



“ **Your financials person is the key to your survival.** ”

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WHY YOU NEED A NUMBERS GURU

By Steve Payne

People who are able to run successful contracting businesses all on their own are very, very rare.

They are rare because of the nature of the beast. A successful contracting firm is one-third sales excellence, one-third building excellence, and one-third financials excellence.

Get only two out of three correct – and your business is going in the dumpster.

I mention this because I just came back from a two-day financial management for contractors seminar. It was delivered by Steve Ryan, one of the smartest numbers guys for residential contractors I have ever met. Steve offers a number of courses on contractor management for TARION, the Ontario home builder warranty folks. (See an article by Steve on page 30.)

During the course, Steve led us all through basic – and more complex – financial calculations from sample contractor operating statements.

He showed us how it's possible to have an incredibly busy contracting firm that is doing business at good margins – and have it fail.

The basics of cash flow, which was his point here, are not intuitive. You can't just figure this stuff out in your head.

You need a smart numbers person to ride herd on all aspects of your business.

If that person is you, that's terrific. And if you can be a terrific sales person and a terrific project manager, all in one, congratulations.

You will be a one in a thousand contractor.

Chances are, you can't do it.

One of the most successful businesses in Canadian history, Canadian Tire, got that way because the two founders, brothers A.J. and J.W. Billes, were as dissimilar as chalk and cheese.

A.J. was the marketing, sales and ideas man.

J.W. was the dour numbers guru. He said no to a lot of A.J.'s less numerically-sound ideas.

If you have a Steve Ryan type character riding herd on your own numbers, you're in great shape.

If you haven't – and you want us to hook you up with some financial management expertise – send me an email to spayne@canadiancontractor.ca.

Don't be a two out of three contractor. Get all aspects of your game in gear.