

Case Study:

From Major Loss To Profit-Driven Growth

CHALLENGE

A janitorial services firm faced a significant financial disruption after losing a major client that contributed nearly $4 million in revenue, (approximately 33% of total revenue.) This unexpected setback threatened the company's financial stability, derailed their operations and threatened their long-term viability.

SOLUTION

To address this critical situation and regain financial footing, the janitorial services company turned to CFO Navigator for strategic direction and financial clarity.

RESULTS

- **Year One**
  - Despite a 33% decrease in revenues, Gross Profit improved by **4%.**
  - Gross Margin improved from **18% to 28%**, a rapid shift toward a leaner, more efficient business model.

- **Year Four**
  - Revenues recovered to **91%** of their pre-loss levels
  - Gross Profit rose by **67%**
  - Gross margins consistently remained **9 to 10 percentage points** higher than before the client loss.

CONCLUSION

This case is a striking example of resilience through financial strategy. By working with CFO Navigator, the client didn't just survive; they came back stronger, more profitable, and more focused on long-term success. By focusing on optimizing gross profit and margin, this company transformed a potential disaster into a testament to sustainable financial management.