

Success Stories – Metal Manufacturer

Overview

This metal fabricator was experiencing operating losses and had significant cash flow problems. The company was out of compliance with the financial covenants required by its bank, and its financial reporting was not current or accurate. The company had purchased a new accounting system, but had not fully or successfully installed the system. The costing of the company's products was incomplete and inadequate. The company eventually went through a reorganization and change in ownership.

Solution

BIK was engaged to provide part-time Controller | CFO services. We replaced the company's internal financial executive and previous CPA firm. The company's existing financing arrangements were replaced and new banking relationships were established. Cost information on the company's products was developed, and the key features and functionality of the new accounting system were implemented. Budgets and financial projections were prepared to establish a plan to return the company to profitability. Monthly reporting was produced to help the company monitor its progress in achieving its financial plan.

Client Benefits

The company has returned to profitability. The initial, owner-provided financing has now been replaced with conventional bank financing. The company has accurate cost information on the products it produces, and this information has helped the company set the products' sales prices, to achieve the margins it needs to be profitable. The monthly cost of the part-time Controller | CFO services has decreased now that the transition projects have been completed, and is significantly less than the cost of the internal financial executive. We saved this client in excess of \$250,000.

If you have any questions, please contact, Tony Battaglia, Director of Controller|CFO services, at 847.281.3209.

