

Client Details:

Turnover	£13,000,000
Type	Owner Managed

The client operates in the highly competitive Automotive After-sales marketplace. Importing and distributing welding equipment, generators and related equipment. The Managing Director & Owner was concerned that turnover had stagnated and that profitability was dropping.

Following an initial review the following issues identified

- The company was unable to identify areas of profitability
- There were no Key Performance Indicators (KPIs)
- Managerial Bonus was based upon turnover alone
- Divisional Managers operated in isolation

Input

- A full financial review was performed which exploded myths of profitability
- A team from the senior managers was built to operate on a whole company basis
- A system of reward based upon whole company performance was put in place
- A robust set of KPIs was put in place, stated as a percentage of sales and focus was placed upon the company's break-even point.

- A system of financial reporting was put in place comprising daily sales and overheads, weekly 'flash reports' and comprehensive monthly management accounts.

Outcome

- The company's performance has improved by £200,000 on the year. (2008)
- Employee costs, which had been 21% of sales, have now been reduced to 15% of sales.
- Other KPIs are being monitored and the owner is in control.