



# RESULTS NOT REPORTS

## AMERICAN MANAGEMENT SERVICES

### RETAIL CASE HISTORY #5688

#### Client Profile

\$6,000,000 retail pharmacy established in 1950s, 40 employees. No information management or organizational structure; extremely tight cash, vendors holding orders; excessive inventory. Disgruntled employees. Owner felt business should be more efficient and profitable. American Management was hired to control and improve cash flow and implement predetermined profits.

#### Programs Implemented

- Tightened internal controls; created basic Management Information System; developed overall budget
- Hired Accounting Manager and established strong middle management team
- Developed job descriptions
- Consolidated purchasing

#### Results Achieved

- Improved cash flow and vendor relations
- Eliminated manual process for normal bills, now paid by computer-generated checks
- Departmentalized budgets
- Built accounting system, implemented basic controls, initiated personnel changes
- Addressed common issues, employees cooperating, cultural change
- Eliminated job overlaps, fair and consistent treatment of employees
- Identified profit generation, incorporated growth targets, increased bottom line
- Lowered overall investment in inventory, gained space for expansion

#### CHALLENGES

#### BEFORE

#### AFTER

#### RESULTS

ACCOUNTING CONTROLS

Limited

Improved

SAVINGS

\$500,000

EXPANDED RETAIL AREA

Choked space

Expanded

GROSS UP

\$150,000/year

INVENTORY

Excessive

Reduced

SAVINGS

1X \$250,000  
+\$50,000/year

**3-YEAR CLIENT RETURN ON INVESTMENT**

**725%**