

BuildYourNumbers.com presents:

Calculating & Controlling the COST OF CHAOS

Welcome!

Please let us know in the “Question” Box:

- Your first name
- Your location
- Your company “type” (i.e., industry and specialty if applicable)



Better Numbers - Better Business™

Diane Gilson, Certified Advanced QuickBooks ProAdvisor

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Ken Horst – Co-host

- *6 Years in Construction industry*
- *Founder/Owner/Operator: Telemarketing call Center*
- *Owner: Mortgage Company*
- *Worked in companies from start-up to over \$400 billion in assets*
- *Director of Digital Marketing: \$50 million Company with 6 brands in 5 States*



Diane Gilson

*President, Info Plus Accounting, Inc.
Founder, BuildYourNumbers.com*



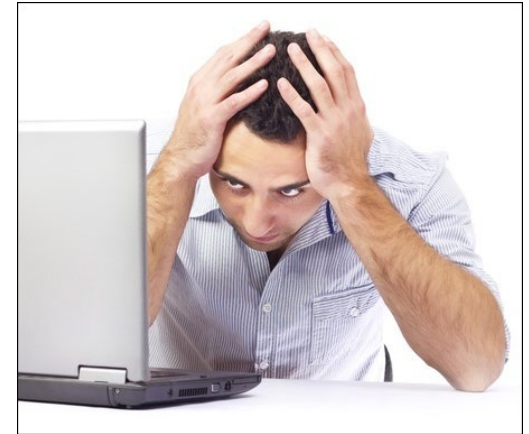
Diane Gilson

- **Experience:** 30+ years varied accounting experience including 15 Years as a CPA
- **Focus:** Management accounting, job costing, and training for construction and manufacturing industries since 1994
- **Speaker:** Various local and national groups including National Remodelers Shows, Atrium Group, International Builders Show, etc.
- **Developer:** > 90 Online Training Classes, eCPA, AccountingPRO and various other accounting support products, calculators, procedures, templates
- **Author:** Accounting with QuickBooks for Builders, Remodelers & Developers + various nationally published articles
- **QuickBooks Certifications:** Certified Advanced ProAdvisor, Enterprise ProAdvisor, Intuit Solution Provider + others,...
- **Awards:**
 - 2014 and 2015 "**Top 100 ProAdvisor**" (from > 65,000 ProAdvisors)
 - Associate of the year (2006)
 - Distinguished Service to the Building Industry (2009)
- **Service:**
 - NARI National Member (2008 – to current)
 - NAHB National Board of Directors (2007 – 2010)
 - MAHB State Audit Committee (2007 – 2010)
 - Treasurer - HBA (10 yrs)
 - Treasurer - Remodeler Council (2 yrs)



Most importantly:

- *20+ years of:*
 - Working w/hundreds of company owners throughout the U.S.
- *I've seen:*
 - How few companies are really 'on top of' their accounting information
 - The pain company owners face when it comes to job cost, employment, and pricing decisions
- *I understand:*
 - The profitability issues that owners face every day (especially those 'bottom line' results!)



My philosophy

BNBB

Better Numbers

→ **Better Business**

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Second in our *"Better Numbers – Better Business"* series...

What we'll be covering today:

1. We'll poll the audience (you) and immediately "do-the-math" to see how **Profit Leaks** can impact the bottom line in a typical business.

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- Large time investment in preparing this info for you. You'll get real value if you're able to **focus on each step**.

So **please remove distractions** 😊
(cell phones, email, FB, co-workers dropping in, etc.)

- We'd like **your ideas, comments and insights** throughout! Please enter these in the **Q&A (vs. Chat) Box!**
 - ✓ Ken's going to be monitoring and sharing your comments...
 - ✓ He'll also display the results of the polls so we can use them in our calc's.
 - ✓ If I don't get to your question, email me at help@infoplusacct.com
- At the end of our meeting, I'll share how to get our **"56 Benefits of Managing Your Business With Better Numbers"**, **the recording,** and **the PowerPoint slides**. So stick around to get that information!

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I WON'T:

- Step through specific procedures for “How to do this in QuickBooks” (this isn't a QB tool).

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Poll #1:

Lost time:

What would happen if you...?

- Conveyed specific goals to employees for jobs and various tasks?
- Measured results?
- Held employees accountable for reducing errors and meeting goals?

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Poll #2:

Costs of suppliers and vendors too high:

What would happen if you could...?

- **Negotiate better up-front prices?**
- **Document your standards for quality?**
- **Establish fixed service/delivery dates?**
- **And hold pricing to budgeted amounts?**

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Poll #3:

Lost vendor and contractor discounts:

What would happen if you could...?

- **Arrange for vendor “early-payment” discounts?**
- **“Earmark” vendors who offer early payment discounts so that you don’t overlook paying those vendors within discount dates?**
- **Hold staff accountable for getting payments made within discount dates?**

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Poll #4:

Accounting system problems that cause extra accounting fees:

What if you had...?

- **Good system design?**
- **Bookkeeping and job-cost training?**
- **Back-office and month-end procedures?**

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Poll #5:

Accounting system problems that cause extra tax prep fees:

What if you had...?

- **Good system design?**
- **Bookkeeping and job-cost training?**
- **Back-office and month-end procedures?**

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Poll #6:

Problems with late fees (non-tax) to vendors, credit card companies, loan payments, etc.:

What if you had...?

- **Enough cash to pay bills on time?**
- **Systems that warned about high-cost late payments?**
- **Reports that let you know how much you'd paid in late fees?**
- **Accountability to ensure that payments were made on time?**

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Poll #7:

Interest expense:

What if your company ...?

- Was able to run profitably enough to be able to pay off credit card debt?
- Could make it through “lean times” without having to borrow money?
- Could pay cash for major expenditures?
- Didn't owe owners, friends, or family large amounts?

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Poll #8:

Tax errors and penalties (primarily payroll-related):

What if you were able to ...?

- **See exactly what payroll taxes were due, and when they needed to be paid?**
- **Pay all of your payroll taxes every pay day, so no future tax liabilities were hanging over your head?**
- **Utilize a payroll service that automatically paid your liabilities and filed your payroll tax returns?**
- **Avoid dealing with the IRS and time-consuming, emotionally-charged late tax payment entanglements?**

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Poll #9:

Costs not monitored or contained given existing conditions:

What if you had...?

- **A solid financial plan that included reasonable percentages of direct costs in proportion to income, and overhead costs that were based on what was necessary with “nice-to-haves” appropriately earmarked?**
- **Reports to show whether your costs were in line with your plan?**
- **Someone who monitored actual vs. planned, and followed up if costs started to exceed planned percentages or dollars?**
- **An alternate plan to follow if circumstances changed?**

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Poll #10:

Not charging the right amount:

What if you could ...?

- See accurate, detailed “actual” quantities and costs from prior jobs?
- Take the time to create accurate cost estimates?
- Utilize the right people for the right tasks?
- Be confident enough in your costs and markups to not let customers persuade you to accept less than you need in order to meet your targets?
- Be confident enough in your costs and pricing to only accept the “right” jobs?

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Poll #11:

Change Orders – excess costs and lost income:

What if you ...?

- **Could spot “scope creep” occurring as jobs progress?**
- **Could be fairly sure that your front-line workers required formal paperwork for behind-the-scenes changes requested by clients?**
- **Had a system that tracked all potential Change Order income?**
- **Were able to bill and collect on all change orders?**

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Poll #12:

Not being able to take on additional work:

What if you ...?

- Knew that your operations were running smoothly?
- Knew that your numbers were accurate?
- Had achievable sales goals and the capacity to take on extra work without hitting “white water” status?

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Poll #13:

No cash cushion or investment capacity:

What if you had...?

- **Enough extra cash-on-hand to “park” in a safe place?**
- **Enough extra cash-on-hand to make “outside” investments?**
- **Enough extra cash-on-hand to make internal business investments?**

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Poll #14:

Sales goals not set, monitored, or met:

What if you ...?

- **Created an annual marketing strategy and plan?**
- **Established specific sales activities and sales goals per month?**
- **Tracked, monitored, coached, and established accountability regarding achieving sales goals each month?**



BuildYourNumbers.com
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What do we do?

- We help business owners, bookkeepers, and accounting professionals create **management accounting systems** that clearly show **which jobs make money**, **which jobs lose money**, and how to use this information to **increase profits**.
- We help you "Build Your Numbers" using **online training classes**, **industry-specific accounting products**, or **personal web-based consulting and coaching**.
- The ultimate goal? To **empower your business to create the lifestyle you deserve...**