

Construction sector

➤ Top 5 tips to reduce costs, improve efficiency and increase revenues

Factsheet

How can you improve the profitability of your business? Here are some top tips on ways in which you can reduce your costs, improve your efficiency, and increase your revenues. Some of the suggestions are quick and easy to implement and some are more costly and time-consuming. If these suggestions have inspired you to make some changes, please contact us to see where we may be able to support you at bgh@growthco.uk

Reduce costs

1. Project manage well

Plan delivery dates and staffing carefully ensuring supervisors know the project plan in detail. This will prevent over-staffing, wasting time waiting for materials, having to pay expedited fees for materials etc.

2. Reduce defects and rework

Produce a **Standard Operating Procedure** for each task to ensure work is consistently carried out to the right quality and in the most efficient way. It costs much less to do it right the first time.

3. Reduce your material costs

Negotiate with your current suppliers and look for alternative suppliers, without compromising on quality.

Supply Chain Fundamentals fact sheet:

Build a resilient supply chain.

4. Reduce your waste

Plan your designs around standard material sizes and re-use materials where possible.

Check the value of any waste produced. Could this be sold instead of paying to have it removed? If a skip is needed ensure it is large enough to avoid hiring multiple ones.

5. Reduce energy losses

Consider your energy sources including electricity, steam, and fuel. Check your facilities and equipment such as boards, transformers, generators, motors, compressors, and pipelines and repair every leakage and source of energy loss.

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Improve efficiency

1. Conduct pre-start checks

Carry out a full and detailed site check before work begins. This will prevent delays and costs further down the line when the project has started.

2. Tools and equipment – Plan ahead

Before starting a task, ensure you have tools, equipment and materials (in the right quantity) on site. Avoid interrupting your work to make extra journeys to collect equipment.

3. Invest in training

Ensure you have the right staff with the right skills in the right place. This will increase the quality and efficiency of the work produced, reduce defects and rework and increase customer satisfaction.

4. Start measuring

Set up key metrics to measure your performance. Set targets and monitor your performance against these. If a target is not reached, work out why this happened and put measures in place to prevent it from happening again.

5. Review and reflect

Learn from past mistakes. You can avoid making repeat mistakes by improving your procedures.

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Increase revenues

1. Expand your service offering

By introducing new services you can attract new customers and maintain existing ones.

2. Find new markets

Moving into new geographic areas can help you gain access to new customers.

3. Consider your pricing

Constantly re-evaluate your pricing model. Reducing your price does not necessarily mean that you will win more work. While some clients see low prices as a great deal, others often see it as a sign of lower quality work.

4. Focus on your target customer

Design propositions that will appeal to these customers. Consider using virtual reality modelling of the proposed project to help them visualise what they will get from their investment.

5. Leverage word of mouth referrals

Recommendations made based on your previous work are crucial to winning new business, particularly in the residential market. Ensuring customer satisfaction is key – don't cut costs or corners.

