



Communications Company Improves Planning and Processes, Increases Profit

A turn-key solution-based Telecommunications, Broadband & Wireless organization was experiencing increased costs resulting in much lower profitability than previous years. Servicing clients from New England to South Florida with over 400 employees, they provide services to commercial network providers, various retail companies, dark fiber providers, and state and federal government entities.

They reached out to DB&A for help identifying operational and financial opportunities to increase profitability utilizing existing resources.



The DB&A Difference

Analysis Financial Proposal

- Proposed Project Cost: \$333,000
- Guaranteed Savings Rate: \$670,000
- Guaranteed ROI: 2:1

Actual Financial Results

- Actual Project Cost: \$333,000
- Annualized Savings Rate: \$1,110,100
- ROI: 3.3:1

Project Results

- First Quarter year over year revenue increased 18.6%
- Revenue per labor hour increased 7%

DB&A Analysis

The DB&A Analysis team discovered Managers, Supervisors, and Coordinators were not effectively in control of their areas of responsibility. As a result, they spent more time working to resolve issues and less attention to preventing problems and improving processes. The quality and quantity of supervisory interaction was insufficient to ensure operational efficiencies were being met.

The consultants found that supervisors were not using tools made available to them to manage their areas successfully. Instead, supervisors resorted to reactive management with no focus on root-cause analysis and barrier removals. This lack of proactive management left employees to plan work themselves, not an ideal practice to maximize results. The analysis team recognized there was a lack of clarity on the

roles & responsibilities within the organization. Employees were working outside of their areas of responsibility due to organizational structure issues.

There was an absence of communication and cooperation between Business Units, contributing to lost time and frustration among front-line employees.

The organization was not focused on regulating costs. Executives were not utilizing the existing management operating system or other tools provided. Supervisors were not applying data and KIP reporting to proactively manage and schedule work. As a result, there was under-utilization of in-house crews, overtime was mismanaged, and cost of goods and expenses were not being tracked; all leading to lower net income for the company.



Implementation Actions

DB&A consultants worked with managers to develop new goals and performance standards. Together they formulated new strategies, plans, and schedules. Daily performance expectations and follow-up procedures were introduced to employees. Supervisors received guidance on how to use these standards and how to address issues when employees were falling short. This established an orderly and systematic process and an environment conducive to continuous improvement.

A revenue per labor hour metric was established, along with set targets and step goals per business unit. Weekly planning meetings were established for the in-house direct labor teams to review the work loads so resources and in-house crews could be properly scheduled to meet the demand. With the accurate planning of personnel and resources, overtime usage was reduced, and goals were met.

Business Unit Supervisors were each provided with a Profit and Loss statement and given the metrics, along with training, to take ownership of the profitability of

their division. Improved reporting allowed for faster reactions by management to address potential work gaps, thus improving the financial status of each unit.

Supervisors received training and tools to identify barriers and their causes. Together, DB&A, supervisors on the floor, and employees at every level were engaged to solve problems and minimize variances in work execution. This provided a proactive management culture that ensured ongoing process improvements.



Management Culture Transformation

The biggest improvement was the amount of time the supervisors spent on planning and budgeting. The first quarter year over year revenue increased 18.6% because business units were properly utilizing their existing resources and people.

The continued focus by management on profitability has resulted in the revenue per labor hour to increase 7%.

Since 1987 DB&A has provided cross-industry management consulting delivering 15-20% in operational and financial improvements to our clients with a financial guarantee. We deliver customized solutions that maximize existing resources to increase efficiency, capacity, and productivity. Our approach is to work with all levels of management to transform management culture in order to drive accountability where it matters most: the front-lines. For more information visit www.dbareresults.com or email contact@dbareresults.com