

5 Reasons Spray Foam Contractors Fail

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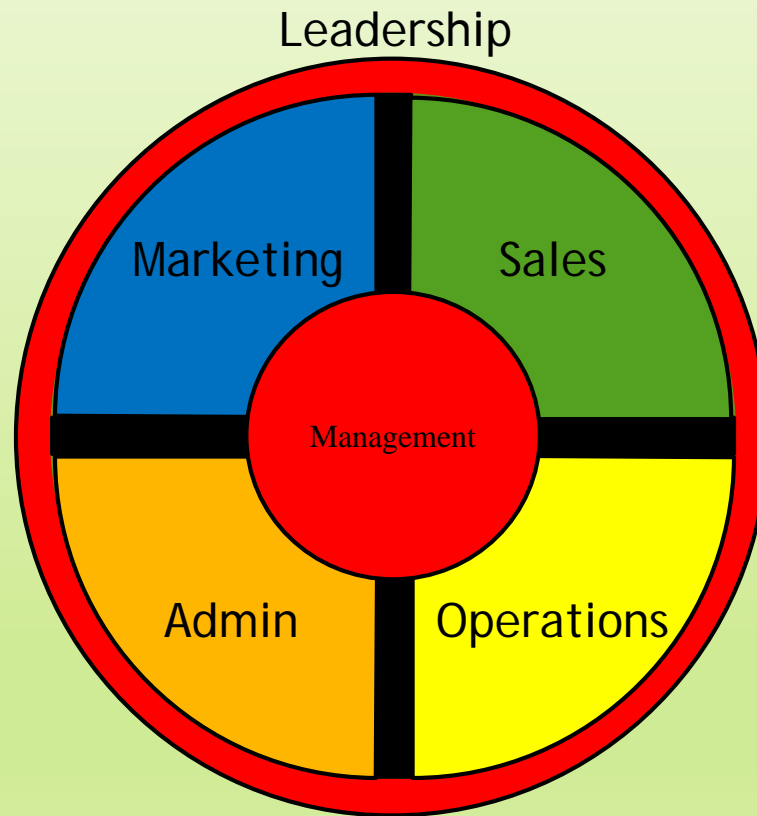


ANTITRUST POLICY STATEMENT FOR SPRAY POLYURETHANE FOAM ALLIANCE MEETINGS

- ▶ It is and shall remain the policy of the Spray Polyurethane Foam Alliance ("SPFA"), and it is the continuing responsibility of every SPFA member company, SPFA meeting or event participant, as well as SPFA staff and leadership to comply in all respects with federal and state antitrust laws. No activity or discussion at any SPFA meeting or other function may be engaged in for the purpose of bringing about any understanding or agreement among members to (1) raise, lower or stabilize prices; (2) regulate production; (3) allocate markets; (4) encourage boycotts; (5) foster unfair or deceptive trade practices; (6) assist in monopolization; or (7) in any way violate or give the appearance of violating federal or state antitrust laws.
- ▶ Any concerns or questions regarding the meaning or applicability of this policy, as well as any concerns regarding activities or discussions at SPFA meetings should be promptly brought to the attention of SPFA's Executive Director and/or its legal counsel.



The Business Bullseye



5 Reasons You Will Fail

1) Operations Performance



Operations Performance

- ▶ Projects not completed on time



Operations Performance

- ▶ Projects not completed on time
- ▶ Backlog without adequate resources



Operations Performance

- ▶ Projects not completed on time
- ▶ Backlog without adequate resources
- ▶ Lead time to prepare bids too short



Operations Performance

- ▶ Projects not completed on time
- ▶ Backlog without adequate resources
- ▶ Lead time to prepare bids too short
- ▶ Inadequate training & supervision



5 Reasons You Will Fail

- 1) Operations Performance
- 2) Accounting/Admin



Accounting/Admin

► Cash Flow

- Inability to forecast cash flow or cash flow is tight



Accounting/Admin

- ▶ Cash Flow
- ▶ Receivables are turning over too slowly
 - ▶ Billing issues
 - ▶ Collection issues



Accounting/Admin

- ▶ Cash Flow
- ▶ Receivables are turning over too slowly
- ▶ Estimating or procurement problems
 - ▶ Poor estimating practices
 - ▶ Poor procurement practices



Accounting/Admin

- ▶ Cash Flow
- ▶ Receivables are turning over too slowly
- ▶ Estimating or procurement problems
- ▶ Not understanding or tracking job cost



Accounting/Admin

- ▶ Cash Flow
- ▶ Receivables are turning over too slowly
- ▶ Estimating or procurement problems
- ▶ Not understanding or tracking job cost
- ▶ Lack of adequate insurance



5 Reasons You Will Fail

- 1) Operations Performance
- 2) Accounting/Admin
- 3) Finding and Getting New Customers



Finding and Getting New Customers

- ▶ Not in touch with customers
 - ▶ Don't know what customers want



Finding and Getting New Customers

- ▶ Not in touch with customers
- ▶ No real differentiation in the market
 - ▶ Lack of unique value proposition



Finding and Getting New Customers

- ▶ Not in touch with customers
- ▶ No real differentiation in the market
- ▶ Failure to communicate value proposition in clear, concise and compelling fashion



5 Reasons You Will Fail

- 1) Operations Performance
- 2) Accounting/Admin
- 3) Finding and Getting New Customers
- 4) Too Big, Too Fast



Too Big, Too Fast

- ▶ Increase in Project Size
 - ▶ Typically defined by taking a job 2-3 times larger than any job the company has previously completed



Too Big, Too Fast

- ▶ Increase in Project Size
- ▶ Change in Geographic Area
 - ▶ Reasons for new area
 - ▶ Normal growth
 - ▶ Lack of work
 - ▶ Special opportunity



Too Big, Too Fast

- ▶ Increase in Project Size
- ▶ Change in Geographic Area
- ▶ Inexperience with new scope or types of work
 - ▶ Do not have adequate training or experience
 - ▶ Insufficient personnel



5 Reasons You Will Fail

- 1) Operations Performance
- 2) Accounting/Admin
- 3) Finding and Getting New Customers
- 4) Too Big, Too Fast
- 5) Management and Leadership



Management and Leadership

Management

VS.

Leadership



Management and Leadership

- ▶ Management
 - ▶ Key staff leaves company
 - ▶ Staff inadequately trained on company policy and operations
 - ▶ No Comprehensive Business Plan
 - ▶ Company does not have goals, objectives or a road map to success



Management and Leadership

- ▶ Leadership
 - ▶ Character issues
 - ▶ Change of leadership
 - ▶ Leader retires, dies, sells company, changes leadership or focus
 - ▶ No succession planning
 - ▶ No transition plan to ensure continuity in the event of death or disability



Takeaways

► You Need Systems



Takeaways

- ▶ You Need Systems
- ▶ You Need Processes



Takeaways

- ▶ You Need Systems
- ▶ You Need Processes
- ▶ You Need A Plan



Takeaways

- ▶ You Need Systems
- ▶ You Need Processes
- ▶ You Need A Plan
- ▶ You Need Training



Takeaways

- ▶ You Need Systems
- ▶ You Need Processes
- ▶ You Need A Plan
- ▶ You Need Training
- ▶ You Need Personal Development



Questions

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