

DORVAL

MANAGEMENT ASSOCIATES

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Focus of Business

- Installs and services commercial and residential garage doors
- \$1,560,000 in Annual Revenue
- In Business 60 years (Second Generation)

Business Problems (Before DMA)

The company had many operational problems that was effecting cash flow, gross profit and growth.

The company was billing for service calls which took an average of 65 days to collect resulting in poor cash flow and sometimes bad debt.

Inaccurate or missing information was taken over the phone for service calls. Often when the techs arrived at the customer they found that they did not have the necessary parts and had to return to the shop.

The service trucks were disorganized. The techs were taking parts from stock they already had on the truck, and excess inventory was building up on the floor of the trucks resulting in expensive delicate electronic parts getting damaged. A lot of time was being wasted looking for parts.

Cash Flow Solution:

DMA instituted a new policy of collecting the money from the customer the day of the service call.

Missing information taken on service calls Solution:

DMA designed a check list for all possible service problems and the parts needed to fix the problems.

Disorganized Truck Solution:

DMA completely emptied and cleaned all the trucks. We purchased and inserted adequate storage bins and stocked them with the necessary inventory and supplies. Each truck now has its own inventory book, which is being maintained and controlled by the service manager. The techs are now checking the service slips for part requirements, and are ultimately responsible for making sure they have all of the parts needed for the day.

Result

The policy of collecting the money the day of the service call had an immediate positive effect on cash flow and bad debt for service calls was reduced by 100%.

By reviewing the newly developed checklist, the service techs had a much better understanding of what the service call entailed and what parts were need to complete the job. The need to return to the shop to get parts was reduced by 90%. By organizing the inventory on the trucks, expensive parts were no longer being damaged and the tech had all the parts needed for the service calls. With the implementation of these changes, gross profit increased by \$42,000 on the same service revenue. By the second year, service revenue had grown by 17% without the addition of trucks or labor.