

Operations Case Study

INDUSTRY: **DISTRIBUTION**

RESULTS

ECS worked with the client to prioritize needed changes and establish processes – that resulted in the company's return to double-digit growth and profitability and the ability for the client to move out of a “work out” situation.

BACKGROUND

A second-generation family-owned company – a distributor of parts for suppliers – was losing money each year and suffering from decreasing revenues. The company also had moved into a “work out” scenario, facing several bank restricted covenants and coordinating with a bank-approved financial advisor.

OBJECTIVES

ECS was tasked to:

- Perform a Fresh Eyes diagnostic assessment to identify reasons for poor profitability and revenue growth
- Reduce AR collections from 90+ days to 1-60 days
- Perform SKU rationalization and negotiations with suppliers and determine a way to drive slow-moving SKUs out of inventory
- Build a plan that focused on the customer base that had not purchased in the last 30 days
- Ensure the company's talent refocused on leadership and sales
- Develop a strategic plan with an implementation roadmap to move the organization forward

SOLUTIONS

ECS deployed a Fresh Eyes Assessment and, in collaboration with the client's key stakeholders, developed a plan that focused on five key pillars: (1) inventory reduction; (2) accounts receivable collections; (3) organizational structure; (4) supplier discounts and rebates; and (5) base business growth and retention. This focus had an underlying strategy of cost-neutral, positive bottom-line impact.

“The skills of the ECS team brought us positively, quantifiable results – from prioritizing discount and rebate opportunities, to eliminating ineffective and redundant roles within the company, and everything else in between.”



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