

nem CASE STUDIES

MEDIA DISTRIBUTION BUSINESS

- \$110 million revenue, profitable, 85 staff, single shareholder Managing Director
- The business had no clear leadership and succession options, lacked strategic focus or even a business plan and a dysfunctional management structure had evolved over time.
- Comprehensive Review with senior management including half-day workshop clearly articulating current issues and suggested actions.
- Recommended structural changes including appointment of a CEO and changes to the management team. Agreed a vision and developed the basis for a detailed business plan and appointed an interim General Manager to develop and implement clear role definitions, Key Performance indicators and improved management reporting. Refocused the business on sales and market development.
- When demand dropped, revenue of competitors fell by half whereas this business only had single digit revenue decline.
- Ongoing strategic advisory role including chairing management meetings .

SOFTWARE BUSINESS

- \$10 million revenue, 40 staff and 100 dealers.
- Break even profitability with a new product launch planned. Uncertainty about the franchising approach being pursued via Franchise Connections.
- Comprehensive Review with senior management. One day workshop with 3 Principals.
- Recommended charging existing users for upgrade and installation. Engaged to validate and implement.
- Revenue increased immediately and reached 70% over the first 12 months with half flowing to the bottom line.

PLUMBING BUSINESS

- Turnover of \$600,000 concentrating on body corporate work. Son had taken over the business from his father and operated with two apprentices at differing stages of experience. Referred by their accountant.
- The owner had a serious accident during his apprenticeship breaking his back in several places. As a consequence, he was safety conscious and followed all OH&S guidelines to the letter.
- Desk Top Review undertaken with the owner and the accountant.
- Quotes had thirty percent conversion rate and a timeline of ten months. Quotes were also inflated by the cost of OH&S measures. Often compensated by using technology such as cameras to detect blockages and reduce excavation and labour costs.
- Recommended highlighting OH&S measures on all quotes stating all competing contractors should be asked to positively confirm the same to the body corporate. Also recommended a OH&S consequence site report if items not rectified.
- Conversion rate increased to sixty percent with a timeline of four months. Owner went on to acquire cameras and computers and is now considering franchising this aspect of the business

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AGRIPRODUCTS BUSINESS

- Turnover of \$100 million, part of a listed entity.
- Management reporting unreliable and untimely. Critical reporting timeless and deadlines missed.
- High level review with General Manager over coffee (complimentary) and comprehensive review undertaken over 3 days by one Principal.
- Engaged in interim capacity three days a week to restore capability to reporting function until permanent staff could be appointed.

PEST CONTROL BUSINESS

- Extremely successful pest control business with 10 vans wanted to franchise to improve operator capability and quality. Franchise Developments had been engaged at a cost of \$70,000.
- A conventional model had been recommended with sale value of \$70,000 per franchise and retention of 12.5% royalty.
- A unique commercial model was developed by nem for 60% income retention, \$200,000 franchise sale price which included a \$100,000 income guarantee.
- Over 35 franchises sold and business expanded into other regions.

WINDOW CLEANING BUSINESS

- Turnover of \$300,000. Father and son business referred by their accountant. Father was in his early sixties and the son was in his mid forties. The father wanted to sell the business and the son was not willing to purchase.
- Desk Top Review undertaken with the father and son.
- The father worked six days a week and spent at least three days per week quoting. The son worked five days a week. The business advertised extensively in local papers and Yellow Pages. The conversion rates for quotes were extremely low with no follow-up mechanism. Work was divided between domestic and retail with domestic better priced and retail often coming under competitive threat
- Recommended a service model for domestic work only where good domestic customers were registered for recurring service in a four or six month cycle. Projected no advertising cost within eighteen months, no more than five days a week work, no deterioration in income and a profit increase of \$100,00 p.a.
- Accountant implemented a basic CRM system and projected outcome was achieved within nine months with only eight man days a week of work. Son purchased business and went on to expand with sub-contractors.

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