

Solving the Builders Matrix: A Simplified Financial Strategy to Gain Competitive Advantage and Drive Profit

International Builders' Show | Wed, February 20 | 1:00-4:00 PM | South 233

Speaker:

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Session Agenda

1:00-1:20pm Introduction & Overview

The philosophy of the Builders Matrix is a paradigm shift toward a systematic approach to profitability for builders. Financial metrics are only one part of the Matrix, but typically the most confusing and least understood. Financial metrics, understood and put into action, become a point of control from which to mitigate the fear of change, build confidence (especially in the sales process) and gain competitive advantage.

1:20-1:45pm Builders Matrix Functions Contrasted with Inputs & Outputs

The principles of the Builders Matrix will be defined and illustrated—a picture of the five main functions of business, their integral relationships, and how they are influenced by business *inputs* to produce optimal *outputs*. Clarifying inputs vs. outputs provides insight for strategic planning and tracking quantifiable results, starting with an accurate Profit and Loss statement.

1:45-2:20pm Leveraging Inputs to Produce Predictable Outputs

The Value Chain is a picture of the Builders Matrix functions in action. Its implicit message is the need for a purposeful and comprehensive action plan in order to produce more predictable results. The Five Drivers exercise will be reviewed to illustrate exponential vs. incremental growth and emphasize the importance of diligence and clear understanding of the most important financial drivers and how they impact profit.

2:20-2:30pm Review | Q & A

2:30-2:40pm Break

2:40-2:50pm Understanding Capacity & Work in Process

Capacity as it relates to Work in Process is one of the least understood, but most important metrics for a growing construction company. The two terms will be defined and illustrated as keys to controlling invested overhead, better managing workloads and producing higher levels of customer satisfaction. The WIP (percentage of completion) calculation and its impact on the P&L will also be reviewed.

2:50-3:20pm Unpacking the GPScorecard

This is the point where the Builders Matrix proves to be a real-time asset—a turning point in business management. In this section, the GPScorecard will be unveiled and illustrated as a benchmark tool to predict revenue, gross profit and net profit. The break-even calculation will also be explained as a tool to leverage overhead and predict ROI for key hiring decisions.

3:20-3:50pm The Builders Matrix Formula & KPI Dashboard

Ultimate control comes from confidence in the numbers. Understanding input and output and the use of finite resources to produce exceptional outcomes, opens the door to distinct competitive advantage. The Builders Matrix formula puts an exclamation mark on an owner's ability to control the business, while the KPI Dashboard provides a tool to measure leading indicators and make course corrections that competitors often don't recognize until it's too late.

3:50-4:00pm Review | Q & A