



MP COMPANY

AT A GLANCE

Engagement Type:

Weaponized Finance
Performance Improvement Plan
Strategy support

Period Covered:

Mar 2022 – Jun 2022

Prepared by:

Wartime CEO (Crisis
Management & TWCF Ops)

Confidentiality:

Client identifying details
anonymized as MP Company.



EXECUTIVE SNAPSHOT

MP Company is a commercial plumbing contractor operating near break-even without clear mid-month cash visibility. We were engaged to install a 13-Week Cash Flow (TWCF) discipline, establish project-level visibility, and stabilize cash. Within the first cycle, collections acceleration and spend control improved liquidity and gave leadership a repeatable weekly rhythm to run the company.

BACKGROUND & CONTEXT

- Financial performance slightly above break-even; cash pinch points routinely occurred mid-month.
- Inconsistent visibility into receivable timing and job-by-job cash needs.
- No single source of truth to track project status, over-time/rework, and billings vs. cash.

WARTIME CEO IMPACT

- 1) Build a live 13-Week Cash Flow (TWCF) to manage weekly cash priorities and vendor cadence.
- 2) Accelerate collections and reduce Days Sales Outstanding (DSO) with an A/R priority plan.
- 3) Create a Project Status Report to track project health, billings, change orders, and cash conversion.
- 4) Analyze profitability by project and service line to focus the team on higher-margin work.
- 5) Negotiate with lenders to protect liquidity during the turnaround.



PROBLEM DIAGNOSIS

The owner had built the business through sustained effort, but progress wasn't translating into meaningful profitability. Payroll timing compounded the strain and cash built slowly and disbursed rapidly never pulling ahead. It stopped being fun and that's why we got involved.

The underlying issues were structural, not effort-based:

- (1)** No consistent way to think about the story the financials tell
- (2)** No toolset to drill down to the root causes behind results
- (3)** Limited time to improve the business due to constant firefighting—especially cash shortfalls
- (4)** Declining energy for growth despite being world-class at the trade.

Our mandate was to install sightlines and a weekly cadence that turned data into action. Going through financials is really fun when you stop looking at numbers and you can see the story behind them. We combined 13-Week Cash Flow with project-level controls and segment analysis so leadership could see, decide, and prioritize together.

From the first cycle, cash visibility improved; from the next cycles, mix and execution choices became deliberate. The result was a calmer, more predictable cash profile and a management rhythm aligned to profitable growth.





BUSINESS SEGMENT REVIEW

PRO FORMA FOR SERVICE BUSINESS CARVE OUT

	CY 2021	CY 2022	YTD 2023.07	TOTAL
SVC Revenue	\$621	\$674	\$386	\$1,681
COGS	\$240	\$253	\$207	\$707
Gross Profit	\$381	\$420	\$179	\$974
Gross Margin	61%	62%	46%	58%
SGA & OpEx (Constr & SVC)	\$1,404	\$1,454	\$788	\$3,646
SGA & OpEx Reduction	-\$1,210	-\$1,253	-\$679	-\$3,142
Revised SGA & OpEx	\$194	\$201	\$109	\$504
% of Revenue	31%	30%	28%	30%
EBITDA	\$187	\$219	\$70	\$470
EBITDA Margin	30%	33%	18%	28%

The service business was performing well financially but was not the core focus as the business model had its own challenges to solve and the "squeaky wheel" of construction with much higher total revenue sucking up most of the owner's time. Margin dropped YTD due to lack of attention and revenue stalled as sales were not actively driven.

PRO FORMA FOR CONSTRUCTION BUSINESS CARVE OUT

	CY 2021	CY 2022	YTD 2023.07	TOTAL
Construction Revenue	\$3,650	\$3,552	\$2,582	\$9,784
COGS	\$2,582	\$2,651	\$1,971	\$7,217
Gross Profit	\$1,068	\$901	\$611	\$2,568
Gross Margin	29%	25%	24%	26%
SGA & OpEx (Constr & SVC)	\$1,404	\$1,454	\$788	\$3,646
SGA & OpEx Reduction	-\$204	-\$211	-\$115	-\$530
Revised SGA & OpEx	\$1,200	\$1,243	\$674	\$3,116
% of Revenue	33%	35%	26%	32%
EBITDA	-\$132	-\$341	-\$63	-\$549
EBITDA Margin	-4%	-10%	-2%	-6%

This business unit was both the bread and butter of the business and the thing holding it back. Gross margin steadily deteriorating as issues compound. New foreman were added to turn around and it never happened. NO ONE cares about your business and will solve the problems if you do not. Change needed to happen but change is hard and uncomfortable, that's what we're experts at.



BUSINESS SEGMENT REVIEW

GROSS MARGIN (HEAT MAP)

Business Segment	CY21	CY22	YTD23	TOTAL CY21-YTD23
Constr	29%	25%	24%	26%
Constr+SVC	45%	52%	46%	47%
SVC	61%	62%	46%	58%
Other-Unknown	0%	0%	0%	0%
Grand Total	0%	0%	0%	0%

We learned that Service was profitable, but slipping. NEAR-TERM we focus on that and make bids for work on that work type. Tighten up the profitability on the Service side, understand the YoY change. And we need to drill down and find the root cause of historical Construction performance.

CONSTRUCTION - DRILL DOWN

		Gross Margin			
Project Type	Work Type	CY21	CY22	YTD23	TOTAL
Carwash	GU	50.1%	46.0%	10.4%	40.7%
Church	TI - Day		-3.4%	46.3%	20.2%
Church	GU			7.8%	7.8%
Clubhouse	GU			24.8%	24.8%
Dealership/Auto	TI - Day			38.5%	38.5%
Dealership/Auto	GU		8.6%		8.6%
Fast Food	GU	2.5%	-14.6%		-6.6%
Grocery	TI - Night	56.9%	44.3%	56.6%	51.8%
Grocery	GU	51.2%	9.0%	19.8%	19.1%
Grocery	TI - Day	46.7%	5.6%	12.3%	18.0%
Grocery	TI - Mixed		63.8%	71.8%	67.6%
Rest	TI - Day		2.9%	30.4%	16.7%
Retail	TI - Day		54.5%	17.6%	32.0%
Self Storage	GU		-0.7%	14.4%	8.6%
Unique	GU	30.3%			30.3%
Warehouse	GU		28.9%	-1.4%	16.8%
Grand Total		44.2%	18.3%	21.8%	24.3%

Next step is to drill down and look for winners & losers. Understand the narrative of WHY the financial outcome and patterns within. TI work generally was generally good, GU work needs to be killed, operationally improved, or repriced at risk of losing sales.



13 WEEK CASH FLOW

Liquidity Forecast - 13-Week Cash Flow Detail

Actual / Forecast Week Number Week Ending	1 11-Mar	2 18-Mar	3 25-Mar	4 1-Apr	5 8-Apr	6 15-Apr	7 22-Apr	8 29-Apr	9 6-May	10 13-May	11 20-May	12 27-May	13 3-Jun	Total 13-Weeks
<<< Insert Column Here														
Receipts														
Subtotal Operating Receipts	43,724	20,000	20,400	17,937	8,000	115,890	157,711	8,000	12,595	8,000	108,468	8,000	8,000	536,726
Total Receipts	43,724	20,000	20,400	17,937	8,000	115,890	157,711	8,000	12,595	8,000	108,468	8,000	189,000	717,726
Operating Disbursements														
Total Operating Disbursements	96,224	14,604	107,060	21,036	84,724	23,604	84,236	42,260	90,824	23,604	85,136	36,460	91,324	801,100
Operating Cash Flow (CFO)	(52,500)	5,396	(86,660)	(3,099)	(76,724)	92,286	73,475	(34,260)	(78,229)	(15,604)	23,332	(28,460)	(83,324)	(264,374)
Non-operating Disbursements														
Total Non-Operating Disbursements	-	2,500	-	-	381	-	-	-	381	-	-	-	381	3,642
Total Disbursements	96,224	17,104	107,060	21,036	85,105	23,604	84,236	42,260	91,205	23,604	85,136	36,460	91,705	804,742
NET CASH FLOW	(52,500)	2,896	(86,660)	(3,099)	(77,105)	92,286	73,475	(34,260)	(78,610)	(15,604)	23,332	(28,460)	97,295	(87,016)
REVOLVER / BORROWING BASE														
BOOK TO BANK RECONCILIATION														
Beginning Balance (Bank)	100,568	45,079	47,975	(38,686)	(41,785)	(118,890)	(29,594)	43,881	9,621	(68,989)	(87,583)	(64,251)	(92,712)	100,568
+ Net Cash Flow (Before Debt & Non-Op Rec)	(52,500)	2,896	(86,660)	(3,099)	(77,105)	92,286	73,475	(34,260)	(78,610)	(15,604)	23,332	(28,460)	(83,705)	(268,016)
+ Non-Op Receipts / Draws on LOC - Reinvestment	-	-	-	-	-	-	-	-	-	-	-	-	181,000	181,000
(-) Debt Service / LOC PMTs	(2,990)	-	-	-	-	(2,990)	-	-	-	(2,990)	-	-	-	(8,969)
Ending Balance (Bank)	45,079	47,975	(38,686)	(41,785)	(118,890)	(29,594)	43,881	9,621	(68,989)	(87,583)	(64,251)	(92,712)	4,583	4,583
+ Check Float	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Ending Balance (Book)	1,079	3,975	(82,686)	(85,785)	(162,890)	(73,594)	(119)	(34,379)	(112,989)	(131,583)	(108,251)	(136,712)	(39,417)	(39,417)

Actual / Forecast Week Number Week Ending	1 11-Mar	2 18-Mar	3 25-Mar	4 1-Apr	5 8-Apr	6 15-Apr	7 22-Apr	8 29-Apr	9 6-May	10 13-May	11 20-May	12 27-May	13 3-Jun	Total 13-Weeks	NOTES
BOOK TO BANK RECONCILIATION															
Beginning Balance (Bank)	100,568	45,079	47,975	(38,686)	(41,785)	(118,890)	(29,594)	43,881	9,621	(68,989)	(87,583)	(64,251)	(92,712)	100,568	
+ Net Cash Flow (Before Debt & Non-Op Rec)	(52,500)	2,896	(86,660)	(3,099)	(77,105)	92,286	73,475	(34,260)	(78,610)	(15,604)	23,332	(28,460)	(83,705)	(268,016)	
+ Non-Op Receipts / Draws on LOC - Reinvestment	-	-	-	-	-	-	-	-	-	-	-	-	181,000	181,000	
(-) Debt Service / LOC PMTs	(2,990)	-	-	-	-	(2,990)	-	-	-	(2,990)	-	-	-	(8,969)	
Ending Balance (Bank)	45,079	47,975	(38,686)	(41,785)	(118,890)	(29,594)	43,881	9,621	(68,989)	(87,583)	(64,251)	(92,712)	4,583	4,583	
+ Check Float	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	
Ending Balance (Book)	1,079	3,975	(82,686)	(85,785)	(162,890)	(73,594)	(119)	(34,379)	(112,989)	(131,583)	(108,251)	(136,712)	(39,417)	(39,417)	
WHAT ACTUALLY HAPPENED															
Total Receipts	20,082	34,677	250,716	91,788	44,406	25,146	83,330	47,097						597,243	
Total Disbursements	110,124	28,238	85,990	62,454	176,121	17,331	129,632	19,068						628,957	
Operating Cash Flow (CFO)	(90,042)	6,440	164,725	30,279	(123,594)	7,815	(44,356)	28,029						(20,703)	
NET CASH FLOW	(90,042)	6,440	164,725	29,334	(131,715)	7,815	(46,302)	28,029						(31,715)	
Ending Balance (Bank)	10,527	16,966	178,702	208,036	75,877	83,692	34,400	62,429						62,429	
Total Receipts - VARIANCE	(23,642)	14,677	230,316	73,851	36,406	(90,744)	(74,381)	39,097						205,581	Accelerated A/R timing with lots of effort
Total Disbursements - VARIANCE	13,900	11,133	(21,070)	41,417	91,016	(6,273)	45,395	(23,192)						152,327	Contingent Payments triggered and salary over budget (Overtime)
Operating Cash Flow (CFO) - VARIANCE	37,542	(1,044)	(251,386)	(33,379)	46,870	84,471	117,831	(62,289)						(61,385)	
NET CASH FLOW - VARIANCE	(37,542)	3,544	251,386	32,433	(54,610)	(84,471)	(119,777)	62,289						53,254	
Ending Balance (Bank) - VARIANCE	9,448	12,992	261,388	293,822	238,767	157,286	34,519	96,809						96,809	





INTERVENTION

- Weekly training on weaponizing financials to empower and strategize together.
- Drill down on opportunities visible from our weaponized finance training sessions. In this case we needed to split and review profitability through Gross Profit by business segments.
- Once we identified which business segment(s) were performing well, we focus on driving those sales in the short term while we investigate job level performance for the struggling business segment(s).
- Investigate job level performance - we create internal and external benchmarking and search for patterns to key in on what is breaking down OR if the problem was with the estimating / bidding despite the newly implemented software.
- Developed and implemented a 13-Week Cash Flow (TWCF) with weekly rhythm (Fri roll; Mon cash huddle).
- Identify and executed near-term cash initiatives including A/R sprint: prioritized largest/oldest accounts; tightened pay-app approvals and proof-of-service packets.
- Vendor cadence and lender comms to eliminate surprises and manage those relationships. Banks appreciate knowing a management consultant is supporting the company.
- Project Status Report (PSR):** job-level cash dates, % complete, next billable, open approvals, risk notes.





OUTCOMES



-  Leadership gained time for improvement initiatives; less firefighting, more deliberate growth.
-  Mid-month liquidity stabilized; payroll planning aligned to forecasted receipts rather than hope.
-  Forecast accuracy improved as the weekly loop (forecast → execute → measure) closed timing gaps.
-  Receipts arrived earlier in the month through disciplined approvals and prioritized outreach.
-  PSR reviews surfaced cash blockers 1-2 weeks earlier, enabling proactive vendor and crew planning.
-  Near-term mix emphasized faster-cash, healthier-margin work while Construction controls were strengthened.

