

4 WAYS

Construction Accountants Can Mitigate Risks with Diversifying the Business.

Q: Are your projects “too big to fail”? **A:** You might need to diversify:

1 Diversify your customers & projects

Q: If all of your customers are in the same industry, you risk losing it all if the industry stumbles. (Commercial real estate in the COVID era, anyone?)

A: Develop your specialty or niche, but maintain a percentage of projects outside your core specialty.



2 Diversify your vendors

Q: Get in lockstep with your company's procurement process: How are they sourcing materials and subcontractors? Are they reputable?

A: Learn themes and nuances: e.g., procurement might not notice repeated reliance on a single sub, putting you at risk if the sub fails. Flag the lack of diversity.



3 Diversify your money

Q: Most contractors have more cash on hand in an uncertain bear market—which creates an investment opportunity.

A: Consider short-term investments, such as a treasury bill ladder, to add an extra 5-6% to your balance.



4 Location, location, location!

Q: If you land a big project in an area that doesn't have enough local talent, bringing in new workers will strain the AP and HR teams.

A: Stay up to date on population trends: Where are



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