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The 90 Day Profit Reset

The workbook. Twelve modules to put a construction business on foundations that aren't sand.

First fix. Second fix. Forever fixed.

Company _____ Start date _____

How to use this workbook

The Reset is built like a job. First fix is the work behind the walls that everything depends on. Second fix is the visible work that makes the money. Forever fixed is the finish and the rhythm that stops it decaying.

There are twelve modules, four per phase, one per week. Each has the same shape:

Why it matters

The problem this module fixes, in plain English.

Three questions

If you can answer all three with a number or a name today, skip the exercise. Most people can't, and that's fine.

The exercise

Numbered steps. Do them in order. Your Taxtful accountant does the heavy lifting on the numbers on Supply & Fit and Turnkey; you do the decisions.

Template and done-when

Fill the template in here or copy it to a spreadsheet. Don't move on until every box in "done when" is ticked.

> *None of this is a judgement on how you've run the business. Every gap this workbook finds is a gap in the service you've been getting. That's the point of fixing it.*

Contents

First Fix · Days 1 to 30

1. Know your real numbers
2. CIS and VAT, fixed
3. The retentions ledger
4. The 13-week cash forecast

Second Fix · Days 31 to 60

5. Margin by job
6. Pricing and tender review
7. Labour and status
8. Plant and overheads

Forever Fixed · Days 61 to 90

9. The monthly pack and review
10. The tax plan
11. Structure and protection
12. The 12-month plan

Part Two · Days 31 to 60

Second Fix

Making it pay

Making it pay. With the foundations in, you can see which jobs, customers and types of work actually make money, what each job has to carry in overhead, and whether your labour and plant are earning their keep. This is where pricing changes and the margin improves.

5 Margin by job

6 Pricing and tender review

7 Labour and status

8 Plant and overheads

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Margin by job

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Why it matters

Company-level margin hides the job that's losing money behind the three that aren't. Job costing means every cost is coded to a contract when it's incurred, so margin is visible monthly while there's still time to submit the variation, change the crew or renegotiate.

Three questions

1. Which of your current jobs has the lowest margin, and what is it?
2. What percentage of your costs last month were coded to a specific job?
3. When did you last submit a variation claim, and was it before or after the job finished?

Answered all three with a number or a name? Move on. Anything "roughly" or "my accountant would know": do the exercise.

The exercise

1. Check your bookkeeping: every purchase invoice, timesheet and plant hire should carry a job reference. Count last month's transactions without one. Fix the process so the reference is captured at source.
2. Split each job's cost into labour, materials, plant and subcontract. Calculate the percentage of each against certified value.
3. Compare each job's actual split with the tender assumptions. Where labour is over, ask why: productivity, rework, weather, scope creep?
4. For any job with scope creep, list the uninstructed extras and raise the variations this week.
5. Set a monthly margin review: fifteen minutes per live job, with the site manager in the room.

Template

Job	Certified	Labour %	Materials %	Plant %	Subcontract %	Margin %	Tender %	Action

Done when

- [ ] Every cost coded to a job at source
- [ ] Cost split by category for each live job
- [ ] Variations raised on every job with scope creep
- [ ] Monthly margin review in the diary with site managers

Notes and decisions

Pricing and tender review

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Why it matters

Most contractors price with a percentage on top of cost that was set years ago and never tested. Second fix asks the harder question: what does each job actually need to carry in overhead, and which customers are worth having at all?

Three questions

1. What is your overhead as a percentage of turnover, and does every tender include it?
2. Which customer generated the most turnover last year, and what margin did they generate?
3. Which customer would you drop tomorrow if you could?

Answered all three with a number or a name? Move on. Anything "roughly" or "my accountant would know": do the exercise.

The exercise

1. Total your annual overheads: office, yard, vehicles not charged to jobs, admin salaries, insurance, professional fees, finance. Divide by expected annual turnover. That is the overhead recovery rate every job must carry before profit.
2. For each regular customer over the last year, total certified sales and job costs. Calculate margin by customer.
3. Rank customers by margin, not turnover. Look at the bottom three. For each, decide: reprice, change terms, or stop.
4. Review your last five tenders. Check that each included labour at real cost including employer's NI, pension and holiday, the overhead recovery rate, and a profit margin on top. Note where it didn't.
5. Write down your minimum acceptable margin. Agree it with whoever prices work. Tenders below it need your sign-off.

Template

Customer	Certified sales (yr)	Job costs	Margin £	Margin %	Payment days	Retention terms	Decision

Done when

- [ ] Overhead recovery rate calculated and built into every tender
- [ ] Margin by customer for the last year
- [ ] Bottom three customers repriced, renegotiated or exited
- [ ] Minimum margin agreed and enforced on tenders

Notes and decisions

Labour and status

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Why it matters

Labour is the biggest cost on most jobs and the biggest tax risk in the business. Productivity decides margin; employment status decides whether HMRC sends you a bill for years of PAYE on people you thought were subcontractors.

Three questions

1. What did a labour hour cost you last month, fully loaded?
2. How many of your labour-only subcontractors have worked for you continuously for more than a year?
3. When was employment status last reviewed, and by whom?

Answered all three with a number or a name? Move on. Anything "roughly" or "my accountant would know": do the exercise.

The exercise

1. Calculate your fully loaded hourly cost for employed labour: gross pay plus employer's NI, pension, holiday, sick, training and any allowances, divided by productive hours actually worked. Compare it to the rate you priced.
2. List every labour-only subcontractor. For each, answer the status questions in the table honestly.
3. Anyone with mostly 'yes' answers is high risk. Decide: move to payroll, engage through a compliant umbrella, or restructure the arrangement so it reflects genuine self-employment.
4. Document the review, the decision for each person and the date. Keep it. It is your evidence if HMRC asks.
5. Set a productivity measure per crew: certified value per labour hour. Track it monthly.

Template

Name	Months engaged	You control what, when, how?	Can they send a substitute?	Use your tools/materials?	Any financial risk to them?	Risk	Decision

Done when

- [ ] Fully loaded labour cost known and used in tenders
- [ ] Every labour-only subcontractor status-reviewed and documented
- [ ] High-risk arrangements changed
- [ ] Certified value per labour hour tracked monthly

Notes and decisions

Plant and overheads

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Why it matters

Plant is where construction companies quietly lose tax relief and quietly overspend. An excavator on hire purchase with no capital allowances claimed is a five-figure mistake. A yard full of kit at 30% utilisation is a slow leak.

Three questions

1. What is the total value of plant and vehicles on your balance sheet, and does that match what's actually in the yard?
2. Have capital allowances been claimed on everything bought on hire purchase?
3. Which piece of plant was used the least last month?

Answered all three with a number or a name? Move on. Anything "roughly" or "my accountant would know": do the exercise.

The exercise

1. Walk the yard with the fixed asset register from your accounts. Mark anything on the register that's gone, and anything in the yard that isn't on it.
2. For every asset bought in the last four years, check the tax computation for a capital allowance claim. List anything missed. Amended returns can usually go back two years.
3. For your five most valuable items of plant, estimate utilisation: days on a job last month divided by working days. Below 50%, ask whether hiring would be cheaper.
4. List your overheads line by line. For each, ask: is this charged to jobs where it should be? Could it be smaller? When did we last check the price?

Template

Asset	Bought	Cost	Finance?	Allowance claimed?	Utilisation %	Own / hire / sell

Done when

- [ ] Fixed asset register matches the yard
- [ ] Missed capital allowances identified and claimed
- [ ] Utilisation known for major plant, own-or-hire decisions made
- [ ] Overheads reviewed line by line

Notes and decisions