

OPPORTUNITIES FOR BUILDERS IN 2022

The risks, traps and disasters builders are facing are well documented and widely spread. What is not communicated are the opportunities these very same situations create for builders and developers in 2022.

Here are 3 essential steps on navigating the Profitless Building Boom in Victoria from the Director of Chocolate Money – the finance broker of choice for the building industry:

1. Get a handle on your situation. Conduct an immediate audit of your business including:
 - a. The cash flow situation involving your upcoming expenses, income and timeframes.
 - b. The progress of your current projects – are they on time / on budget and why
 - c. Your pipeline of work – is it the type of work you should take on – why / why not?

2. Plan the way ahead to plan funding the business, the new projects and method of operation
 - a. Speak with an advisor who can help you plan the way forward. It must be someone experienced in the industry who you know and trust to give you honest advice.
 - b. Plan whether your businesses cash flow will come from 'order jobs' or from doing your own projects. Get an understanding of how much you can fund for your own projects by speaking with an experienced finance broker.
 - c. If 'order jobs' are to be included in the mix, know the type of client and project you should be attracting – how to do it and why you should do it!

3. Optimise your operation – now is the time to run a well-run business:
 - a. Your marketing should be the best it's ever been! Know your market, know what they are looking for and communicate effectively.
 - b. Manage your admin like a well-oiled machine – invoice early, pay on time, quote only for jobs you want without compromising your margin.
 - c. Ensure your onsite management is run with military precision. Your orders, deliveries, construction methods, defect management and people management is the best thing about your business!

Pivoting your business towards doing your own projects has the ability to mitigate many of the risks associated with doing projects for others; a falling property market also may provide opportunities for a good purchase compared to the sky rocketing property prices of the past 18 months.

In every downturn there are opportunities; your challenge is to be able to identify the ones that are relevant to you and to have the funds to capitalise on these! Also, to ensure the risks are managed and mitigated and financial safety nets are established!

Contact the Director of Chocolate Money for a no obligation and free strategy session to discuss your business, funding for development opportunities and thriving during these times!

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