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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

Forever Fixed

The rhythm that keeps it standing

The rhythm that keeps it standing. Everything in first and second fix decays without a routine to maintain it. The last thirty days build the monthly pack, the tax plan, the structure and the twelve-month scoreboard, and put every one of them in the diary.

9 The monthly pack and review

10 The tax plan

11 Structure and protection

12 The 12-month plan

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The monthly pack and review

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Why it matters

Information you get once a year is history. Information you get every month, on the same page, in the same format, with an hour set aside to act on it, is management. The pack is the single output the whole Reset has been building towards.

Three questions

1. When did you last see your numbers within two weeks of the month ending?
2. If you had one page, what six numbers would you want on it?
3. Who else in the business should see it?

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

The exercise

1. Agree the one-page layout with your accountant. It should include at minimum: certified sales, margin by live job, retentions ledger, CIS and VAT position, 13-week cash forecast, tax set aside, and three actions.
2. Agree the deadline: within ten working days of month-end.
3. Book a recurring one-hour review call for the day after the pack lands. Same time every month. Not optional.
4. Decide who sees it: you, any co-director, your site managers for their own jobs' margin.
5. After the first pack, note what you didn't look at. Remove it. Note what you wanted and couldn't see. Add it.

Template

Pack section	Source	Owner	Deadline	Reviewed on

Done when

- [ ] Pack layout agreed
- [ ] Ten-working-day deadline in place
- [ ] Monthly review call booked for the next twelve months
- [ ] Distribution list agreed

Notes and decisions

The tax plan

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Why it matters

A corporation tax bill that arrives as a surprise nine months after year-end is a sign the planning never happened. The plan is simple: know the number before the year ends, set it aside monthly, and make the pre-year-end decisions on purpose rather than by accident.

Three questions

1. What will your corporation tax bill be for the current year, roughly?
2. How much of it have you set aside?
3. What decisions could you still make before year-end that would change it?

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

The exercise

1. With your accountant, forecast profit for the current year from the monthly packs so far. Apply the corporation tax rate. That is your provisional bill.
2. Open a separate bank account for tax. Transfer one-twelfth of the forecast bill every month. Add VAT and PAYE if you struggle with those too.
3. Three months before year-end, book a planning meeting. Decide on: plant purchases and timing, pension contributions, director pay and dividends, R&D claim if the work qualifies, and anything to accelerate or defer.
4. Write down each decision, its tax effect and its cash effect. Tax saving never justifies spending money you wouldn't otherwise spend.
5. Put the following year's planning meeting in the diary now.

Template

Decision	Deadline	Tax effect £	Cash effect £	Decision made	By

Done when

- [ ] Provisional corporation tax known
- [ ] Tax account opened, monthly transfer set up
- [ ] Pre-year-end planning meeting held and decisions documented
- [ ] Next year's planning meeting in the diary

Notes and decisions

Structure and protection

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Why it matters

A construction company carries trading risk: a bad job, a customer going under, a contract dispute. Sensible structure keeps the plant, property and reserves you've built up out of reach of that risk, and pays the directors in a way that doesn't hand HMRC more than it needs.

Three questions

1. If your largest customer went into administration tomorrow, what would it cost you and what would survive?
2. Are your plant and property held in the same company that carries the contract risk?
3. How much cash reserve do you hold, and how many weeks of overhead does it cover?

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

The exercise

1. Quantify your exposure to each of your top five customers: certified but unpaid, retentions held, work in progress. Compare each to your reserves.
2. Set a reserve target: most contractors should hold at least eight weeks of overhead in cash, separate from the tax account. Set a monthly transfer until you're there.
3. With your accountant, review whether a holding company or separate asset company would protect plant, property and reserves from trading risk. Note the costs and the tax implications of moving assets.
4. Review director remuneration: salary, dividends, pension, benefits. Agree a plan for the year that's tax-efficient and, more importantly, actually pays you properly.
5. Check credit insurance and contract terms for your largest customers. Retention bonds, payment security and adjudication clauses are all negotiable.

Template

Customer	Unpaid certified £	Retentions held £	WIP £	Total exposure £	Covered by reserves?	Mitigation

Done when

- [ ] Exposure by customer quantified
- [ ] Reserve target set and monthly transfer in place
- [ ] Structure review completed with a written recommendation
- [ ] Director remuneration plan agreed for the year

Notes and decisions

The 12-month plan

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Why it matters

Everything above becomes a habit only if it's measured. The plan is one page: the year's targets for margin, cash, order book and the three numbers you check every Monday morning before anyone else gets to you.

Three questions

1. What margin do you want the business to make this year, and what would need to be true for that to happen?
2. What order book do you need by each quarter-end to hit it?
3. What three numbers will you check every Monday?

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

The exercise

1. Set four annual targets: certified turnover, gross margin percentage, year-end cash reserve, and secured order book at each quarter-end.
2. Choose your three Monday numbers. Typical picks: bank balance versus forecast, certified value applied last week, overdue retentions and debtors. Set up whoever produces them to send them by 8am Monday.
3. List the five decisions you've made during the Reset that will move the numbers most: customers dropped, prices changed, plant sold, staff moved. Assign each a date and an owner.
4. Book four quarterly review sessions with your accountant for the coming year. Each one: targets versus actual, what changed, what next.
5. Write the plan on one page. Pin it up. Give a copy to anyone who needs to deliver it.

Template

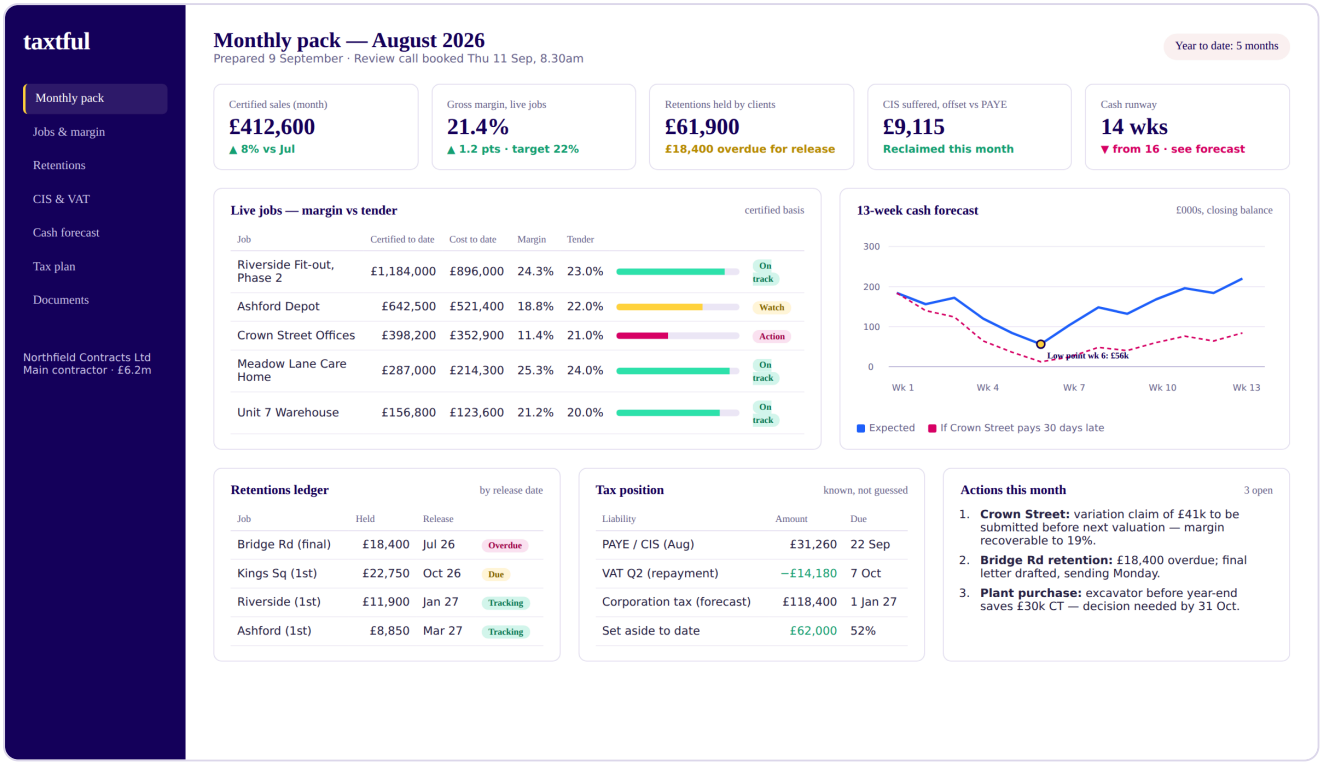
Measure	Target	Q1	Q2	Q3	Q4	Owner

Done when

- [ ] Four annual targets set
- [ ] Three Monday numbers chosen and automated
- [ ] Five decisions assigned dates and owners
- [ ] Four quarterly reviews in the diary
- [ ] One-page plan written and shared

Notes and decisions

Day 90: what you should now have



- [ ] A set of accounts you believe, on a certified basis with WIP and retentions shown properly
- [ ] CIS offset monthly and reverse charge right on every invoice
- [ ] A retentions ledger with an owner
- [ ] A 13-week cash forecast updated monthly
- [ ] Margin by job and by customer, reviewed monthly
- [ ] Tenders that carry overhead and a minimum margin
- [ ] Labour status reviewed and documented
- [ ] Capital allowances claimed and plant utilisation known
- [ ] A one-page monthly pack and an hour in the diary to act on it
- [ ] A tax plan with the money set aside
- [ ] A structure that protects what you've built
- [ ] A one-page plan for the year and three numbers every Monday

> *If you've ticked all twelve, the business is no longer built on sand. Keeping it that way is a monthly rhythm, not a project. That's what the retainer is for, and it's your decision whether to take it.*

Chris Neuman · Taxtful