



Five Things Every Specialty Trade Contractor Should do to Increase the Sales Value of Their Business

Five suggestions that will increase the value of specialty trade contractors like plumbers, electricians, HVAC, etc. Generally these are items that need to be worked on every day, over long periods of time in order to garner the greatest benefit.

1. Increase service work. Service work that will be performed over a period of time provides proof that customers exist and cash flow will continue. Service work is more likely to continue versus new construction when the economy takes a dive. The ability to prove that some work will continue even in slow times in order to pay debt, salaries, and overhead is essential.

2. Avoid the one or two large client syndrome. No matter how much you love each other eventually that will change. Then where will your business be? Reduce risk by having many smaller clients.

3. Keep overhead low. In good times it is tempting to buy every gadget, toy, and big expensive piece of equipment available. The same goes for purchasing yards and real estate to house the business. This is fine - just stay tuned to where you are in the economic cycle – namely buy early or use short term rentals if possible. Always focus on the amount of debt, long term rent, and other long term cash drains that you have committed to. By keeping overhead low, especially overhead you cannot shed; you will be able to survive if revenues take a dive.

4. Develop a sales process that is not owner (you) oriented. This is often a bigger problem with most new construction contractors than companies that perform service work. Make sure you have a process to generate leads, perform estimates, and

obtain work orders or contracts that is not solely dependent on you and your relationships. If it is all you, how will you ever convey it to someone else.

5. Hire great people and create enticing golden handcuffs or stay agreements for the top tier. Most businesses are only as good as their people. In fact when your people go home at night so does most of your business value. Finding and keeping great people will allow you to grow and maximize your value at the same time.

Follow these steps and create a valuable company that you can enjoy owning and others will want to buy when the time is right for you to move on.

[For more information register and receive our FREE white paper, "What's Your Number? The Contractors Guide to Succession Planning at www.harvestbusiness.com.](#)

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Greg has spent the last 12 years advising owners in business succession matters in hundreds of situations. He can help you solve difficult and even sometimes even seemingly unsolvable situations.

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