

Profit Leakage Hit List

Where is your business leaking potential profit? Remember, more sales income does not always equal greater profit. Often, keeping sales income at the same level, whilst working on reducing the profit leaks, can give you a better outcome, with less effort and hassles. Below is a list of areas that your business may be leaking profit. How do you rate?

Customer Acquisition		✓
1	Unclear 'target' customer. Therefore a diluted message and marketing focus.	
2	Poor handling of customer enquiries. Delays in responding to enquiries.	
3	Enquiry details are not captured electronically (CRM) for future reference.	
4	No tracking of lead/enquiry source to measure R.O.I of marketing spend.	
5	Poor qualification of enquiries. Little or no process to identify 'non ideal' customers up front.	
6	Visiting unqualified customers that waste time and are really just after a price.	
7	Inaccurate pricing/estimating of jobs.	
8	Spending hours/days pricing a job that you don't win, without being paid for your expertise.	
9	Not increasing prices in line with rising business expenses.	
10	No/little follow up of quotes/estimate.	
11	Not understanding the real reason for missing out on a job.	
Operations		✓
12	Poor communication around job/handover between estimator and production team.	
13	Poor scheduling of service/maintenance jobs, leading to wasted unbillable time (travel, etc.)	
14	Poor scheduling of labour on construction jobs; either not enough/too much labour on site.	
15	Waiting around on site for materials, other trades, instructions, etc.	
16	Reactive, unplanned trips to suppliers.	
17	Inefficient use of downtime/hold ups due to weather, equipment breakdown, missing tools, etc.	
18	Labour costs blowing out due to inaccurate estimating, no time frames, errors on site, re-work, etc	
19	Poor job/site management, leading to slow work or ineffective skill allocation.	
20	Variations not documented and/or communicated effectively.	
People		✓
21	Hiring the wrong people. Not a skills or culture match for the business.	
22	Unclear job descriptions/expectations.	
23	Keeping the wrong people & non-performers on the team too long.	
24	Lazy employees. Late to site, taking extra personal time during the day/on phones, etc.	
25	Tired, overworked employees.	
26	Too much overtime taken/allocated due to slow work or poor scheduling.	
27	High staff turnover.	
28	Poor morale & teamwork.	
Administration/Finance		✓
29	Delays in paperwork completion or double handling of paperwork.	
30	Unclear or messy financials. No/poor financial reporting.	
31	Variations invoiced inaccurately.	
32	Delays in invoicing/collecting payment from customers.	
33	Delays in payment from customers.	
34	Playing continual 'phone tag' with people; team, customers, suppliers, etc.	
35	Poor office layout/processes.	
36	No review of expenses, leading to paying excess for fuel, insurance, phone, utilities, etc.	
Leadership		✓
37	No goals or objectives to keep the business progressing.	
38	Allowing avoidable distractions to get in the way of your focus, and what matters most.	
39	Little or no innovation of processes. Continually playing catch up/reactive.	