

# Business Rescue

## Case Study #2

### Business:

An educated and experienced professional that consults and oversees work he contracts out to others. Well established but not growing as planned. Sole proprietorship.

### Starting Situation:

I met with the owner in-person at his offices. His last office administrator had resigned recently and he was a bit overwhelmed. He explained briefly how things worked (though he admitted that a lot of the day-to-day running of it was a mystery to him) and talked about his business experience and goals. He provided outcall service and used his education and expertise to advise a variety of homeowners around the metro area on a specific aspect of property care, bringing his own equipment and labor if work needed to be done, subcontracting out if needed, and then billing for the work.

The owner had been in business in one form or the other for over 43 years in the NorthEast and then Southern California. Sometimes he operated with a full-time office person and a full crew, other times with only contractors he subbed work out to. As he got older he was less interested in working full time. He was still doing a respectable business, but he was concerned about the legacy he would leave and wanted the business to get stronger. He had goals, hopes, and dreams, but lately it had started to feel like he just needed to get ahead. He had vague ideas about what do to get the business stronger again, but wasn't sure how to do them efficiently or what to do first.

The office was based in his home and the business had taken over his life physically as well as mentally. The driveway, back yard, front and side porches, and two of the three bedrooms were all completely taken over by work materials and equipment to the point of being almost unusable. The living room and dining room of his adorable bungalow that were the main location of the offices were so full of paperwork and filing cabinets that it was contributing to a feeling of overwhelm. Work meetings were difficult to have and social/living aspects were impossible. He didn't enjoy the space or situation at all.

### Goals:

His goals at the onset of working together were like many business owners who are overwhelmed: practical and simple-sounding yet vague. "Get organized" and "grow" to "get ahead." He knew he needed "a little bit of help" and thought that having a full-time office person — which he had on occasion before - would be the solution.

My immediate goals for him were work/life balance - both physically and mentally - as well as adding beauty and order and then creating a stronger foundation system that would allow the business to grow and be able to be sold or handed over to someone.

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Goals that emerged as work began were to shift the business to more of a consulting focus (and away from implementation) to better use his experience and expertise as well as increase profitability and decrease need to coordinate sub-contractor schedules.

### My Basic Method:

I began by gathering information, then creating a very basic visual plan for shifting the physical space first, since it was such a massive part of the system issue itself. I then researched, chose, and supervised implementation of various physical changes to the space.

After that work was completed to a large degree, I researched, chose, and on-boarded new internal systems more appropriate to both the current state of the business and its new goals.

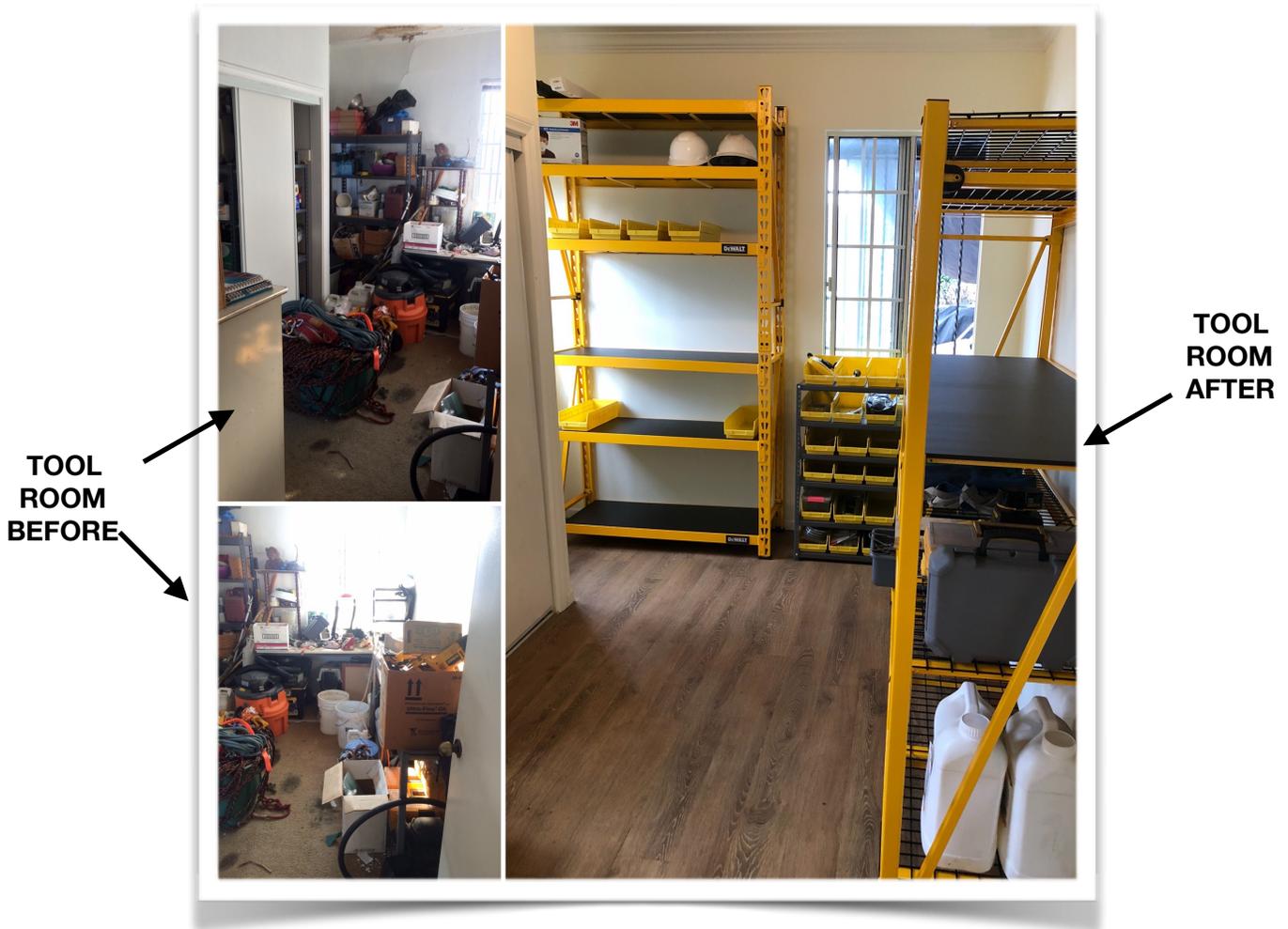
During this multi-year process our goals did not change, but new information and new obstacles repeatedly came up that delayed forward progress, so I ensured that daily running of the business continued until subsequent next steps of larger goal achievement could resume.

### Short Story Version:

The entire physical space was re-vamped and work-life separation achieved to such a high degree that out-of-town guests could stay for a week, the owner could have friends over for hobby and personal reasons as well as work, and the space felt peaceful and accessible, containing only things that were enjoyed/needed as opposed to an ever-growing mysterious archive. There was also now a designated and organized tool/equipment room that allowed easy access to and inventory of job supplies.

On an internal systems business level, new tax and bookkeeping software and services were employed, invoicing systems shifted. Debts were cleared, accreditations upheld and new professional designations received so that new levels of earning and partnerships were possible. The company structure changed to an LLC and contractors were hired as employees to further ensure the company legacy as well as partnership possibilities.

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## Long Story Version:

This business rescue involved some construction projects that took far longer than anticipated. This included physical organization and purging as well as a deep cleaning and implementation of a maintenance allowed for new systems to be created. This meant that the physical changes had to come before many of the system changes.

Some of the specific physical changes:

- Install new flooring throughout majority of home
- Paint interior of home
- Remove items from porch and yard
- Replace deck ceiling

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Mitigate mold in ceilings and walls

Repair Roof

Repair restrooms

Sort and remove decades of documents from storage, closets/archives.

Create structure and organization of tool room so regular inventory taking is possible as well as improving ease of locating needed equipment

Create designated library area for extensive book collection

Create openness and peaceful work space by move filing cabinets and bookcases that had been dominating the living room away to their own area

Some of the new internal systems:

Reduce unnecessary bills

Increase owner awareness and interaction with costs

Implement new online bookkeeping service to maintain official books

Move 95% of bills to online payments

Move costly tax filing to self-prepared online

Upgrade accreditation through series of filings and report creation to be able to bring in higher fees (2 year process)

Change business formation to LLC

Add part-time employees

Engage online payroll service

Invoicing system set up for subcontractors

Online payments set up for rent and subcontractors

Review financials and deal with assessing and negotiating past due balances and set up payment (2 year process)

Review all and reduce some of services and bills used

## Obstacles:

This job ran into almost every obstacle imaginable, from landlord issues, to weather, to mold mitigation, to funding, to months-long waits for replies and responses from various agencies as to accreditation, debt negotiation, and reduction.

In addition there was personal growth of the owner that needed to happen, which is a slow and unpredictable process. From purchasing new equipment and getting familiar with using technology to simply being willing to have life and work operating differently, there were a lot of personal growth opportunities that needed to be worked and coached through.

## Conclusion:

The business now has a functional physical and internal system foundation in place. It can handle having a new owner, additional employees, or simply function as a lifestyle business in

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a more secure way for its current owner. Whatever the owner decides to do with it, the business is now able to serve him as opposed to him feeling like he has to work to serve it.

A good consultant must work her way out of a job, but also be able to take the owner and people working with her forward. The goals of a consultant are to:

1. Define the problem/opportunity
2. Develop plan to solve the problem or to exploit the opportunity
3. Monitor implementation and adjust the plan
4. End the assignment with the business and staff aligned with the new model

I fulfilled the goals of a good consultant. The business is now in a position where it's actually possible for ultimate goal achievement to occur.