

THE TRADIE SHOW

How To Set Up Your
Business For Scale, Sale,
Or Freedom To Choose



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EPISODE 1

How To Set Up Your Business For Scale, Sale, Or Freedom To Choose

When we ask trade business owners what the goal of their business would be, the answer is usually one of three things:

1. Scale

- grow their business to be bigger and better

2. Sale

- build their business up so that it can be sold

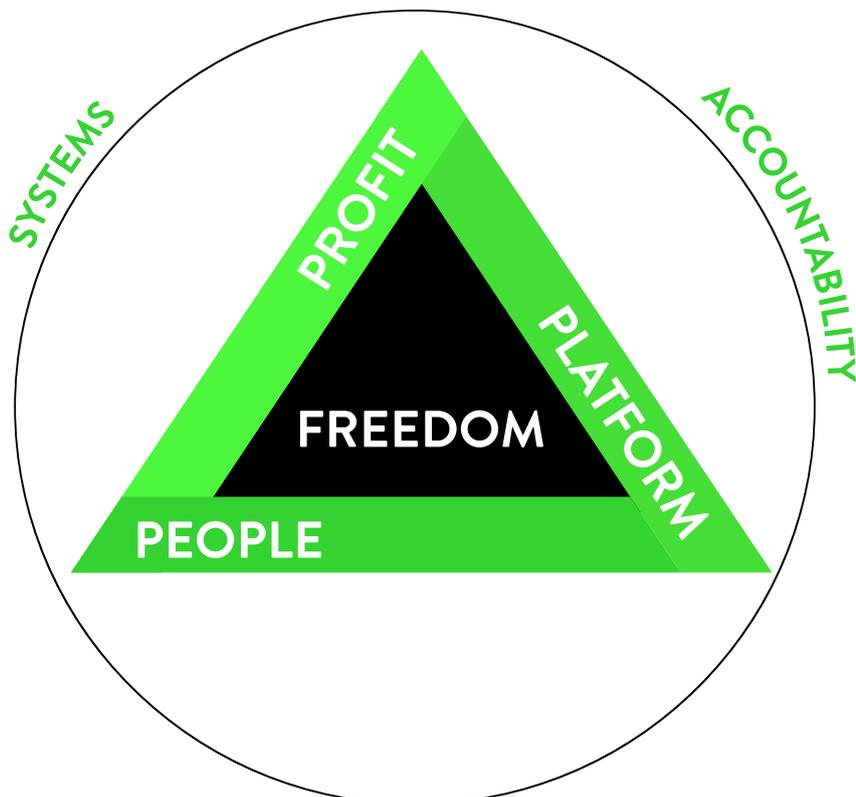
3. Freedom

- be able to keep their business but have the freedom to focus on other things and take time off without having to worry about the business's ability to run by itself.

To do any of these three things your business needs solid foundations!

'**The 3 P's to Freedom Formula**' (Platform, Profit, People) explains how you can build the right foundations in your business to set it up to scale (grow), to sell, or to have the freedom to choose.

The 3 P's in '**The 3 P's to Freedom Formula**' are platform, profit and people. Without these you will not have the right foundations to get your business to the point where you can scale it, sell it or have more freedom.



Platform

Setting up platforms is the first step to building solid foundations for your business. Implementing platforms will require adopting technologies and more importantly knowing how to use them properly.

Advantages of implementing platforms

- Increased productivity and efficiency, maximising the 24 hours in your day!
- Manage the business from anywhere in the world at any time of the day
- The business can run without you but you can still monitor it
- No paper work
- Everything is done with the customer then and there at the job, so you do not have to deal with it after you have left the job site.

What platforms to implement?

Job Management Software

- Manage jobs
- Holds all the customer database
- Can see what your team is doing
- Make sure it is compatible with your cloud accounting software (see below)

Example – AroFlo, ServiceM8

Cloud Accounting Software

- Controls your money
- Can use it on your computer, tablet or smart phone
- Must bundle with your job management software so that they can send information to each other to save you time

Example – Xero

Profit

After you have considered your business's platforms, you need to consider your business's profit. Profit in business consists of money and marketing.

Money

When dealing with money one of the most important questions to ask yourself is: Do you have a

good accountant that you are really happy with?

You must take the time to interview your accountant and find out if they are the right fit for you.

Tips to selecting a good accountant:

- Find an accountant that specialises in your specific trade service industry e.g. plumbing, electrical, landscaping
- Find an accountant that has the ability to use the cloud accounting package that you use in your trade business

What to do once you have THE RIGHT accountant:

- EVERY MONTH meet with your accountant
- Go through your Profit and Loss Statement (PNL), Break Even and Balance Sheet

Why do you need to know your PNL, Break Even and Balance Sheet?

Tradies work hard, but when it comes down to knowing the figures on whether they are actually making money from their trade business, many are not so sure.

Knowing the figures in your trade business is vital in seeing where you can save money and make money. No big business decisions, such as putting on a new staff member or expanding your business interstate, can be made without first knowing these figures.

Another reason why knowing your figures is so important is that it allows you to forecast the future of your business and predict where it might be in 2 months, 6 months, 9 months, 1 year etc. If you forecast you will feel a lot more comfortable with your business decisions and you will be able to plan for potential peaks and troughs in your trade business's workflow.

Lastly, when you know your Break Even you will be able to apply it to your business everyday so you and your staff can measure whether the business is making money or not on a day-to-day basis.

Marketing

Who is your target? Who is your avatar?

The key to successful marketing is to know who your target market is and understanding what customers are the most profitable. If you don't market to the right customer you won't have a business and you won't be making any profits.

Tips on marketing to the right customer

- Know your service - stick to what you do and don't run off course
- Market to current customers using CRM and job management software – our research indicates that repeat clients spend approximately 3x more than new clients
- Market to generate new leads (new potential customers)

- Forecast your current clients' business's future and how you will fit into that
- Build a solid relationship with customers when you walk in the door, increase average dollar spend while you are with the customer using specific techniques so you do not scare them away.

People

Hiring the right employees is third thing you must do to build solid foundations in your business. It is often difficult to find the right person so once you have you must train them well, motivate them and actively work to retain them.

Tips on hiring the right person:

- Take your time finding the right person otherwise you waste a lot of time training the wrong person and will probably end up losing money!
- PLAN in your business – business owners leave it to late to hire a person and then all of a sudden need someone straight away. If you plan out your year you might be able to predict busy months and can then take the time to advertise early and hire the right person.
- Do not limit yourself to finding someone in your local area, the guy down the road or a family member. With the use of the Internet you have access to a large pool of candidates, so make use of this and find the best person for the job not the most convenient.
- Hire on attitude because you can always train them to get the skills
- Act fast when someone responds to your ad - it is likely that you are not the only person that a candidate has sent their resume to so call them as soon as you receive the resume not a couple of days later!
- Do not be afraid of trialling people. Get rid of them fast if they are not the right person.
- HIRE FAST, FIRE FAST!

Tips for training new employees:

- New employees are most excited when they first walk in the door so make sure that you try and make that feeling last as long as possible by providing professional, exceptional and thorough training.
- Have systems and flow charts in place to train new staff with. The only time they will do something wrong is if they step outside of the systems you have put in place. So, having systems in place is the best way to reduce the chances of things going wrong in your business.

Tips for motivating and retaining your employees:

- Hold weekly meetings and make sure staff know the boundaries and expectations you have of them
- Build trust with employees

- Know things about them e.g. about their interests, family, friends, etc.
- If other team members feel like someone in the team is bringing down the team morale then you need to look into thing and perhaps find someone else for his or her job.

Take a look at yourself!

Determine what skills you have to be the best leader possible. Play on your assets and improve areas you lack skills in.

The glue that sticks the 3 P's together

You need systems and accountability in your business to make the 3 P's -platforms, profits and people work effectively.

- **Systems**

Systems and step-by-step processes are vital. They show employees exactly what needs to be done for any particular task in the business. This will help set expectations between employer and employees, reduce mistakes in the business and increase efficiency when training staff. By doing this you know exactly how your employees are doing things.

- **Accountability**

You must hold employees accountable to these systems otherwise there is no point in having them. You can even implement software programs to hold team members accountable.

Example - Teamwork is the name of a software application that helps keep our office staff accountable.

What's next?

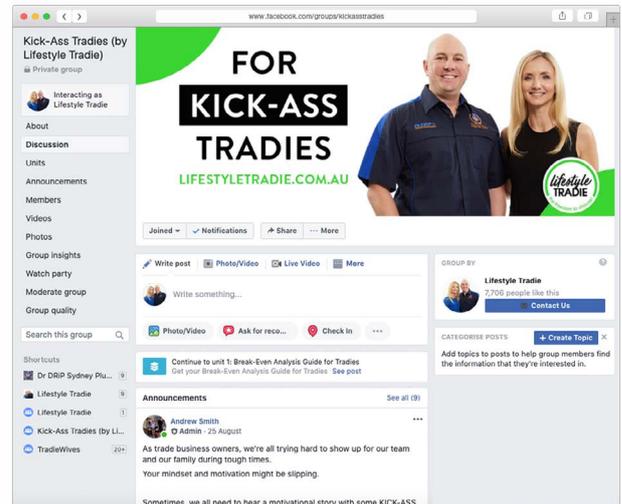
You're the one wearing the heavy load of responsibility — and suffering major stress.

Ready to change it?

 Join our Facebook group, Kick-Ass Tradies

Where you can gain access to trade-specific tips and resources, PLUS join the conversation with a community of like-minded tradies.

[facebook.com/groups/kickasstradies](https://www.facebook.com/groups/kickasstradies)



Lifestyle Tradie Live

 Join us at our live event, Lifestyle Tradie Live

These 1-day live events are jam-packed with trade-specific knowledge that YOU need to know in order to build a strong, successful trade business.

 Jump on a Strategy Session with Andy

Register now for a 15-minute call with Andy now to smash out what you need to do right now, to provide you with clarity and direction in your trade business.

Head here to book it now

<https://www.lifestyletradie.com.au/strategy-session/>

