

How To Make More Money In Construction With SWOT Analysis

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Fast Easy Accounting

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Developing a comprehensive strategy for your construction business can be about as much fun as wrestling a pig in the mud because:

- It is slippery and hard to get control over it.
- It will wear you out and frustrate you to no end.
- You will swear it is a complete waste of time.
- Your contractor buddies who are barely making a living will think you're crazy.
- In the end, you will be thoroughly worn out, exhausted and mentally drained.

What separates wealthy contractors from poor contractors?

- It's not a lack of opportunities to bid jobs or get leads because getting leads is easy.
- It's not lack of ambition because every contractor I know is active and ready to get busy.
- It's not a lack of intelligence or the ability to develop a production method and follow it to the end.

- It's not lack of money because if you follow my process, you know how to overcome that using O.P.M. (Other People's Money)

The answer is simple, but not easy:

1. Wealthy contractors begin with the end in mind and knowing what to do ("The Seven Habits of Highly Effective People").

Everything is created twice. First, in our minds, and when we do the work to bring them into physical existence. Take your power and take control of your ability to Be-Do-Have. You can re-write your scripts and take control and responsibility for the outcome of your Construction Company by using your imagination and conscience.

The three major aspects of personal and business management of your contracting company:

Leadership - What do you want to accomplish?

Management - How can you accomplish it?

Productivity - Decide to do it.

Management is doing things right; leadership is doing the right things. - Peter Drucker and Warren Bennis

Have a vision of what your Construction Company Money Machine will be when you are finished building it. It will be like a deep, wide river running smooth and calm moving millions of gallons of water through lush green valleys where farmers and

ranchers pump the freshwater into their crops and fields to feed their families for a lifetime and beyond.

Your Construction Company Money Machine will be moving millions of dollars from customers and clients through lush green valleys where you will pump cash flow into your bank and investment accounts to feed your family for a lifetime and beyond.

2. Wealthy contractors understand who they are and what they believe to be true.

Your perception is your reality, and the truth is four levels deep. To get to the truth about your construction company, you must go on a journey. It is four levels deep, and like most successes in life, it is simple but not easy.

Level One - What contractors want to hear

Level Two - What contractors want to believe

Level Three - Everything else

Level Four - Truth

A Story To Illustrate The Four Levels

What contractors want to hear - One evening after work, a group of contractors met at the Contractor Business Round Table, which is the neighborhood tavern with a round table, pitcher of beer and four contractors. They talked about how tough it is to get profitable jobs, no matter what the economy is like. When times are good, it is hard to find employees, when

times are tough, the phone doesn't ring. Everyone agreed there was nothing anyone could do about it.

What contractors want to believe - A short while later they talked about making money, and agreed that big-time contractors make most of the money and little contractors were doomed to struggle.

Everything else - One of the contractors suggested maybe they could ask one of the larger, more profitable contractors and find out what they did that made the difference. This made the other contractors a bit uncomfortable. Then it happened, and they all heard and felt the dreaded Snap-Crackle-Pop! The contractor who suggested asking for help experienced a paradigm shift and broke through to the other side. This contractor began leveling up! Suddenly they all remembered what The Contractors Accountant, Randal DeHart, had said about leveling up. "As you develop your Business Strategy, your income is likely to increase. The impact on your friends will not be pleasant as you will be proving that good people can win in the construction game by playing it with high moral and ethical standards and the willingness to try something different."

Truth - Is whatever you believe, and you will look for evidence to support your truth. Part of my truth comes from some of the writings of Og Mandino, *The Salesman's Prayer*, with one of my favorite lines: "I ask not for garments or gold or even opportunities equal to my ability; instead guide me that I may acquire ability equal to my opportunities."

3. Wealthy contractors know what type of contracting they are good at doing.

SWOT is one of the tools we use in strategic planning for construction companies to evaluate the **S**trengths, **W**eaknesses, **O**pportunities, and **T**hreats involved in determining the particular target market.

Strengths - are projects that your construction company does exceptionally well at and earns a higher than average gross margin that gives you an advantage over other contractors. What are they and how can your construction contracting company expand on them?

Weaknesses - are projects that your construction company does poorly at and breaks even or loses money. What are they and how can your construction contracting company turn them into strengths?

Opportunities - are projects and markets not currently being served where your construction company can enter and turn them into strengths.

Threats - are elements outside your construction company that could cause trouble for you or your construction projects. What are they and how can your construction contracting company turn them into opportunities?

4. Wealthy contractors know how to generate more leads than they can handle.

Now, you can quickly generate more leads than you can handle because in the previous three steps you laid the foundation by

having a vision for what your construction company will be when you finish building it, you know who you are, and you know who your Prime Client is.

Would you like to start evaluating your geographic and demographic target markets and develop strategic plans to increase your company sales, cash flow, and bottom line profits? Focus on a few Key Strategies that require the least amount of effort and generate optimum sales cash flow and earnings for your contracting company by taking our SWOT Analysis class.

In conclusion

Every once in awhile, someone with this knowledge breaks out of the pack and uses the knowledge and experience to become a wealthy and successful contractor. Be the contractor who will do whatever it takes to rise above owning a job and develop a construction business that will provide for themselves and their families for a lifetime.

About The Author:

Randal DeHart, PMP, OPA is the co-founder of Business Consulting And Accounting in Lynnwood Washington. He is the leading expert in outsourced construction bookkeeping and accounting services for small construction companies across the USA. He is experienced as a Contractor, Project Management Professional, Construction Accountant, Intuit ProAdvisor, and QuickBooks For Contractors Expert. This combination of experience and skill sets provides a unique perspective which allows him to see the world through the eyes of a contractor, Project Manager, Accountant and Construction Accountant. This quadruple understanding is what sets him apart from other Intuit ProAdvisors and accountants to the benefit of all of the construction contractors he serves across the USA. Visit <http://www.fasteasyaccounting.com/randal-dehart/> to learn more.

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