



RESULTS NOT REPORTS

AMERICAN MANAGEMENT SERVICES

CONTRACTOR CASE HISTORY #4561

Client Profile

A \$24 million gas distribution pipeline contractor founded in 1957 with 350 employees. Pressure from primary client to reduce costs coupled with increased competition had led to a 50% decline in sales. American Management developed programs that led to increased productivity and implemented estimating and construction crew incentives for achieving the productivity objectives.

Programs Implemented

- ✓ Prepared and submitted a proposal to their largest customer for an annual renewable unit price contract
- ✓ Developed training program for superintendents and foremen focusing on productivity and profitability
- ✓ Created incentive program for estimating and construction employees based on improved profitability
- ✓ Developed a formal equipment maintenance program for all field equipment

Results Achieved

- ✓ First step to regain market share lost over past three years
- ✓ Won award that returns the company from less than 50% of the available work to over 80%
- ✓ Based directly on the requirements of the unit price contract
- ✓ Implemented program used to develop the bid for the contract designated to exceed the predetermined profit
- ✓ Ensured that equipment is available and in good working order when needed, reduced downtime from over 25% to less than 6%

CHALLENGES

BEFORE

AFTER

RESULTS

REGAIN MARKET SHARE

Less than 50%

Over 80%

REVENUE UP \$4,000,000

PRODUCTIVITY MEASURES

None

Jobs Measured

DECREASED COST 8%

INCENTIVE PROGRAMS

None

Rewards

CONTROL OVER BUDGET

EQUIPMENT AVAILABILITY

75% of time

94% of time

INCREASE 19%

3-YEAR CLIENT RETURN ON INVESTMENT

615%