

Newsflash

FROM LINDA SWERLING

June 16, 1997 - As we approach the halfway mark of the year, it is time to stop briefly and assess how your company is doing in working toward its goals. I hope your news is good! Here is the second in a series of client success stories.

GROWING PAINS: PROFITS, MORALE AND CASH FLOW WERE DOWN - EVALUATION AND IMPLEMENTATION PLAN

PROBLEM:

The president of a \$2 million, six-year old service firm with eight employees recognized that her business was experiencing severe growing pains:

- ◆ Employees were being added but **morale was low** and the staff seemed **unfocused** and **unproductive**
- ◆ **Profits** were **way down** from previous years
- ◆ **Cash flow** was always **very, very tight**.

SOLUTION:

Our evaluation began by first meeting with the president to understand her expectations and perception of how her business was operating. We reviewed whatever written reports existed, e.g. financial statements and accounts receivable and accounts payable agings to establish trends. We facilitated a half-day meeting with the entire staff to identify, define, and evaluate what the business was and how to approach fixing the current problems. Next, the employees completed a detailed worksheet identifying his or her capabilities and preferences for the work that needed to be done.

!From this evaluation, we were able to develop and implement a plan to begin fixing the underlying problems that were preventing this organization from realizing profitable growth. The plan included:

- ◆ Reallocating the work responsibilities to create **new teams**
- ◆ Setting individual and team goals and budgets and defining metrics to assign accountability
- ◆ Establishing a new **compensation and incentive plan** which rewarded employees as individuals and team members
- ◆ Streamlining the accounting process to provide **accurate and timely reports** to measure results regularly.

RESULTS:

By the end of the first year, staff morale and productivity had improved dramatically; expenses were down while sales had increased; all of which impacted the bottom line positively. The next step was to develop a strategic plan to manage the growth of the business aggressively.

As always, Level II Solutions is a resource for problem solving, strategic planning, business start-ups, operations, finance and accounting, cash flow management, information technology, and human resources. Until the next News Flash ... Have a great summer!

LEVEL II SOLUTIONS

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