

Consulting Service

This consulting engagement is designed to enable collision shop owners to optimize the sale and use of paint materials.

“We’ve been able to work on our material invoicing and create a spreadsheet that really gives me a handle on our materials numbers. Controlling costs helps increase the profits!”

*Derek Wark
President
Ian’s Body Shop
Winston-Salem, NC*



PAINT MATERIALS MANAGEMENT ANALYSIS

Target Audience

Estimator, General Manager and Owner

Are You Experiencing:

- Low paint materials gross profit
- Concern over the amount of waste you are generating
- Lack of an organizational system for supplies
- Concern about the amount of inventory on hand
- Lack of standards for what gets coded to the various GL codes relative to materials
- Lack of awareness of the ratios to watch to optimize material profits
- Lack of technician buy-in to help solve these problems

This Consulting Engagement Will Provide:

- Thorough assessment of the key elements of paint material profitability and management
- Assistance in prioritizing opportunities to improve paint material profitability
- Documented action plan to improve paint material profitability
- Documented paint material budget and tracking system
- Follow-up on materials management plan implementation

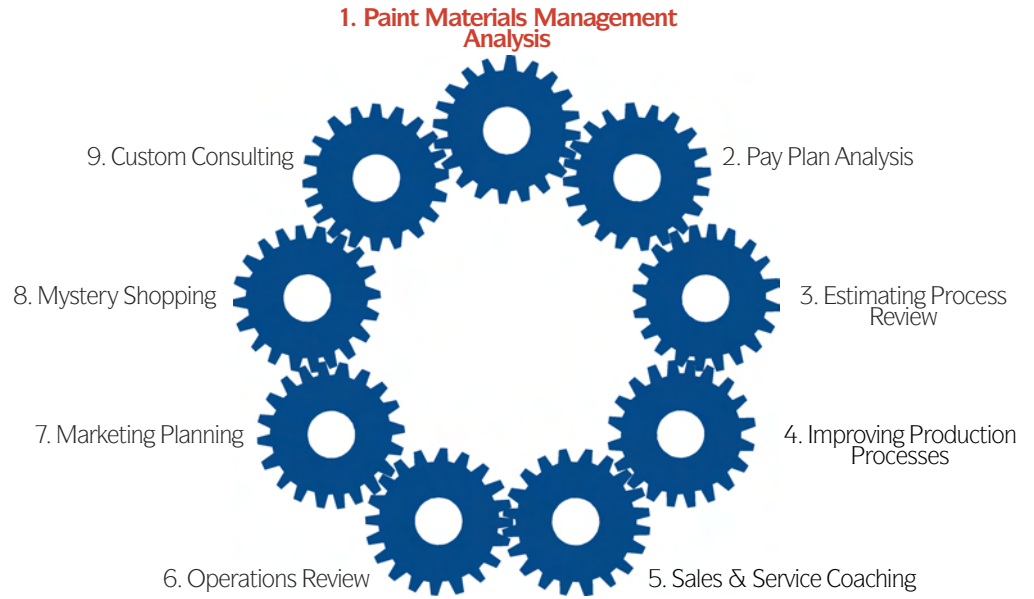
Why We Are Different!

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*

Paint Materials Management Analysis

Assumptions

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

Profit Drivers

Service Impact

Monthly Profit Change

Sales	1.0%	\$390.00
Efficiency**	N/A	\$0.00
Direct Cost (as a % of sales)	-0.5%	\$500.00
Overhead Expense (as a % of sales)	N/A	\$0.00
<i>Total</i>		<i>\$890.00</i>

Investment

Service Cost	\$750.00
Salary & Benefits (service execution)	\$150.00
Travel	\$0.00
Salary & Benefits (implementation)	\$600.00
Other Implementation Costs	\$1,000.00
<i>Total</i>	<i>\$2,500.00</i>

Your Potential Return on Investment

Annual Operating Income Improvement	\$10,680.00
Investment	\$2,500.00
Return on Investment (\$)	\$8,180.00
Return on Investment (%)	327%
Investment Breakeven in Business Days	59.0



* 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.