



BUSINESS CASE STUDIES

(Tale of 3 companies)

For the purposes of anonymity, we combined three business case studies in one. Some of the companies had the same problem such as cash-flow while others had communication, micro-management and sales growth issues. Once the problems were defined and action steps taken, all three companies showed positive results

PROBLEMS FOUND:

- a. **Cash Flow** was poor even though the revenues were good.
- b. **Accounting system** was inadequate.
- c. **Staff were overworked**, not appreciated, and confused.
- d. **Sales were stagnant** except for occasional upward blips.
- e. The **order to invoice process** took over 30 touches before it could be closed.
- f. **Communication** was lacking throughout the organization.
- g. Management was **micro-managing** the whole organization.

CASHFLOW:

Action Steps:

1. We looked at the A/R and found that there were too many dollars attached to the 60 and 90 day A/R list. We immediately went into collection mode and began collecting from the greater than 90 day and 60 day customers. We helped the A/R person establish effective collection protocols that are measurable and duplicatable .
2. We evaluated the company's inventory management and found that there was excess inventory that just sat, collecting dust and losing value daily. We immediately incorporated a just-in-time purchasing strategy and helped the customer sell off some inventory that was basically left forgotten.

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3. The company was paying in full, for large purchases. We moved them into using leasing options that would allow them to have set monthly payments and not strap their bank account.
4. The company was financing their own sales where the free offers were front loaded. The company would not realize any profits until years 2 and 3. We helped them to eliminate this practice with a more profitable sales offer.
5. The payroll expense was too high for the productivity achieved. Fortunately, after meeting with each employee, some employees self-corrected and chose to leave.
6. The company had their own IT person who commanded a healthy salary and was the go-to guy to fix the companies aging computing infrastructure. At some point in time, the job became onerous and the IT manager was becoming more and more frustrated, and was incapable of developing and designing a proper IT infrastructure for the company. The remedy was to move the IT manager into another role which was more useful to the company and hire a 3rd party IT company which was able to design a new system, to manage the new system and to collaborate with the company on future IT objectives. Bottom line was the cost of the new strategy netted the company a \$30,000 savings for the year.
7. We simplified the order to invoice process by eliminating unnecessary touches, (30 touches to 12 touches). The invoices were now produced much faster.

Results:

- a. The “cash in the bank” increased substantially and the A/R list was now manageable,
- b. Inventory was not a drain on the cash flow anymore.
- c. Payroll was trimmed and some employees were now better positioned.
- d. The new IT structure not only saved a lot of money, it strengthened the company’s foundation.
- e. With a simplified invoicing/work order process, we were able to eliminate a ton of duplicity and get orders out at a much faster pace. This resulted in better work production from the employees and happier customers.

ACCOUNTING SYSTEM:

Action Steps:

1. The most important facet of an accounting system is to give a company access to your daily, weekly, monthly, and yearly figures. The company’s accounting system was a mess. The figures

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were inaccurate, incomplete and unbalanced. The bookkeeper was way over her head and bailed on the company when she realized she was being held accountable by us. The solution was to hire an efficient bookkeeper that rolled up her sleeves and put the books in order.

2. We trained the bookkeeper to use Quickbooks effectively.

Results:

- a. The end result is that the customer now has timely and accurate accounting information, what is making money, what is working well, etc. An accounting system that is timely and accurate is one of the most important tools a manager has available to him/her.
- b. The company was able to give their lenders current information allowing for better availability of funds when needed.

STAFF (OVERWORKED and NOT APPRECIATED):

Action Steps:

1. We immediately established a functional organizational chart. We then established a daily production meeting and gave the production manager the lead. This allowed for better teamwork and daily structure. If a worker had too much to do in the day, some of his work would be handed off to another co-worker. This communication strategy has given the employees a work environment that they can continually duplicate.
2. We established a bi-weekly company-wide meeting that kept the employees informed with any company news, industry information and the opportunity for management to thank the employees (individual or as a group), for their successes.
3. We established sales goals, production goals, and profit goals. Each employee was given goals pertinent to their job function and was held accountable. They now had targets that they could understand and that they participated in creating.
4. An example is the sales team would meet weekly to discuss what is in their sales funnel, what successes and challenges they had the previous week. Some of the team were not achieving their targets. We created a new set of targets and strategies, mentored them and helped them implement their new plans, and held them accountable for their production.

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Results:

- a. The sales team were able to reach their targets which brought in more revenue to the company.
- b. The production team's communications improved leaps and bounds. The meetings allowed for less mistakes, more production and less absenteeism.
- c. By sharing company and industry information to the employees, it created better engagement from the employees, resulting in what we call a "TEAM EFFORT".

STAGNANT SALES:

Action Steps:

1. The first thing we did was to analyse the company's current marketing plans. They seemed to be sporadic, jumping from one idea to another. We looked at their social media and digital marketing, the SEO strategy of their website and it's messaging.
2. We met with all marketing suppliers to discuss their value proposition and whether they were doing an effective job. What needs to be noted is that most business owners are not marketing professionals, so they usually rely heavily on their suppliers for marketing ideas. By going through this process, we get to hold the suppliers accountable. We brought in other suppliers to hear how they could benefit sales and created a competition for the suppliers. The business owner usually doesn't have the time, knowledge, energy or desire to take on this process because they are too busy with what they do best
3. We met with each member of the sales team and created a set of targets and goals. The salespeople helped with setting up the targets. The management team set up the goals which were bonus driven.
4. We established weekly sales meetings that focused on the people, their challenges and their successes.

Results:

- a. We were able to get better pricing, better services and a whole bunch of new and creative ideas that would not have taken shape without going through this process.

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- b. We created 12 month detailed marketing plan that the marketing team followed and embraced, resulting in positive revenues, greater customer acceptance and more professional appearance.

TOO MANY TOUCHES:

Action Steps:

1. We charted the path from taking an order to delivering the final product. It took an average of 30 touches before the order was closed. We eliminated unnecessary touches such as triple checking the order to see if it was priced right.

Results:

1. We got it down to 12 touches which resulted in a more streamlined process that saved money and time, resulting in happier customers and better staff productivity.h

Communication:

Action Steps:

1. We established key team meetings with the production, management and sales meetings. The production meetings were scheduled daily for 15 minutes, first thing every morning. Management meetings were set up weekly and company meetings were scheduled monthly.
2. The sales team were to meet once a week with the sales manager for one hour. During that time, each sales person were to tell the team what worked well the week previous and what did not work well.

Results:

1. The communication that followed was all about helping the sales team to bring new ideas, solutions to problems, and closing techniques that were proven to their customers. The team used the meeting to collaborate with each other by sharing with the team what worked well. They also were able to ask for help with situations that were problematic. After 12 months, the results were positive. Sales revenues grew, turnover of staff was reduced significantly and the

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trickle effect throughout the organization was very visible. The sales team were now considered an asset amongst the support teams.

MICRO-MANAGEMENT:

Action Steps:

We interviewed all the employees and asked them the same 3 questions:

- a. What do you like best about your work?
 - b. What do you like least about your work?
 - c. In a perfect world where you were the boss, what would you do to make this business a more successful business?
1. We guaranteed the employees anonymity. They needed to trust us. We let them know that when we get multiple answers the same, we will bring it up to management that the same answer was repeated therefore, should be considered as an accurate statement. For instance, my boss is a micro-manager that is constantly shadowing me, questions my every move, and pretty much deflates my desire to do good for the company.
 2. No manager or owner likes to be known as a micro-manager. We worked with them to be more collaborative and less obtrusive to their employees. It's always a work in process and we use different tactics to minimize micro-management.
 3. We incorporated regular meetings, set up an organizational chart, a communication strategy, created a proper job description with each employee and emphasized the need to do an annual review with the employees.

-5-

Results:

- a. Management worked hard at not being micro-managers, and to them, this was not an easy task. They needed to develop a level of trust that had eluded them at some point in their business. What followed was quite remarkable. The employees slowly became more and more empowered. They produced better, they communicated better, they were happier, and slowly, they developed a trust that was sorely missing.

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- b. Creating job descriptions and reviewing an employee's performance gave management a better understanding of the employee's capabilities and how they can help them.
- c. Having the interviews with a third party allowed us to gather true data. By letting them know that their answers would not be shared with management, we received a ton of great information that gave us an overall picture of what the employees felt about the company and how they could help to make the company better.

SUMMARY :

The beginning of our consultative process always begins with what we call a deep dive. We ask management and employees a series of questions. We look at three years of financials. We may even interview a few suppliers and customers. We will also do a SWOT analysis to learn more about our client's industry. Once this is done, we roll up our sleeves and begin with listing the problems, what action steps we need to do to correct these problems and what are the expected results from doing these action steps.

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