



# RESULTS NOT REPORTS

## AMERICAN MANAGEMENT SERVICES

### TECHNOLOGY CASE HISTORY #5662

#### Client Profile

Founded in 1979 as an electronics component reseller, it changed with the marketplace and became a \$43 million company. Then, the largest client shifted the majority of their business, their \$2 million credit line was terminated, and they graduated from the SBA 8(a) program. American Management was called when sales were below \$20 million with no credit line and payables of \$2 million.

#### Programs Implemented

- ✓ Cut overhead by \$25,000 per month
- ✓ Replaced previous largest client
- ✓ Lowered accounts receivable by \$500,000 and reduced days outstanding to half their previous levels
- ✓ Promoted a sales manager and focused the selling efforts

#### Results Achieved

- ✓ Cut the cost of operations to match the lower sales level
- ✓ Developed a closed loop management system to increase operating efficiency
- ✓ Attracted new, more saleable/profitable lines
- ✓ Reestablished financial relationships to rebuild working capital
- ✓ Trained the sales force to compete without SBA 8(a) advantage
- ✓ Refocused selling efforts to increase sales
- ✓ Increased gross margin from less than 10% to over 13%
- ✓ Delivered the first profitable quarter in 2.5 years

#### CHALLENGES

SALES  
COMPETITIVE MARKET  
ACCOUNTABILITY  
PERSONNEL

#### BEFORE

Down \$23 million  
Can't Compete  
Limited  
Possible loss of 30

#### AFTER

Increased  
Educated  
Stabilized  
Growing, 20+

#### RESULTS

UP ALMOST \$10 million  
TRAINED TO COMPETE  
PROFITABLE  
RENEWED BUSINESS

**3-YEAR CLIENT RETURN ON INVESTMENT 1000%**