



**Greater Prairie Business Consulting, Inc.**

## **CASE STUDY**

# **Multi-Office MI-Based Construction Engineering Firm - Succession / Exit Planning**

**Project Name:**

Succession / Exit Planning.

**Client Description:**

Business Type: Construction Engineering Firm.

Annual Revenues: \$1,200,000.00.

Employees: 12.

**Project Description / Duration:**

This client is a second generation, multi-office civil & structural engineering firm located in Northern Michigan.

The owner had started the process of selling the firm to the management team. This form of exit is known as a "Management Buyout" or MBO.

This project was completed in three weeks.

**Engagement Outcome:**

This client realized the following value from our consulting services:

1. We improved the valuation of the business by approximately \$200,000, to the benefit of our clients, the current owners.
2. Reduced the firm's payroll expense by \$12,000 per year.
3. Confirmed that the owners selected the right industry software package for their business.
4. Recommended a proven approach to increase the firm's margins and sales.
5. Strengthened safety training in the field.
6. Enhanced the firm's profit center reporting.

**Engagement Obstacles And How They Were Resolved:**

This client was not happy with their previous consultant, who they felt did not know their industry. They were also disappointed with their project ROI.

We were asked to go in and address the client's concerns and identify a project ROI to satisfy the client.

The client was both angry and disappointed about their initial consulting experience, but by demonstrating our industry knowledge, we were able to turn the client around, deliver a significant project ROI, and help the owners of firm get more for their business by making them aware of the proper business valuation formula for their industry.

**Results Achieved:**

- Enhanced profit center reporting.
- A higher buyout for the owners of this business.
- Confirmed the firm's software selection.
- Eliminated the firm's payroll processing fees, boosted margins, and improved field safety.