Success Stories

Operations: After suffering a debilitating fire, our client purchased new equipment and asked us to help define standards of performance, incentive compensation and study work flow processes to identify bottlenecks that had inhibited the maximum use of the machines in the past.

The result? Production more than doubled, with a minimal increase in payroll and our client's Gross Profit percentage increased 50%, all of it going to the bottom line.

Leadership Succession: Over coffee for years, the Senior owner and Junior owner had agreed to the process of the company buying the Senior owner's shares when he turned 65. Their verbal agreement was that if they ultimately couldn't agree on the terms, the company would be liquidated and the remaining cash split 50/50. When retirement time came, the differences between the 2 parties became magnified, threatening to tear the company apart. As a result of this impasse, the company had hired us to help "referee" a deal that all parties could live with. We showed the Junior partner that the company had significant value because of it's track record and ability to make a profit. We also showed the Senior partner that his asking price was too high and would cripple the company if the Junior partner concurred. The deal was struck that both thought was fair.

The result? It would appear that the Junior partner may have made the best deal because 18 months after the sale was done, the company's net worth had gone from $800,000 to $2.5 million!

Cash Flow Management: Our clients had recently purchased an established, but closed, business and were regretting their decision to buy it in the first place, even though they paid a substantially reduced price. They didn't know if they were making money or not, they just knew that not only did they not get a paycheck, they were putting money into it every month to meet expenses. Their accountant and banker told them "your costs are too high". We started digging into the numbers and found that their Gross Profit was 1/3 less than it should be. As various scenarios were discussed to explain it, the obvious problem emerged: the owners had empowered the managers to control every task in the business. From buying supplies, to making and selling the product, to totaling the deposits and paying the bills-the manager had all the cards. After our findings, the owners took control of their business and the managers ultimately quit.

The result? Within 6 months, instead of having to put money in every month, the owners get a paycheck, their line of credit is paid off and they have enough cash equal to 2 months' overhead. Once the owners knew "where the fire was", it didn't take long to see the results.

Planning: Our client had successfully navigated his business for 30 years by himself and a key manager. Now, they had a new production facility, with superintendents, high capacity machines but no clear idea of what their volume should be. For the first time, the company was in debt and the owner was nervous. The result of our findings indicated that the company was doing about ½ of the volume necessary to support their new, expanded enterprise. Our project was to implement a business plan, define a measurable marketing program and develop a position for a person whose function was to obtain sales for the company.

The result? Once they knew what the target was, the company has consistently achieved their sales goals and are on their way to achieving their objectives for the business. They understand that debt can be used to grow a business, and not necessarily a symptom of bad business decisions.