



## **Ten reasons businesses in construction fail**

**Lack of experience** Not having enough (any) business management experience & relying on building expertise to run the company.

**Not enough money.** Not having enough money for day to day running costs, as well as the purchase of materials, updating vehicles, staff costs, fixed overheads, etc.

**Poor financial management** Having insufficient, unsuitable or incorrect reports which prevent owners from making correct business decisions.

**Insufficient inventory control.** Holding too much stock, resulting in funds tied up unnecessarily, or holding stock which has deteriorated or become out of date or unusable.

**Poor credit control.** Giving credit to the wrong people, not ensuring that people pay accounts on time or overall inadequate terms of trade.

**No marketing.** Not knowing how to present their business properly to attract profitable clients. Merely relying on the Word of Mouth 'god' to provide the right type of jobs to fit into their Program's gaps. Alternatively wasting money on 'likes' instead of lead generating activities

**Staff issues.** Employing the wrong type of staff who do not have the skills, qualification or experience to do their jobs properly. Compounding these issues by hiring unsuitable managers to manage the unsuitable staff or subbies.

**Lack of appropriate technology.** Failure to use appropriate technology meaning the business is not efficient, competitive or transparent.

**Not outcomes focussed.** Not focussing their people on doing their jobs – instead everyone is focussed on 'being busy'. This usually means projects are delivered late and over budget.

**Withdrawal by the owner of too much cash,** Leaving insufficient funds for the effective operation of the business; in effect, sabotaging their own business and resenting their need to put money back into the company.

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