



How to Make Money From Construction

By Bob Evans – Non Executive Director



How to Make Money From Construction

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Executive Summary

How to make money from construction

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About The Author



Bob Evans

Executive Summary

Who should Read This:

If you are in the construction industry and own a business or manage a business for a board or group of shareholders, then you should read this document. This is a no nonsense summary of how to make money from construction.

What You Will Learn:

You will learn about the five key business variables and how improving them can lead to a 400% increase in your bottom line. Even more when you begin to deploy strategy as well as tactics.

Once you have learnt the five variables, you will learn how to improve each one. The compound effect of each improvement will transform your business.

Why You Need to Learn This:

Many businesses plateau, never reaching their full potential. The key to pushing through the glass ceiling is to understand these key variables and deploy strategies to improve them and consequently your bottom line.

The next challenge is developing your business, so your customers become your marketing department. This reduces cost and generates more profit.

The purpose of this report is to help you unlock potential, create wealth, and deliver freedom, whatever that means to you.

Results:

The results that you will achieve after you have read and implemented the ideas and strategies will only add to your bottom line. There is no cost, just improvement through knowledge.

You are in charge of your destiny, no one else, you decide what you want your bottom line to be, and then deploy the ideas and strategies to make it happen. Remember, what gets measured gets done, and what gets done can be improved.

Bob Evans

How to Make Money from Construction

The Principles

A construction business whether it's a main contractor, a sub contractor or a supplier, is a system of systems run by people. You can consider any business as a money making machine, you put £100 in one end and get £125/£150 or more out the other end, or you should do.

The question is how do you get more out of it, by putting less in to it?

This may sound difficult, but the solution is very easy and simple. Let's look at a typical financial model of a construction company; the model is a typical small contractor.

Variable	Result
Number of quotations received	50
Conversion rate	20%
Number of projects won	10
Frequency of sale	4
Average value of a project	£50,000
Total sales	£2,000,000
Gross margin	20%
Gross Revenue	£400,000
Overheads	£300,000
Net profit before tax	£100,000

There are a number of variables in this model that can be adjusted and improved that will make a difference to the bottom line, they are:

1. Number of quotations received
2. Conversion Rate
3. Frequency of sale
4. Average price
5. Gross Margin

Using these variables let me show you some scenarios: We call this tool the growth matrix.

The Growth Matrix

	Variables	(A)	% Improvement	(B)	% Improvement	(C)
1	Number of quotations	50	10%	55	0	50
2	Conversion Rate	20%	10%	22%	100%	40%
3	Average Price	£50,000	10%	£55,000	0	£50,000
4	Frequency of sale	4	10%	4.4	0	4
5	Gross Margin	20%	10%	22%	0	20%
	Gross Revenue	£400,000		£644,201		£800,000

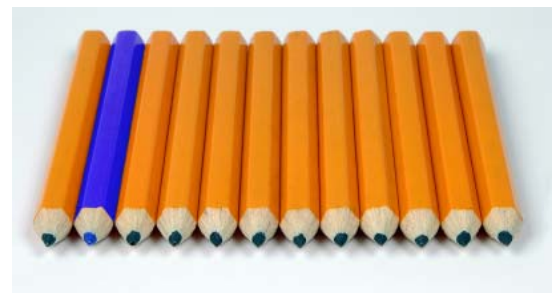
You can see by just improving the four variables by 10% in scenario (B) the difference in net margin is 62% and by focusing on one variable in scenario (C) the improvement to the net profit is from £100,000 to £400,000 if the overhead remained the same at £300,000.

You can play with this idea and come up with all sorts of strategies that you feel comfortable with. The point is, by implementing them you will make more money.

5 simple Steps

The art to making more money in construction is to work on the improvement of the growth matrix variables. Below I have described some steps that will help you improve the variables in a practical way.

Step 1 – Understand your market. In my company we used to market to everyone and tell them we could do anything, the results we got were poor. The solution in our case was to focus on one market sector. Our financial goal was to increase turnover from £1.5m to £5m within 3 years, we simply looked at the market sector that could help us achieve it, knowing we could service that sector. We focused on the power industry, and specialised in constructing sub stations, nationwide. Our clients were Scottish Power, NGC, Siemens and the like.



Things to do:

1. Find out which 20% of your customers give you 80% of your turnover and profit
2. Which market sectors are they in?
3. Who do you talk to, what are their job Titles?
4. Prepare case studies
5. Get testimonials

Step 2 – Get fussy which jobs you price – At the end of my construction career, I would negotiate 90% of our work and refuse to price most opportunities that we were asked to tender for. I would only price work in competition if I knew I was going to win, or had a 90% chance of winning. This strategy improved our conversion to over 90%.

Many of you reading this will be thinking that it would not be possible for your business, this is a false belief. It is possible. It may take some time to get there, as you may have to implement many systems and deploy marketing strategies to position your business, out of the range of your competitors.

Things to do:

Create an opportunity score matrix – Score your opportunities for example:

- What are your chances of winning the work?
- How many are pricing it:
- Have you worked for them before?
- Are you talking to the decision maker?
- How far away is the work?

Only put the minimum effort into low scoring opportunities put all your efforts including a WOW presentation to the jobs you want. Pursue them aggressively.

Step 3 – Get good at marketing – One of the questions I ask clients when we first meet is: What business are you in? They then go into great detail telling me all about their business. Then I say, no you're in the business of marketing, because if you don't get good at it, you will fail, struggle and not reach your true potential. Getting good at marketing will improve the number and quality of opportunities, a key factor in the growth matrix. Marketing is about having the:-

- Right product or service directed at the
- Right target audience at the
- Right price, with the
- Right quality at the
- Right time

Getting this right then developing and transmitting your message will result in more work. To help even further you should study strategic marketing - the formula for this is:-

1. Demographics – Find the right audience for any given product or range of products
2. Psychographics – Using the right language to connect with the target audience, each one will be different
3. Positioning and Differentiation – Answering the question, why should the customer buy from you?
4. Look and feel – How to attract the target audience to you
5. Putting it all together – Once you have analysed each market sector, put the communication together and communicate to the target.

Getting your marketing strategy right is an art, but well worth the effort. This is how large successful organisations become large successful organisations.

Things to do:

Study strategic marketing and marketing communication, to create qualified lead generate. , Then study sales to convert them into orders.

Step 4 – Eliminate Risk – Take away any reason why your potential customer may not place the order with you.



Proving you are a low risk in the delivery of the project will help you to win work from most professional construction clients if you are a main contractor, or a sub contractor working for a main contractor, as your customer want a hassle free life and wants to deliver excellence to their customer.

Things to do:

Create a company profile that will give the customer total confidence that they can trust you to deliver the project:

1. On time
2. To Budget
3. To the performance specification
4. To full compliance with the H&S standards
5. To full compliance with the environment standards

All construction projects are project managed. Project management is about the control of the four elements above. Prove you can control these, by your track record, case studies and testimonials and this will reduce your risk rating, scored by the customer. This may be a practical analysis of your tender/quotation or just a gut feeling, but it will make a difference.

- Obtain ISO 9001 quality management system
- Obtain OHSAS 18001 H&S management system
- Obtain ISO 14001 Environmental management system

Obtaining third party accreditation of the above management systems, and allowing your customer to audit them, will give you a very good risk rating, and will improve your chances to win work. If you become like your customer, they will feel more at ease dealing with you.

Step 5 – Employ a mentor/non executive director who have done it successfully before.

Employing a mentor or non executive director with the experience of building a successful construction company in the past will fast track you to where you want to be. They will have the knowledge, skills and tools to help you achieve your objectives faster.

Advanced Strategies

You can improve your profits further by improving your average value and frequency of sales.

Step 1 – From the 80/20 analysis you did earlier stop working for the 80% of your customers that give you 20% of your turnover and profits.

Step 2 – The time and effort you spent on the 80% of customer spend this time on getting more of the 20% types.

If you are not comfortable in taking this radical change, then do it gradually, but do it, it works. Begin with dropping the last 10% or 20%, this will hardly make a dint in your sales, then when you have the confidence, carry on with the strategy.

Frequency of sales

Analyse who gives you the most repeat work, then go out and find more of them.

Time Management

How you spend your time, determines your success and results.

Focus on your KEY SUCCESS ACTIVITIES. What do you do that nobody else can do that will deliver the results that you want?

Stop doing what others can do for you. You are wasting your time. Employ someone who can do it for you for a fraction of the cost.

Start doing the type of work that makes a difference, for example:

- Strategic business planning
- Strategic marketing
- Coaching and supporting your team members
- Communicate your vision at every possible time to employees, customers and suppliers
- Prepare and measure your WOW company profile, tender presentations and conversion rates. Drive conversion up.
- Determine 5 top key customers and build a relationship and make friends with the person who matters.
- Manage your business to deliver excellence and measure it.



FAME

There is a marketing tool called FAME. Large organisations use this tool to find customers they want to work for by using the technique of modeling and finding more of the same.

FAME has over 3,000,000 companies in its database, and allows you to find companies from various variables, for example:

- Geographical area
- Sic codes or activity of operations
- Sales
- Balance sheet value
- Number of employees
- Profits
- Current ratio
- Liquid ratio
- Growing or declining

Using a model for example, say your most valuable company is in the chemical industry, employs 200 people, has a balance sheet worth of £10,000 and sales of £75,000,000, with profits over 10% per year. Using FAME you can find more just like this. Find out the names of the directors and work out a marketing strategy to create a relationship with them.

Deliver Excellence

Word of mouth marketing is the most cost effective and efficient form of marketing. Having customers making recommendation about you to their colleagues, friends and other companies is priceless.



For your customers to refer you, they must believe in you, when they believe in you they will:

- Buy from you
- Repeatedly buy from you
- Tell their friends to buy from you

What do you have to do so your customers believe in you?

For your customers to believe in you, you must deliver excellence. Excellence in your:-

- Products and services
- Marketing and marketing materials
- Promise to deliver
- Customer service
- Case studies and testimonials

The art of delivering excellence is customer focus. Every time the customer touches your organisation, whether it be the first phone call, receiving a quotation or an invoice, how you treat them, it has to be an excellent customer experience. You can test this by using contract review processes within your quality management system and carrying out perception surveys when collecting market research data.

For your customers to believe in you, your team has to believe in you, for your team to believe in you, you have to believe in you. The formula for this concept is:

- I believe – Your leadership
- We believe – Your Winning Team
- They believe – Your Customers

A great company is lead by a great leader, who has a vision, a mission and values that people will follow.

Everyone in your organisation must be a sales person, treating customers and everyone else as million pound customers. Be respectful, honest, have integrity, do what you say you will do, be committed, and passionate about your business.

Having the right people in your business who are passionate about it, is the key. They create positive energy. People who are not passionate about your business and who create negative energy must leave. Building a winning team that can achieve anything, makes business fun, and worth getting out of bed for in the morning.

Ask everyone in your team to write a sales letter. By doing this they will have to understand your customer, your products and services, the benefits of working with you and what your competitors are up to. Having this understanding will help them sell the business to customers at touch points.

Things to do

Ask your team to write a sales letter to themselves about their dream holiday. What would the title be, where would they go, who would they take, what would they do? Make it colourful, with lots of emotion. What would the benefits be and what would they have to do to book the holiday, and finally why would they book the holiday with the company that sent the flyer?

The idea is, if this sales copy dropped onto their door mat, they would be compelled to book the holiday because it's totally relevant to them.

Now ask your team to write a sales letter about your business using the same method. This they may find difficult as they may not really understand your customer, your products and services, your benefits and your competitors.

Having your team believe in your business and understanding it will help them deliver your promise.

Building a Winning Team

People want to be part of something if they believe in the cause, the products/services and the leadership. They will be motivated and passionate about your business. Money is not the be all and end all of what drives people.

Function First - People Second

Look at your organisation and the functions you need to deliver your vision. Work out the roles and responsibilities for each function, then work out what personality type, skills, knowledge and qualities are required.

Once you have written each functional role out, look at your team. Who have you got in each function, are they the right person, have they got the right personality, skills, knowledge and qualities to deliver the function objectives?

Motivation

To motivate someone find out by asking the question "what motivates you, what are your life goals, what do you want to do? Now try and help them achieve their goals and what they want to do, if it fits in with your business objectives. The idea is to try and align people with the business, so everyone is working in the same direction.

People are motivated when:

1. They are doing what they like doing
2. They get recognition for doing a job well and feel part of a team, being directed to achieve an objective.
3. When they are rewarded for their efforts
4. When they know what's going on within the business by good communication from the leadership team

Life Time Value

One of my strategies when I was growing my business and wanted to work for a particular client, was to ask them for a small contract to allow them to test us as a business. Successful large organisations are looking for small professional organisations to work with and partner with giving them a hassle free life and delivering excellence to their customers. If you can help and support them, they will employ you.

Once you have negotiated your first small project you then over deliver on the promise and WOW them. During the project you get to know them and begin to build your relationship on trust and credibility.

Once you are established you then continue to deliver innovative products and services to them by asking them what they want. Never be complacent, they will move onto the next company and you will never know. The phone will stop ringing.

I had a relationship with one person in one organisation for over fifteen years. This person introduced me to other multi million pound, blue chip companies. The life time value of this relationship is well into the tens of millions of pounds.

My relationship was built on honesty, trust, and integrity. We always delivered on the promise; we trusted them as they trusted us.

You can calculate life time values

Annual sales x Years of business x Annual sales x years of business of referrals

For example:

£1,000,000 sales per year x 15 years + 3 Referrals of average annual sales of £1,000,000 x Average 10 years of business = £45,000,000 over 15 years

You can see the power of this strategy, select your targets carefully and become a relationship expert, train all your people to become relationship experts and deliver on your promise.

Where are you?

I have prepared a check list for you to see where you are with regards to implementing the ideas within this report. Just tick the items below, then count them and read the description against your score.

Id	Idea	Description	Tick
1	We have a vision	You know where you are taking the business	
2	We have a mission	You know why you are in business	
3	We know our values	You know what you stand for	
4	We have a financial plan	Profit from £..... to £.....	
5	We have a marketing strategy	You understand your target audience	
6	We have a communication plan	You communicate directly to each market sector	
7	We know how many tenders we do	You keep a tender register	
8	We know our conversion rate	You calculate your conversion rate and try to improve it	
9	We know our frequency of sale	You calculate your frequency of sale and try to improve it	
10	We know our average sale value	You calculate your average sale value and try to improve it	
11	We know our gross margin	You calculate you gross margin and try to improve it	
12	We employ the best people	All your people are passionate about your business	

13	We have an organisation chart	You have written roles and responsibilities for each key function within the business, with the right people in each role	
14	We deliver sales training to all	All your people know how to exceed customer expectations	
15	We are accredited to ISO 9001	You have a quality management system in place	
16	We are accredited to OHSAS 18001	You have a H&S management system in place	
17	We are accredited to ISO 14001	You have a Environment management system in place	
18	We have a WOW company profile	You can show potential clients why they should work with you	
19	We have a WOW tender presentation	You prepare a tender presentation that eliminates all and every reason & risk why the client would not place the order with you	
20	We have WOW case studies	You have great testimonial from work you have done in the past, where the client wouldn't mind taking a call from a prospect.	
21	We have WOW testimonials	Ditto	
22	We know our top profit customers	You have carried out a 20/80 analysis	
23	We exceed customer expectations	You carry out contract reviews	
24	We do repeat business with our customers	You have loyal customers, who only come to you	
25	Our customers refer us to others	You have loyal customers to sing from the trees about your business	
26	We know our customers life time value	You understand the concept of life time value	
27	We know our new customer acquisition cost	You know how much a new customer costs you to find and become a loyal customer	
28	We win 90% of the work we price	You score your opportunities	
29	We don't compete on price	You negotiate or compete on position	
30	We have capacity to grow	You have an operational plan for growth	

Score

If you implement virtually all the ideas and strategies above, you will be heading towards becoming a world class business.

Score	Rating	Description
0 to 15	Poor	Business for you may not be as easy as it could be. By implementing the ideas above, you will make it easier. You may need some help to kick start and move things forward fast.
16 to 20	OK	Good, you have a professional approach to your business, with more effort you can continue to improve your processes and systems to become a great business and work towards world class
21 to 25	Good	Well done with some more work you are getting close to world class
26 to 30	Very Good	Well done you are becoming very close to world class

Only about 5% of the business population reach this standard. World class is when you have all the processes and system in place that focuses on the customer experience. By getting this right, you will not only be working towards world class, but you will own a business of great value, that you can realise it's wealth from one day.

It is possible, if you want it to be possible, just answer these two questions

1. What do you need to know?
2. Who can help you?

By answering these two questions anything is possible, you just have to decide what you want.

What to do next

Use the information above and begin to deploy the ideas, or contact me, I can help you in two ways:

1. Be your mentor, sounding board and give you the steps to follow. I will support you, guide you and challenge you to deliver your objectives. The first thing we will do is to find out what you want, and by when you want it, we will then work out the plan together.
2. Be your non executive director. Do the same as your mentor above, but deliver some of the work for you. I have the knowledge, skills and experience to deliver the material effectively, as I know the subject very well as I have actually done it many times before.

I have worked up examples and all the tools we need to make all of the above ideas happen.

I have written a series of workbooks on Strategic Marketing that will teach you about this subject.

I can carry out FAME searches for you as I pay for a licence; this service alone is worth £12,000 per year.

I only work with people who are willing to take action and who want to grow their business. We will work together for a few months and then review the position. If we both feel we can work together, then we carry on.

My mission is to help you make money from your construction business, this is what I do and have been successful doing it. I aim to deliver 10 x my fee in improved profit.

Please give me a call my contact details are below:

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About The Author

Who am I to mentor you on how to run and grow your business? I sometimes say to people, "I wish I had met me twenty years' ago. I would have been a lot wealthier a lot quicker". Let me explain and tell you a little about myself and what I have achieved in business over the years.



Leaving school in 1972 with a reasonable testimonial from the headmaster and a bronze medal in swimming, I went off to the local college to study joinery, brickwork and plumbing. My mother tried to get me into a college to study furniture and cabinet making, but I needed an O level. I didn't have one, so off to college I went.

At college I excelled and achieved distinctions in my work. The difference was being that my brain was stimulated by the practical application of the learning I was receiving in class; I now had an interest in the subject and it meant something to me. The college put me in touch with a local construction company and recommended me to the managing director at the end of my course. I went to the interview and signed up for an apprenticeship in joinery. The company was J Angus Collin Ltd, based in Little Sutton on the Wirral. It was a small building company that built pubs, banks and undertook construction work for local authorities and hospitals. My apprenticeship was excellent and I became very good at all aspects of carpentry and joinery, from the manufacture of shop floor joinery to roof work. I continued to excel at college and went on to receive an HNC in building construction.

I left J Angus Collin at the age of 22 and went to work as an engineer for McAlpines, a much larger construction company. I was with them for twelve months and used my time there to understand the workings of a large construction company before returning to J Angus Collin as a surveyor. Now being office based I mastered, estimating, quantity surveying, contract management and project management. At the age of 29, when two of the partners retired, I became a director and shareholder. As a director of the company I became involved in the running of it and between the age of 29 and 35 I studied accounting systems and general management. During this time I had great success in winning the largest projects and contributing the most profit and some people called it luck. But we make our own luck and I did this through hard work and tenacity; developing systems that enabled me to do more with my time. By 35 I was ready to run the business but with the board structure in place that wasn't possible; it was then I decided to leave the world of employment and start my own business.

That was back in November 1990, two months before the 90's recession. To start the business I joined forces with my now long time business partner and friend, Ari. Together we bought his father's steel fabrication business and rented some factory and office space in North Wales. We had an overdraft of £30,000 and a cash loan of £10,000 from Bert, Ari's father. The cash was gone before Christmas, but the venture had just started. We called our business Qufab Construction Ltd.

To give you an idea of the successes and challenges we faced in the early days of Qufab, I have included a table showing the actual sales and net profit history. The profit shown is before tax and after directors and staff bonuses and pension contributions. Our policy was to protect the business, then protect the business owner's long term future by investing in pensions, and finally pay bonuses to directors and staff. We would take the management accounts, distribute 50% to pension and bonuses, then pay tax on the remainder, building the balance sheet with what was left over.

Year	Turnover	Net Profit	%	Phase
1991	£ 361,000	£ 3,500	1.0%	Struggle
1992	£ 480,000	£ 4,600	1.0%	
1993	£ 851,000	£ 12,100	1.4%	
1994	£ 789,000	-£ 51,500	-6.5%	
1995	£ 963,000	£ 134,400	14.0%	Secure
1996	£ 1,856,000	£ 102,500	5.5%	
1997	£ 1,506,000	£ 174,200	11.6%	Stuck
1998	£ 1,492,000	£ 43,700	2.9%	
1999	£ 1,604,000	£ 63,000	3.9%	
2000	£ 3,154,000	£ 280,700	8.9%	Growth
2001	£ 3,121,000	£ 89,400	2.9%	
2002	£ 3,981,000	£ 158,000	4.0%	
2003	£ 5,120,000	£ 500	0.0%	
2004	£ 6,541,000	£ 113,900	1.7%	
2005	£ 3,253,000	£ 216,900	6.7%	Realise
2006	£ 1,380,000	£ 274,000	19.9%	

For the purposes of this book, and to give you an overview of what happened I have broken the events down into phases.

There are five phases; startup, struggle, realization, growth and wealth creation. The FREEDOM model is based on these phases and my own experience of moving through them with Qufab. The following pages will help you appreciate how you can move smoothly through these phases, using the exercises and tools as they are described. The purpose of this book is to help you develop your understanding of where you are now and, more importantly, where you want to go – both personally, and as a business.

Startup and Struggle 1991 to 1994

The first few years were hard work; we would squeeze every penny from every contract and work all hours of the day and night to make ends meet. Between 1991 and 1994 we doubled turnover but struggled to make any profit. In 1994, we nearly went under we were supporting another company at the time when the venture went pear-shaped. We pulled out with only £10,000 between us and liquidation. In fact, I was speaking to a Liquidator every week to make sure we were not trading illegally. Then out of nowhere came our saviour, a contract from MANWEB, one of the region's major electricity supply company's, to build a substation in Bromborough. We fulfilled this to their needs and were rewarded with another contract in Chester, and then another in Southport We had turned a corner!

Now in a much more financially sound position, we took the opportunity to review our premises and decided to relocate from our original site in North Wales to Bromborough. We purchased a disused power station switching building from Manweb and converted it into offices and a workshop. We bought it for £30,000, borrowed £20,000 to buy it and paid off the loan within two months.

Secure 1995 to 1996

The struggle was over. We had cash in the bank and this meant we could invest in systems and people. My belief system changed. Previously I thought business was struggle; I couldn't see how we were going to move the business forward but becoming cash rich made all the difference. The substation contracts were no fluke. I had been building a relationship with our client over many years and had negotiated a term contract with them. Our mission was always to deliver an excellent service, making our clients' lives simple and hassle free. This was the trait of our success. We would keep well ahead of technology, be part of our customers' back office and make working with us simple and easy. For example, if they had e-mail, we had e-mail. You can see from the sales and profit table on the previous page that turnover doubled again over this period; however, you will also notice that now we were also making a good profit. Success breeds success and we were now becoming established and working for a range of clients on projects, such as building substations, factory units, marine civil works and a lot of structural work. We also had a shift in focus with civil engineering accounting for about 80% of our workload and steel fabrication about 20%.

Stuck – 1997 to 1999

Following on from our success in the previous period, it was frustrating to realise that from 1997 to 1999 we had become stuck at a turnover of about £1.5m. Work from our main client, MANWEB became disjointed as they were restructuring as part of a merger with Scottish Power plc and we realised that we had just one big

egg in the basket and that was not a good position to be in. So, we diversified into all sorts of different areas. We joined forces with a marina company to design and build marina systems around the world. A huge achievement was to build a marina in Buenos Aires, Argentina. Our part of the project was International Marketing, this came about from one of our previous ventures, from the struggle stage, where we were supporting a marina pontoon business. We were using our knowledge from this experience to support the business. With hindsight, this was not a good strategy, as it distracted me from where I should have been focusing my efforts.

It was this period and, perhaps more significantly, the realization that we were stuck at a glass ceiling, that had the greatest impact on what was going to happen in the future. Let me explain. First, I joined a group called the Entrenet (Entrepreneur Network) which was created by Business Link Chester. They brought together 12 Business Owners/Managing Directors and we each paid £250 per month and Business Link provided funds to match our input. This created a good sized fund that was spent on training. They brought in Will Holden, who introduced me to business psychology although he called it something else. I learned a lot from this experience and although the group drifted apart after 12 months, I now had what I needed to grow the business.

Will had brought to mind what business was really about. It was about personal purpose first, then business purpose. It was about the exit strategy and direction, not just a job, which was, in fact, my answer to one of his questions.

The second thing that happened during this period was my introduction to Liverpool University. I signed up to for two TCS (Teacher Company Scheme) programs, the first with Tim Whitehill, a Civil Engineering graduate and the second with Karen Gladwin, a Marketing graduate. TCS is a partnership agreement between the company, the university and the graduate. It helps transfer knowledge for the university to the company and practical experience knowledge from the company to the university.

The first project we identified as to create standardised substation structures for the power industry, and the second to develop a five year strategic marketing plan for the business.

Each programme was to cover a two year period. We had a professor for half a day helping the graduate with the project. The whole thing was a great success, and a win, win, win. The business benefitted from the knowledge transfer from the university, the graduate benefitted from experience and additional training and qualifications, and the university benefitted because it had real business data to work from. The programme was supported by Fiona Nightingale who did an excellent job of keeping the projects in line.



Both Tim and Karen worked for the company during this period. Eventually when they left, Tim went on to build his own construction business and Karen joined a construction company in Manchester and grew turnover from £7.5m to £18m. She later started her own Marketing business, focusing in the construction sector. We all keep in touch and Both Tim and Karen are currently doing very well. It was a

pleasure to support them on their way.

Photo left to right, Tim Whitehill, Fiona Nightingale, Bob Evans, and Karen Gladwin.

Growth 2000 to 2004

After the marketing project was completed, we followed our strategy and off we went. The strategy was very simple. We had worked out that all we had to do to grow the company was to focus in one area and become experts in a niche. We focused on the construction of substations for the power industry. My job was to develop a strong relationship with four people; all of them heads of civil engineering in the manufacturing of switch gear for the power industry. The company's we selected were Siemens, Alstom, VATECH, and ABB.

To support the growth, we brought in the best people we could find from large construction companies. These people were highly trained in dealing with large projects. I made Tim Whitehill my deputy Managing Director and together we shaped the business.

Realise – 2005 to 2007

During the latter part of 2003 and early 2004 we were having a few problems with some of our clients. Essentially, they wanted to go back to the traditional methods of sending tenders for all contractors to bid against. This naturally included Qufab. With little option to do otherwise, we complied and submitted our tender documents. However, we experienced a number of challenges, primarily due to the limited time our clients were spending on the preparation stage of the Invitation To Tender. The result being that we had limited information against which to prepare our submission and, although we submitted perfectly reasonable pricing schedules and maintained our "open book" policy, the final accounts would often

exceed the original tender bid. This led to confrontation and discontent between us and our main clients.

It was about this time that a member of the Qufab team hit a live cable in a major substation. It was clearly an accident and thankfully nobody was injured and we were fully insured. However, the insurance claim mounted to a significant £250,000 and the insurance company was intent on minimizing their liability. Working in a highly regulated industry with health and safety regulations covering every aspect of our business we were sure we were fully covered but the policies are carefully worded and every clause was invoked in this case. The result was that we recovered just £50,000 and were £200,000 out of pocket on the incident. Had it not been for our strong balance sheet, it would have wiped us out completely.

During the period November 2003 to February 2004 we were turning over £1m per month. In March 2004, the work was coming to an end and my gut feeling was to cut and consolidate our position. The battle over final accounts was becoming tiresome and although many large construction companies do this every day, I decided that this was not the way for me. The business we were in was risky and we had made some money, but did I want to continue to run a business that could wipe out our entire wealth? I had a Sunday meeting with Ari and we decided to reduce our business risk.

The decisions we made were not easy but make them we did and we reduced our staff from 15 to 5. We negotiated terms, so everyone left in a friendly manner. We pulled the plug on the large manufacturers and went back to our original client to carry out their work.

The last Qufab project I worked on was the construction of a substation at Lister Drive in Liverpool with a value of £2,000,000. The substation was constructed over an old coal-fired Power Station and the ground works were quite substantial. The photo to the right was the hand over meeting in 2005



Left to right Joe Gahan SP Power Systems, Bob Evans Qufab, Ken Nichols Qufab, Ian Williams SP Power Systems.

Having completed our last contract, we carried on with our wind-down plans and finally stopped trading in 2007.

Over the years we had geared up our cash by purchasing a property portfolio. We now manage this together with our self administered pension fund to give us a living.

My job was done. I now could do whatever I wished to do. I decided to help others achieve business success by sharing my expertise and business knowledge.

While closing down the business, I took a year out leaving my colleagues to run it down. I had just completed a coaching course and was telling everyone I was a business coach, although inside, I felt a fraud. How could I charge for a conversation?

To help me get over this I decided to offer business coaching for free, for a period of three months. I soon had clients. Over the initial three month period I noticed my clients were achieving good results from my coaching. I also noticed they all had similar issues and I was repeating myself quite a lot.

Now, I do not like repeating myself, especially when a system can be developed. So I decided to write some workbooks that transferred my knowledge. Then I bumped into my cousin, John Curwen. I was brought up with him as a child and we've always been very close. I talked to him about joining me and, hey presto, Freedom Coaching was born.

My Success

Many people ask me "What it is that makes you successful, Bob?" This is a great question and I generally answer it by explaining what has helped me on my journey. I believe the success I have achieved comes from those parts of my personality and being; those things I live my life by daily, namely:

Honesty – Saying it as it is. There is no point going around the houses trying to put a point across that may offend. People want to be told the bad news as well as the good news. What they don't want is no news. I believe in communicating everything to all; holding things back and hiding things serves no useful purpose in business.

Integrity – I do as I say I will do. Delivering the promise when you say you will deliver is your first key component to business success. If something negative happens, as it sometimes does, be honest with your customer/associate/supplier; tell them the truth, they will respect you for it.

Fun – What's the point if you can't have some fun. Fun makes the world go round and makes going to work enjoyable. If you are not having fun in work do something different. We spend most of our lives in work, make it a fun environment, and don't take business too seriously.

Support – Your team is everything. You can't be successful by yourself, you need a team, and a team needs leadership. Guidance, support and coaching your team is paramount to success.

Trust – Be truthful to yourself, don't kid yourself. Work out what has to be done and make a plan. Trust the plan and your team to deliver it.

Determination – I am tenacious, like a dog with a bone. Try and take my bone from me, I dare you.

Focus – Know what you want, set the dial, measure your progress, do not get distracted.

Discipline – Without discipline you will fail. Self discipline for you and your team is key to your success. Make sure you employ self disciplined people; they will save you a fortune, in productivity and stress.

Enthusiasm and Passion – People who know me, say I am very enthusiastic, and passionate about what I do. Like many people, I don't actually see this; I am just me. It is a good to have people point these things out to us; we all need somebody to point out the good, the bad and the ugly if we truly want to succeed.

I hope the above helps answer any questions you may have about my ingredients for success, please remember though, this is my personal take on it and there are many others out there with their own views. One other is mentioned later in this book; continue reading and you will hear about the Entrepreneurial and Millionaire mindset, giving you some more clues to success.

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