



Case Study: Driving Revenue

Revenue growth is not only about sales. Product selection strategy is critical to maximizing revenue, decreasing the business cycle and maximizing cash flow.



Middle-Market Construction Firm

Industry: General Contracting
Location: East Coast
Size: 250 Employees, \$20-\$60M Annual Revenue over 3 years

Middle Market firm offering multiple products in the residential remodeling industry, primarily.

Overview

Through transitioning the product offering we were able to dramatically increase the scalability of our client's business operations. The results were revenue increases of 271% in three years. Marketing and sales were at the mercy of production capacity limitations, and a streamlined product offering was necessary to allow for more scalable production and installation capabilities.

Revenue Growth - 3 year	Installation Staff Increase	EBITDA % Growth - 3 year	EBITDA \$ Growth - 3 year
271%	9%	6,732%	\$7.6M

The Challenge

The client found their revenue plateauing for multiple years, with less than optimal rates of growth, due to a business model that was not scalable. Inability to scale up installation was restricting growth in marketing and sales, frustrating the management team and causing frustration and turnover, particularly among sales management.

The Approach

A multi-step strategic approach was required in this case.

- Step 1: Streamline product offering, pivot from sales of jobs with a 8-10 day duration to jobs with a 2-5 day duration for 90% or more of the business.
- Step 2: Implement strategic inventory minimums designed to allow for 80% or more of jobs to be fulfilled totally from inventoried product.
- Step 3: Create logistical controls to ensure that deliveries to job sites were made several days in advance of crew availability. This allowed for installation crews to move from one job to the next with minimal downtime between jobs.
- Step 4: Step down labor rates for crews to reflect ease of installation of the new products, increasing Gross Profit.
- Step 5: Invest some additional margin in marketing and sales, allowing them to grow to meet new installation capacity while maximizing EBITDA.

The Solution

Identification of a new product and development of a new partnership with its manufacturer was key. Exclusivity in the market is the optimal situation for any consumer product offering, even if that exclusivity is only in name through a private labeled relationship. Internally installation of new logistics management and the development of processes in sales, production and logistics allowed for our five step strategy to be implemented and ultimately succeed. No new software products were required to achieve these results,

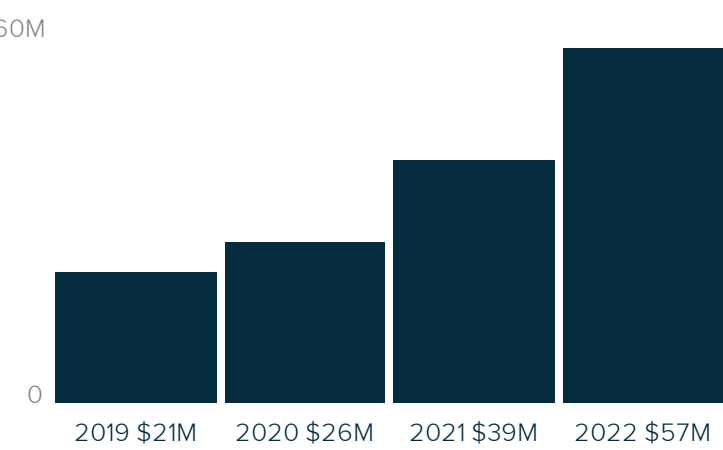
"Commitment to the process was key here. This case demonstrates that buy-in on a strategy brings results. The best strategies drive value not just right now, but throughout the future."

Nicole S.
Founder

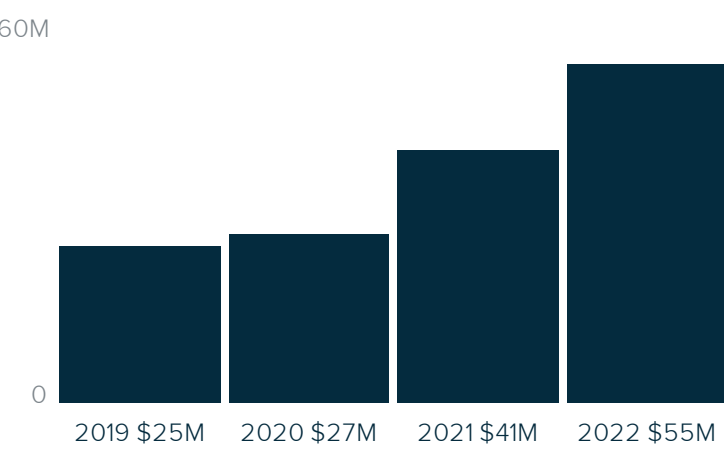
The Results

With exponential improvement in all key metrics the results for this case speak for themselves. A more ambiguous but very valuable result of this strategy was also increased customer satisfaction for the client. Simplification of the process through product streamlining allowed all staff to be more knowledgeable and able to provide intelligent and accurate answers to customer questions when they arose. Financial results notwithstanding, the increased employee engagement and ownership in their roles have proved invaluable to the morale of the team and the culture of the organization.

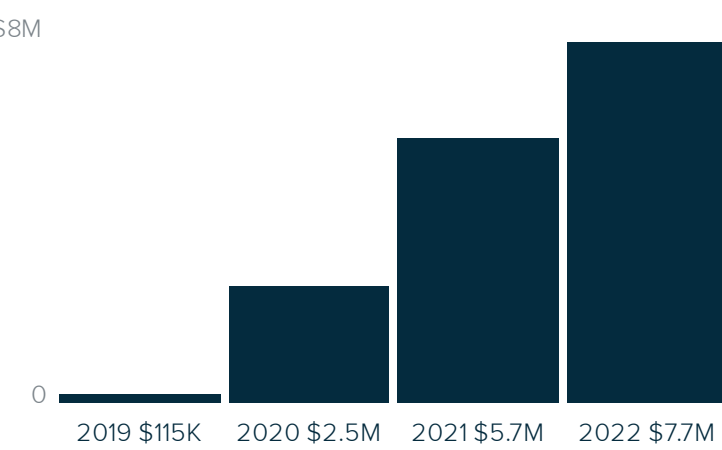
Revenue Growth



Sales Growth



EBITDA Growth



About Your CFO

At Your CFO, we empower small to mid-sized businesses to thrive and succeed. Our focus is on helping our clients achieve their goals and realize their full potential, in a way consistent with their culture and values. We believe that by working together, we can build a better future for businesses and communities.