

# DORVAL

## MANAGEMENT ASSOCIATES

256 Howard Ave., Hope, RI, 02831 (401) 439-0129 [www.DorvalManagement.com](http://www.DorvalManagement.com)

### Focus of Business

- Manufacturer of custom made paper products
- \$4,500,000 in Annual Revenue
- In Business 55 years (Third Generation)

### Business Problems (Before DMA)

This manufacturer was having problems with properly costing their products; they were not including all of their overheads therefore; not realizing their projected gross margin. The owner was making collection calls and not spending enough time running the business.

### Costing Solution

DMA reviewed their existing costing methods and taught them how to develop proper labor, burden and overhead rates by department, ensuring that all costs were absorbed. We assisted them with the development of a new costing module.

### Collections Solution

DMA developed a Standard Operating Procedure for collecting receivables and delegated the responsibility of collections to the office manager.

### Result

With the development of the new costing module, quoting is now accurate and quicker and affords the company the opportunity to quote more jobs. The profit margin increased 4% effectively increasing gross profit by \$180,000.

With the office manager in charge of collections, the owner now has a better relationship with his customers because he is no longer the bad guy making collection calls. Within a four month period and a dedicated collections person, past due receivables were reduced by 28%. The time the owner was making collection calls is now available for him to run his business more effectively.