Chris Carey Advisors

Case Study

Warehousing and Trucking Company

Background

Two brothers had purchased this business six years prior to CCA involvement. The company had struggled with losses and at the time of engagement, was out of covenants with their bank. The brothers had other business interests and devoted little time to the company, relying on a family member to oversee operations. The family was unwilling to continue to finance losses, but did not want to lose their original investment.

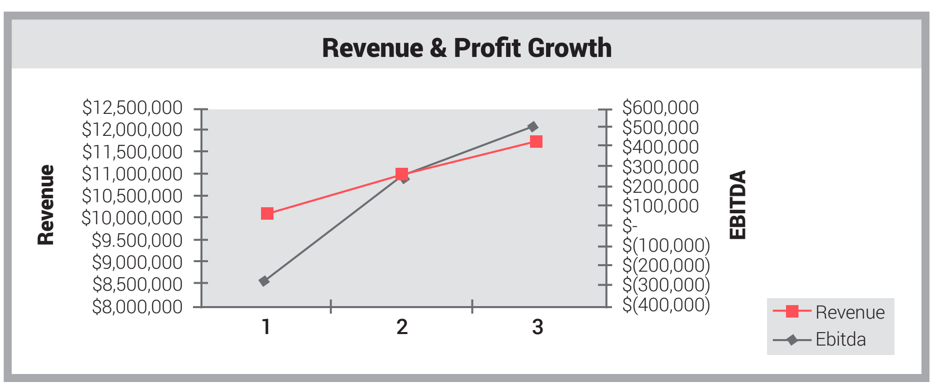
They were providing excellent service to clients, taking last minute orders for processing, and often running over weekends and evenings to meet client demand. In most cases, they were not charging fair market prices and were not extracting the value from their many clients.

Strategic Plan Executed:

CCA found that there were no labor management systems in place, the executive team was unable to report client profitability and generally there was poor space utilization. The trucking group was managing to the scheduled shipments without any view on profitable grouping of routes or equipment allocation. CCA took the following steps:

- Measured space allocation by client, allocated real costs of storage, improved utilization
- Launched a labor scheduling and productivity management system, reduced labor costs
- Built client profitability models including an allocation of management and OH costs
- Built truck routing models to reduce costs
- Implemented regular financial reporting, created accountability with management team
- Created budgeting process involving management
- Negotiated continued funding from bank during recovery
- Joined client meetings and negotiated over $400k in price increases

Financial Results:



End Result – *Significant Increase in Profitability:*

Significantly improved financial performance, going from EBITDA of ($260k) loss to $550k profit