

How a Countertop Fabricator *Increased Revenue by 40%* Only Three Years After Acquisition

the CHALLENGE

Located in Kansas City, a premier countertop fabricator (the Client) launched in the early 2000's, offering custom granite, marble, and quartz countertops to residential customers looking for a beautiful and unique finish to their home.

However, in March of 2015, the Client was acquired by a new owner, prompting them to strengthen the financial elements of their business. Prior to the acquisition, the former company owner ran the business without any debt, relying primarily on a bootstrap budget and entrepreneurial organizational structure. While accounting duties were assigned to an individual holding the office manager role, the organization lacked a dedicated position who would provide financial strategy and vision.

Upon new ownership, the company recognized a need for an experienced resource who could provide a deeper level of financial analysis and reporting. This was necessary in order to meet debt compliance requirements and also to guide investment decisions as their strategic vision expanded to supply countertop fabrication for commercial buildings, in addition to residential homes.

As the company planned to aggressively pursue growth in the commercial market, they realized the importance of having a dedicated financial expert to guide them in identifying risks and opportunities. Given the speed and size of the potential for growth, the Client understood that a strengthened financial strategy would help them navigate their new profit opportunities.

CLIENT OVERVIEW

INDUSTRY

Countertop Manufacturing

LOCATION

Kansas City, Missouri

SERVICE TYPE

Concierge CFO Services

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Since partnering with Peek Advisory Group over the past three years, the Client's revenues have increased from \$5 million to \$7 million.

the SOLUTION

To capitalize on their new investment, the newly acquired Client sought Peek Advisory Group's concierge CFO services in order to ensure their business could achieve—or exceed—their enhanced growth goals. The engagement began at the onset of the new ownership in order to ensure a smooth transition.

In their CFO capacity, Peek Advisory Group supported the client in a variety of projects based upon their ever-changing business needs, including:

PROJECT MANAGEMENT SYSTEM GAPS

Critical to the foundation of the new ownership was a review of the Client's project management system. This included a thorough analysis of how the Client's residential and commercial jobs were managed from creation to installation and completion. Peek Advisory Group developed standard job templates for the Client to use, which enabled greater consistency, production quality, and timeliness across all jobs.

SALES TAX PROCESS GAPS AND MISCALCULATIONS BY AN OUTSOURCED PROVIDER

Prior to the acquisition, the Client had relied on a third party vendor to prepare sales tax reporting. Observing gaps in this process and the subsequent reports, Peek Advisory Group completed a thorough review of both the internal and external processes for sales tax reporting in order to recoup the Client's earned refund in excess of \$110,000.

DESIGN AND IMPLEMENTATION OF WEEKLY REVENUE FORECASTS

In order to accurately predict revenue, Peek Advisory Group designed and implemented regular revenue forecasts that would provide advanced insight into expected revenue generation for the Client. This provided management insight into expected revenue nearly three weeks in advance, offering them the ability to plan labor and manage overtime so they could maximize their gross profit.

SOLUTIONS AT A GLANCE



Project Management System Gaps



Sales Tax Process Gaps & Miscalculations by Outsourced Provider



Design & Implementation of Weekly Revenue Forecasts



Design & Implementation of Cash Flow Reporting



Periodic Staffing Review

DESIGN AND IMPLEMENTATION OF CASH FLOW REPORTING

In addition to revenue forecasts, Peek Advisory Group helped the Client create, implement, and maintain weekly cash flow reporting that identified high cash demand and supply periods, allowing management to better plan their spending up to 13 weeks in advance.

PERIODIC STAFFING REVIEW

Finally, the Client leveraged Peek Advisory Group to support their staffing needs. Peek Advisory Group met regularly with the CEO, recommending team stratification based on job function and difficulty. This resulted in standardized job descriptions that facilitated a more seamless hiring and onboarding process as the Client welcomed additional staff to the team as they grew their customer base.

RESULT HIGHLIGHTS

\$7 Million

TOTAL REVENUE

40%

INCREASE IN REVENUE

8%

ANTICIPATED EBITDA

the RESULTS

Since establishing a partnership with Peek Advisory Group three years ago, the Client's revenues have increased by 40% as they expect to generate \$7 million this year. Additionally, profitability has improved from losses to an anticipated 8% EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortization) margin—2% less than the 10% industry target.

The Client attributes their enhanced financial performance to Peek Advisory Group's ability to guide them through new financial and operational processes as they expanded to the commercial market. Not only did the Client benefit from Peek Advisory Group's assistance in helping them understand the financial elements of their growing business, management feels confidently equipped to handle these processes on their own following the conclusion of the engagement.

PEEK ADVISORY GROUP

We are a woman-led team of financial advisors and B2B transaction experts focused on small business accounting, planning, and advising for women-led businesses. Our 20-plus years of experience in everything from CFO services to transactional support helps our clients build business legacies, not just companies.

We are committed to building lasting partnerships with our clients, seeing them through every step of the business ownership cycle – from buying their first business, to selling their last, our clients receive unmatched support and guidance that translates into sustainable success.

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