



RESULTS NOT REPORTS

AMERICAN MANAGEMENT SERVICES

SERVICE CASE HISTORY #9528

Client Profile

National provider of audio/visual services to convention centers and hotels with \$40 million in revenues and 200+ employees. A downturn in the convention industry in the Spring of 2001 exacerbated 4 years of losses accumulating \$3 million by October 2001 when the company's bank asked for orderly liquidation.

Programs Implemented

- Established communications with bank
- Developed Pre-determined Profit™ Plan (PDP)
- Cash management
- Created operational incentive system for all employees
- Event job cost system

Results Achieved

- Business Survey™ result showed company could become stable and profitable. Bank put action on hold.
- Reduced losses in seasonal low periods to breakeven. Implemented strategies that resulted in 6 figure monthly profits from November 2001 on.
- Established weekly financial flash report and 8 week cash forecast.
- Improved morale and linked performance incentive to PDP for each unit.
- Created system for sales estimates and final budgets, including cost tracking procedures.

CHALLENGES

BEFORE

AFTER

RESULTS

OPERATING LOSS, 4 YEARS

Losses Accepted

Profit Model Changed

SAVINGS

\$3,600,000

ACCOUNTS RECEIVABLE

Out of Control

In Control

SAVINGS

\$234,000

EVENT JOB COST SYSTEM

No System

Effective System

SAVINGS

\$897,000

OTHER COST SAVINGS

SAVINGS

\$4,181,750

3-YEAR CLIENT RETURN ON INVESTMENT

1182%