



RESULTS NOT REPORTS

AMERICAN MANAGEMENT SERVICES

MANUFACTURER CASE HISTORY #2980

Client Profile

A \$34 million garment manufacturer with 150 employees. Production and delivery problems resulted in a decline in sales and lost clients. American Management was brought in to increase sales and profits by developing a program which required the active participation of supervisors and middle management and would provide incentives based on controlling costs and increased productivity.

Programs Implemented

- Production scheduling process was implemented
- Coordinated staffing and production schedules
- Coordinated stitching subcontractor's delivery requirements with production schedules
- Defined profit contribution and expense control responsibilities for middle managers

Results Achieved

- Coordinated customer needs with departmental staffing schedules
- On-time shipment rate improved 95% of time
- Second shift of 60 employees eliminated as well as satellite production facility with 34 employees
- Incentive/penalty clause in subcontractor agreements greatly improved both the quality and timelines of delivery
- Established profit-oriented goals tied to incentive compensation
- Converted supervisors to "partners in profitability"

CHALLENGES	BEFORE	AFTER	RESULTS
ON-TIME DELIVERY	25%	95%	INCREASED 3.5 TIMES
DIRECT LABOR COSTS	46% of Sales	39% of Sales	SAVINGS \$1.68 MILLION
PARTNERS IN PROFITABILITY	None	Implemented	ALL OBJECTIVES ACHIEVED
3-YEAR CLIENT RETURN ON INVESTMENT			1000%