

FINANCE AND ACCOUNTING FOR THE CONTRACTOR

An Intensive Four Day Workshop Designed Specifically for the HVAC Industry

For managers, business owners, and technicians with non-financial backgrounds – learn the financial jargon, standard practices, and every day application of accounting and financial analysis.

To successfully operate a really great company you need to be able to recognize and decipher numbers from your balance sheet and profit/loss. This seminar will teach you how to use your own financial documents as tools for better management.

We will be critiquing financials, discussing pricing strategies, as well as controlling overhead, budgeting, cash flow, breakeven analyses, profit centers, creating compensation plans, and improving the efficiency of your service department.

This seminar will teach you how to get another \$7-\$10K profit per field employee in the HVAC business. That's great news for any business! Consider your time well spent in this seminar as an investment since it will more than pay for itself!

WHAT YOU'LL LEARN:

- Learn how to create a comprehensive set of financial statements and receive a definitive Chart of Accounts that you can take to your accountant.
- Accurately analyze your Income Statement and Balance Sheet with powerful formulas used to determine profitability, efficiency, liquidity, and more.
- Put your PC to work. You will learn about a simple to use program that simplifies financial analysis and determines your true break-even point in minutes.
- Master financial lingo with a comprehensive financial glossary that is presented in simple, easy-to-understand terms.
- Use our comprehensive set of financial ratios to judge how well each department in your company is being managed.
- Learn how to easily prepare a budget with our step-by-step system.
- Learn how to spot trends and problem areas in your P&L statements and other financial documents.
- Make better use of your cash resources – understand how cash flow works and what it means to your company's health and solvency.
- Learn how to compensate your technicians and run your service department more efficiently.

You'll evaluate your business in class and compare it to industry norms and trends. We'll also design specific strategies in marketing, cost control, pricing and selling to maximize your profits.

Be sure to bring last year's financial documents (Profit & Loss Statement and Balance Sheet), as well as current ones. You'll also need a good calculator, and lots of paper to plan your strategies for success.

Please note that this four-day class can be broken up over several periods. Many distributors conduct two meetings, two consecutive days over two months. You may also consider one day per month for four months.

FINANCE AND ACCOUNTING FOR THE HVAC DEALER

Please note that this four-day class can be broken up over several periods. Many distributors conduct two meetings, two consecutive days over two months. You may also consider one day per month for four months.

DAY ONE

PROFIT IS AN ATTITUDE

- Characteristics of Attitudes
- Industry Profitability Statistics, A Sad Story
- Why HVAC Business Fail And How to Prevent It

BALANCE SHEET MANAGEMENT

- The Accounting Equation
- The Chart of Accounts
- Assets and Liabilities

BALANCE SHEET RATIOS AND MEASURES

- Current Ratio
- Acid Test Ratio
- Working Capital
- Total Liabilities to Net Worth Ratio
- Current Assets to Total Assets Ratio
- Degree of Fixed Asset Newness

DAY TWO

THE INCOME STATEMENT

- Cash vs. Accrual Accounting
- Accounting For Jobs in Progress
 - Billings Basis of Accounting
 - Percentage Completion Basis
 - Completed Contract Method
- Account Classification
- Efficiency Analysis
 - Cash Conversion
 - Average Age of Accounts Receivable
 - Average Age of Costs in Excess of Billings
 - Cash Conversion Period
 - Average Age of Accounts Payable
 - Average Age of Billings in Excess of Costs and Estimated Earnings
 - Cash Demand Period
- Profitability Ratio Analysis
 - Sales Performance
 - Gross Profit Margin
 - Net Profit Margin

WORKING CAPITAL MANAGEMENT

- Working With Solvency Ratios
- The Problem of Too Much Working Capital
- The Problem of Insufficient Working Capital
- How to Increase Your Working Capital
- Sources of Capital
- Leasing Vs. Purchasing
- Working Capital Quiz

DAY THREE

CASH FLOW ANALYSIS

- The Cash Flow Cycle
- Cash Conversion Period
- Working With Efficiency Ratios
- Projecting Cash Flow
- Budgeting and cash Flow Planning
- Credit and Collections
- 21 Ideas To Increase Cash Flow

VARIABLE MARGIN DECISION MAKING

- The Cost Structure
- Separating the Costs
- Determining Break Even Sales
- Effects on Break Even
 - Changing the Volume of Work
 - Changing the Price
 - Fixed Costs and Profit
 - Variable Costs and Profit
 - Multiple Changes

Quiz

DAY FOUR

BUDGETING AND FORECASTING

- The Operating Budget
- Techniques for Budgeting the Income Statement
- Budgeting for Return on Investment (ROI)

INCREASING FIELD PRODUCTIVITY

- Technician Compensation Plans
- Inventory Management
- Reducing Warranty and Callbacks
- Computerization
- Flat Rate Pricing

SUMMATION

- Small Business Financial Status Checklist
- Where to Go From Here