

ICON BUSINESS SOLUTIONS INDUSTRY CASE STUDY AGRICULTURAL INDUSTRY

Summary: Getting the business to work without the owner

The Client/Sector: Agricultural Industry

The Goals:

To reduce owners time in business and have a profitable business with a plan for growth going forward

Business in Profile:

The owner was working a minimum of 70 hours per week and was the only person working full time in the business. Growth had stalled and margins were under pressure. Business has been in operation for 20 years, and supplies advisory services to the agricultural industry and was a distributor of feedstuffs.

The Challenges:

There was a not a good understanding of the financial drivers of the business and cash flow collection. The business owner took control of everything in the business and was involved in every detail. Whilst there was a business plan, constant fire-fighting and dealing with the detail of the business ensured that it was never looked at.

Strategies:

- Our first strategy was to identify very clearly what the business owner actually did in the business. He spent a lot of his time rescheduling deliveries and appointments due to emergencies that cropped up on a daily basis. He was constantly trying to get in money that was overdue.
- We initiated a financial system that included the full time employment of an office administrator/ book-keeper to deal with invoicing and cash flow management.
- Once that strategy was working, our next strategy was to look at margins and costs on the feedstuff business and we followed that with a program that enabled him to offer real tangible value to his clients.

The Outcome:

- The business owner has substantially reduced his time in the business by employing another person. His main issue in the past was his perceived inability to pay for another person. By concentrating on costs, margins and improving his cash flow, this position did not become an extra expense.
- The revitalised sales and marketing in the business are working to such an extent that growth this year is expected to be in the region of 20% after three years of negative growth.
- The difference in the business owners personal life has been the main outcome – he now has time to spend with his kids and extended family. He has become a more relaxed and less stressed individual and as a further benefit, his personal clients are now beginning to refer other clients to him as he is able to meet his commitments and provide real tangible value.