

ICON BUSINESS SOLUTIONS INDUSTRY CASE STUDY THE FOOD INDUSTRY

Summary: Improve ROI to fund time out from the business.

The Client/Sector: Food Industry

The Goals:

The owners (a husband and wife team) wanted to start enjoying some returns after building a business up over 7 years. They were not able to achieve more than 7% net profit and wanted to have some time off from the never ending grind so that they could enjoy their family life.

Business in Profile:

The business was operational for 7 years. Whilst the business was steady, it was a 24 hour operation and necessitated constant commitment from the owners. The turnover was about €800,000 and net profit was in the region of 7%. The business was local and because the owners had to spend so much time in the business, they could never look above the trenches to expand or take advantage of opportunities.

The Challenges:

There wasn't a good understanding of the financial drivers of the business. Organisation and planning was limited, there was no business plan. Some of the management team earned more money than the owners. The owners were constantly filling in at shop floor level to cover for their employees.

Strategies:

- We initially started the owners on a SuccessModel™ Plan but it became very clear that the financials were the real issue which caused frustration and stress to the owners. We initiated a CashflowXpress™ and within one month, this had helped the owners identify for the first time, the core financial drivers of the business. It gave them a framework of how to manage the finances and what they should change in their accounts receivable, costs and pricing policy.
- Once the finances were under control, we returned to the SuccessModel™ Plan and started working with the owners to develop a management team that were responsible and accountable with a very clear direction of business goals. This proved to be quite an arduous task as the owners had never implemented job contracts, targets, performance appraisals or set an achievement based culture. However, persistence paid off and finally a fully unified team with clear directions and targets were in place.

The Outcome:

- The business owners now have very clear financial goals aided by a thorough understanding of the core financial drivers of the business. Their team are now fully committed to achieving these goals and have steps in place to make it happen.
- The next step was to develop a sales and marketing strategy, which is in place and the owners are on target to achieve an increase in net profit from 7% to 17%. It is forecast that within 18 months, the business will be profitable enough to employ a General Manager, so that the owners will have time for themselves and their family, with a business that is working for them rather than them working in the business.