

## OPERATIONS REVIEW

**This consulting engagement is designed to provide collision center Owners and General Managers a comprehensive on and off-site evaluation of their body shop to assess performance, identify opportunities and develop a plan of action for improvement.**

*“When repairing cars well became less of a challenge we realized that business success wasn’t as much about car repair procedures as it was about mastering the three legs of business; Marketing, Management and Finance. We needed to educate and improve ourselves in these areas if we wanted to stay ahead of our competition.”*

*Randy Stabler  
President  
Pride Auto Body  
Van Nuys, CA*



### Target Audience

General Manager and Owner

### Are You Experiencing:

- Poor financial performance
- Lack of direction and how to set up your financial statements
- Lack of awareness of industry standards for various operational ratios
- Lack of understanding of business ratios / key performance indicators
- No formal method to improve processes and quality
- Poor employee satisfaction and/or high turnover
- Lack of understanding of break even with profit
- Inconsistent discounts from vendors
- Inconsistent gross margins
- Poor understanding of your potential capacity
- Poor organizational structure

### This Consulting Engagement Will Provide:

- An Executive Summary
- Your shop financial ratios vs. Akzo Nobel Acoat selected targets
- Capacity Analysis of your shop
- Break Even Analysis for your shop
- Employee surveys and graphical reports
- Vendor analysis
- Office accountability survey
- Standard Operating Procedures (SOP) survey
- Organizational chart

The Operations Review reports are intended to be a blueprint, or foundation, for improvement efforts by body shop management. Reports are intended for full scale implementation by the body shop’s management team. Follow-up phone support to assist in interpretation and organization of the shop’s implementation efforts is included.

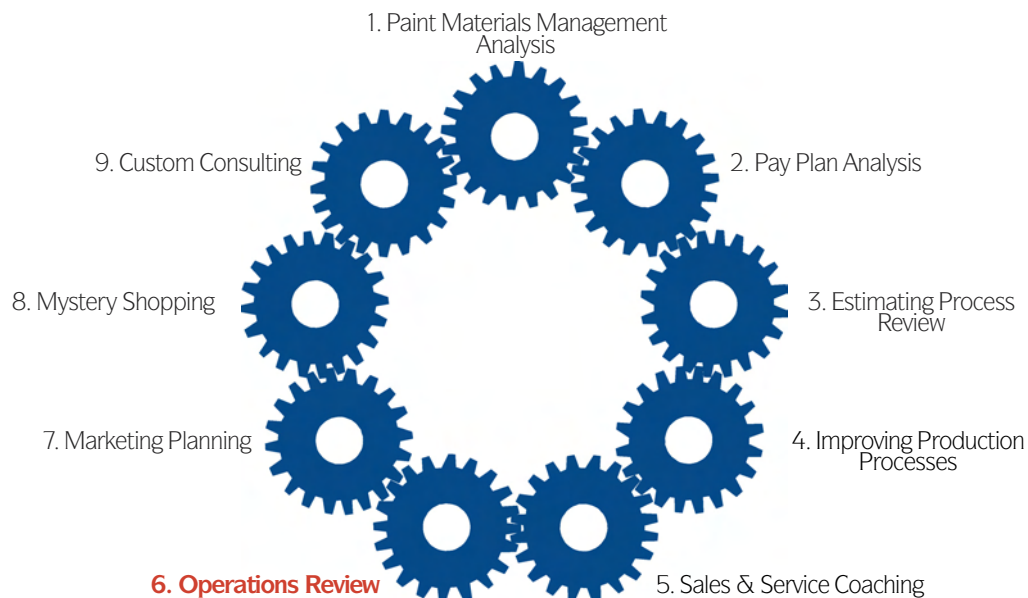
### Why We Are Different!

We understand the value of your team’s time and the need to keep your staff in the repair facility maintaining production. It’s not always convenient and/or effective to send employees to off-site training classes and hope they bring back new ideas to implement. Therefore, our on-site consulting packages may be the better solution for you.

Akzo Nobel is known for providing exceptional consulting services. A full-time consulting staff shows our commitment to body shop profitability. The largest and most capable group of experts in the industry provides your business with proven performance-enhancing services. Akzo Nobel Services Consultants follow a structured methodology of assessment, analysis, recommendation and implementation to ensure successful engagements with clients.



**Consulting Services**



**Investment Analysis\***  
**Operations Review**

<b>Assumptions</b>	
Current Sales (Monthly)	\$100,000
Current Efficiency	150%
Current Gross Profit Margin	39%
Current Overhead Expense to Sales	28%

<b>Profit Drivers</b>	<b>Service Impact</b>	<b>Monthly Profit Change</b>
Sales	N/A	\$0.00
Efficiency**	1.0%	\$260.00
Direct Cost (as a % of sales)	-0.2%	\$200.00
Overhead Expense (as a % of sales)	-0.2%	\$200.00
<i>Total</i>		<i>\$660.00</i>

<b>Investment</b>	
Service Cost	\$750.00
Salary & Benefits (service execution)	\$150.00
Travel	\$0.00
Salary & Benefits (implementation)	\$1,800.00
Other Implementation Costs	\$0.00
<i>Total</i>	<i>\$2,700.00</i>

<b>Your Potential Return on Investment</b>	
Annual Operating Income Improvement	\$7,920.00
Investment	\$2,700.00
Return on Investment (\$)	\$5,220.00
Return on Investment (%)	193%
Investment Breakeven in Business Days	85.9



\* This analysis is not a financial guarantee. It assumes proper and complete implementation of concepts and recommendations offered.  
\*\* Profit improvement from an increase in efficiency is expressed through an increase in sales.