

— A CONSTRUCTION CFO'S FOUR-PHASE PLAYBOOK



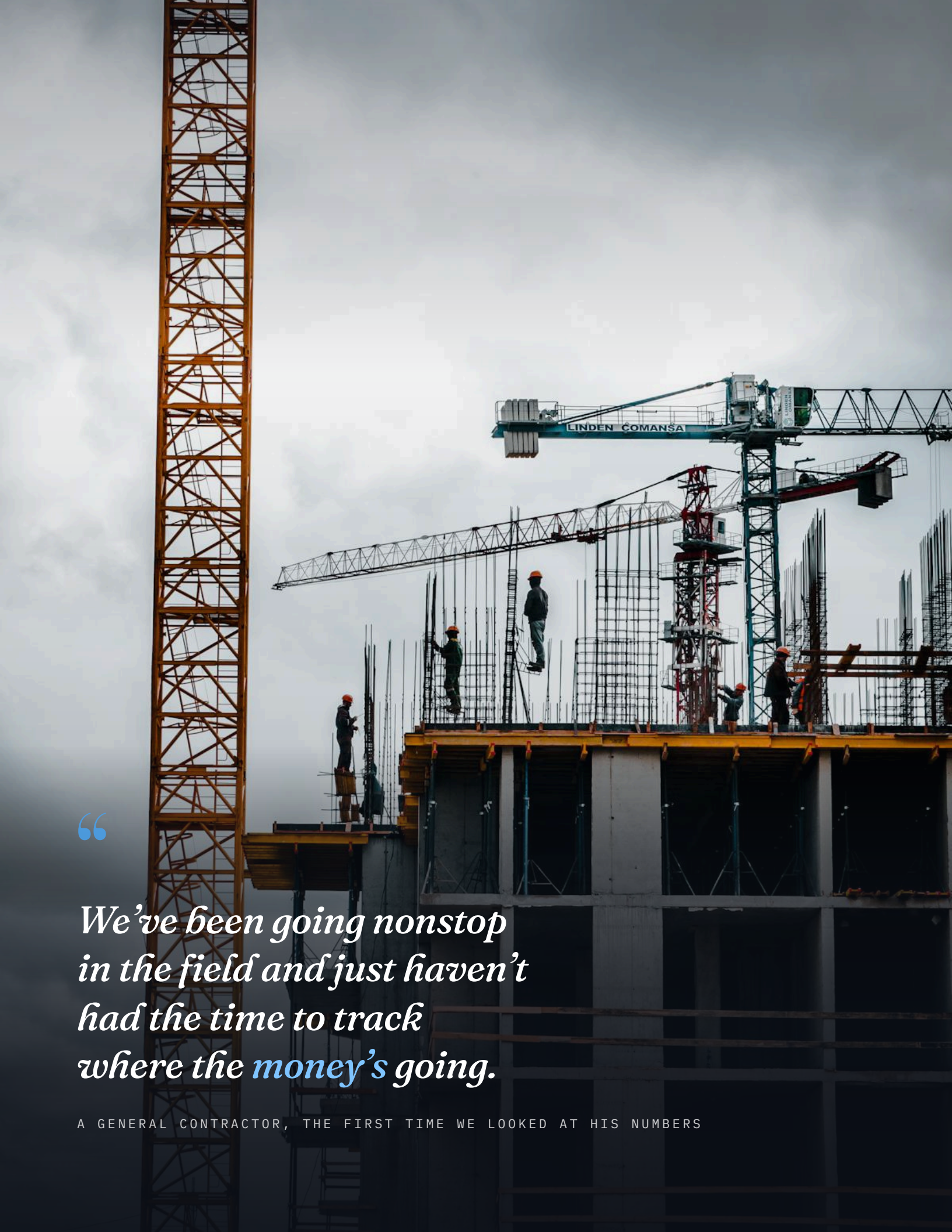
# The Contractor Profit Builder

*for Boosting Cash Flow, Gross Profit, and the Bottom Line*



**By Brian Philbeck, CPA**

OWNER & FRACTIONAL CFO · TRIANGLE FINANCE GROUP, LLC



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*We've been going nonstop  
in the field and just haven't  
had the time to track  
where the **money's** going.*

A GENERAL CONTRACTOR, THE FIRST TIME WE LOOKED AT HIS NUMBERS

## — WHERE IT STARTS

# The jobs are closing. The cash never feels safe.

Some version of that sentence has shown up in almost every first conversation I have had with a contractor since.

If you are a general contractor or subcontractor doing somewhere between \$5M and \$20M in annual revenue, you probably know exactly what he meant. The jobs are closing. The crews are running. The revenue is real. And somehow, the cash never feels safe.

None of these mean you are running the business badly. They mean you are running the build well, with the financial side trying to keep up. **That gap is fixable.**

## A FEW SITUATIONS CONTRACTORS RECOGNIZE

- ◇ Jobs are closing, but cash flow is tighter than it should be - and you can't always tell why.
- ◇ The estimated margin looked great at bid. By close, the actual margin slipped, with no clean way to see where it went.
- ◇ Accounting keeps the IRS off your back but doesn't give you the numbers you use to run the business day to day.
- ◇ You're growing, and you can feel the financial side won't hold up under the next stage of growth.

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My name is Brian Philbeck. I'm a CPA, and I sat in the CFO chair at two different construction companies before launching Triangle Finance Group - to bring that same playbook to owners who deserve a CFO partner but can't yet justify a full-time hire. The framework that produced those numbers is called **the Contractor Profit Builder**.

BY THE NUMBERS

# What two CFO seats actually produced.

A track record across two in-house construction CFO seats and one prior controller seat - real outcomes, not aggregated industry stats.

**12 → 22%**

GROSS MARGIN LIFT

Construction Managers  
Inc. · CFO 2020-2023**+30%**

CASH ON HAND

Same holding  
group**+40%**REVENUE  
GROWTHBLAIR DURON ·  
CFO 2023-2024**+300%**

EBITDA INCREASE

BLAIR DURON

**-35%**PROJECT  
EXPENSES

BLAIR DURON

Construction Managers Inc. - privately held, 19-entity construction & real-estate holding group, Fremont, NC. BLAIR DURON - private-equity-portfolio construction company, Garner, NC.

## THE FIVE LEAKS

# Where the money usually leaks.

Trouble rarely shows up as one big mistake. It shows up as five quieter patterns that compound over months until cash gets tight - or year-end shows a profit number that doesn't feel right.

01 *Cash flow is inconsistent, month to month.*

Some months the balance looks fine; others you're worried about payroll. Late billing, drifting collections, big front-loaded outlays. The CFMA pegs average collection at ~55 days and the average GC at a 14.8% gross margin - little room to absorb cash that lands two months after the cost.



02 *Estimated profit and actual profit don't match.*

Estimates look profitable on paper. By close, labor overruns, materials cost more, and field change orders never make it into the books. Without a clean estimate-versus-actual loop at the job level, it stays invisible until year-end.



03 *Accounting is reactive, not strategic.*

A lot of shops have books set up to keep the tax return clean and not much else. Reports come monthly, late, and don't answer the questions that matter: which jobs make money, which crews are productive, which clients pull margin down.



04 *Estimates and bids are off.*

When estimating leans on instinct and last year's numbers instead of clean historical job-cost data, the bids that win can quietly be the wrong bids to win - locking you into delivering a job for less than it actually costs.



05 *There is no forecasting or budgeting.*

Most contractors run on a backlog list and a gut feel, not a 12-month revenue and cash forecast. That works when the market is good - not when a big project slips or a key crew leaves.





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## THE METHODOLOGY

# Four phases, in order.

Four phases that take a contractor from murky numbers to a profit-and-loss statement you actually trust - and a forecast you can run a business off of.

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- 01 Analyze**  
Build a clear, trustworthy financial picture before changing anything.
- 
- 02 Identify**  
Find where cash leaves early or arrives late, and put the fixes in.
- 
- 03 Optimize**  
Turn on job-level profit visibility - see which work pays.
- 
- 04 Review**  
Close the loop with a budget, a forecast, and a monthly cadence.
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**PHASE 01 - ANALYZE**

# Build a clear picture before you change anything.

Before you can change anything, you have to see clearly what's actually happening. My first construction CFO seat was at Construction Managers Inc., a 19-entity holding group in Fremont, NC. For the first several weeks I proposed no changes - I just read the financials, carefully, across every entity.

Over two and a half years there, we **lifted gross margin from 12% to 22% and drove cash on hand up 30%**. None of it started with a clever tactic. All of it started with a financial picture I could trust.

*Most contractors I work with have never seen their business presented this way before.*

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**THE FIVE PHASE 1 MOVES**

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- 01 Clean up the basics**  
Chart of accounts, job coding, overhead separated from direct cost.

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- 02 Shorten the close**  
From 25 days toward a 10-day month-end cycle.

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- 03 Stand up a cash dashboard**  
Inflows, outflows, payroll - refreshed weekly, read in five minutes.

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- 04 Build job costing**  
Each job's bid estimate against its actual cost at completion.

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- 05 Document the basics**  
So the picture holds when one person is out for a week.

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A clean Phase 1 usually takes 30-60 days - 90 if the books need a full rebuild.

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 PHASE 02 - IDENTIFY

# Cash flow comes before everything else.

There's an old line in construction finance: *revenue is vanity, profit is sanity, cash is reality*. In every \$5M-\$20M business I've seen, \$500K-\$1M sits in retainage and underbilling at any one time.

- ◇ Build a real 13-week cash flow forecast, refreshed in 15 minutes.
- ◇ Tighten the billing cycle - bill the moment a phase is verified.
- ◇ Get collections off auto-pilot with weekly AR-aging review.
- ◇ Pull retainage and underbilling into the light.
- ◇ Renegotiate vendor terms - net 15 to net 30, with a simple ask.

At BLAIR DURON this discipline helped drive **40% revenue growth** and a **300% EBITDA increase**.

ILLUSTRATIVE · 13-WEEK CASH FLOW FORECAST \$000S

WEEK	W1	W2	W3	W4	W5
Inflows	220	180	340	260	210
Outflows	(190)	(210)	(260)	(300)	(230)
<b>Running cash</b>	<b>420</b>	<b>390</b>	<b>470</b>	<b>430</b>	<b>410</b>

Weeks 1-5 of 13 shown. The forecast is the single most useful page a contractor owns.

PHASE 03 - OPTIMIZE

# Track profit by job, not just by month.

Here's the test: can you tell me, right now, what your gross profit was on the last three jobs that finished?

- ◇ Every job starts with a documented budget before the contract is signed.
- ◇ Direct costs hit the right job in real time, not at month-end.
- ◇ Estimate vs. actual gets compared while the job is in motion.
- ◇ Change orders priced and billed fast - change-order work runs 5% to 15% of project value; left unpriced, that's donated profit.
- ◇ Every closed job earns a report you actually read.

At BLAIR DURON this **cut project-related expenses 35%** and secured \$500K in CAPEX financing.

JOB	CONTRACT	EST. VS ACTUAL GP		
		BID GP	ACTUAL	VAR
Maple Ridge Med Office	\$1.84M	22.0%	23.4%	+1.4
Halsey St Mixed-Use	\$3.10M	19.5%	16.2%	-3.3
DOT Bridge 14	\$2.45M	15.0%	15.8%	+0.8
Cedar Logistics Park	\$4.20M	17.5%	14.9%	-2.6
Westfield TI	\$0.92M	24.0%	25.1%	+1.1

The variance column is where the learning lives - caught while the next bid is still being written.

## — PHASE 04 - REVIEW

# Forecasting turns reactive into proactive.

Once the picture is clean, cash is in hand, and job costing is real, the business needs a feedback loop: a budget, a 12-month rolling forecast, and a short list of KPIs reviewed on a regular cadence. A business with forecasting sees the slow stretch in Q3 by April - with time to do something about it.

GROSS MARGIN	DSO	DPO	BACKLOG	OVERHEAD
<b>22.0%</b> vs 14.8% industry avg	<b>48<sub>d</sub></b> Days sales outstanding	<b>36<sub>d</sub></b> Days payable outstanding	<b>4.2<sub>mo</sub></b> Coverage runway	<b>11.4%</b> As % of revenue

Five numbers, not 50 - the monthly KPI dashboard we review together. The discipline behind it comes from nearly seven years of Yellow Book hospital audits before construction.

## — A REAL-WORLD FIX

# \$160,000, hiding in the credit-card statements.

A contractor assured me their financial side was in good shape - clean books, margins where they expected. They just wanted a second set of eyes. Two months of P&Ls in, one line was clearly out of register: **Small Tools & Supplies, \$390K a year** - way too high for the size and type of work.

Fifteen foremen, fifteen company credit cards. Tools bought on whichever foreman needed a saw that morning, left on jobsites, never seen again. The dollars weren't stolen - they walked off the books, \$400 at a time, with nobody tracking who bought what.

- ◇ \$500 purchase-approval threshold installed
- ◇ Foreman-to-foreman comms before the swipe
- ◇ Lockable, GPS-tagged job boxes - tools stayed on-site

Twelve months later the same line ran \$230K. **That's \$160,000 a year on a single expense category** - no layoffs, no painful belt-tightening.

BEFORE · ANNUAL ~~\$390,000~~

AFTER · ANNUAL **\$230K**

ANNUAL SAVING **-\$160,000 · -41%**

*Single expense line. Three procedural changes. One quarter to land. Multiply this kind of attention across cash flow, job costing, vendor terms, and KPIs - and you have what a fractional CFO actually does for the bottom line.*

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PUTTING IT ALL TOGETHER

# Four phases that stack into one system.

Run together, the phases take a contractor from murky numbers to a P&L you trust - and a business that can scale into its next stage without the financial side becoming the bottleneck.

01

## Analyze

A financial picture you can trust inside 30–60 days.

02

## Identify

Find where cash leaves early or arrives late; build the 13-week forecast.

03

## Optimize

Job-level profit visibility - see which work actually pays.

04

## Review

Budget, rolling forecast, five-number dashboard, monthly meeting.

*Forecasting is what makes the rest of the framework hold together.*

## — THE NEXT STEP

# Reading this guide won't fix your business. *Taking action will.*

That contractor didn't fix their business by reading articles about cash flow. They fixed it by deciding to look honestly at the numbers, with someone in the room who had done this work inside construction businesses before - then making the calls those numbers pointed toward.

I'd be glad to spend 30 minutes with you on Zoom. You tell me where the business is and where you want it in 12 to 24 months. I'll tell you plainly whether a Fractional CFO makes sense. **No pressure, no sales pitch, no obligation** - and either way you leave with two or three things to do this month on your own.

[Book a 30-Minute Call →](#)

Or text / call directly: **919-210-6675**

[info@trianglefinancegroup.com](mailto:info@trianglefinancegroup.com)

*Building things and running a crew is what you do well. Building the financial side so it actually serves you is what I do well. We both stay in our lane, and the business gets better fast.*

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WHO I WORK WITH BEST

# A short note on fit.

The wrong engagement doesn't serve either of us. I'm a fit for you if...

- 01 **You run a commercial or residential GC or subcontractor business doing \$5M–\$20M in annual revenue.**
- 02 **You want a real financial partner - not just another bookkeeper to keep the lights on.**
- 03 **You're willing to look honestly at the numbers and decide on what they say, even when it's uncomfortable.**
- 04 **You see financial leadership as an investment in the next stage - not an overhead line to minimize.**
- 05 **You can have a real conversation about your numbers and your goals when we get on a call. The growth still comes from you running your shop well.**

*If that sounds like you, the conversation is worth having. I look forward to connecting with you soon.*

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**MEET THE AUTHOR**

## Brian Philbeck, CPA

Owner of Triangle Finance Group, LLC - a Fractional CFO and advisory practice based in Louisburg, North Carolina, serving general contractors and subcontractors across the United States. B.A. in Accounting, NC State University. CPA licensed in North Carolina.

### WHAT I DO

I help general contractors and subcontractors boost profits, improve cash flow, reduce costs, and keep the financial side running smoothly - Fractional CFO, accounting, and tax services rooted in two consecutive in-house construction CFO tenures.

### WHAT MAKES ME DIFFERENT

I've actually sat in the construction CFO chair. Twice. I'm easygoing and straightforward, and very good at what I do - able to explain complex accounting in plain English and cut to the chase.

Anything I do, I'm committed to. If I'm in, I follow through. You get that on day one and every day after.

## MY STORY - A LONG ROAD TO THE CFO CHAIR

I didn't start anywhere near construction. Out of NC State I audited tax compliance for the state, then spent nearly seven years on Yellow Book audits of Medicare and Medicaid hospital programs - including the year-end audit of an organ-transplant hospital with \$1.64B in annual patient revenue. You learn fast that a number you can't defend is a number you don't understand. That audit muscle is why my forecasts and KPIs hold up.

### THE PATH THAT BUILT THE PRACTITIONER

2005-08	<b>Tax Compliance Auditor</b> NC Dept of Revenue	
2008-14	<b>Advanced Staff Auditor</b> Cahaba · Yellow Book audits	\$1.64B + \$3.59B
2014-17	<b>Sr. Accounting Analyst</b> LGFCU · \$1.7B credit union	
2017-19	<b>Accounting Manager</b> Med First · 28-clinic network	
2019-20	<b>Corporate Controller</b> Empire Equipment Company	\$56M · 7x sale
2020-23	<b>CFO · Construction Managers Inc.</b> 19-entity holding group	GM 12% → 22%
2023-24	<b>CFO · BLAIR DURON</b> PE-portfolio construction	+40% rev · +300% EBITDA
2025-now	<b>Owner · Fractional CFO</b> Triangle Finance Group	Same playbook, for you

### WHY I STARTED TRIANGLE FINANCE GROUP

By late 2024 I was burned out in a demanding PE-portfolio seat. I'd registered Triangle Finance Group back in 2023, always knowing going out on my own was a real possibility. In early 2025 I left and took it full-time.

### THE THESIS

There are \$5M-\$20M contractors all over the country who'd benefit enormously from a CFO who has actually sat in the chair - but can't justify a full-time hire. Almost all of them are paying for the absence of one every month, whether they realize it or not.

## WHO I WORK WITH

- ◇ Commercial general contractors, \$5M–\$20M in revenue
- ◇ Residential GCs and subcontractors at the same band
- ◇ Owners who need a CFO partner but can't justify a full-time hire
- ◇ Crews of 2 to 200+ employees

## SERVICES I PROVIDE

- ◇ Cash Flow Management & Forecasting
- ◇ Gross Profit Analysis & Job-Level Tracking
- ◇ Job Costing & Project-Level Cost Reduction
- ◇ Construction Accounting
- ◇ Budgeting, Monthly Reviews & Reporting
- ◇ Income Tax Preparation & Planning
- ◇ Fractional CFO & Controller Engagements

## AWAY FROM THE OFFICE

When I'm not working with contractors, you'll usually find me out on my boat with a fishing rod, or planning the next trip down to Florida or the Caribbean. I like a good meal out, a good cigar, and a good conversation that has nothing to do with construction or accounting. The harder I work, the more I value the easy moments.

## CONNECT WITH ME

BOOK A 30-MINUTE CALL

[scheduler.zoom.us/brian-philbeck/tfg-discovery-call](https://scheduler.zoom.us/brian-philbeck/tfg-discovery-call)

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