

Trade Services Transformation

Engagement Period: 2/19 – 11/19

COMPANY

- Water Treatment and Plumbing
- \$9M in Revenue
- Over Twenty Years in the Market
- 30,000 + Residential Customers
- 55 Employees
- Phoenix, AZ
- Private Company

CHALLENGES

- Stalled Revenue
- Overburdened with Debt
- Continual Cash Flow Issues
- Required Capital Infusion of > \$1M
- Inability to Invest in Growth Opportunities
- Poor Leadership and Arduous Internal Decision-Making Process
- Unmotivated & Underutilized Employees

SOLUTIONS EXECUTED

• Restructured partnership and operational roles • Implemented new ERP within first 60 days • Instituted budgeting across all functions • Developed and rolled out company values • Instituted weekly leadership and functional team meetings • Hired new controller • Developed monthly company KPI scorecard • Launched updated product mix • Deployed new service employee rating/ranking system • Increased service pricing based upon market assessment • Outsourced all IT/Telephone and Mobile services • Implemented 3rd-party fleet management program • Changed insurance providers • Job descriptions rolled out for all employees • Updated employee handbook • Deployed new marketing platform for improve client engagement and retention • Integrated a purchasing specialist to impact product quality and margins • Deployed new product offerings •

REVENUE

Increased

11.4%

NET INCOME

Increased

83%

CASH FLOW

Increased

44%

DEBT

Decreased

16%

SUMMARY

• Strategic purchase by \$7.6B multi-national organization closed in January 2020 • Purchase multiple of 11.6X EBITA • Operating team to remain in place and continue to grow the business • Capital provided to enhance buying power and for future growth through acquisitions •