

News Release

CRUNCH CRUSHING TIPS FOR LOCAL BUILDERS

With fears of a UK recession mounting and a crisis affecting the housing sector, thousands of local building firms are facing an uncertain future as work on construction sites slows down.

Recent figures from PricewaterhouseCoopers (PWC) showed the number of construction companies falling into insolvency has risen 35 per cent since last year. Construction workloads declined at their fastest pace since 1995 breaking more than 11 years of uninterrupted growth according to the latest report from the Royal Institute of Chartered Surveyors (RICS).

Leading industry body the National Federation of Builders is encouraging small and medium sized companies to take stock of their business now to help protect against the effects of a downturn.

X said: "In a recessionary climate, small and medium sized companies are often the most at risk. But their size makes them ideally placed to steer their business through any storm. There are a number simple but effective measures they can put in place to help win new business, stay profitable and increase their chances of survival."

The NFB has produced the following advice for SMEs in the wake of the credit crunch:

- In the current climate cash is king – maintaining strong cash flow will best ensure your survival. It is essential that your customers adhere to strict payment conditions outlined in writing from the beginning. NFB members can access letter templates created by legal professionals to help chase late payments.
- Before competing for new work make sure you perform due diligence on your potential customers in the same way they do on you. The small cost of a credit check could save you thousands down the line. NFB members have exclusive discounts on Experian credit reports.
- Investing in training may seem counterintuitive when costs are rising, but a well-equipped workforce could provide a vital competitive edge as the market for new work shrinks. A series of expert led training courses and business improvement services are available to NFB members.
- Dealing with employment issues requires expert legal knowledge but many questions can be answered without using costly lawyers. The NFB offers a range of free helplines, covering all forms of construction and employment law, as well as tax services, health and safety, environmental issues and technical solutions.

- With prices rising across your business, getting a better deal from your suppliers has never been more important. Try negotiating with them for longer invoicing periods which will help maintain a healthy cashflow. Membership of the NFB gives you access to a huge range of discounts, on everything from leading industry software to RAC Membership and business travel, which could save your firm thousands of pounds a year.
- Staying ahead of ever-changing industry legislation is crucial. The last thing your company needs is fines and legal fees. The NFB's dedicated policy unit regularly updates members on new regulations and changes in the law.

The NFB represents some 1,500 builders and contractors across England and Wales. In addition to providing specialist advice and business services, the Federation, with a network of eight regional offices, lobbies local, national and European government on a range of issues to sustain positive trading conditions for members.

For more information visit www.builders.org.uk

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