

Success Stories

Case Study No. 1

Company:

Fast-growing start-up manufacturer of biotech medical devices

Objective:

To secure a new round of financing

Problem:

Poor financial reporting

Solution:

This two-year-old startup wasn't sure how to get the most out of its state-of-the-art accounting software. It hoped to grow its revenues from \$500,000 to \$4 million over six months and to increase its payroll from 60 to 120 employees. To reach its goal, however, it needed a new round of angel-investor financing — a forlorn hope if the company couldn't show its angels an accurate picture of its financial dynamics.

JRH Consulting Group analyzed the flow of information between the accounting department and the rest of the organization, determining who needed to know what and when. We overhauled existing procedures and recommended the recruiting of a strong accounting department manager. We also instructed staff in the use of the accounting software, and improved reporting to give management an accurate picture of the company's financial position. This allowed the company to manage cash flow, track ongoing projects through job-cost analysis, and negotiate better pricing from vendors, among other benefits.

Payoff:

The company mastered its own financial system and secured new angel financing.

Case Study No. 2

Company:

13 location fast-food franchisee

Objective:

To automate its inventory and financial reporting system

Problem:

Employee theft

Solution:

This successful franchise operation faced a problem common in the food industry — poor inventory and cash-management controls, which sometimes can lead to employee theft.

JRH Consulting Group studied the operation's system-wide financial data. We compared location to location in a disciplined search for anomalies in such items as cost of sales. We recommended all new back-office procedures for handling daily cash receipts, along with a simplified, centralized and secure computer system to give the company tight control of cash and inventory — the keys to profitability in the food-service industry. We helped select and train new accounting staff. We also created a procedures manual documenting all of these practices, greatly enhancing the company's ability to deter theft and monitor all of its financial operations.

Payoff:

By strengthening accounting procedures and controls, our solutions enabled the owner to spend one week each month doing what he really love — traveling.