



RESULTS NOT REPORTS

AMERICAN MANAGEMENT SERVICES

RETAILER CASE HISTORY #9798

Client Profile

A New York based tire retailer with 29 locations and \$35 million in annual revenue was not meeting profit targets. The Board of Directors was becoming impatient and the bank was starting to apply significant pressure. American Management was hired to improve business operations and profitability.

Programs Implemented

- Created a 90-day plan
- Established an open to buy purchase order system
- Designed and implemented a predetermined profit plan for each store location
- Started a key manager training program

Results Achieved

- Reduced excess inventory of tires by 10,000 units
- Generated \$1 million in incremental revenue within three months
- Inventory levels sufficient enough to handle daily requirements without excessive build up
- Reduced unit inventory by 12% in six months
- Saved \$37,000 in interest costs
- Established minimum acceptable results
- Corporate profits have risen by 2+ percentage points or \$700,000
- Owner able to take home a bonus of \$100,000
- Taught store managers to maintain proper inventory levels, focus sales on profitable line items, and create a scorecard for operating results
- Overall store efficiencies have improved by more than 5%

CHALLENGES

BEFORE

AFTER

RESULTS

Profits

Off Target

Improved

Increased \$750,000

Cash Flow

Not Defined

Defined

\$1 million positive annual cash improvement

3-YEAR CLIENT RETURN ON INVESTMENT

1233%