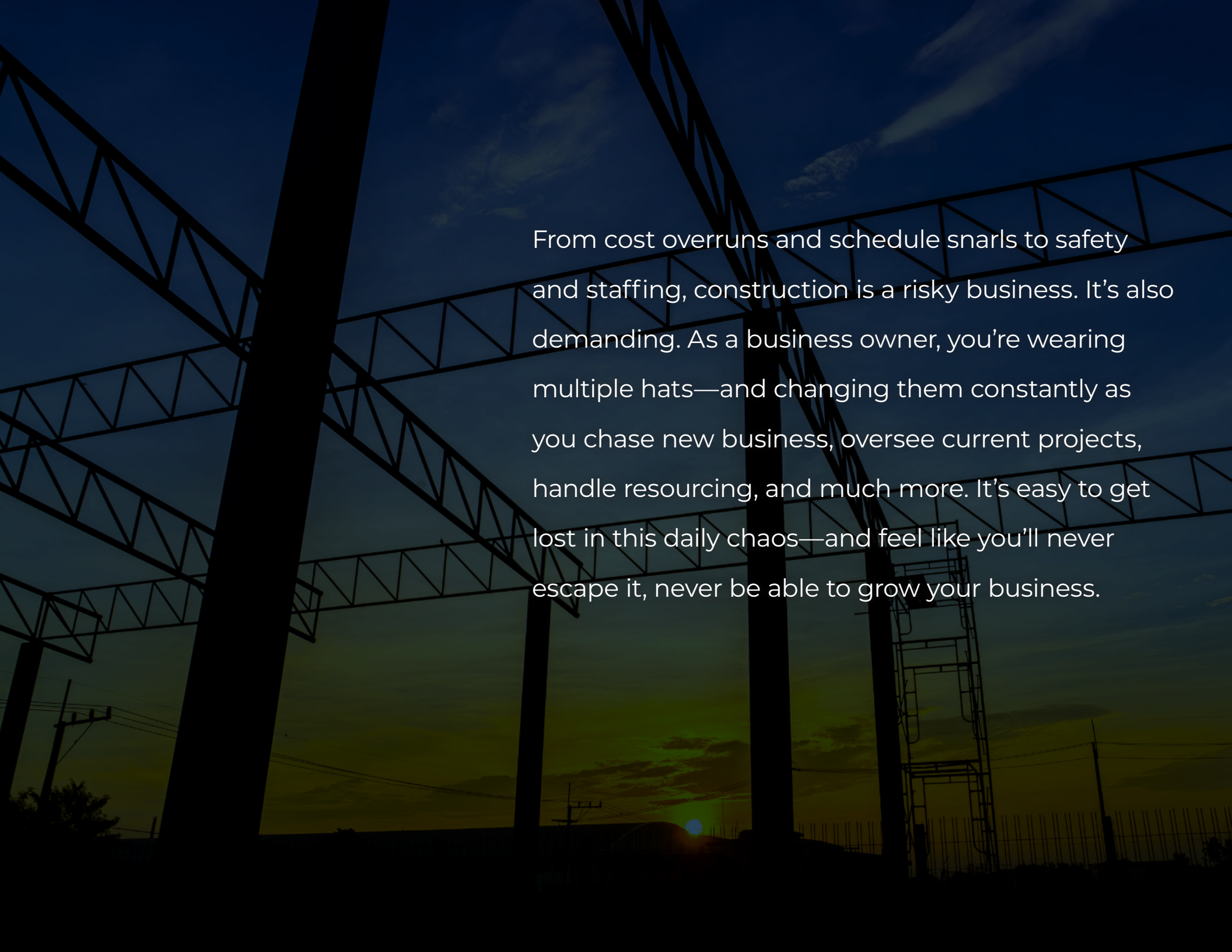




# Four Things You're Missing in Your Books—and What It's Costing You

A CONTRACTOR'S GUIDE TO  
BUILDING A STRONGER BUSINESS



From cost overruns and schedule snarls to safety and staffing, construction is a risky business. It's also demanding. As a business owner, you're wearing multiple hats—and changing them constantly as you chase new business, oversee current projects, handle resourcing, and much more. It's easy to get lost in this daily chaos—and feel like you'll never escape it, never be able to grow your business.



That isn't true. Most contractors, though, overlook or avoid the one thing that can make all the difference: their financials.

Lack of clarity on your financial position, profitability, and cash flow is a major problem for any business. Without clarity, you risk stagnation—or worse, a business that bleeds cash and ultimately fails.

You might be thinking, “I have financial people on my team. Don't I have it covered already?” Likely not—bookkeepers focus on reconciliation, and tax accountants look out for the best ways to legally mitigate your business's tax burden. Most contractors doing \$5 to \$50 million in annual revenue don't have strategic, high-level financial expertise on staff or as a partner—and it means they are missing key things in their financials that not only cost them money every day but also limit their growth.

We're here to change that. In this guide, we share four key things you're most likely falling short on, and how to turn these financial metrics around. When you do, you'll have the financial clarity you need to grow your business.

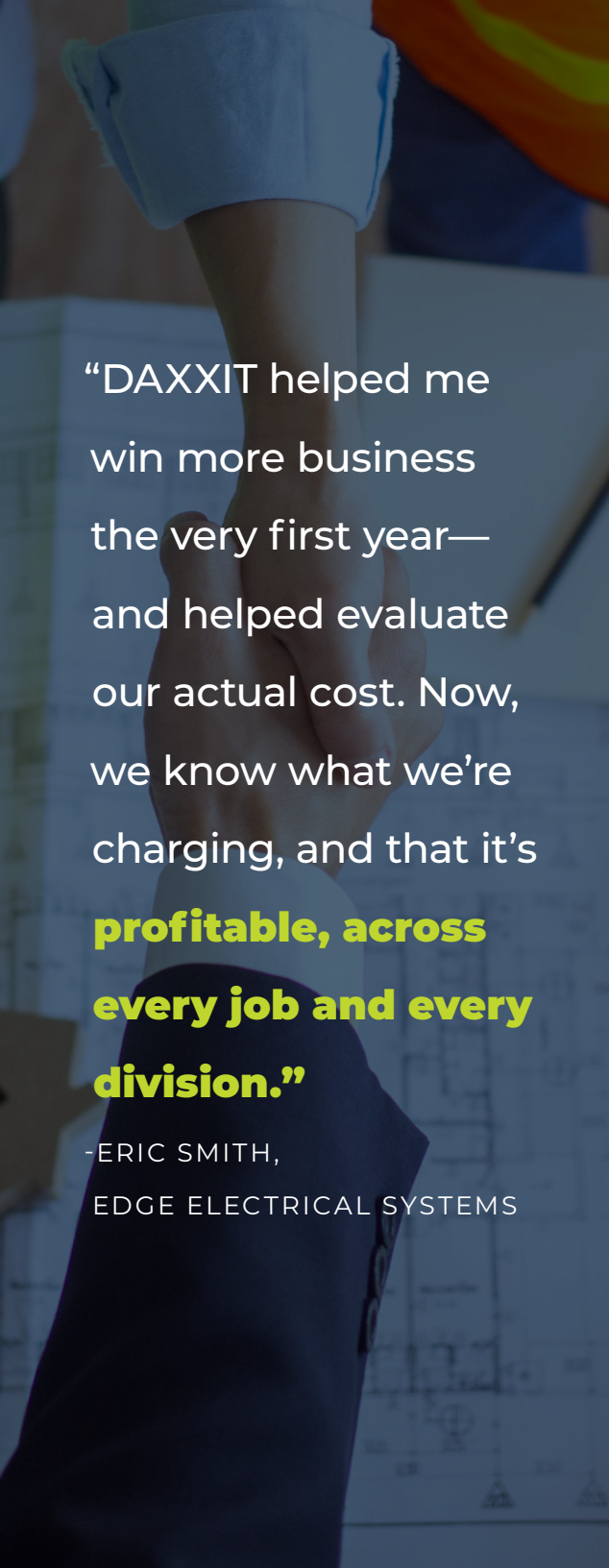
**You'll make more money, be able to pay your employees more, confidently scale, and attain financial freedom.**

---

## FOUR KEY FINANCIAL STRUGGLES FOR CONTRACTORS

---

1. Obstacles to Increasing Gross Profit
2. Difficulty Growing Net Profit
3. The Cost of Days Sales Outstanding
4. Accurately Tracking Overhead



“DAXXIT helped me win more business the very first year—and helped evaluate our actual cost. Now, we know what we’re charging, and that it’s

**profitable, across every job and every division.”**

-ERIC SMITH,  
EDGE ELECTRICAL SYSTEMS

## PROBLEM #1

# Obstacles to Increasing Gross Profit

Gross profit is the sum of what your business makes on each job. It measures how well sales cover direct costs. Many contractors struggle with pricing and bidding jobs. They may leave money on the table when they win business. Or they fail to win bids that represent big new business.

Financial clarity and strategic guidance change everything. We help our clients optimize pricing and bid more confidently, so they make more money per job. We also help them pay their employees more, ending retention and staffing struggles—while still bettering the bottom line.

---

## GROSS PROFIT

DAAXIT Helps  
Contractors Win

---

# 13 to 30%

GROSS PROFIT  
INDUSTRY AVERAGE  
*(Source: Sageworks Industry Data,  
Commercial and Institutional Building  
Construction, 2022)*

# 5%

AVERAGE GROSS PROFIT  
GROWTH FOR DAAXIT  
CLIENTS

# 100%

DAAXIT CLIENTS THAT  
ACHIEVED RECORD  
PROFITS IN 2022

PROBLEM #2

## Difficulty Growing Net Profit

Net profit is what your business makes after all expenses are paid. As a business owner, you know that margins can be tight—and that every day, you're incurring costs and delays that eat into your profit.

We help our clients bring in more revenue and hold onto more of it. With financial clarity and using our proprietary WIP schedule, we help them improve operational efficiency—and maintain it—to build a more profitable business and grow faster.

### NET PROFIT

DAAXIT Helps Contractors Win

**4.59%**

NET PROFIT  
INDUSTRY AVERAGE  
*(Source: Sageworks Industry Data, Commercial and Institutional Building Construction, 2022)*

**10%**

AVERAGE NET PROFIT  
FOR DAAXIT CLIENTS

**\$836,000**

AVERAGE NET PROFIT  
GROWTH

**2X**

INDUSTRY AVERAGE





PROBLEM #3

## The Cost of Days Sales Outstanding

Many contractors confront cashflow shortages because of delays in accounts receivable. Days Sales Outstanding (DSO) represents the average number of days it takes for a company to collect its accounts receivable. And it's an expensive problem. Consider a contractor making \$10 million in annual revenue. Every day they're short on receivables, they're short \$27,000 in cash.

Even if you're tracking the impact of DSO on cashflow—and many business owners aren't—you might not know where to start to reduce DSO. DAAXIT can help. We provide a financial audit of clients' accounts receivable process to implement processes and procedures that slash DSO and increase access to working capital.

---

### ACCOUNTS RECEIVABLE

DAAXIT Helps  
Contractors Win

---

**57**

DSO INDUSTRY AVERAGE  
*(Source: Sageworks, 2019)*

**20**

AVERAGE DSO REDUCTION  
FOR DAAXIT CLIENTS

**\$500,000**

AVERAGE INCREASE  
IN ACCESS TO  
WORKING CAPITAL



PROBLEM #4

## Accurately Tracking Overhead

To ensure your profitability, overhead costs must be less than gross profit. Confidently keeping overhead in line, though, is harder than it seems. Many contractors are relying on outdated estimates to project overhead costs. This is risky in a business in which costs fluctuate daily, and in a time when inflation has had tremendous impact. Without accurate monitoring and forecasting, you can't know if your business is truly profitable across jobs and divisions.

We help our clients gain clarity into overhead costs. First, we ensure they are using accurate, up-to-date estimates—not outdated calculations but a 12-month rolling average. We also implement a system to monitor the ebb and flow of overhead costs to track responsive changes and variances with precision. It enhances profitability and builds a better business.

---

### OVERHEAD TRACKING

DAAXIT Helps Contractors Win

---

## 12 months

DAAXIT ROLLING AVERAGE

## Monthly

FINANCIAL ACCURACY REVIEW



A hand is pointing at a tablet screen that displays a business report. The report includes a pie chart with segments in orange, blue, green, and yellow. Below the pie chart is a line graph with a blue line. Further down, there are four circular progress indicators with percentages: 25%, 50%, 70%, and 85%. At the bottom, there is a bar chart with five bars in blue, teal, green, orange, and light green. The text on the screen is partially obscured but includes "BUSINESS REPORT", "Mission - Stay connected to customers, drive innovation and product development.", "Annual Result Validation", and "Predictive Modeling Business Understanding".

THE GOAL

## **Aligning Finances with Growth Goals**

It's not enough to solve these four key metrics. If you truly want to grow your business, your finances must be aligned with your growth goals. The problem is that most business owners are stuck in chaos and the daily grind. What's more, they don't have the right financial partner to help them plan for growth.

Why? The bookkeeper is focused on whether the firm has a historical record of all money spent. This doesn't help you make money. The accountant is interested in how to legally reduce taxes, which means making business purchases and taking on debt. This doesn't help you make money, either. You need someone to help you navigate growth.



DAAXIT is exactly this strategic partner for our clients. We ask:

- Where are you stalled in your decision-making?
- Where do you want to grow your business?
- How quickly and in what direction?
- How do you want to exit your business? When?
- What kind of lifestyle do you want as a business owner?
- What kind of lifestyle do you want your employees to have?
- If you were confident in making a decision to grow your business, what would you do?

We're here to help you by aligning your business finances to advance your vision—**so you can build a better business and create financial freedom for your employees, your firm, and your family.**



“Within three months of working with DAAXIT, we saw profitability—and controls on my numbers. Now, I know how my business is doing month to month, and I’m able to communicate to the team with confidence where we are—and where we are going. The mindset shift Aaron helped me make was huge—it was about how to act and lead, and it’s changed my business for the better. **The time he spent with my team alone was worth the fee.**”

-TRACY WEGENAST,  
CEO OF MOBILE GLASS

A man with a beard, wearing a grey blazer over a blue checkered shirt, is sitting at a desk. He is smiling and looking towards the right. In his left hand, he holds a white pen, and in his right hand, he holds a white sheet of paper. The background is slightly blurred, showing a whiteboard with a flowchart or diagram. The overall lighting is dim, with a blue tint. The text 'Ready to take the next step?' is overlaid on the right side of the image in a bold, white, sans-serif font. A thick yellow horizontal line is positioned below the text.

**Ready to take  
the next step?**



ABOUT DAAXIT

## The Contractor's CFO

DAAXIT provides fractional CFO services to help contractors build better businesses. We create financial clarity and enhance your profitability, so you can take your company to the next level and attain financial freedom. As your partner, we'll take you from best-guess decision-making and the daily grind to profitable growth with clarity and peace of mind.

Construction is our sole focus, which means we know the industry—and your specific challenges—inside and out. Our team brings 20+ years' experience and MBA-level executive financial leadership to being your strategic partner. As business owners ourselves, we know what it means to put your livelihood on the line, which is why we always have your best interests at heart. Like Daax, the German Shepherd that inspired our logo, we strive to be loyal, confident, and a partner you can always count on to guide you.

We've solved the struggle for many other contractors—and all have achieved record profits. **Now it's our turn to solve it for you.**



“We’re thinking about today as well as tomorrow. We navigate the growth trajectory alongside owners helping them take on bigger jobs, launch new divisions, and plan for exit. **We want to be someone every client can count on, every time.**”

-AARON MILLS,  
CEO AND FOUNDER, DAAXIT





---

**GET FINANCIAL  
CLARITY**

---

[www.daaxit.com](http://www.daaxit.com)

[info@daaxit.com](mailto:info@daaxit.com)

262-716-8484