



## **Fractional CFO Service for Builders & Construction Companies**

### **Why Builders Are Prime Candidates for Fractional CFO Support**

*Builders and construction companies are excellent candidates for Fractional CFO services—especially when they're growing, taking on larger projects, adding crews, or navigating tight cash flow caused by retainage, progress billing, and rising labor and material costs.*

*Construction businesses can be profitable on paper yet still struggle to fund payroll, materials, and equipment at the right time. A Fractional CFO brings financial clarity, structure, and forward-looking insight so builders can grow confidently without financial surprises.*

### **Here's Why Builders Need a Fractional CFO**

#### **1 Progress Billing, Retainage & Cash Flow Gaps**

Construction cash flow is rarely simple. Builders often face:

- Progress billing delays
- Retainage withheld until project completion
- Timing mismatches between customer payments and vendor bills
- Large upfront material purchases
- Payroll that must be met weekly or bi-weekly
- Multiple jobs competing for the same cash

Even profitable builders can experience cash crunches.

### **A Fractional CFO helps builders:**

- Build rolling 13-week cash flow forecasts
- Plan for retainage and delayed collections



- Smooth cash flow between projects
- Avoid borrowing reactively or missing payroll
- Ensure growth doesn't outpace available cash

## **2 Job Costing & True Project Profitability**

Many builders know their revenue—but not their **true job profitability**.

Common issues include:

- Inaccurate or incomplete job costing
- Labor overruns are not identified until it's too late
- Material price fluctuations eroding margins
- Overhead not allocated properly across jobs
- Profitable projects subsidizing losing ones

### **A Fractional CFO will:**

- Analyze profitability by job, project type, and client
- Identify margin erosion early
- Improve job costing accuracy
- Separate fixed vs. variable costs
- Help determine which jobs to pursue—and which to avoid

Builders are often surprised to learn that their “best” projects aren't always their most profitable.



### **3 Labor Planning, Crew Utilization & Hiring Decisions**

Labor is one of the largest—and riskiest—costs in construction.

Builders regularly ask:

- When should we add another crew or superintendent?
- Are we staffed appropriately for our current backlog?
- Are overtime costs killing our margins?
- Can we afford to hire before the next project starts?

**A CFO provides:**

- Labor cost analysis by job
- Crew utilization modeling
- Break-even analysis for new hires
- Backlog-to-labor capacity planning
- Profit impact analysis of overtime vs. hiring

This ensures hiring decisions are data-driven—not gut-driven.

### **4 Equipment, Vehicles & Capital Investments**

Construction businesses regularly invest in:

- Trucks and trailers
- Heavy equipment



- Tools and machinery
- Technology and project management systems
- Yard, warehouse, or office expansions

#### **A Fractional CFO helps builders evaluate:**

- Lease vs. buy decisions
- Financing structures and terms
- Equipment ROI by job type
- Impact of debt on cash flow
- Whether purchases align with growth strategy

Instead of guessing, builders get clarity on what they can afford—and what will actually pay off.

#### **5 Pricing Strategy, Change Orders & Margin Protection**

Underpricing is one of the biggest silent profit killers in construction.

Builders often struggle with:

- Bids that don't account for overhead
- Unpriced or underpriced change orders
- Margin erosion due to scope creep
- Rising material costs not reflected in pricing



### **A Fractional CFO helps builders:**

- Set pricing that protects margins
- Build profit buffers into bids
- Improve change order tracking and approval
- Adjust pricing as costs fluctuate
- Understand minimum acceptable margins

This protects profit before the job even starts.

### **6 KPI Tracking for Builders & Contractors**

High-performing builders track the right metrics consistently.

A Fractional CFO helps track and interpret KPIs such as:

- Gross margin by job
- Labor cost percentage
- Job variance (estimated vs. actual)
- Backlog and pipeline value
- Overhead as a percentage of revenue
- Cash-on-hand days
- Accounts receivable aging
- Retainage outstanding

Most builders don't track these consistently—and lose profit as a result.



## **7 Banking, Bonding & Growth Support**

If your construction company plans to:

- Take on larger projects
- Increase bonding capacity
- Add crews or locations
- Purchase major equipment
- Secure or renegotiate financing

You'll need:

- Clean, accurate financial statements
- Forecasts and cash flow projections
- Job cost reports lenders trust
- Data-backed growth plans

A Fractional CFO prepares and presents this information to banks, bonding companies, and lenders—so you're positioned for approval, not rejection.

### **▶ When a Builder Really Needs a Fractional CFO**

- Cash flow feels unpredictable
- Projects are busy but profit isn't growing
- Payroll feels stressful between jobs
- Job overruns keep happening



- Hiring decisions feel risky
- Equipment purchases strain cash
- You're preparing for larger projects or expansion
- The owner is overwhelmed managing finances

 **Bottom Line**

A Fractional CFO doesn't just "review the books."

They help builders and construction companies:

- Stabilize and forecast cash flow
- Improve job profitability and margins
- Make smarter hiring and equipment decisions
- Price work profitably
- Prepare for growth and expansion
- Scale without financial chaos