. Overtime
17. Downtime
18. Maintenance costs
19. Labour Utilisation

1. Number of employees
2. Number of Managers
3. Manager/Employee ratio
4. Absenteeism
5. Number new employees
6. Hours training per employee
7. S training per employee
8. Cost per new hire
9. % employees fully trained
10. Employee turnover
11. Employee satisfaction
12. Output per employee
- Sales
- Productivity
13. Quality of output
14. Drivers of capabilities
- Learning
- Skills matrix
15. Core values
- Customer focus
- Innovation
16. Profit per tradesmen

- Satisfaction with suppliers
1. Responsiveness
 2. Costs compared to competition
 3. On-time delivery
 4. Overall satisfaction/value
 5. Defects (#,%)
 6. Credit terms
 7. Number of suppliers
- Supplier Satisfaction
1. Opportunity for profits while providing quality
 2. Responsiveness
 3. Payment

1. Revenue from new products
2. Revenue from new market segments
3. Revenue from new geography
4. Number of new customers
5. Time to market for new products
6. Time to market for new services

What are your top 3 KPI's? 1.

2.

3.

KPI example

Monthly KPI Report Sheet for XYZ Contractors (company name) for month ended 30 April 2014.

Keeping score is critical for managing your business, improving your financial performance and creating a great lifestyle.

Please complete this worksheet and return to our office by the 15th day of the month following. We can then discuss your results during your coaching sessions and make adjustments as necessary. Feel free to add additional KPI's if you wish to.

KPI	Budget	Actual
Sales	\$100,000	\$103,481
Gross Profit (Dollars)	\$38,000	\$37,518
Gross Profit (Margin %)	38%	36.3%
Net Profit (Dollars)	\$21,000	\$19,821
Number of Jobs	161	141
Number of Leads	230	193
Leads by Source (please list)		Existing 138, Web 16, Yellow Pages 21, BNI 10, Newspaper 8
Conversion Rate (Enquires to Jobs)	70%	73%
Average Sale	\$621	\$734
Accounts Receivable (% plus 30 days)		18%
Accounts Payable (% plus 30 Days)		11%
Labour Utilisation Rate	95%	89%

Please include any notes required to explain your KPI's:

Good sales month. High average sale with a couple of big jobs.
Still having trouble collecting outstanding debts.

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MODULE 3

CLIENT OF THE QUARTER

Profitable Numbers Boot Camp

Notes

A series of horizontal dashed lines providing space for taking notes.

Action Steps

Backburners

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MODULE 4

David Sanderson EC Credit Control

Profitable Numbers Boot Camp

Notes

A series of horizontal dashed lines for writing notes, filling the majority of the page.

Action Steps

Backburners

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MODULE

5

PRICING FOR PROFIT

Profitable Numbers Boot Camp

Notes



Mark Up



Back Costing



Affect on Price



Pricing Options



Set Pricing



Notes

Action Steps

Backburners

Mark Up vs Gross Margin

The table shows the relationship between mark-up and gross margin. Remember to price your jobs for gross margin.

Mark Up	Gross Margin
15%	13%
20%	16%
25%	20%
30%	23%
33.3%	25%
40%	28.6%
43%	30%
50%	33%
75%	42.9%
100%	50%
150%	60%
200%	66.6%

Back Costing Exercise

Sales \$ _____

Less Cost of Goods Sold

Wages \$ _____

Materials \$ _____

Total Cost of Goods Sold

Gross Profit \$ _____

Gross Margin % _____%

Markup % _____%

Sales - \$5,476 (excl. GST)

Labour

John ... 30.5 hours @ \$28

Nick... 20 hours @ \$21

Jacob... 8 hours @16.50

Materials - Plumbing World

Invoice #1 ... \$1602.49

Invoice #2 ... \$638.49

Invoice #3 ... \$14.54

Exercise

The Gross Profit Cheat Sheet



Use this worksheet to back cost your jobs

Enter Job Name:

Sales (excl. GST)		\$3,425
Less Cost of Goods Sold (Direct Costs excl. GST)		
Labour 1	\$ 250.00	
Labour 2	\$ 252.00	
Labour 3	\$ 120.00	
Labour 4	\$ 120.00	
Materials	\$ 125.00	
Materials	\$ 678.00	
Materials	\$ 354.00	
Materials	\$ 25.00	
Materials	\$ 7.00	
Materials		
Materials		
Materials		
Materials		
Subcontractors	\$ 240.00	
Subcontractors		
Other Direct Costs		
Total Cost of Goods Sold	\$	2,171.00
Gross Profit		\$1,254.00
Gross Profit Margin		36.61%

Increasing *Your* Prices If Your Present Margin is...

20% 25% 30% 35% 40% 45% 50% 55% 60%

And you *increase* your price by:

Your Sales would have to DECLINE by the amount shown before your Profit is reduced...

2%	9%	7%	6%	5%	5%	4%	4%	4%	3%
4%	17%	14%	12%	10%	9%	8%	7%	7%	6%
6%	23%	19%	17%	15%	13%	12%	11%	10%	9%
8%	29%	24%	21%	19%	17%	15%	14%	13%	12%
10%	33%	29%	25%	22%	20%	18%	17%	15%	14%
12%	38%	32%	29%	26%	23%	21%	19%	18%	17%
14%	41%	36%	32%	29%	26%	24%	22%	20%	19%
16%	44%	39%	35%	31%	29%	26%	24%	23%	21%
18%	47%	42%	38%	34%	31%	29%	26%	25%	23%
20%	50%	44%	40%	36%	33%	31%	29%	27%	25%
25%	56%	50%	45%	42%	38%	36%	33%	31%	29%
30%	60%	55%	50%	46%	43%	40%	38%	35%	33%

When you adopt a premium pricing strategy this table shows the amount by which your sales would have to decline following a price increase before your gross profit is reduced below its current level. For example, at the same 40% margin, a 10% increase in your price could sustain a 20% reduction in sales volume.

Discounting *Your* Prices If Your Present Margin is...

20% 25% 30% 35% 40% 45% 50% 55% 60%

And you discount your price by:

Your Sales must INCREASE by the amount shown below to keep the same margin...

	20%	25%	30%	35%	40%	45%	50%	55%	60%
2%	11%	9%	7%	6%	5%	5%	4%	4%	3%
4%	25%	19%	15%	13%	11%	10%	9%	8%	7%
6%	43%	32%	25%	21%	18%	15%	14%	12%	11%
8%	67%	47%	36%	30%	25%	22%	19%	17%	15%
10%	100%	67%	50%	40%	33%	29%	25%	22%	20%
12%	150%	92%	67%	52%	43%	36%	32%	28%	25%
14%	233%	127%	88%	67%	54%	45%	39%	34%	30%
16%	400%	178%	114%	84%	67%	54%	47%	41%	36%
18%	900%	257%	150%	106%	82%	67%	56%	49%	43%
20%	-	400%	200%	133%	100%	80%	67%	57%	50%
25%	-	-	500%	250%	167%	123%	100%	83%	71%
30%	-	-	-	600%	300%	200%	150%	120%	100%

The table above indicates the increase in your sales that are required to compensate for a price discounting strategy. **For example, if your margin is 40% and you reduce your price by 10%, you would need your sales volume to increase by 33% to maintain your profit.** Rarely has such a strategy worked in the past and it's unlikely it will work in the future...!!!

How Does a “Drop Your Price” Strategy Affect Your Business?

If your margin is 30% and you reduce your price by 6% what percentage increase in sales would you need to maintain the same profit?

If your margin is 30% and you increase your price by 10% by what percentage would your sales have to drop before your profit is reduced?

Exercise

Create a Materials list

Qty	Code	Seq	Description	O	Job Type	V	Height	Latest	Ext
1.0000	516783	0	VALVE COMBI PACK 500KPA CP2020MM APEX	0	Product			205.00	
1.0000	509218	0	SOCKET FEM HEX BRASS BS 20MM	0	Product			4.28	
2.0000	510439	0	COPPER TUBE LG DOMESTIC 20 X0.9MM CTD	0	Product			49.00	
1.0000	510436	0	COPPER TUBE LG DOMESTIC 15 X0.7MM CTD 5M	0	Product			28.00	
2.0000	1650088	0	REHAU 20mm 3/4' WINGBACK FEMALE 246017	0	Product			9.45	
2.0000	1650223	0	REHAU 20mm POLY T-PIECE 160032	0	Product			4.83	
8.0000	1650253	0	REHAU 20mm POLY COMPRESSION SLEEVE 16000	0	Product			0.82	
3.0000	1650002	0	REHAU 20mm PIPE 5Mtr PLAT 132310-005	0	Product			16.73	
1.0000	509178	0	TEE CROX BRASS BCT 20MM	0	Product			14.90	
1.0000	509236	0	NIPPLE HEX CROX BRASS BHN 15MM	0	Product			2.60	
2.0000	509158	0	NUT CROX BRASS BCN 15MM	0	Product			1.34	
4.0000	508996	0	NIPPLE BARREL BRASS BBN20MMX50MM	0	Product			3.88	
2.0000	514077	0	FLANGE WALL BSP 20MM WH	0	Product			0.36	
10.0000	509161	0	NUT CROX BRASS BCN 20MM	0	Product			2.03	
1.0000	1102258	0	RESTRAINT HWC KIT SIMKIT	0	Product			19.54	
1.0000	1613251	0	20mm CROX ELBOW BRASS - EM20	0	Product			11.14	
1.0000	509200	0	ELBOW FEM BRASS BEF 20MM	0	Product			11.53	

Hot Water Cylinder cost

\$810

Total Cost

\$1329

Exercise

Estimate Hours

Assume Labour Cost of \$30 Per Hour

Exercise

Calculate Price

A series of horizontal dashed lines for writing.

Exercise

Check your Margin

What's your Gross Margin on the set price?

\$ _____

Exercise

50 ways to make an extra \$1000 per week?

A series of horizontal dashed lines for writing.

Exercise

Notes

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MODULE 6

CASH FLOW PLANNING

Profitable Numbers Boot Camp

Notes

Causes of Cash flow Problems



Cash Flow Forecast



Action Steps

Backburners

Weekly Cash Flow Template

2013

Weeks

September	October						November			
5/09/2013	12/09/2013	19/09/2013	26/09/2013	3/10/2013	10/10/2013	17/10/2013	24/10/2013	31/10/2013	7/11/2013	14

CASH INCOME

36 Green Road.	45,879			25,000			62,850			
17 Pink st			38,305				64,517			71,210
6 Red Pl.					10,035		40,141			
1/167 Blue Rd			5,929		9,864	9,315	4,502			
25 Lilac	5,973		23,890							
16 Yellow Ave			4,126		16,503					
Maintenance Jobs (estimated)	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total Cash Income	51,852	10,000	82,251	35,000	46,402	19,315	182,010	10,000	10,000	81,210

CASH EXPENSES

Labour	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Subcontract Labour	0	0	0	0	0	0	0	0	0	0
Materials	0	0	87,695				113,587	0	0	0
Equipment Rent	187	0	0	0	187	0	0	187	0	0
Tools and Miscellaneous	731	3,343	1,087	356	524	1,235	5,451	281	783	1,131
Subcontracts	0	0	13,458	0	0	0	17,852	0	0	0
ACC Levies								5,750		
Accountancy Fees			350				350			
Advertising	100	100	100	100	100	100	100	100	100	100
Bank Fees	37	37	37	37	37	37	37	37	37	37
Bank Interest		1,685				1,685				1,685
BNI	20	20	20	20	20	20	20	20	20	20
Business Insurance										
Credit Charges			250				250			
Cleaning Equipment										
Courier & Postage			30				30			
Computer Expenses			84				84			
Direct Mail										
Donation	19	19	19	19	19	19	19	19	19	19
Entertainment	13	13	13	13	13	13	13	13	13	13
Google Adwords			200				200			
XERO		60				60				
Insurance (Business)							3,790			
Insurance (Property)								1,578	15	
Interest Expense	350				350				350	
Marketing Collateral										
Motor Vehicle	85	85	85	85	85	85	85	85	85	85
Office Supplies	70	70	70	70	70	70	70	70	70	70
PAYE			12,473				12,473			
GST								19,000		
Phone (mobile)			600				600			
Phone (office)			300				300			
Postage	6	6	6	6	6	6	6	6	6	6
Printing & Stationary										
Rent Office		1,670				1,670				1,670
Salary - John	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
Subscription	29	29	29	29	29	29	29	29	29	29
Training	0	0	1,995	0	0	0	1,995	0	0	0
Uniforms										
Website			40				40			
Other Expenses Expected										
Total Expenses	15,772	21,262	133,066	14,860	15,565	19,154	171,506	39,535	17,402	19,005

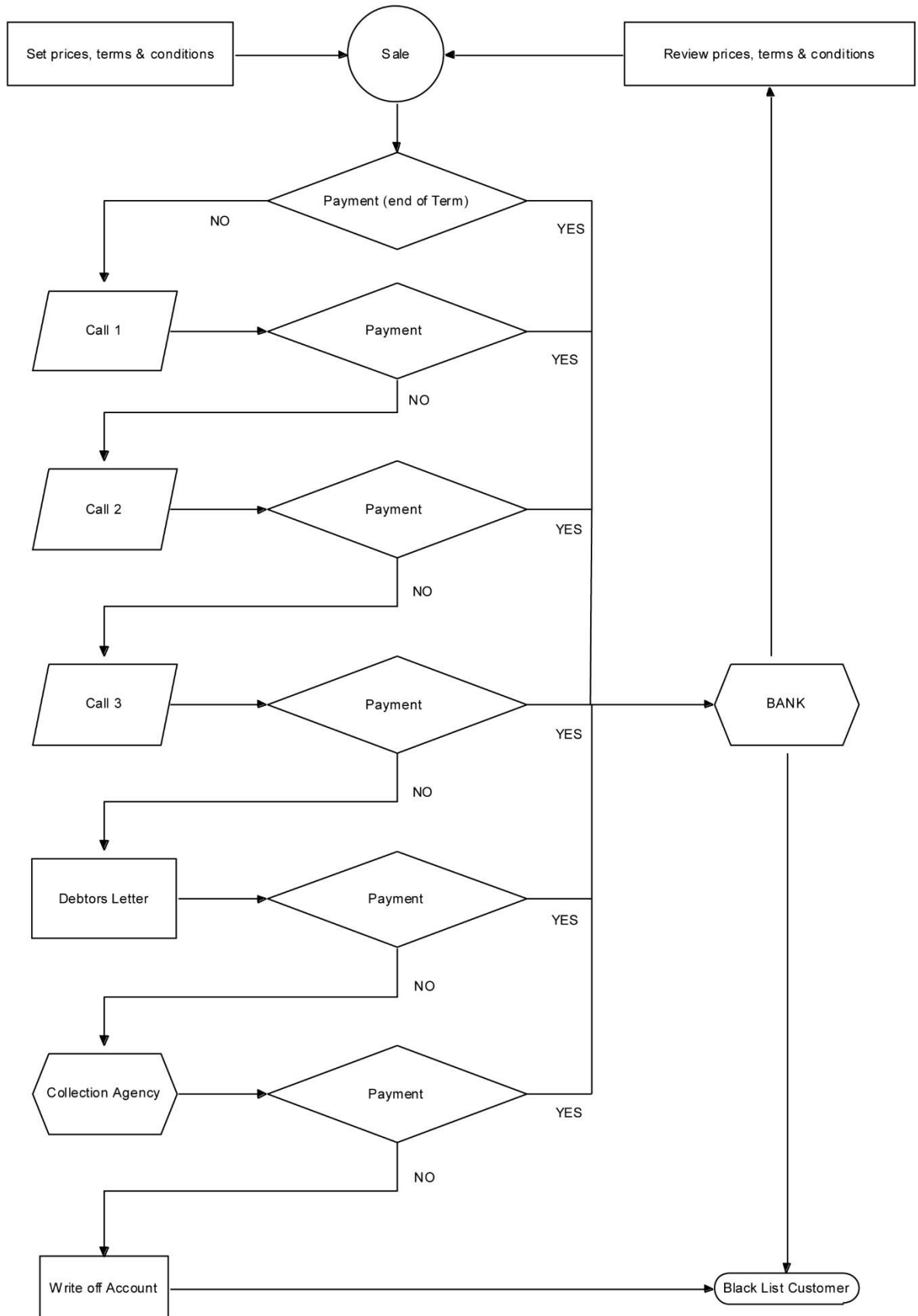
Net Cash from Operations	36,079	-11,262	-50,815	20,140	30,837	162	10,504	-29,535	-7,402	62,205
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CASH POSITION

Beginning Cash Position	-16,859	19,220	7,959	-42,857	-22,716	8,120	8,282	18,786	-10,749	-18,152
Other Cash In/Out	0	0	0	0	0	0	0	0	0	0
Ending Cash Position	19,220	7,959	-42,857	-22,716	8,120	8,282	18,786	-10,749	-18,152	44,054

Accounts Receivable Process

Debtors Contact Schedule



Script for an Over Due Account – Debt Collection

Firm: _____

Contact: _____ Phone: _____

Remember to smile when you call ☺

- Hi, is Mr/Mrs _____ Available please?

No – Not Available

- What is the best time to contact him/her? _____

Yes – Available

- Hi it's [name] from [Business], is now a good time to speak to you?

No – Not a good time

- Well what's the best time to catch you? _____

Yes – A good time:

- Great, well the reason for my call is that I have just noticed your account with us is overdue and so I am ringing to see if there's a problem with the account in some way?

No – No problem:

- OK – so when could we expect payment for this amount?

(Record date: _____)

Yes – Do have a problem:

- Can you tell me what the issue is with your account?

(Listen and record concerns: _____)

- OK Mr/Mrs_____. Can you call in and talk to my Manager about these concerns, I am sure he will be able to advise you in some way.

What day would suit you to call in? (Check Default Dairy for Manager's office days and times) _____

- Thank you Mr/Mrs_____ we look forward to seeing you on _____.

Payment on it's way.

- Thank you Mr/Mrs_____. We look forward to receiving your payment on _____ Thank you.

Note: If payment has not been received by date promised – follow-up and ask why you have not yet received it after they promised to forward a payment.

Script for Chasing up Payment the day before Payment is due

Firm: _____

Contact: _____ Phone: _____

Remember to smile when you call ☺

- Hi, is Mr/Mrs _____ Available please? *(If you don't know the name)* Hi is the person who deals with your accounts available?

No – Not Available

- What is the best time to contact him/her? _____

Yes – Available

- Hi it's *[name]* from *[Business]*, is now a good time to speak to you?

No – Not a good time

- No worries, what's the best time to catch him/her? _____

Yes – A good time:

- Great, I'm just calling to make sure you received our invoice which is due for payment tomorrow?

No – didn't receive it

- Look no problem, what's your email address and I can send you a copy now.

Yes – received invoice:

- Excellent, do you have any questions about the invoice at all?

Yes – They have questions

- *(Answer their questions if you can or say)* Look I'll just speak to *[name]* and call you straight back.

No – no questions

- Ok great
- Well I look forward to receiving your payment tomorrow then Thank you, Goodbye.

90 Day Plan Template



My 90 Day Plan Summary

When will I work ON these strategies to build my business?

Strategy description	1-Jul	8-Jul	15-Jul	22-Jul	29-Jul	5-Aug	12-Aug	19-Aug	26-Aug
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
Personal Development									
Books / Videos / Seminars									
1 Celebrations with my TEAM									
2 FUN for ME									
3									
4									

My Key Performance Indicators

	Now	90 day goal
# Leads		
Conversion rate		
# Transactions		
Average \$ sale		
Margin		

	Now	90 day goal
Monthly sales		
Monthly profit		

SIGNED: _____

90 Day Plan Example

XYZ Plumbing 90 Day Plan Summary

When will I work ON these strategies to build my business?

Strategy description	6-Oct	13-Oct	20-Oct	27-Oct	3-Nov	10-Nov	17-Nov	24-Nov	1-Dec	8-Dec	15-Dec	22-Dec	29-Dec
Draem Builder/Vision Book													
Job Description													
Job Advertisement for Plumber													
Hiring Process													
Time Productivity Analysis													
Default Diary													
Analysis Gross Margin													
Monthly Profit & Loss													
Back Cost Jobs													
Sales Budget													
Key Performance Indicator													
Uniforms													
Unique Selling Proposition													
Guarantees													
Website													
Personal Development													
Books / Videos / Seminars													
1 Celebrations with my TEAM													
2 FUN for ME													
3													
4													

My Key Performance Indicators

	Now	90 day goal
# Leads		
Conversion rate		
# Transactions		
Average \$ sale		
Margin		

	Now	90 day goal
Monthly sales		
Monthly profit		

SIGNED: _____

Plumbers Coach

6 Ways to transform your Plumbing Business

Marketing	Sales	Numbers
1. Target Niche Markets	1. Map Sales Process (Flow Chart)	1. Pricing for Profit
2. Unique Selling Proposition	2. T&M and know numbers for each step	2. Weekly Cash Flow Forecast
3. Guarantee	3. Sales Scripts	3. Monthly Profit & Loss
4. Marketing 10 x 10	4. Enquiry Sheet	4. Breakeven Per Year/Month/Week
5. Regular Newsletter	5. Prospect Questionnaire	5. Test & Measure
6. Site Signage	6. Information Pack	6. Key Performance Indicators
7. Referral System	7. Company Profiles	7. Job Management System
8. Radio	8. Video & Written Testimonials/Case Studies	8. Minimum GP % on quotes/jobs (e.g. 50% for maintenance)
9. Trademe Listing	9. Quotes into Action Plans	9. Markup vs Margin
10. Test & Measure	10. Visual Sales Presentation	10. Money Checklist
11. Strategic Alliances	11. Sales Training	11. Back Costing done timely per job
12. Flyers/Postcards	12. CRM System	12. Bigger Jobs
13. Proactively Servicing Work	13. Auto Responder- For Nurturing Prospects	13. Charge Up- Fixed Price
14. Yellow Pages	14. How we work with you video	14. Get a Bookkeeper
15. Client Surveys	15. Uniforms	15. Work in Progress (Measured & Controlled)
16. Website	16. 7 x Reasons to "choose us"	16. Min Charge for Variations (\$200)
17. Online Marketing (Adwords)	17. FAQ's	17. Deposit claimed
18. Retargeting via website	18. Next Steps	18. Invoice on Completion
19. Vehicle Signage	19. Follow Up Script	19. Reduce Tax
20. Building Signage	20. Video Testimonials	20. Contracts
21. Business Cards	21. Personal Profile	21. Frontload Progress
22. Direct Response Mail		22. Accounting Software
23. Marketing Student/Assistant		23. Accounts Receivable Process
24. Lead Generation Magnets		24. Terms of Trade
25. Database Marketing		25. Accept Credit Card payments
26. Regular Blog		26. Increase rates
27. Social Media		27. Sales Budget
28. Email Marketing		28. Pay yourself first
29. Customer Farming Program		29. Sack C & D clients
30. Newspaper Advertising		

31. School Newsletter		
32. Magazine Advertising		

Systems	Team	Leadership
Office	1. Team Gold	1. Dream Builder
1. A-Z of Operations	2. Team Evaluations 360 Degree Appraisals	2. Vision Book
2. Admin Manual	3. Incentive Plans (based on speed and quality)	3. Time Productivity Analysis
3. Phone Scripts	4. Organisational Chart	4. Default Diary
4. Auto responder Emails	5. Job Description with KPI's	5. Fun/Skills Matrix
5. Job Descriptions	6. Recruitment Process	6. Time Management
Onsite	7. Job Advertisements for Plumbers	7. 80/20 Tasks
1. Quality Assurance Checklist	8. Induction Process for New Team Members	8. Stop Doing Lists
2. Code of Conduct	9. Rules of the Game	9. Business Plan
3. Quoting Programmes e.g. Smart trade/Simpro/ Fergus	10. Company's Team Alignment	10. 90 Day Plan (Personal)
4. Scheduling System	11. DISC Profiles	11. Clear vision for the Business
5. Breakdown Stages-Align with pricing	12. Individual 90 Day Plan	12. Exit Strategy
6. Backcost – Materials and time, and by each stage	13. Be the Employer of choice	13. Business Books/Audio Books
7. Online Job Cards		
8. Weekly Client Update		
9. Handover Checklist		
10. Sub-Contractor Handover Checklist		
11. Remedial Action Form		
12. Site safe Inspection		
13. OSH Compliance		
14. Job Setup Checklist (Big Jobs)		
15. Project Scheduling		
16. Health and Safety Policy		
17. Site Plan		
18. Operations Manual		

2016 Calendar

JANUARY

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29						

MARCH

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

APRIL

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

MAY

M	T	W	T	F	S	S
30	31					1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

JUNE

M	T	W	T	F	S	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

JULY

M	T	W	T	F	S	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

AUGUST

M	T	W	T	F	S	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SEPTEMBER

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

OCTOBER

M	T	W	T	F	S	S
31					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

NOVEMBER

M	T	W	T	F	S	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

DECEMBER

M	T	W	T	F	S	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Education Webinars

Friday 9:30-10:30am

Tony will jump online and walk you through a specific topic each month and provide you with tools you can implement into your business straight away.

15 Minute Coaching Calls

Thursday/Friday

Damon will give you a call and have a chat about what you're working on and how Plumbers Coach can best help you to achieve those goals.

Plumbers Coach – Introduction Webinars

Thursdays 6:00-7:00pm

Plumbers Coach Clients DO NOT need to attend these webinars

One Day Intensives

Fridays 9:00-4:00pm

February 26th

Sales & Marketing (Auckland)

June 3rd

Profitable Numbers (Auckland)

September 2nd

Profitable Systems (Wellington)

November 18th

Profitable Team (Auckland)

Road Shows

Plumbers Coach Clients DO NOT need to attend these Roadshows

New Zealand Public Holidays

PLUMBERS
COACH

MODULE

7

GUEST SPEAKER

TONY

CHRISTIANSEN

Profitable Numbers Boot Camp

Action Steps

Backburners