



**Greater Prairie Business Consulting, Inc.**

## **CASE STUDY**

**Trucking / Logistics Company -**

**Toledo, OH**

**Profit Improvement**

**Project Name:**

Profit Improvement.

**Client Description:**

Business Type: Trucking / Logistic Business.

Annual Revenues: \$4,000,000.00.

Employees: 30.

**Project Description / Duration:**

This client had an MBA from Harvard Business School but needed an independent third-party opinion about how to reengineer expenses in his company, as it was not generating a profit.

We collaborated with his people to solve this problem, and we were able to quickly introduce a plethora of cost savings.

We identified a 5 : 1 project ROI in three short weeks.

**Engagement Outcome:**

This client realized the following value from this consulting project:

1. A significant project ROI after just three weeks of consulting.
2. We carefully replaced the existing General Manager for his subpar performance with a new GM.
3. We reengineered operating processes, policies, and procedures to significantly reduce expenses with the consensus of the company's employees and OTR drivers, who we included in the process.

During our consulting project, we recommended the following improvements:

1. We reduced equipment repairs & maintenance costs by \$75,000.00 per year.
2. Eliminated unprofitable routes saving \$25,000.00 per year.
3. Cut overtime by \$30,000.00. (The fuel savings from reducing overtime saved the company another \$20,000 per year.)
4. Changed per mile compensation from "actual miles" to "computer" miles.

5. Introduced fuel additives saving the entire fleet \$0.04 per mile.
6. Reduced trailer rental expense by \$20,00.00 per year.
7. Cut "deadhead" miles saving another \$25,000 per year.
8. Saved \$3,000 per year on I-Pass tolls expense.
9. Held the line on health insurance costs.
10. Investigated LED Lighting for the warehouse.
11. Saved \$5,000.00 on office cleaning.
12. Introduced other small business best practices to help the company improve its financial & operational reporting, communications, and employee evaluations.
13. Created a 12-month budget, so the company could track its improved performance going forward.

### **Engagement Obstacles And How They Were Resolved:**

The General Manager we replaced had mental health issues and was licensed to carry a concealed weapon, so we made sure the police were present when we let him go. Fortunately, this employee's termination went smoothly.

### **Results Achieved:**

- The company was quickly restored to profitability.
- Employee morale improved. The employees and contractors accepted the recommended changes because they were included in the process and felt better about their future after our consulting project.
- An emotionally unstable employee holding back the company was safely replaced.