

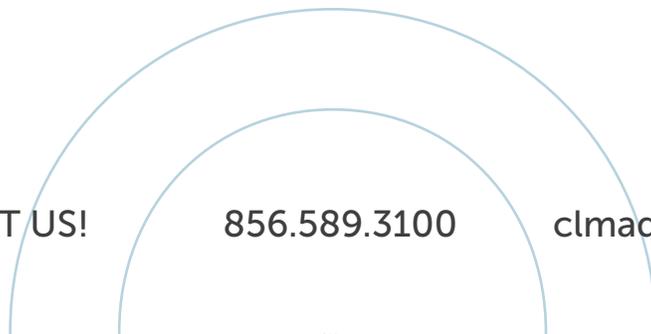
CASE STUDY

Family Dynamics

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INTRODUCTION

► 1 | Terry, founder of Wheeler's Landscaping and Maintenance, was reaching his breaking point.

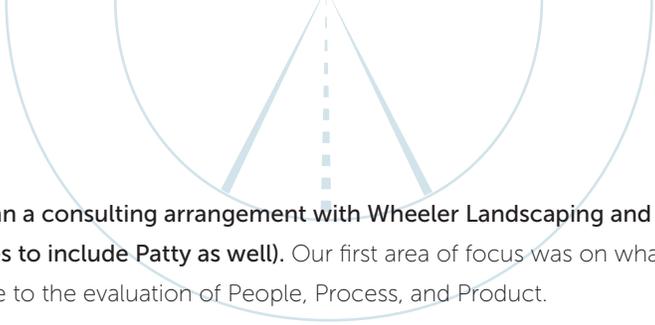
- A | Patty, Terry's sister, always had the "accounting brain" and Terry always had the "sales brain." Patty had been handling the books since Day One. However, with the recent spike in growth the company and the changes in accounting technology, Patty wasn't keeping up like before and **Terry was increasingly worried that his financial numbers were not reliable.**
- B | Terry's company was booming, but the accounting system was not. Terry was losing business opportunities because he was spending too much time in the office helping Patty, and not out selling. Terry thought his only solution was to replace Patty with a more experienced and educated bookkeeper, but how could Terry fire his own sister?
- C | "I can't fire Patty," said Terry at our initial meeting. "Not only is she my sister, but she has known the company from the start, she knows the company like the back of her hand. I could send her back to school, but that would take too much time and money."



PROBLEM, SOLUTION, AND RESULTS

► 1 | Terry needed a solution that would:

- A | **Keep Patty in place.** Terry didn't feel comfortable firing his sister, nor did he want to do so. Patty wasn't only the bookkeeper, she was essentially the Controller who knew the company from the start, and she was dedicated. But he needed some outside advice on whether she could handle the job nor not.
- B | **Get Patty up to speed.** Patty had no education in accounting, she just picked it up one day and happened to be pretty good at it. Giving Patty the education she needed would enable Patty to take on more complex responsibility.
- C | **Enhance the accounting system.** Terry needed a system that would give him detailed and useful reports, so he could make more informed decisions to impact his bottom line.
- D | **Save time and money.** Hiring an experienced full-time controller would cost a fortune. Sending Patty back to school would be expensive and take her away from the business most of the time. And either way, he still knew that without a better accounting system, any move he made would be a waste. Terry needed a solution that would make sense.



To solve these problems, CLM began a consulting arrangement with Wheeler Landscaping and Maintenance to include monthly meetings with Terry (and sometimes to include Patty as well). Our first area of focus was on what we call “accounting system engineering.” This is a name we give to the evaluation of People, Process, and Product.

CLM’s approach to this is to observe and evaluate the accounting function from start to finish - who does what jobs (People), how do they do (Process), and what accounting/budgeting software applications (Product) are in place. Then we evaluate whether changes need to be made to staff, process, or the software, or whether we can implement change through training, education, and upgrading.

The big-picture goal is to design and implement an accounting and financial reporting system that captures the information that is important to the ownership or executive team, enables confident decisions to be made based on that information, and remains effective through dynamic business cycles.

As we restructure the accounting system, we provide hands-on training to help the existing staff remain up to speed and educate them on how to properly run the system:

- ▶ **A | Allow Patty to remain as controller.** CLM would not only train Patty on the new system, but allow her to contribute ideas and insights to the restructuring. There really is no “canned” approach to this; every situation and business is unique.
- ▶ **B | Give Patty the education she needs.** CLM would train Patty on the new system, and continue to train her until we believe she is ready to take it on all alone. However, CLM will continue to provide support to Patty and meet with her when needed.
- ▶ **C | Give Terry the reports he needs.** Terry’s business is growing rapidly and he wants to keep it that way. By implementing the new accounting system, CLM will help Terry understand how to read reports to determine the steps he needs to take to keep increasing his bottom line.
- ▶ **D | Budget friendly.** CLM’s goal is to create engagements with our clients that they can afford. Our engagement would be tailored to Terry’s needs, with the most critical problems addressed first; from there, the engagement will evolve as we help Terry navigate his “road map” to maximum business success.

CONCLUSION

We determined within three months that Patty had the capability to step up into a real Controller role. She needed a lot of hand-holding early on, then gradually less. By the end of the first year, Patty was stronger and more confident that she could maintain the system and hold others accountable to it as well. Terry was back in the field, selling, almost immediately. Often, results are not visible early in the consulting process, but in this case because of Terry’s skills, we have seen strong growth in Revenues and in bottom-line profits. Thirteen months later this is what Terry had to say,

“Before CLM, our numbers were never accurate, we didn’t have the reports that would help determine the direction we were going in, I was too focused on what was going in the business and unable to focus on selling, and Patty was overwhelmed and felt lost in the numbers. Now, we know the direction we are going in before we even get there. Patty has confidence in herself and the numbers. I can work on what I do best, selling, which is how our company grows.”