Building a contracting business that produces the profit, cash, and life you want.

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BEFORE WE START

You've made it through most of the day, and now they've sent up the accountant.

Don't worry. I promise not to talk about depreciation schedules. ***Much.***

(Hopefully you're coffee'd up!)

Here's the deal for the next 45 minutes.

Info-packed

The most useful financial info I can fit into the time, for the most people in this room.

We're going to get nerdy

I'll dive into the numbers. That's the point. This is where it gets real.

Tools in your hands

You'll leave with approaches and free tools you can use in your own business.

The goal: walk out equipped to run your business by the numbers, not guessing.

ONE QUICK THING

Got a question? Ask it the moment it hits you.

Scan the code and drop your question on the page. No need to raise a hand or hold the thought. Send it whenever it comes up, and we'll work through them together on the panel at the end of the day.

You'll see this code again at the end

Scan to ask a question

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“We all knew this *might* be a bad idea…”

Stuck for 45 minutes. Every warning we needed was right there on the wall.

THE CENTRAL PROBLEM

Busy is not the same as financially healthy.

Contractors can keep piling weight into the business:

- More jobs
- Larger contracts
- More employees
- More equipment
- More debt
- More overhead
- More promises & commitments

When cash gets tight, the instinct is to add another job.

But sometimes more work is just one more person stepping into an already overloaded elevator.

What is your business actually capable of carrying, and where are you trying to take it?

BEFORE WE CHANGE THE NUMBERS, EXAMINE THE THINKING

The mindsets running underneath your money decisions

Most of us carry a bit of pre-programming about money. It quietly shapes how we price, spend, and decide, usually without our noticing.

“When money comes in, I can spend it.”

Revenue is not the same as available cash.

“Keeping busy means I'm making money.”

Activity is not the same as profitability.

“There's never enough.”

Fear can drive short-term decisions.

“People with a lot of money must be greedy.”

Guilt can lead to underpricing and under-earning.

“My success proves my worth.”

Revenue and appearances can replace meaningful goals.

And underneath all of it: your financial set point.

Think of it like a thermostat. There's a number that feels “normal” to us, and our decisions quietly pull us back toward it, even when we say we want more. Be careful with it: you can't move past a number you haven't noticed you're anchored to.

Where is the business supposed to take you?

Many business owners start with goals like freedom, security, flexibility, time with family, or the ability to choose their work. Over time, the business quietly becomes the destination instead of the vehicle.

Common business targets:

- “I want a $5M company.”
- “I want 20 employees.”
- “I want to do 100 projects.”
- “I want to grow 25%.”

Useful targets, but not the destination.

What will those targets actually let you do, personally?

A number on its own is arbitrary. A number attached to a life is a target worth hitting.

BUSINESS + PERSONAL GOALS

Start with the life, not the revenue target

This is not personal budgeting. It's identifying the cash demands the business ultimately has to support.

F	F	F	F	F
Faith & Contribution	**Family**	**Fitness & Health**	**Fun & Lifestyle**	**Financial Security**
Giving, community, personal growth	Household, kids' activities, vacations, time away	Wellness, recreation, care	Home, vehicles, food, the day-to-day	Retirement, investing, debt, reserves

What it might have to fund:

- Household income
- Time away from the business
- Family vacations
- Retirement investing
- Charitable giving
- Children's education
- Replacing personal guarantees
- Paying down personal debt
- An emergency reserve
- Management capacity to stop working nights

A revenue goal is arbitrary until it's connected to something that matters.

THERE'S A TOOL FOR THIS

Free Tool Available For You

Step 1: Enter personal Life goals

Goal Category / Item	Annual Cost
FAITH / FULFILLMENT / FELLOWSHIP	
Charitable Giving / Tithing	5,000
Community Contributions	1,000
Personal Development	1,200
Other Faith/Fellowship	0
Subtotal - FAITH	**7,200**
FAMILY	
Family Activities & Events	1,500
Children's Education / Activities	1,000
Family Vacations	8,000
Childcare / Support	0
Clothing (Family)	2,000
Other Family	
Subtotal - FAMILY	**12,500**
FITNESS	
Gym / Fitness Memberships	800
Sports & Recreation	1,000
Health & Wellness	0
Mental Health / Coaching	0
Personal Care	500
Other Fitness	0
Subtotal - FITNESS	**2,300**
FUN & LIFESTYLE	
Housing (Mortgage/Rent)	60,000
Utilities	3,000
Groceries / Food / Household	30,000
Vehicle / Transportation	9,000
Fuel	5,400
Maintenance and Repairs	2,000
Dining Out	3,000
Phone	1,800
Entertainment	2,400
Travel & Vacations	1,000
Hobbies & Interests	500
TOTAL ANNUAL CASH REQUIREMENTS	**143,900**
Monthly Equivalent	*11,992*

Step 2: Enter non-business income

Income Source	Annual Amount
EMPLOYMENT INCOME	
Salary/Wages (Gross)	0
Board Position Income	0
Consulting Income	0
Other Employment	0
Less: Estimated Taxes on Employment	0
Net EMPLOYMENT Income (After Tax)	**0**
INVESTMENT INCOME	
Dividends	3,000
Interest Income	1,000
Capital Gains Distributions	0
RRSP/401k Withdrawals	0
Other Investment Income	0
Less: Estimated Taxes on Investments	0
Net INVESTMENT Income (After Tax)	**4,000**
RENTAL INCOME	
Rental Property 1 - Net Rent	9,600
Rental Property 2 - Net Rent	0
Other Rental Income	0
Less: Estimated Taxes on Rental	0
Net RENTAL Income (After Tax)	**9,600**
OTHER INCOME	
Pension Income	0
Social Security / Government Benefits	0
Alimony / Child Support Received	0
Spouse/Partner Income (After Tax)	0
Other Income	0
Less: Estimated Taxes on Other	0
Net Other Income (After Tax)	**0**
TOTAL NON-BUSINESS INCOME (AFTER TAX)	**13,600**

THERE'S A TOOL FOR THIS

What Does Your Business Need To Do?

From personal goals to business targets - your complete roadmap

STEP 1: YOUR PERSONAL CASH FLOW		
Annual Personal Cash Requirements	143,900	*Total from your Goals tab - what your life costs annually*
Annual Non-Business Income (After Tax)	13,600	*Total from your Non-Business Income tab*
YOUR CASH GAP	130,300	*This is what your business needs to put in your pocket (after all taxes)*
STEP 2: YOUR BUSINESS PROFIT DEMAND		
Corporate Tax Rate	11.0%	*Your applicable corporate tax rate*
Personal Tax Rate on Salary	25.0%	*Your marginal personal tax rate on salary income*
Personal Tax Rate on Dividends	17.0%	*Tax rate on dividends/distributions received from the business*
OWNER COMPENSATION (How will you take cash from the business?)		
Owner Salary (Gross)	100,000	*Annual gross salary from the business (deductible expense, reduces corp tax)*
After-Tax Salary to Owner	75,000	*What you actually take home from salary after personal income tax*
Remaining Cash Gap After Salary	55,300	*Cash gap still to be filled by dividends (if any remains after salary)*
Dividends Required (Pre-Personal-Tax)	66,627	*Remaining gap grossed up for personal dividend tax*
Total Owner Compensation from Business	166,627	*Salary + Dividends = Total compensation the business must pay you*
OTHER BUSINESS CASH DEMANDS		
Cash Reserves	35,000	*How much to add to cash reserves? Aim for 10%-15% of revenue*
Company Reinvestment	5,000	*Equipment, resources, training, growth investments*
Debt Elimination	5,000	*How much business debt do you want to pay down this year?*
Corporate Taxes	13,797	*Tax on corporate profit (excludes salary - it's a deductible expense)*
NET PROFIT REQUIRED (After Owner Salary)	125,423	*Corporate profit target (after owner salary)*
STEP 3: REVERSE ENGINEER YOUR BUSINESS		
Annual Overhead (excl. Owner Salary)	160,000	*Other annual overhead (rent, staff salaries, admin, etc.) - NOT your salary*
Total Overhead (incl. Owner Salary)	260,000	*Your salary is a business expense that sits in overhead*
GROSS PROFIT REQUIRED	385,423	*Net Profit + Total Overhead (incl. salary) = Gross Profit needed*
Average Gross Margin %	20.0%	*What is your average gross margin percentage?*
TOTAL REVENUE NEEDED	1,927,115	*Gross Profit / Gross Margin % = Revenue required*

Step 3: Determine what your business needs to do to meet your personal cash requirements

THERE'S A TOOL FOR THIS

You outline the goals. The tool tells you the targets.

Fill in what your life costs and how you'll draw income. It works backwards to the exact numbers your business has to hit, right down to monthly sales and leads.

WHAT YOU PUT IN

Your goals, in plain language

1. **My Goals**

   The five F's, costed out: Faith, Family, Fitness, Fun & Lifestyle, Finance.

2. **Non-Business Income**

   After-tax income from outside the business: rentals, investments, a spouse.

3. **A few assumptions**

   Owner pay mix, tax rates, gross margin, close rates.

WHAT THE TOOL GIVES YOU BACK

A clear line from your life to your business targets

1	**Cash gap**	What the business must put in your pocket
2	**Owner pay + profit**	Salary, dividends, reserves, and the profit target
3	**Gross profit & revenue**	The revenue you need at your margin
4	**Sales, proposals & leads**	How many of each, to hit that revenue
5	**Monthly targets**	Revenue and new-sales goals, month by month

THE PERSONAL CASH GAP

What does your life require each year?

You don't need every line of the workbook. What matters is the flow.

ANNUAL PERSONAL CASH NEED		AFTER-TAX INCOME OUTSIDE THE BIZ		THE GAP THE BUSINESS MUST FILL
$143,900	−	$13,600	=	$130,300
What your life costs		Rental, investments, spouse, etc.		Cash the business must put in your pocket

Start with the life the owner is trying to fund. Then work out what the business has to put into their hands.

AN IMPORTANT DISTINCTION

Personal cash is not the same as business profit

Beyond paying you, the company has other obligations to fund before a dollar is truly free.

- Corporate income tax
- Cash reserves
- Debt repayment
- Equipment & capital expenditure
- Training, technology & reinvestment
- Working capital to fund growth

If you need $130,000 personally, that does *not* mean the company only needs $130,000 of profit.

Taxes, reserves, reinvestment, and how owner pay is structured mean the business usually has to generate considerably more.

REVERSE-ENGINEER THE TARGET

Work backwards from the result you want

Personal goals

▼

Owner cash requirement $130,300 gap

▼

Business cash & profit demands salary, tax, reserves, debt

▼

Gross profit required ~$385,400

▼

Revenue required ~$1.93M @ 20%

From the sample workbook

Owner salary	**$100,000**
Additional dividends required	**~$66,600**
Reserves, reinvestment & debt	**$45,000**
Net profit required (after salary)	**~$125,400**
Total overhead (incl. owner salary)	**$260,000**
Gross profit required	**~$385,400**

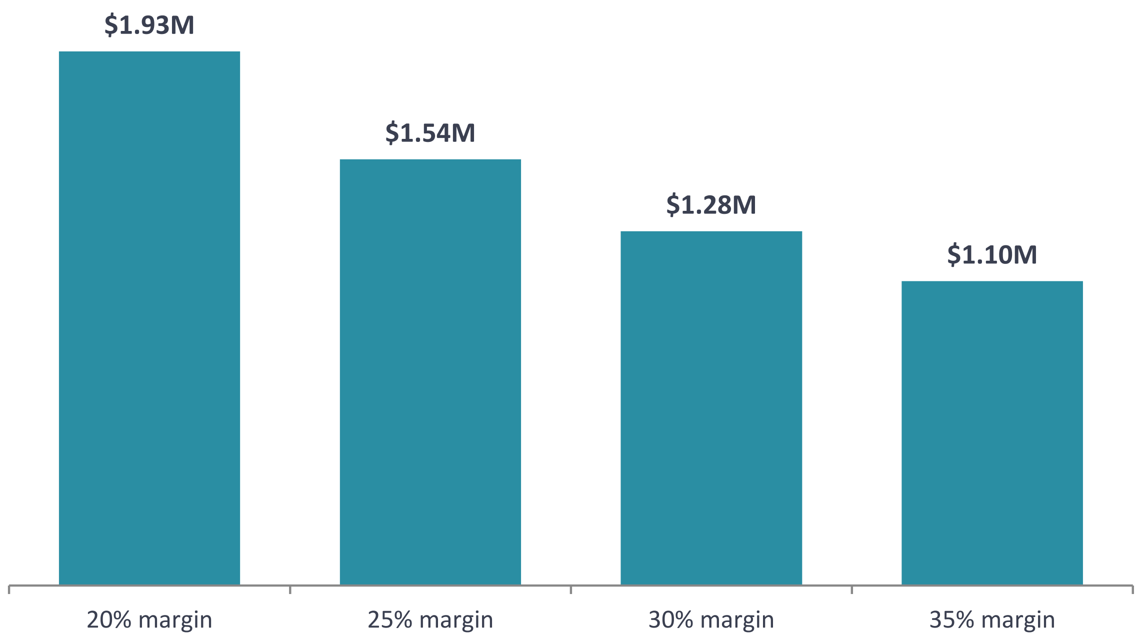
At a 20% gross margin → **~$1.93M revenue**

Building without this is like framing off bad drawings. you keep hitting problems you couldn't see, and the answer isn't always "sell more." It may be "improve the economics of the work."

MARGIN CHANGES THE MOUNTAIN

Same destination, very different revenue

Holding the ~$385,400 gross-profit requirement constant, watch what margin does to the revenue you must chase.



Reach the same financial destination with a smaller, more controlled company.

Lift margin from 20% to 30% and the revenue you need drops by roughly **$650,000**, for the same profit.

IMPROVE FINANCIAL PERFORMANCE

Where should you focus first?

Five levers, in the order that pays off. Revenue gets money in the door; the next three decide how much you keep; cash flow decides whether you can use it.

1 **Revenue** — The money coming in →

2 **Cost of Goods Sold** — Where margin leaks →

3 **Overhead** — The fixed hurdle →

4 **Net Profit** — What you keep →

5 **Cash Flow** — What you can use

Locate yourself:

If Work isn't coming in consistently → **Start with revenue.**

If Busy but not profitable → **Start with gross margin & job costing.**

If Jobs look profitable, the company isn't → **Examine overhead.**

If Profit exists but cash is tight → **Examine working capital & the cash cycle.**

LEVER 1 · REVENUE QUALITY

Not all revenue is good revenue

1. **The right work**
   Are you attracting the kind of work you want more of?

2. **Priced to margin**
   Is it priced to produce the margin you actually need?

3. **Real capacity**
   Can you deliver it properly without straining the team?

The six revenue drivers

- Leads
- Conversion
- Referrals
- Retention
- Purchase frequency
- Average job size

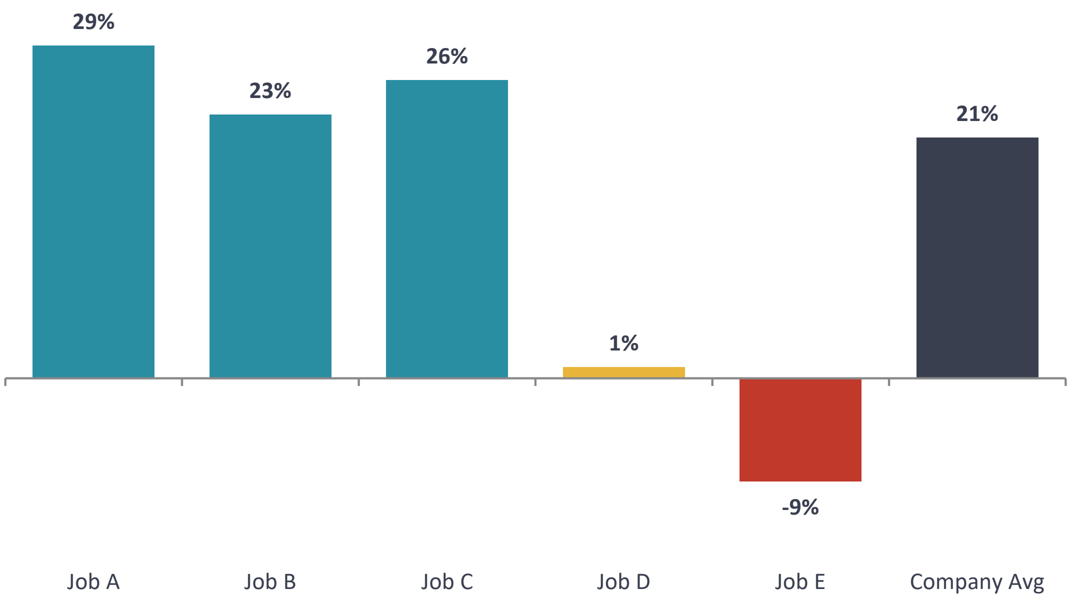
Revenue = [Total # Customers] x [Avg $/Sale] x [Avg # transactions per customer]

Growth helps only when the new work produces enough gross profit, and doesn't overload your people, cash, or systems.

LEVER 2 · KNOW MARGIN BY JOB

The company average can hide bad jobs

A healthy-looking average can mask one job barely contributing and another actively eating profit.



Illustrative. Jobs D and E are dragging a healthy-looking ~21% average down.

Four practices

1. Set an estimated gross margin before you accept the job
2. Track estimated vs. actual costs while the job runs
3. Review labour hours and material costs frequently
4. Do a post-job review while the numbers still matter

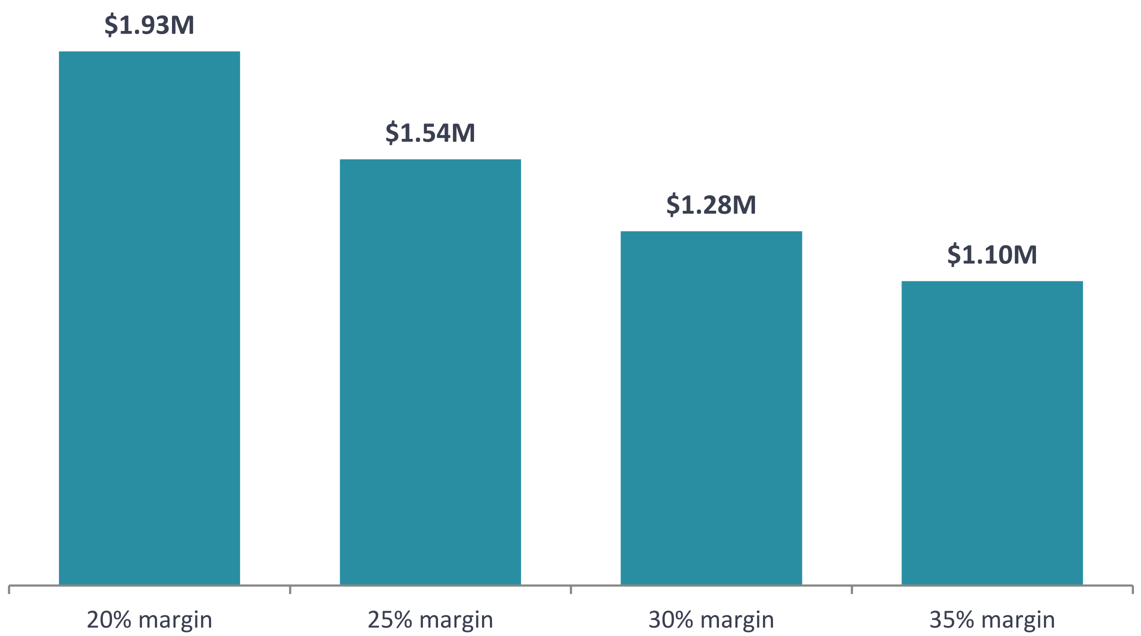
Also watch gross profit per week

A job can show a fine percentage margin, but if it runs twice as long as planned, it may not throw off enough gross profit per week to carry overhead.

LEVER 2 · KNOW MARGIN BY JOB

Remember this: Same destination, very different revenue

Holding the ~$385,400 gross-profit requirement constant, watch what margin does to the revenue you must chase.



Reach the same financial destination with a smaller, more controlled company.

Lift margin from 20% to 30% and the revenue you need drops by roughly **$650,000**, for the same profit.

Overhead doesn't disappear because you're busy

- Project management time
- Owner / principal time
- Vehicles
- Software
- Warranty & callback work
- Unproductive labour time
- Estimating time
- Supervision
- Insurance
- Office & admin staff
- Financing costs

A quick sort: the traffic-light method

- **Green** Keep. Earning its place
- **Yellow** Renegotiate or reconsider
- **Red** Eliminate or consolidate

But: cutting overhead won't repair underpriced jobs. Overhead discipline and margin discipline have to work together.

! **If the owner's time is treated as free, a job looks profitable only because the owner donated the difference.**

LEVER 4 · PLAN PROFIT BEFORE IT DISAPPEARS

Profit is not whatever happens to be left

Give profit a job before the year begins, or every dollar finds somewhere else to go.

Illustrative profit demand, in $000s. The final bar is the sum of the components.

What must profit accomplish?

- Build a cash reserve
- Repay debt
- Replace equipment
- Fund growth
- Pay taxes
- Reward the owner
- Reduce financial risk

Name the number first, and profit becomes a planned cost, like payroll.

LEVER 5 · PROFIT IS NOT CASH

How long is your money trapped in the business?

The cash conversion cycle is the days between paying for work and getting paid for it. The longer the gap, the more cash you must carry.

DIO

23 days

Days Inventory / WIP

Days material & WIP sit before billing

+

DSO

37 days

Days Sales Outstanding

Days clients take to pay you

−

DPO

24 days

Days Payables Outstanding

Days you take to pay suppliers

= 36 days Cash Conversion Cycle

At $2M revenue, every day in this cycle is roughly **$5,500** of cash. Shave 10 days and you free up about **$55,000**, without adding a single project.

Adding a project to solve a cash problem is one more person in the elevator. Sometimes the answer is to release the cash already trapped inside.

IN THE NEXT WEEK

Don't leave with 18 new projects

Just three decisions. Fixing all five levers at once is how the elevator gets overloaded.

1

Catch your money mindset

Which belief is quietly steering you? Spending revenue like it's cash, mistaking busy for profitable, underpricing out of guilt, or letting a comfortable “normal” number cap you.

2

Name what the business must produce

Personal cash need, to owner pay, to reserves, debt, reinvestment and tax, to profit target, to gross profit, to revenue.

3

Find the first constraint

Pick one: too few opportunities, low job margins, unrecovered overhead, no planned profit, or slow cash conversion.

Don't try to fix all five at once. Find the constraint that's keeping the elevator from moving.

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Pay attention before the doors stop opening.

- We saw the capacity sign. We joked we were pushing our luck, then kept piling in anyway.
- Contractors often do the same: another job, another truck, another payment, another commitment.
- ***Moving is not the same as healthy.***
- The goal isn't to see how much weight the business can carry before it jams.
- Decide where you want it to take you, know the capacity that takes, and run it by the numbers.

Don't overload the elevator.

Know where you're going. Know what the business can carry. Operate by the numbers.

Questions?

Scan and send them in, and we'll work through them together on the panel.

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CFO Lite Program

Waitlist

Group guidance, no full commitment.

Know where you're going. Know what the business can carry. Operate by the numbers.