



RESULTS NOT REPORTS

AMERICAN MANAGEMENT SERVICES

CONTRACTOR CASE HISTORY #5515

Client Profile

Excavation company with about \$4.6 million in annual sales and 30 employees. Flat revenue over the past few years with declining profits. American Management was engaged to improve collections, develop new organization structure based upon task accountabilities with pay-for-performance, and implement a predetermined profit budgeting process.

Programs Implemented

- Develop a process to manage accounts receivable and improve average days outstanding
- Implement a foreman organization structure
- Improve productivity and operational efficiency
- Establish a profit-sharing plan based on predetermined profit
- Developed and implemented job cost control system

Results Achieved

- Created accounts receivable forecasting to track status of accounts
- Increased cash flow, eliminated reliance on credit lines
- Weekly review meeting was established
- Employees interviewed to determine skills, personnel recommended for foreman positions
- Foreman to manage all aspects of their projects
- Decision-making authority delegated to the lowest level
- Pay-for-performance and eliminated discretionary raises and bonus payouts.
- Analyze revenue and expense items on a monthly basis

CHALLENGES

BEFORE

AFTER

RESULTS

PROFIT MARGIN	Decreasing	Increasing	UP	18%
CASH MANAGEMENT	Inadequate	Improved	UP	\$84,000
BILLABLE HOURS	Decreasing	Increasing	UP	30%
OPERATING EXPENSES	Increasing	Decreasing	DOWN	10%

3-YEAR CLIENT RETURN ON INVESTMENT 800%