



RESULTS NOT REPORTS

AMERICAN MANAGEMENT SERVICES

MANUFACTURING CASE HISTORY #19961

Client Profile

Glass manufacturer, founded in 1994 by present owners. Currently operate five locations with annual sales of \$12 million. Suffered a huge \$450,000 loss in 1995. Turned to American Management to help them move to profitability and improve the organization and operation.

Programs Implemented

- ✓ Developed organizational chart, job descriptions, employee evaluation program
- ✓ Established operating budgets
- ✓ Installed incentive program at branch manager level
- ✓ Centralized purchasing function and established appropriate inventory levels.

Results Achieved

- ✓ Easier decision-making
- ✓ Accountability for managers, forecast and control variances in budget vs. actual
- ✓ Owner's workload decreased by half
- ✓ Controlled costs focused on predetermined profit
- ✓ Creative, more focused teamwork
- ✓ Incentive to achieve second tier penetrated profit
- ✓ Eliminated branch shortages that led to dramatic sales increases

CHALLENGES

BEFORE

AFTER

RESULTS

NET PROFIT

-\$450,000

+\$750,000

UP

\$1,100,000

INVENTORY TURNS

2 Turns/year

8 Turns/year

UP

6 Turns/year

OPERATING EXPENSES

\$235,000

\$150,000

DOWN

\$85,000

3-YEAR CLIENT RETURN ON INVESTMENT 2280%