



CASE STUDY

Growing the Double Bottom Line for an Office Supply Company



"Great research and analysis. Your work will help shape our business decisions over the next 3 to 5 years"

-Chet Riddick, President and CEO

Client Profile

Founded in 1985, Alpha Enterprise Group (Alpha) provides office supplies, furniture, flooring, janitorial supplies, paper, computers and accessories to government, non-profit and commercial entities. Alpha has a strategic partnership with Staples, the office supply industry leader, which helps customers achieve their supplier diversity initiatives. Leveraging excellence in partnership management, a dedicated staff, and superior customer service, Alpha is committed to increasing profitability and to creating jobs within the community; thus, giving them a "double bottom line."

The Project

Alpha engaged Fox Management Consulting (Fox MC) to provide:

- A financial analysis for determining the need and opportunity for debt financing.
- Market research on selected identified business units to assess growth opportunities.
- A strategic plan to identify and capture growth opportunities.

As a result of Fox MC's financial analysis and market

research, the third deliverable was modified to be an analysis of individual business unit profitability and a projection for future profitability based upon business trends.

Recommendations

Based upon research findings, Fox MC had four key recommendations:

- Expand business (sales and positions) under the Staples partnership, maintaining at the current level one business unit and restructuring/closing two business units.
- Improve financial reporting by acquiring financial expertise/leadership internally or contractually, and implementing more rigorous accounting controls.
- Defer focus on sales growth and new businesses pending improved profits and equity.
- Use the developed decision matrix (which included competency, financial, competitive, environmental, market, and other factors) to help guide strategic business decisions.

Results

Following the project, Alpha received a meaningful bank line of credit, helped by the financial work completed by the team, that showed Alpha's core activities earned an operating profit.

