



**The Contractors
Ladder to Success™**

BUSINESS MUSTS FOR ALL LEVELS
OF A CONTRACTING COMPANY.

Contractor's Ladder of Success

What does it mean to you to be able to take your business to the 'next level'? From Starting Up your business to Selling It, here are the necessary Strategies and Systems needed to continually grow your business and reach your goals.

The Ladder of Success is a proven structure to growing and scaling any contracting business. 'Start Up' is the foundation level, in which there is the most work to be done. 'Sell' is the top level of the pyramid in which your business runs smoothly without you.

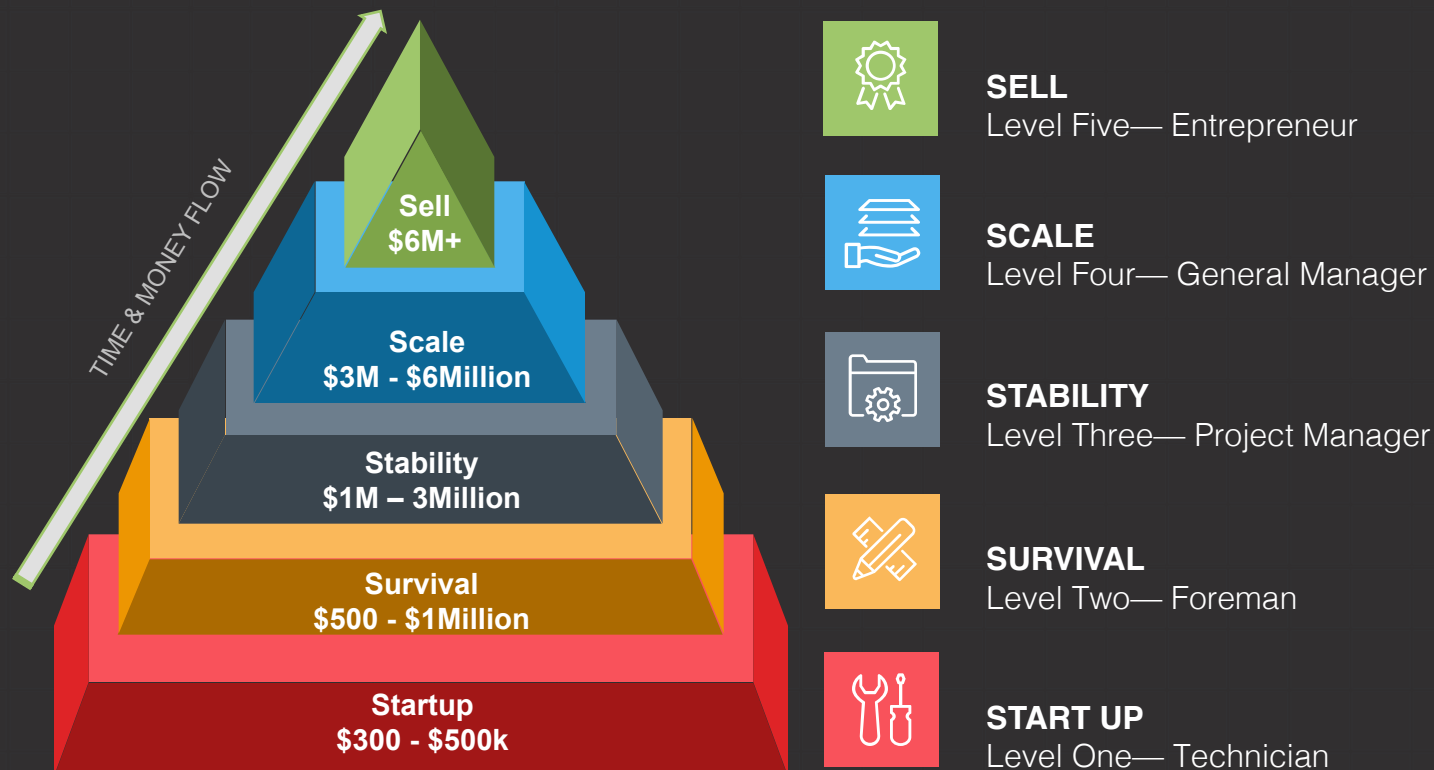
Creating and implementing each system/strategy of every layer, starting from the foundation, allows for greater success when growing your business. If your foundation has cracks in it, the rest of the pyramid will have problems.

Each layer has systems/strategies split into 3 pillars: Time & Team, Marketing & Sales, and Profits & Cashflow, in order for you to really break down what needs to be done from each core category of what makes up running a successful contracting business.

This document is for you to reference every 90 days as you continue growing and developing your business with Profit for Contractors.

1. Beginning at the Start Up Checklist, select any systems/strategies you already have created/implemented into your business.
2. Each 90 Days, starting from Start Up, we will create a plan with specific action steps to be able to create/start implementing 1 system/strategy from each pillar (Time & Team, Profits & Cashflow, and Marketing & Sales) until you are able to reach the next level successfully. We then continue this method on the 2nd level, and so on and so forth, until your business goals are achieved.
3. Look at the Calendar on the last page of this document and be sure to block time off each month for the mandatory 'Moving Forward Sessions' and productive Live 90 Day Planning Sessions.

If you don't understand something, or need any help, feel free to ask Profit for Contractors for help at any time. We will continuously go over this document throughout your coaching with us. support@profitforcontractors.com



Note: Don't get hung up on the sales numbers in each level, they're just a guage. It'll be different for everyone.

Contractor's Ladder of Success



START UP

Level One— Technician. Creating systems and checklists to get the job done right the 1st time.

Startup
\$300 - \$500k

Time&Team

- Goals Set** (3M-12M) Clarity of short-term direction
- 90-Day Plan** Progress with 1 action step a week (Post on wall you'll see daily and update weekly)
- Baseline **Organizational Chart** Created:
 - Structure backed by Systems
 - Flow: Roles Rules Results (Who can help?)
 - Mastered Role/System of Technician (all following)
 - Mastered Role of Technician for all to follow
 - Onsite Quality Control (Q/C Checklist)
 - Stop baby-sitting (Solve/Suggestions)
 - Dispatch System
 - Material/Inventory (in-house & trucks)
 - Paperwork Mastered
 - Handed in on time all the time
 - Invoice fast/extend paying = more cash
 - All work tracked against estimate (100% T&M)
 - Top 5 Delegable tasks have been assigned
- Time is defaulted** (min 2hrs/week to work ON the Business)
 - Time Audit done to identify Focus level (Determine what to Delegate, Systemize, Eliminate or Keep)
 - Team Meetings occur once a week
 - In-Control of Interruptions
- Code of Culture** has been created so Team is on same page
 - Rules of the Game documents with Owner & Clients
- White boards** are used to max communication & delegation
 - Projects and Service Boards

Profits&Cashflow

- We know we are Profitable** (Stop profitable jobs paying for non-profitable)
 - Job Tracking Sheets (T&M)
 - Aware of P&L trends for last 12months
 - P&L is reviewed every month
 - Targets for GP% and NP% are set
- Proven systems** to ensure Quotes are Profitable
 - We understand Markup verses Margin
 - Use GP% formula
 - Set min GP%
 - We track gap between Quoted & Actual
 - We understand the effects of discounting
- Cash-flow predictor board** placed (30-60Days)
 - Targets are set to reduce DSO's

Marketing&Sales

- Understand Profit Chassis** (Know score so we can change it)
 - Test & Measure all strategies
 - #Quotes & Win Rate
 - 10% Increase ea over 12months
- 1st Contact Scripts** (In & Outbound)
 - We position beyond price
 - All Marketing uses Secret Phycology
- Sales Board** updated in real-time
 - No Leads missed
 - No Quotes not followed up
- We get rid of Class D Clients & Target Class As**
- Client Feedback Forms in place**
- Pre-meeting checklist created & used**
- 101 Marketing Strategies being used**
 - Lawn Signs
 - 5 Block Marketing ect
 - Client Feedback/Referral Forms
- Data Base created and managed**
- Basic Website up and generating leads**
- Basic Reputation Marketing in place**

***Key Success Factors: Deliver Consistently**

Contractor Notes

Time & Team

Profits & Cash flow

Marketing & Sales



Contractor's Ladder of Success



SURVIVAL

Level Two— Foreman. Increasing leads and winning more jobs. Having systems in place for starting, running, and finishing jobs.

Survival
\$500 - \$1Million

Time&Team

- Clarity of Vision** 3m-3yr supported by Goals
- Leadership** (max. Communication & Accountability)
- Midsized Structure defined** (Foreman Role included)
 - Role, Rules, Target Results set for each position (Systems for routine tasks created)
 - Start, Run, Finish Jobs
 - Sales process is systemized
 - Your time included
 - Delegated small quotes
 - Created Policies and Procedures for key roles
- Service Call Success System/Process** in place (Service Manager Role included)
 - Systems to max. profits on every call
 - Systems to track every service call
- Default your Time ON** (5-10hrs/week of focus)
 - Start getting off the tools:
 - 40% Foreman, 20% Technician,
 - 20% Strategic/Planning, 20% Misc.

Profits&Cashflow

- P&L Historic #'s** to Predict Future
 - i.e. Seasons of Business
- Profit Slicing** started
 - Type of Work (Eg: Q-Books)
 - Crews
 - Customers
 - Suppliers
- Break Even & Profit Break Even**
 - Sales needed to set budgets
 - Ratio of Employees to Sales
- Cash-flow predictor in place (60-90 days)**
 - A/R Board Up
 - Apply A/R System (scripts, letters etc.)
 - Set targets to reduce DSO's
 - Leverage Seasons of business for cash
- Define **How to Afford Foreman** (replace yourself)
- Define **How to Afford Part-Time Admin**

Marketing&Sales

- Systems to **Eliminate Tire-kickers Fast**
- Pick a our **Target Audience**
 - Select specific strategies
 - Online & Offline
- Know conversion** rates for each type
- We know how to handle objections**
- Strategic Alliance** in place (endless Sales force)
- Create Sales Kit/Presentation** (Hard & Digital)
- Intermediate Website:**
 - Track Results
 - Lead Magnet in place
 - Social Media in place
 - Reputation Management Optimized

***Key Success Factors: Being in control of every job. Progress to Profit.**

Contractor Notes

Time & Team

Profits & Cash flow

Marketing & Sales

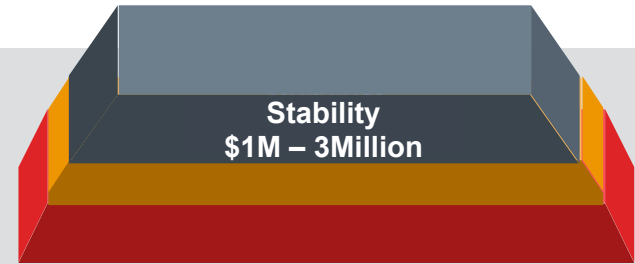


Contractor's Ladder of Success



STABILITY

Level Three— Project Manager (Max. Profit & Time Management)
Get Help in office to run multiple jobs. Understand your numbers (job costing)



Time&Team

- 7 Keys to **Leadership Understood**
 - Specific plan for leader to create leaders
 - Each Department has 90 Day Plans
- Multi Level Structure** in place
 - Operations Manager Role is defined
 - Team systems in place
 - Dashboard defined & monitored
- Vision Mission Culture** written
- Able to **forecast Capacity** 6-9 months out
 - Clarity of staff needed to support demand
- Hiring Process** leverages Seasons
 - Position Contracts
 - New Hire Induction process in place
 - Bench Warmers
 - Cross Learning (contingencies)
- Employee Reviews** (min. every 6 Months)
- Sales Person** (70% on the Road)
- Admin does 80% of Paperwork**

Profits&Cashflow

- P&L Historic #'s to Predict Future**
 - (E.g. Seasons of Business)
- Determine **How to Afford Salesperson**
- Determine **How to Hire Full Time Admin**
- Financial Dashboard** in Place against Targets
 - Sales (per Type) at Min GP%
 - Expenses
 - Targets for Service Calls / Projects
 - Ratios understood (e.g. Staff #'s/Sales#/Profits#'s)
- Cash Buffer** in Place to Leverage Peak & Slow
- Top Estimator** is identified & insights are shared
- Define **How to Afford Operations Manager**

Marketing&Sales

- Define **Unique Selling Proposition** each Target
- Know Average \$ Sale**
 - Apply min. 2 new strategies/quarter
- Know Acquisition Cost** to Buy a Client
- Create 'Wow' Kits**
- 12 Month Marketing Plan** in Place
- Sales Person** hit min. # **Leads & Conversion Rate**
- Follows **Sales Process**
 - Joined Networking (Association/Groups)
 - Follow Sales Process
 - Present in Community

***Key Success Factors: Using your Financials to make Great Decisions**

Contractor Notes

Time & Team

Profits & Cash flow

Marketing & Sales

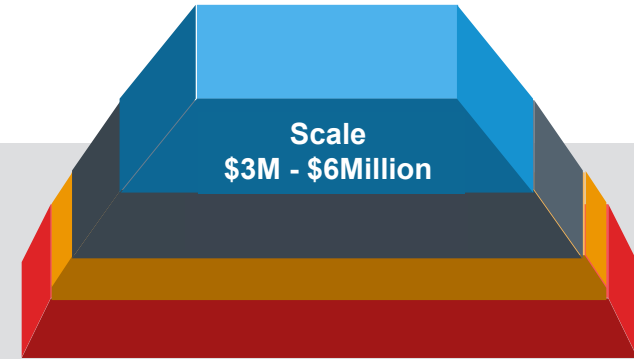


Contractor's Ladder of Success



SCALE

Level Four— General Manager - On board (Systems Run the Company)
Right Structure: delegate key roles, hire the right team, replace yourself.



Time&Team

- Leveraged Structure**
 - 100% involvement & inclusion
 - Owner 80% on devising strategies
 - Decisions pushed down hierarchy
 - Predict Cracks before they happen
- General Manager** Role-Rules-Results is mastered
 - 1-2 month trial without Owner (find cracks)
 - Process of GM replacement started
 - Hired GM (tight induction plan laid out)
 - GM is setting direction for departments
- Operations Manager** Role-Rules-Results is mastered
 - 100% of operations is taken over
 - Has specific goals to improve systemization of company
- Company is sought after by employees**
 - Vision, Mission & Culture is beyond CEO
 - Technology Defined to help automate
 - Social activities to create community

Profits&Cashflow

- Value of business** is beyond us:
 - Scalable Profits & Cash-flow
 - Able to pay for freedom
- Targets set to **Afford Operations Manager**
- Targets are set for **Sales and Profits** for next 3 years
- Budgets are set for each department** & tracked

Marketing&Sales

- Repeatable Results** (dial up/down)
- Mastered Chassis of Business**
 - Leverage = Exponential Results

***Key Success Factors:**

**Marketing Sales 'Wow' Factor,
Progress to Profit on every job,
Using your Financials to make great decisions**

Contractor Notes

Time & Team

Profits & Cash flow

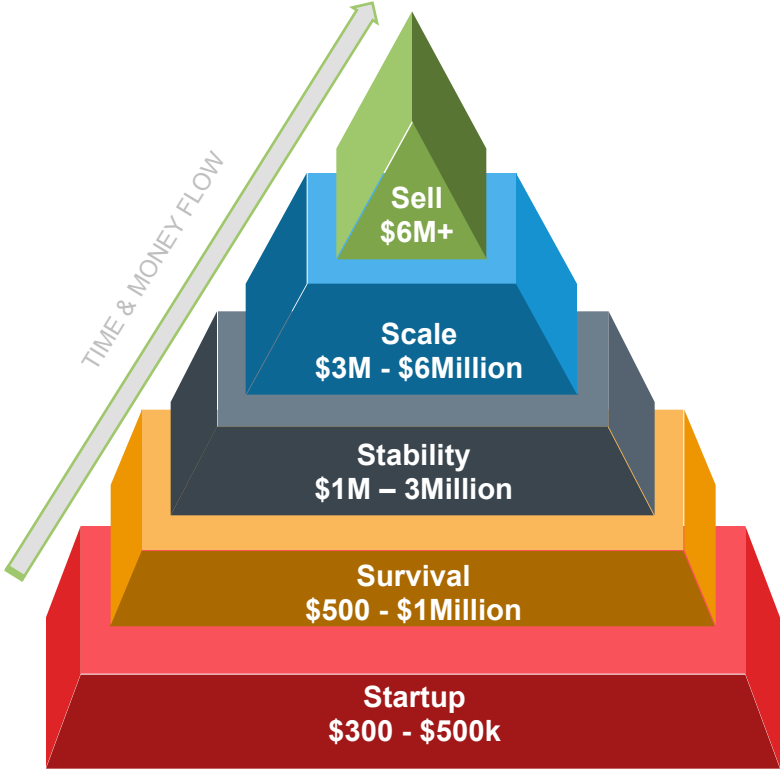
Marketing & Sales



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SELL
 Level Five— Entrepreneur (Exit Strategies)
 Business grows without you and our team is in Control.



Company Ready to Expand or Sell
 ▷ Business evaluated for Transition
 ▷ Broker does financial evaluation
 ▷ Business needs to run without Owner



SCALE
 Level Four— General Manager.



STABILITY
 Level Three— Project Manager.



SURVIVAL
 Level Two— Foreman.



START UP
 Level One— Technician.

***Key Success Factors:** **Marketing Sales 'Wow' Factor,**
Progress to Profit on every job,
Using your Financials to make great decisions,
Value of business increases without you