



RESULTS NOT REPORTS

AMERICAN MANAGEMENT SERVICES

RETAIL CASE HISTORY #1706

Client Profile

New England drug store chain with annual sales of \$8 million. Sales had grown over 15% but profit margins were decreasing. American Management was hired to increase profits, improve financial reporting systems, establish inventory control, and improve cash flow.

Programs Implemented

- Implemented new cash management procedures
- Developed financial management strategy
- Set up inventory control program

Results Achieved

- Established cash flow projections
- Restructured bank debt
- Created budget and profit plan for upcoming year; trained middle management
- Developed forms, schedules and reports
- Recommended financial software
- Converted warehouse into distribution center
- Engaged outside service for physical inventory twice yearly
- Purchased merchandise for direct shipment

CHALLENGES

BEFORE

AFTER

RESULTS

PROFIT MARGIN

Decreasing

Increased

CASH MANAGEMENT

Inadequate

Improved

FINANCIAL MANAGEMENT

Inadequate

Improved

Inventory Control

Minimal

Increased

UP

3%

SAVINGS UP

\$24,000

SAVINGS UP

\$145,000

SAVINGS UP

\$100,000

3-YEAR CLIENT RETURN ON INVESTMENT

675%