

DORVAL

MANAGEMENT ASSOCIATES

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Focus of Business

- Fabricating and steel erecting contractor
- \$3,000,000 in Annual Revenue
- In business six years

Business Problems (Before DMA)

This contractor was having problems with estimating; he was not including all of the costs in his estimate and was not realizing the margins he anticipated. He was also having problems getting feedback from the field. He was working very hard, not making any money and very frustrated.

Estimating Solution:

DMA reviewed their existing costing methods and taught them how to calculate accurate labor and overhead burden rates. DMA showed them how to incorporate the cost of their equipment into the estimating process and developed an estimating template with a take off sheet that linked both erecting and fabricating. DMA established the break-even for the company and taught the owner how to use this as a management tool to make better decisions.

Field Feedback Solution:

DMA initiated weekly job reporting and standardized the flow of paper; we also created checklists for job starts and job closings. DMA developed a procedure that ensured the final costs on all jobs were compared to the original estimate and helped them to identify the reason for any variances.

DMA taught the owner and his team how to forecast sales and for the first time the company was using a monthly budget, which not only gave them a road map to follow but also afforded them the opportunity to review costs on a more current basis.

Result

The estimating process is now being completed quicker, presenting the opportunity to bid on more jobs and with much more accuracy. The client is now realizing the margins he anticipated. When he was awarded a job in the past, he would say to himself "Oh boy, what did I miss?" He now has much more confidence submitting bids to his clients.

The owner has a better understanding of his business as well as the tools necessary to make his company more profitable. He is in control, making money, having fun and excited to come to work again.

DMA taught the owner and his management team how to work smarter not harder.