

CASE STUDY – SERVICE BUSINESS 2

Loss to Profit

A graphic art and design/marketing company with 1 employee (who did not respect the owner) was grossing \$250,000 a year, with \$600,000 in accounts receivable, 30 micro clients causing them nothing but problems and taking all their time up, and no clarity or systems in the business. The owner was supplementing the business with their retirement savings, and the business was not supporting itself. Accounts payable were around \$500,000. Behind at least 4 weeks on all projects.

After 3 months of working with us:

- Collected \$560,000 of the accounts receivable and hired a collections company who did retrieve the remaining \$40,000.
- Renegotiated their accounts payable and paid off a large sum, down to \$75,000.
- Notified all their active and inactive clients of their new policies and agreements, which caused 25 of the “bad” clients to leave.
- They also gained 10 large clients due to the time they freed up by removing the “bad” clients.
- Had a clear business plan with focus.
- All business decisions had to support their goal, which reduced costs by 34%.
- Re-engaged the one employee and brought on an operations person and another designer so the owner can focus on sales.
- Got caught back up on all projects. Back to normal turnaround times.
- Created multiple joint venture partners, which led to an increase in customers.

The turnaround was amazing. Within 9 months, she refunded her retirement account. Accounts receivable was always zero. Accounts payable were in control and paid off within 30 days. The employees were happy and highly productive. They had clients they loved working with. Their business was growing and on track to gross \$850,000 in the first year of working with us.

QUOTE: “I was ready to file bankruptcy and go to work for a competitor before working with Steve. He really helped us turn the business around, and now I know I can realize my business goals and dreams.”