

HOW TO RUN A SUCCESSFUL SMALL BUSINESS

We think good business strategy leads to greater success in business. Here are some tips we've learned from working with successful businesses in the Queensland building industry to help your business become more successful.

Form positive relationships with clients

Positive client relationships and client satisfaction are essential to business success in the building industry. The most successful licensees form solid relationships with clients before the contract is signed, and maintain them throughout the construction, handover and maintenance periods. Meeting with clients regularly during construction improves their confidence in the process and you. We suggest arranging inspections at each stage of construction to give you the opportunity to resolve any concerns your clients may have as they come up during construction. Clients who are satisfied with the quality of your work and your professionalism are far more likely to recommend you to others.

Communicate effectively

Keep communication open and positive. Complaints from homeowners about being "kept in the dark" during the construction process are quite common.

The more successful licensees give their clients information first-hand and allow them to talk about the building project with the onsite supervisor. This reduced the chance for disputes later on.

Be realistic

Setting client expectations at the right level is essential. Only make promises to clients that you can keep, and be careful not to offer more than you can deliver.

Some builders promise high-quality work completed by the agreed date, which clients may interpret as perfect work completed on time regardless of circumstances, e.g. even if it rains heavily for the last two weeks of the contract.

Be realistic when quoting jobs and drawing up timelines. Consider what qualified tradespeople are available when developing construction timelines. Some businesses close their books to new work if they know they cannot start projects within 12 months.

Employ good staff, and keep them!

Successful business people know they are only as good as the staff they employ. Surround yourself with competent, committed, professional people who share the company ideals.

Hiring the right people:

- make sure you have a thorough interview process
- check referees carefully
- offer an attractive salary.

Once you've got the right people around you, make sure you work hard to keep them. This is about more than just money. Different people will value different things, but here are a few points to think about:

- Learning on the job - take time to impart your skills and knowledge on your less experienced staff
- Career progression - if your business is sufficiently large, think about how staff might move through the business over time and make the process transparent to everyone

- Recognition – simply showing your appreciation for hard work or for good quality work goes a long way
- Health and safety – your staff are in your care so their wellbeing should always be foremost in your mind
- Positive culture – this might mean working as a team, sharing a joke on site, or friendly competition to be the best. Whatever you choose to be your business culture, it's important that it comes from you.

Keep on top of your paperwork

Maintaining the appropriate paperwork is a vital aspect of running a successful business. Licensees need to meet the paperwork requirements of the *Queensland Building and Construction Act (QBCC Act)*, as well as provide the client with a copy of the relevant documents.

Successful licensees take the time to explain the paperwork to their client. Make sure you discuss the details of the work with your client and provide:

- a fixed price written quote
- an appropriate contract for the work to be performed
- any variations to the contract are in writing, signed and dated by you and your client
- approved plans
- a payment schedule
- a Consumer Building Guide
- all inspection certificates as they become available.

Monitor finances closely

Keep watch on the business finances and monitor your costs and cash flow closely.

Sometimes licensees think their business is doing well because they are signing new contracts and the work under construction is on time. Closer inspection may reveal problems such as not

allowing enough for price increases or overheads which will reduce margins and lead to cash flow problems down the track.

Comply with current standards and legislation

Keep up with legislation and Australian Standards and ensure that you and your staff comply with all the requirements.

Need more information

Call QBCC on 139 333, check out our website at www.qbcc.qld.gov.au or visit your local QBCC office.