



CFO

CASE STUDY

**CONSTRUCTION
BUSINESS**



MASTERY

FRACTIONAL CFO SERVICES

FRACTIONAL CFO CASE STUDY

A Construction Company's Path to Growth

How We Helped a Client in the Construction Industry Achieve Profitable Growth and Increased Business Value

Executive Summary

By modernizing systems, improving pricing models, and forecasting cash flow, we turned years of inconsistent performance into sustained profitability - driving a 700% net-profit increase in 2022 and continued gains thereafter.

Client Background

Industry: Construction industry

Employees: 5-10

Structure: Corporation with a single shareholder

Service Areas: Diverse client base

Engagement Start: late 2021

Challenges

Initial Situation

The client's business had been operating for many years. The company's annual profits had been spotty, with some profitable years, and some years with losses. The owner paid himself a wage, but it wasn't excessive, and he worked long hours. He wanted to achieve better and more consistent financial results for his efforts.

The company's executive assistant performed the company's bookkeeping, and an accountant filed the corporate income taxes each year. Although the bookkeeping records were being looked after, there were inaccuracies, and they weren't up to date.

Solution

Phase 1: Laying the Foundation (late 2021)

Modernized Financial Systems: We moved the business to a cloud-based accounting platform and trained staff to maintain accurate, timely books. For the first time, the owner could see reliable numbers at his fingertips.

Real-Time Visibility: Accurate financial statements revealed hidden trends and opportunities, allowing us to flag issues early instead of waiting until year-end.

Phase 2: Building Confidence (2022)

Empowered Decision-Making: We equipped the owner with the financial literacy to interpret the data and make confident, informed business choices.

Role Definition: Clarified the roles & responsibilities of the people working for the business. This helped the business owner focus on the high-value tasks. Our primary focus was on making sure the accounting and finance aspect of the business was being provided with necessary information from the other parts of the business. At the same time, this helped provide structure for the company overall.

Profit Increase: By the end of 2022, the business had increased its net profit relative to 2021 by over 700%. 2021 and 2022 were the first two years in the available records (dating back to 2014) during which the business had back-to-to-back years with increasing profits.

Phase 3: Scaling with Structure (2023)

KPI Monitoring: Developed a financial KPI (key performance indicator) dashboard and used them in regular performance reviews with the owner and key members of his team.

Cash Flow Confidence: We built a forward-looking cash flow forecast that showed the owner when and how decisions would impact cash – eliminating the “guessing game” that had caused stress for years.

Owner Compensation Aligned with Growth: We increased the owner’s salary to reflect his true contribution. Despite this added cost, profits jumped 75% year-over-year, proving the business could support both growth and fair compensation.

Phase 4: Optimizing for Growth (2024)

At the end of 2023, we began planning, budgeting, and setting goals for 2024. The business was growing, but capacity constraints were starting to emerge.

The owner explored several options: moving to a larger facility, purchasing new equipment, and hiring additional staff. After running the numbers – including a budget, profit & loss forecast, and cash flow forecast – we determined these investments would make sense in future years. For 2024, however, there were smarter, higher-return opportunities.

Our Strategy for 2024: Focus on increasing revenue without adding fixed costs – so additional revenue would flow directly to the bottom line.

We implemented five key initiatives:

1) Smarter Pricing

- Partnered with the vCIO to build a pricing tool for the executive assistant and operations supervisor.
- Allowed them to input key variables for each job, generating an estimated price.
- Reduced the owner's workload by shifting pricing prep to staff, leaving him to confirm only higher-priority jobs.

2) Minimum Charges for Small Jobs

- Moved away from pure "per-square-foot" pricing.
- Used ERP data to uncover hidden costs (travel, setup, clean-up).
- Introduced minimum charges that better captured true costs.

3) Inflation Adjustments & Margin Focus

- Regularly updated prices to keep pace with inflation.
- Shifted focus toward higher-margin jobs, even if that meant fewer total deals.
- Showed the owner (via financial models) how "fewer but better" jobs produced stronger profits.

4) Boosting Installation Efficiency

- Encouraged the owner to actively manage installation staff productivity.
- Focus was on completing more jobs with the same number of employees.
- Began with clear communication on the importance of efficiency.
- Looking ahead: In 2025, we plan to introduce metrics and a compensation model to reward staff for improved efficiency.

5) Smarter Inventory Management

- Tracked inventory more closely to maximize limited storage space.
- Increased inventory turns to reduce waste and free up capital.
- Took advantage of supplier opportunities (e.g., bulk or sale pricing).

2024 Targets

At the start of the year, we set aggressive but achievable goals:

- Grow top-line revenue by 15%
- Increase gross profit by 13%
- Increase net profit by 50%
- Maintain strong cash flow

Execution in 2024

Throughout the first half of 2024, we worked closely with the owner, vCIO, and executive assistant to implement the plan.

- We made course corrections as needed.
- We capitalized on unexpected opportunities along the way.

Results That Speak for Themselves

- **Profitability Unlocked** – After years of inconsistent results, the company delivered record profits, including a 700% jump in net profit in 2022 and sustained growth into 2023 and 2024.
- **Above-Target Performance** – As of mid-2024, the company is trending 3% ahead of revenue targets, 16.8% ahead in gross profit, and 25% ahead in net profit, with cash flow consistently above goal.
- **Owner Freed to Lead** – By training and developing staff, the owner now spends more time on high-value leadership activities instead of daily firefighting.
- **Future-Proofed Growth** – With budgets, forecasts, and efficiency measures in place, the company is positioned not only for another successful year in 2025 but also for long-term business value creation.

See **Figure 1** for mid-2024 plan vs. actual results.

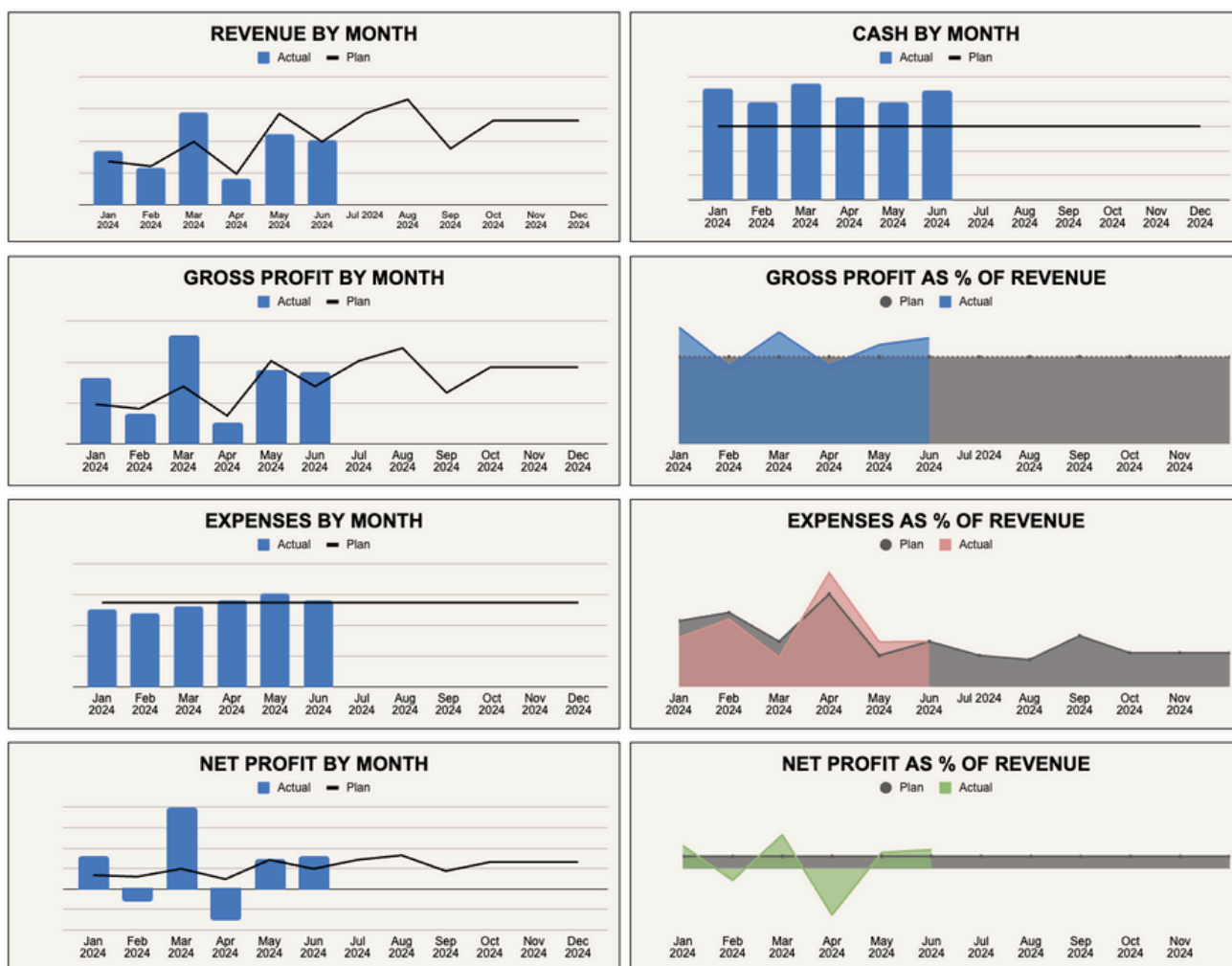


Figure 1. Plan vs. Actual Results as of mid-2024

Mid-Year Results (June 30, 2024)

The company outperformed expectations:

- Revenue: 3% above target
- Gross Profit: 16.8% above target
- Net Profit: 25% above target
- Cash Flow: consistently ahead of plan

Conclusion

Summary of Success

We didn't just provide financial reports - we helped transform a construction business from unpredictable and stressful to profitable, scalable, and investor-ready. With a clear financial roadmap, the owner has both peace of mind today and confidence in tomorrow.

KEY TAKEAWAYS

PARTNERSHIP WITH MASTERY FRACTIONAL CFO SERVICES

Construction Business Scaling Stage

"Before Mastery, I never knew if I was making money until year-end. Now I have clarity every month, and confidence that we're growing the right way."

— Owner, Construction Company

👉 Profitable Growth

Turned inconsistent results into steady, year-over-year profit—up 700% in 2022.

👉 Cash Flow Clarity

Forecasting tools gave the owner confidence to plan and invest wisely.

👉 Smarter Pricing & Margin Focus

New models and minimum charges boosted margins and reduced low-value work.

👉 Efficiency Gains

Clear roles and staff training freed the owner to focus on high-value tasks.

👉 Strategic Focus

Built budgets and forecasts aligned with the owner's long-term goals.



"Whether solving cash flow issues or building frameworks for growth, Mastery adapts to your business — delivering clarity, confidence, and results"

—Ryan Chenier, MBA, Founder & CEO of Mastery

SERIOUS ABOUT SCALING? SO ARE WE.

Your Financial Co-Pilot for Growth

We partner with growing businesses (\$1M–\$30M+) that need executive-level financial guidance—without the full-time CFO price tag.

Achieve Your Vision of Success

Experience the peace of mind that comes with knowing you have all the pieces in place to achieve your dreams—including the often elusive financial component.

*To Find out More, or to Contact
Mastery, See the Next Page →*



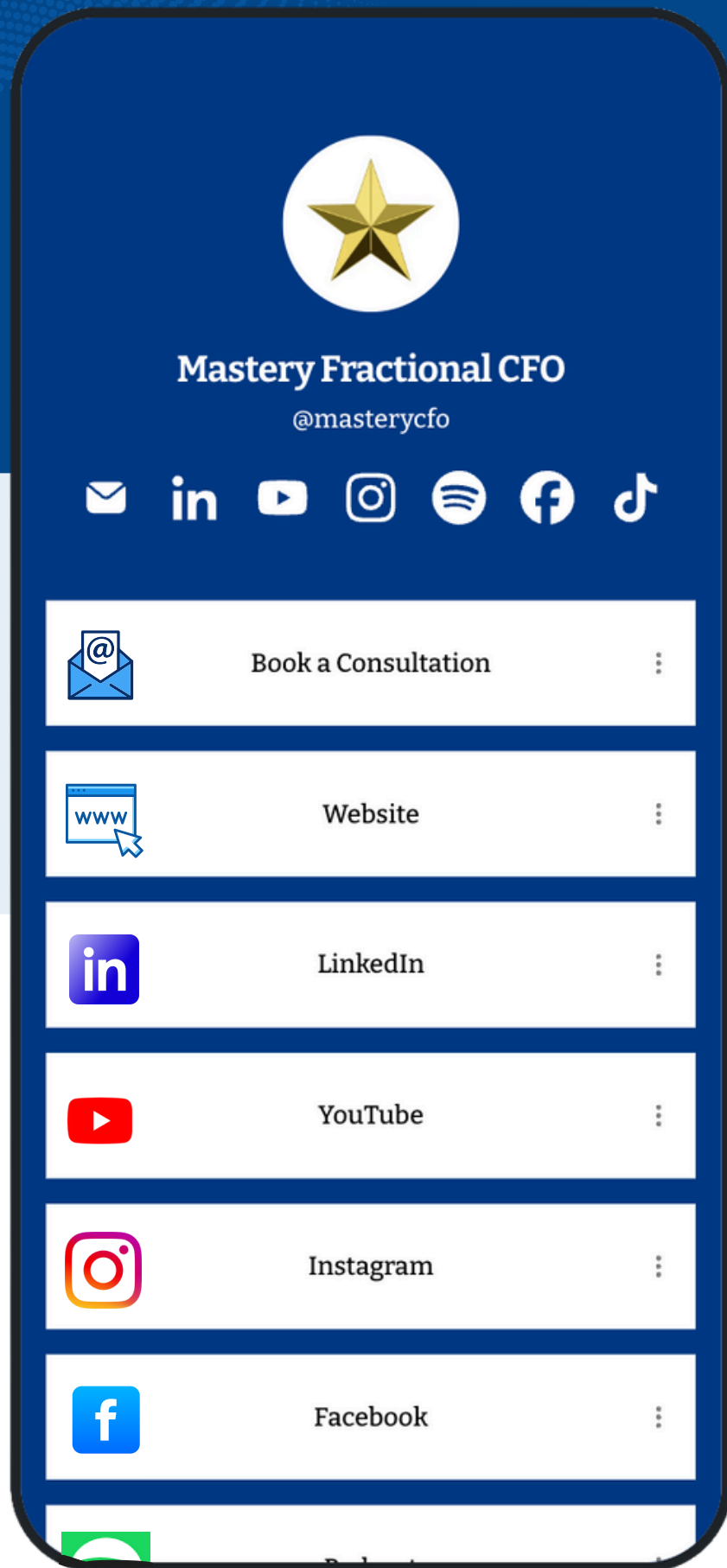
Mastery
Fractional CFO Services

Contact Us

All Our Platforms In One Place

Mastery Fractional CFO uses Linktree to make it easy for visitors to access everything we offer from a single link. Whether you're interested in our latest podcast episode, want to watch a YouTube video, read a blog post, or connect with us on LinkedIn, our Linktree organizes all of these resources in one place. It's a simple, user-friendly tool that helps you explore our content and services without the hassle of navigating multiple websites. With one click, you can choose where to go next based on what's most relevant to you.

Click or Scan the QR Code



Call us for appointment and free consultation +204-898-3417



Winnipeg, Manitoba, Canada



masterycfo.com



info@masterycfo.com