



# HARDHAT *hedlines*

George Hedley - "Profit-Builder"

June 2002

George Hedley, business owner and successful entrepreneur, is the recognized authority on how to build a growing business into a company that consistently produces bottom line results. George Hedley founded and built his major commercial construction company, Hedley Construction, from \$0 to \$50 million dollars in only 7 years!

For his accomplishments, George received the nationally recognized award: "Entrepreneur of the Year" by Ernst & Young and "INC" magazine.

Today, he is the CEO and owner of Hedley Construction, a \$100 million operation and owns HARDHAT Presentations presenting keynote speeches and workshops to companies and associations.

3189-B Airway Avenue  
Costa Mesa, CA 92626  
Phone: 714-437-1122  
Fax: 714-437-1125  
Toll-Free: 800-851-8553  
gh@hardhatpresentations.com  
www.hardhatpresentations.com



3189-B Airway Avenue  
Costa Mesa, CA 92626  
Phone: 714-437-1122  
Fax: 714-437-1125  
Toll-Free: 800-851-8553  
gh@hardhatpresentations.com  
www.hardhatpresentations.com

## Got Profit?

### How to Be On-Purpose...On Target! Become a "Profit-Builder"

George hosts in-depth 2 & 3 day "Profit-Builder" Circles for construction business owners every month. In a roundtable setting for a limited number of participants, George shares what works and helps you create action plans to get your business to work and always make a profit. Reserve your seat today!

*For more information, contact Debbie Schut @ 1-800-851-8553, Ext. 18.*

## George Hedley's Speaking Calendar

05/02/02	Featherlite	Cresco, IA
05/09/02	Constn. Owners Assoc. of Am.	Orlando, FL
05/21/02	Constn. Fin. Management Assoc.	Las Vegas, NV
07/16/02	Cover-All Building Systems	Saskatoon, SK
07/25/02	CEO Leadership Forum	Carmel, CA
07/26/02	CEO Leadership Forum	Carmel, CA
09/14/02	Ind. Electrical Contractors, Inc.	Tampa, FL
10/17/02	Entertainment Svc. & Tech. Assn.	Las Vegas, CA
11/08/02	National Tour Assn.	Los Angeles, CA
11/04/02	National Utility Contractors Assn.	Washington, DC
11/09/02	Timberline Software	Portland, OR
01/13/03	National Utility Contractors Assn.	Washington, DC
02/27/03	Timberline Software	Anaheim, CA
03/18/03	National Utility Contractors Assn.	San Antonio, TX
03/19/03	National Utility Contractors Assn.	San Antonio, TX

### "Let's Talk about Building Your Business" George's Current Topics Include...

#### Building LEADERS

- ☐ Profit Driven Leadership
- ☐ Leadership For Managers & Supervisors
- ☐ People Magic - Win The War For Talent!
- ☐ Customer Driven Leadership
- ☐ Leading The Future

#### Building PROFITS

- ☐ Work A Little - Make A Lot!
- ☐ The Business Success Blueprint
- ☐ Clear Targets = HUGE Results!
- ☐ Priority Magic!
- ☐ Business Roundtable

#### Building CUSTOMERS

- ☐ Sell More Than Price!
- ☐ Marketing & Sales Strategies That Work
- ☐ Build A Customer Driven Company

#### Construction Industry Programs

- ☐ How To Build A Construction Company That Always Makes A Profit!
- ☐ Construction Field & Project Management Systems That Work!
- ☐ Profit-Driven Estimating & Bidding Strategies That Work!
- ☐ Successful Subcontracting Is A Team Sport
- ☐ General Contracts & Sub-Contracts 101
- ☐ Construction Financial Management Made Simple!
- ☐ Accounting Is More Than Numbers!
- ☐ How To Win & Manage Negotiated & Design-Build Contracts
- ☐ Leading The Future In The Construction Industry
- ☐ Safety Starts With You!
- ☐ Business Roundtable - Interactive Problem Solving With Solutions

Call Now 1-800-851-8553



## Are You A "Profit- Builder" ?

by George Hedley

Business owners often ask me: "How much profit should I expect to make?

5%, 10%, 15% or MORE?" Most business owners and managers have no specific targets. They claim their profit goal is to make as much money as possible or to make MORE than they are currently making.

AS MUCH MONEY AS POSSIBLE! Is this a target? MORE! More than what? These are not clear targets or goals. A young entrepreneur came to me for advice and told me his five year goal was to work real hard, be totally stressed out, hopelessly in debt and make no money; and he made it! I am not impressed with people who are busy, overworked, underpaid or boast about their latest sales figures. What I admire are organized companies that hit their goals and make the expected return and profit for the risk they take.

The goal in business is NOT to stay in business or keep everyone busy. The goal of business is to ALWAYS MAKE A PROFIT. Unfortunately, 92% of all business owners reach age 65 with \$0 net worth! It's not how much you MAKE that matters, it's how much you KEEP (after overhead, job costs, personnel and a fair salary for the owner).

Profitable driven business owners have a vision of what they want. They have goals in many areas including: business, customers, operations, financial, personal and profit. They have precise goals including:

1. Return On Equity
2. Revenue
3. Overhead Costs
4. Average Markup

If asked to invest \$100,000 in a friend's new startup business, what return would you want? 10%, 15%, 25%, 50% or More? After considering all the risks, I would never invest in a new business that didn't offer at least a guaran-

teed 15% to 25% return on equity. Likewise, the minimum pretax net profit goal for your company should be 15% to 25% return on equity (or higher).

To Always Make A Profit, follow this 7 Step Formula:

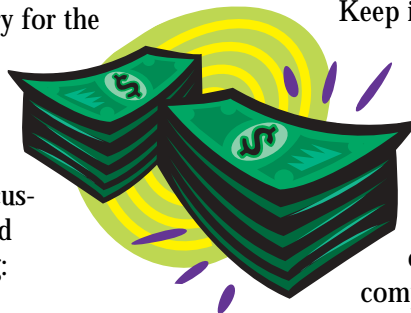
		<i>Example</i>
1. Equity In Company		\$ 300,000
2. Return On Equity Goal	X	20%
3. Net Profit Goal (Pre-Tax)	=	\$ 60,000
4. Annual Overhead Cost	+	\$ 250,000
5. Projected Gross Profit	=	\$ 310,000
6. Average OH & P Markup Goal		15%
7. Annual Revenue Goal	(5 / 6)	\$ 2,066,666

Looking at the example above, the company's Overhead is projected at \$250,000, Equity is \$300,000 and its' Return on Equity Goal is 20%. Based on a Revenue Goal of \$2,066,666 and using an average markup of 15%, the company's annual NET PROFIT GOAL is \$60,000. A FIXED NUMBER. Not More! Not as much as possible!

WHAT IS YOUR REVENUE GOAL?  
WHAT IS YOUR OVERHEAD GOAL?  
WHAT IS YOUR AVERAGE MARKUP GOAL?  
WHAT IS YOUR PROFIT GOAL?

Companies without precise profit goals never make enough and often don't make anything. It's hard to hit a fuzzy target that doesn't exist and moves around. Companies that track costs, target profit, control overhead, and watch what they keep, are in-control, organized and onestep ahead of their competition. Fix your profit target and revenue goals.

Keep it in front of you all the time. Share it with your people. Track your progress. Make it happen.



George Hedley, owner of \$100 million construction and development company and recipient of the nationally recognized "Entrepreneur of the Year" award. He also owns HARDHAT Presentations and speaks to companies on building profitable businesses, leaders and loyal customers. For information or his free management e-newsletter, visit [www.hardhatpresentations.com](http://www.hardhatpresentations.com) or call (800) 851-8553.

George Hedley HARDHAT Presentations  
3189-B Airway Avenue Costa Mesa, CA 92626  
(714) 437-1122 Fax (714) 437-1125

Email: [gh@hardhatpresentations.com](mailto:gh@hardhatpresentations.com) website: [www.hardhatpresentations.com](http://www.hardhatpresentations.com)



# HARDHAT *hedlines*

George Hedley - "Profit-Builder"

## George's Articles Help Thousands To Build Profits....



### ARTICLES Available...

Management articles written by George Hedley are available for your organization's publication. For more information contact us at 1-800-851-8553 or email Debbie Schut, dschut@hardhatpresentations.com.

## ASK George

We would like to hear from you. Email George a question on building your business, customers or profits. Email **george** at **gh@hardhatpresentations.com**

## Product Specials

How to live your Life On Purpose!	\$15.00
The Business Success Blueprint SEMINAR	\$29.00
Construction field & Project Management Systems that work!	\$39.00
People Magic! Profit Driven Leadership!	\$39.00
Strategic Planning That Works!	\$19.00
<b>MANAGERS SUCCESS KIT - ALL PRODUCTS ABOVE</b>	<b>\$99.00</b>

How To Build A Construction Company That Always Makes A Profit!	\$59.00
Audio Tapes - set of 6 tapes - complete 6 hour seminar	\$59.00
Workbook - over 300 pages	\$59.00
Complete Package - 6 audio tapes & workbook	\$99.00
<b>CONTRACTORS SURVIVAL KIT - ALL PRODUCTS ABOVE</b>	<b>\$179.00</b>

Marketing & Sales Strategies That Work!	\$39.00
Estimating and Bidding Strategies That Work!	\$39.00
Super Sales Kit - Both Products above	\$59.00
<b>HARDHAT SUCCESS KIT - ALL PRODUCTS ABOVE</b>	<b>\$229.00</b>

TO ORDER CALL (800) 851-8553 OR VISIT [www.hardhatpresentations.com](http://www.hardhatpresentations.com)

## Easy FAX BACK FORM

- ☐ YES, Contact me about attending a "Profit-Builder" Circle.
- ☐ YES, Send me George's Speaking Materials, Video, Topics and Fees.
- ☐ YES, I am interested in your educational products.
- ☐ YES, Have George Call me.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Organization: \_\_\_\_\_ Phone # (     ) \_\_\_\_\_

Fax # (     ) \_\_\_\_\_ Email: \_\_\_\_\_

Upcoming Meeting, Retreat or Convention: \_\_\_\_\_

Date of Program: \_\_\_\_\_

Location of Program: \_\_\_\_\_



*Making Your Meeting A Success*

Fax To: George Hedley  
@ 714-437-1125