

The Business Support Program

Case Study

Industry/Type of Business:

Window washing services.

Background. Owner runs a three-year-old window washing and gutter cleaning company. Revenues have grown each year, a remarkable feat for someone with limited business experience. The owner manages all operations, including sales and marketing, and financial duties. He has two employees, one who works full time and one who works part time or seasonally.

Issues. The owner does not know if the company is making money or how. The owner has never created any financial statements and, therefore, does not know how the business is doing, except that payables usually exceed receivables. The company has not been profitable. The owner has no financial measurement tools to monitor his business. He wants to grow the business, but does not have a business plan or any other mechanism by which to direct the growth of the business. The owner has no structured or planned marketing program. He circulates a direct mailing (postcard) that he or one of his employees delivers to residences before or after work hours. The company lacks systems and processes to address the day-to-day operational functions of the business.

Business Support Plan

1. Gain insight and control of the financial performance of the company and ensure a cash flow that supports the operations.
2. Develop a strategic plan for growth.
3. Develop a marketing strategy to build the brand and generate leads.
4. Develop a sales strategy that produces results to meet the owner's objectives.

Benefits to Business Owner. Under the Business Support Program and with help from the Executive Associate, the owner has developed financial statements and tracking tools, which have given him a new found financial insight into his company. The owner developed a cash flow plan and was able to use this information to project cash needs months in advance. The owner developed a customer tracking system to increase return services and customer loyalty. The owner created a formal marketing program that included a direct mail campaign, discount and special offers, seasonal services, and a service delivery program. The owner developed a brand identity that is helping to increase the visibility of his company within his service area. The owner is confident that he will achieve his goals of increased sales. With timely and proactive financial and cash flow management, the owner plans to hire additional employees within six months to work in the field and others to take over some of the administrative, day-to-day activities of running the business. The owner has set objectives with milestone dates. He reviews the company's health on a periodic basis to ensure the company is on track.

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Case Study

Industry/Type of Business:

Contract manufacturer of screw machine design and production

Background. Owner runs a ten-year-old contract manufacturing company. Revenues have been decreasing steadily over the last three years, due to manufacturing contracts going overseas. The company employs seven workers. The owner has patented several products over the years, which have increased revenue, but has not been able to devote much time to research and development due to the financial and future instability of the company.

Issues. The owner wants to sell the business within the next two years, but is not sure of its value or what he can do to improve it. He has applied for bank loans to invest into improvements, but has been turned down repeatedly despite his good financial standing. The banks have been reluctant to lend money to small businesses in the manufacturing sector. The owner is struggling to find a vision for the future and has lost hope of using his knowledge and experience beyond his existing environment. He has engaged several consulting firms, but has been dissatisfied with the end results because all he received was a written report on information he already knew. He is also wary of the high cost of consultants. The owner's time is spent dealing with accounts receivable and payable, and phone calls. He would like to spend more time in research and development and improving the company's performance, but struggles with managing his time effectively. He doesn't want to hire any more staff because of his desire to sell the business.

Business Support Plan

1. Develop an exit strategy.
2. Develop a business plan to obtain a loan from a non-traditional financial institution.
3. Develop a strategic plan for the future.
4. Assist the owner in time management and delegation

Benefits to Business Owner. Under the Business Support Program and with help from the Executive Associate, the owner developed a strategic plan that focused on his desire to continue research and development. The owner developed a business plan and was able to secure a loan from a non-traditional financial institution. Together with a valuation expert, the Executive Associate and the owner build an exit strategy that focused on improving operations, the company's image, and new product development. The owner hired a bookkeeping service to take over accounts payable and receivable, thereby allowing him to provide oversight only and improve the day-to-day operations of the company. Also, the owner contracted with a phone service, thereby filtering his calls and allowing him to interact with customers and vendors, when necessary. The owner is focusing his attention on shoring up operations and reducing quality errors to improve performance and ensure best practices. He is also making sure that all systems and procedures are well documented. The owner has set achievable and measurable goals for the next two years, with the final goal of selling his company at the end of the two-year time period for its market value. He intends to re-direct his attention to research and development, and the production of his patented products.

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