



Focus on Financial Data

Owners of AMC of Wisconsin learning more about what's working and what isn't as they strive to move their business forward

Story by Sean Fitzgerald,
New North B2B publisher

One month into the work to put out the fires in their business, Axel and Carmina Mendez said they've already experienced a number of "aha moments" when focusing in on the performance of AMC of Wisconsin in Fond du Lac through the perspective of their refined financial documents.

One of those instances was recognizing that one of its key profit centers wasn't making the fabricator of decorative stone countertops any money. Axel had an intuition that might be the case, but it wasn't until they took a detailed look at their cost of goods sold with Gary Vaughan that he and his wife could place some definitive logic around their work with this particular vendor.

That's just one of the many lessons the Mendezes hope to discover in their five months of work with Vaughan, president of Appleton-based Guident Business Solutions. As part of B2B magazine's 6th Annual Firefighters of Northeast Wisconsin initiative, Vaughan is donating his business consulting services to AMC of Wisconsin at no cost. In return, the Mendezes will share the progress of their journey with B2B readers.

At their first meeting together, Vaughan and the Mendezes reviewed the financials and operations of AMC of Wisconsin, working toward the development of an annual operating budget to use as a road map to achieve various goals during this next year. Vaughan gave the book, Financial Intelligence for Entrepreneurs, to the Mendezes to read and learn many

COMPANY: AMC of Wisconsin

OWNERS: Axel and Carmina Mendez

LOCATION: Fond du Lac

FOUNDED: 2002

EMPLOYEES: About 40

WHAT IS DOES: Fabricator of decorative stone countertops for the home improvement industry. Much of its product is sold wholesale to a mix of national big-box and local, independent home improvement retailers. A smaller amount is sold direct to consumers through its own retail outlet.

WEB: amccountertops.com



of the financial terms and GAAP principles that will help them better understand their company's financial documents. It's already been of help, Vaughan said.

"Having a common financial vocabulary has been a benefit for us in just the short time we have been working together," Vaughan said. "Once we set the strategies, the financials will tell us if we made the correct decisions. If we have great results we will plow forward full throttle. If not, we will pivot and redirect our efforts to accomplish their goals."

In their second meeting with one another, the Mendezes discussed which profit center contributed to what percentage of the company's overall revenues. Vaughan helped point out that certain profit centers drive more profit to the bottom line, confirming much of the intuition Axel had on which aspects of their business create the highest gross profit.

"It's very motivating to know that we are being coached by a professional like Gary," Carmina said. "Together we are setting the foundation for the improvements we can already see will take place."

Most recently, the group discussed strategy for the business moving forward. Vaughan asked the Mendezes to evaluate how efficient they feel their operation is and where they feel the opportunities are for increasing profits.

Ultimately, Vaughan wants the Mendezes to think about what success looks like at the finish line after they wrap up their five months working together later this summer.

"My answer was 'to increase owner equity by increasing efficiencies, resulting in higher profitability from their business operations and having standard operating procedures in place to help the business grow into the future,'" Vaughan said.

B2B will provide a second update of the Mendezes work with Vaughan to improve the profitability of AMC of Wisconsin in our May 2017 edition. ■

Gary Vaughan

Guident Business Solutions, Appleton
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Vaughan launched Guident in 2009 after spending his entire career teaching – both in the classroom and in business. Having previously spent many years as a business owner himself, Vaughan realized many business owners lacked fundamental skills such as understanding financials, human resource practices and management skills, as examples. His firm's proprietary Guident 360 Assessment Program enables business owners to holistically address their business needs.

Vaughan has professional experience in a variety of industries, including retail, petroleum, manufacturing and academics. He is a senior adjunct instructor in the MBA program at Concordia University of Wisconsin, and a lecturer in economics and entrepreneurship at Lawrence University in Appleton.

Methodology

New North B2B magazine began seeking entries for its 6th annual Firefighters of Northeast Wisconsin initiative late last year, with a goal of assisting those northeast Wisconsin small business owners who feel as if they're constantly burning the candle at both ends, putting out fires, spinning their wheels, but intent on finding a way to improve.

Through the generous help of Gary Vaughan of Guident Business Solutions in Appleton, AMC of Wisconsin's owners Axel and Carmina Mendez will receive five month's worth of consulting at no cost to help them work on the strategy of improving their business profitability.

B2B will provide a monthly update on the progress of the Mendezes efforts in each issue leading up to a capstone article in the August 2017 issue of *New North B2B* magazine.

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