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Finance

From: [Remodeling magazine July 2010](#) | Posted on: July 19, 2010

Regular Checkup

Review these items each month to ensure your company's health.

By: Les Cunningham

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Each month you should review your previous monthly income statement and balance sheet. Schedule a monthly appointment with yourself to spend at least an hour reviewing your accounting information. Ask yourself:

1. Is the company keeping its financial head above water?
2. As the owner, am I paying myself \$30 per hour? If not, why not, and when will I be able to do so?
3. Is the company's average produced gross profit at least allowing it to break even?
4. What bid adjustments need to be made to the produced gross profit to allow the company to break even?

5. What average produced gross profit is needed to make a 10% net profit?

6. What is the time frame the company needs to raise its bid gross profit to be able to achieve a 10% net profit?

7. How much signed work and deposit amounts does the company have? What amount of backlog of work is enough?

Follow this meeting with a monthly meeting of at least 30 minutes with your CPA.

—Les Cunningham is president of Business Networks, a peer-review organization for the remodeling and insurance restoration industries. les@businessnetworks.com.

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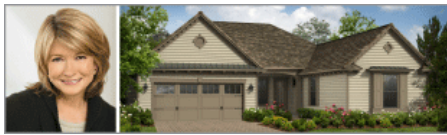
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