

Ray Arpin Consulting
Small Business Consulting Examples

Situation

A **small manufacturing company** needed to reduce costs, specifically inventory costs, and thought that new \$200,000 inventory control software would solve their problems. The CEO came from one of the top consulting firms with a staff of highly qualified managers. He said that he did not want “the traditional consulting;” he wanted to reduce costs, immediately.

Approach and Actions

On the first day, it became apparent that everyone thought that they knew the problems and had their own suggestions for solving their problems. However, there was no clear business strategy, goals or objectives. The CEO said that he had a “mission statement,” somewhere, in a file drawer. Everyone had their own opinions of what the business was all about. Not surprisingly, their opinions varied widely, and people were working on different things. The first task was to help the CEO develop a clear strategy that could be the focal point for the organization to reduce costs and increase sales – in two intensive days.

Additionally, a tour of their shop floor showed that they had excessive raw material, work in progress, and finished goods inventory. Some of which was obsolete or damaged.

Results

In two weeks, the CEO had re-focused his staff to support a clear business strategy so that everyone was working on the most productive tasks. Recommendations included a simple, inventory control program on a PC for under \$5,000 vs. the \$200,000 initial idea. Shop floor inventory was reduced by 50% overall. Obsolete inventory was sold; the shop floor was reorganized to reduce handling; raw material was purchased based on realistic orders and forecasts; work in progress was reduced to actual orders; and finished goods were shipped within one business day.

Situation

A **yoga instructor** had hired a website designer and developer to make her website more professional and easier for visitors to buy products or sign up for training. The new website project was over budget and taking months longer than expected or necessary. There was no clear business or marketing strategy that clearly conveyed her business objectives or a brand image for the various products and training.

Approach and Actions

In the first week, the specific business and website objectives were established, along with a new, unique brand image. Specific website requirements were generated and provided to the website designs/developers.

Results

The new website was completed and online within 2 weeks, with all products and training described and available for online purchases. Almost immediately, visitors were buying products and signing up for training.

Situation

A \$858,000 (annual revenue) specialty **retail store** wanted to reduce costs and increase sales so that the part-time owner could quit his full time job, in 5 years to work in the store, and be able to retire in 10 years. The owner was working over 80 hours per week, struggling to survive, and losing money. He did not know on even a monthly basis how the business was performing financially.

Approach and Actions

In two days, specific actions were identified to “stop the bleeding” (losing money) and a high level plan was developed so that the owner could transition from his full time job to the store. Simple financial performance measures were established so that he could make timely decisions and reduce the worry.

Results

Potential cost reductions of \$175,000 per year were identified that would provide a profit and allow the owner to gradually transition from his full time job to the store in 3 years. If he wanted, he could do it in one year. He estimated that his hours would be reduced to 50 hours per week, with increased visibility into how the business was performing on a daily and weekly basis.

Situation

A \$700,000 (annual revenue) uniform **retail store** wanted to reduce costs and justify opening a new store and retain the new store manager. The part-time owner was expecting to retire in 3 years from his full time job and work in the store, while providing an improved lifestyle for his family. He had two separate computer programs to run business, and no plan to either transition from his full time job or for retiring.

Approach and Actions

In two days, specific action was identified to reduce obsolete and slow moving inventory. Financial performance metrics were established to see how the business and new store was performing. Requirements were defined so that only one computer program could be used for running the business.

Results

The improvement plan provided specific actions for the store to reduce costs, immediately, and allow the owner to smoothly transition from his full time job to running a profitable business in less than 3 years. The plan also provided ways to improve his family lifestyle and reduce some of the time spent working spend more time with his family.

Situation

An **attorney** with small business clients recognized the impact, problems and opportunities that were created due to the new personal identification security laws and regulations from state and federal government. In addition, he realized that all law firms were at risk for security and even malpractice. His own practice, along with all of his clients, had to make sure that they complied with the new regulations.

Approach and Actions

A quick, low cost assessment was developed to review the security requirements, compliance for the law firm and clients, and specific actions to become compliant. The assessment also reviewed electronic records protection.

Results

In two days, the rapid assessment identified gaps in compliance and specific actions to protect personal identification according to state regulations and industry best practices. Templates were provided to ensure compliance. A highly qualified electronics security expert provided state of the art electronics protection for data and networking.

Situation

A partner in a small **accounting firm** wanted to expand the business beyond accounting; become proactive, and address some of their current client needs in the current economic and regulatory situations. The partner wanted to provide his clients with a rapid, low cost solution to help his clients reduce operational costs and ensure security and regulatory compliance. The approach had to be integrated with current accounting services.

Approach and Actions

In one week, a customized assessment approach was developed for the accounting firm, from identifying client opportunities to quantifying potential client results.

Results

The accounting firm is providing additional services for clients, and thereby increasing revenue for the firm and client satisfaction.