



Greater Prairie Business Consulting, Inc.

CASE STUDY

CNC Machine Shop - San Jose, CA

**Improved Tax, Talent Acquisition, and Lean
Manufacturing Strategies**

Project Name:

Improved Tax, Talent Acquisition, and Lean Manufacturing Strategies.

Client Description:

Business Type: CNC Machine Shop Producing High Performance Parts for the Semiconductor Industry.

Annual Revenues: \$5,000,000.00.

Employees: 45.

Project Description / Duration:

This client's main challenge was managing its workload and quality because of its difficulty recruiting machinists.

Several overlooked tax strategies by their CPA identified during the first day we were on site more than paid for the project in year one. This annual, six-figure tax savings significantly boosted the project ROI for this client in both the short- and long-term.

In addition to generating an impressive project ROI, we were also able to help the company recruit employees and improve the operations in several different ways.

This project was completed in 13 weeks.

Engagement Outcome:

This client realized the following value from this consulting project:

1. A considerably boosted annual six figure tax savings.
2. A solution to its talent acquisition problem and the recruitment of new employees for several needed positions.
3. Process and cost improvements in several key areas of the organization.
4. The implementation of new lean manufacturing strategies, including the 5 S's - a methodology for organizing, cleaning, developing, and sustaining a productive work environment.

During our consulting project, we implemented the following improvements:

1. A significant tax savings from changing the organization's corporate structure and taking advantage of advanced depreciation & foreign tax savings strategies.
2. The creation of an HR Manager position to focus on recruiting, while also improving sundry department systems, procedures & controls, including safety training.
3. Bringing on a Tool Crib Manager to strengthen operational efficiencies, reduce expenses, and strengthen inventory controls.
4. Hiring a new General Manager to oversee the day-to-day operations.
5. Adding a new Shipping & Receiving Manager, a critical position in this company.
6. Improved financial accounting and business development processes.
7. Updated pricing, which was increased to cover the company's current overhead and several hidden costs.
8. Enhanced corporate training & communications.
9. An improved RMA process, which resolved the company's RMA backlog.
10. Enhanced corporate training, communications, and employee recognition.
11. Lower payroll, small tools, subcontractor, and delivery costs.
12. Additional operational improvements from the introduction of different lean manufacturing principles.

Engagement Obstacles And How They Were Resolved:

The client's son-in-law abruptly quit during the engagement, requiring us to manage the day-to-day operations until we could hire a new General Manager. This change resulted in the owner becoming more involved in the day-to-day organization, which was a needed change that resulted in far-reaching benefits to the organization.

Results Achieved:

- Great project ROI.
- The addition of an HR function to focus on talent acquisition and employee retention, which resulted in the hiring of many new machinists.

- Improved operational performance in many areas from the introduction of several lean manufacturing principles and other ideas.
- The implementation of other small business best practices.
- The owner's improved day-to-day interaction in the company.