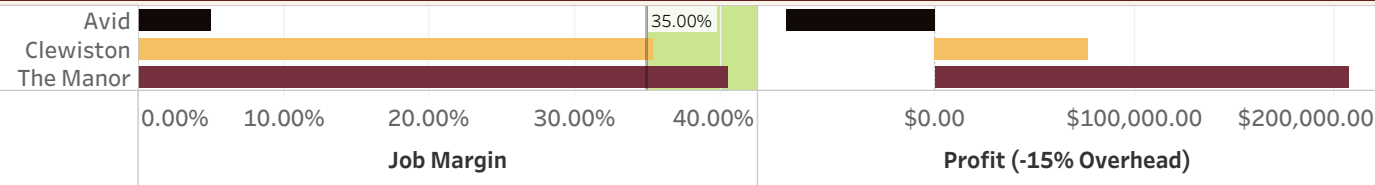


# What Went Wrong? Exploring Underperformance

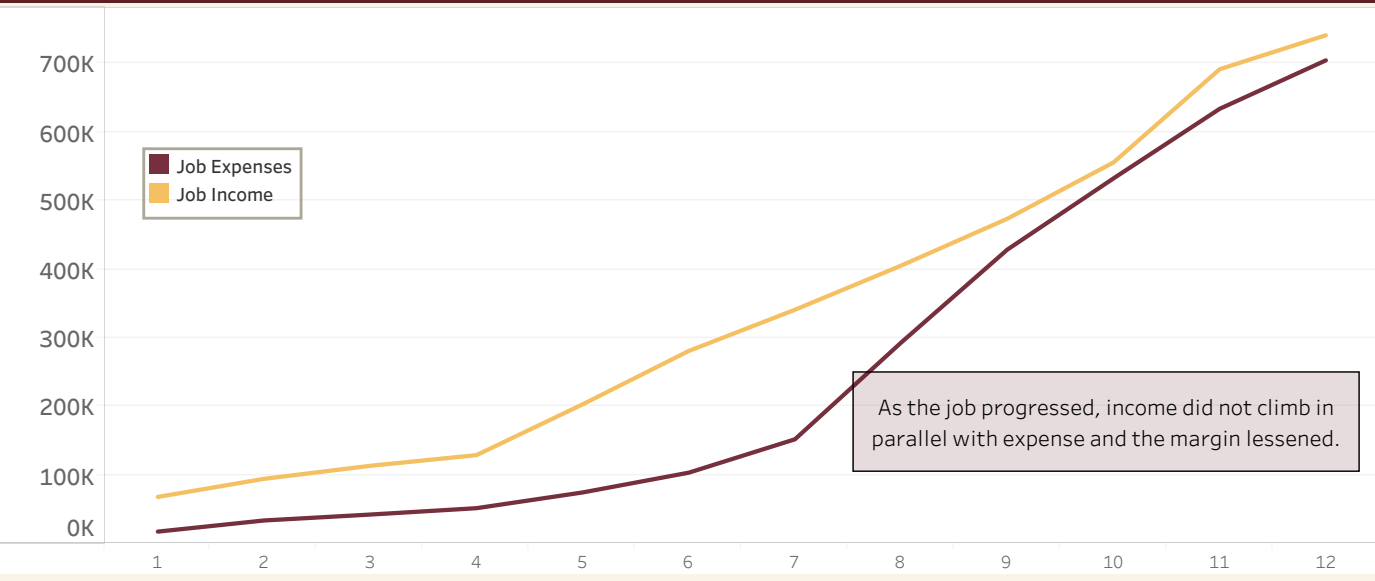
The Avid job did not meet goals for margi..	Avid has higher percentage of cost in ..	Job material purchases were highe..	Subcontractor expense for the Avid is all gen..	Summary and Suggestions
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## Job Performance: Margin with Goal Reference and Profit



When comparing the three similar commercial jobs, it is clear that the Avid job underperformed with regard to margin and profit. Avid fell short of the 35% goal for margin and did not generate enough revenue to cover associated overhead.

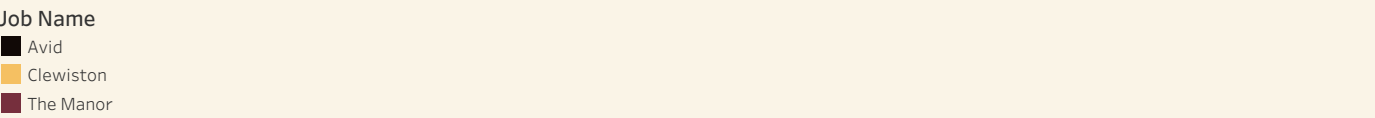
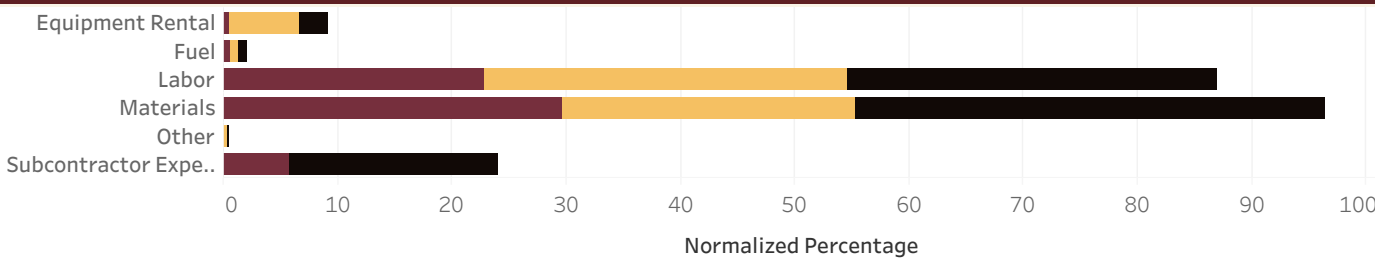
## AVID Expenses and Income Over Time



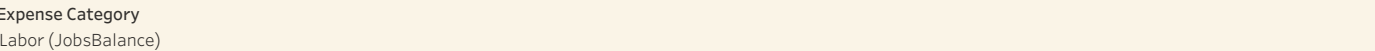
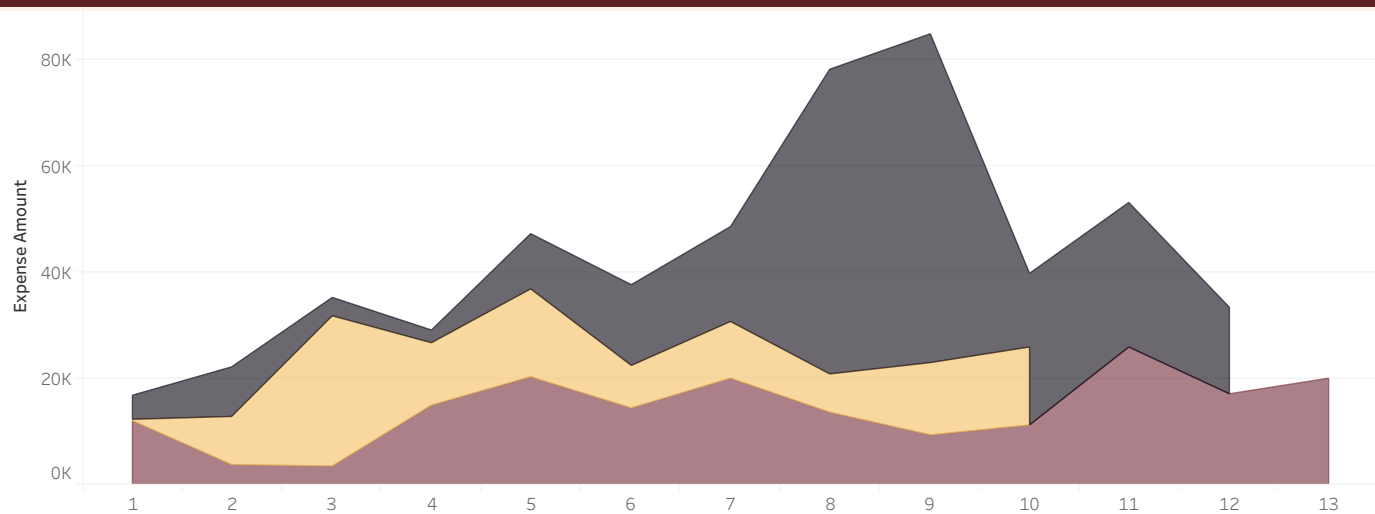
# What Went Wrong? Exploring Underperformance

The Avid job did not meet goals for margi..	Avid has higher percentage of cost in ..	Job material purchases were highe..	Subcontractor expense for the Avid is all gen..	Summary and Suggestions
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## Cost By Expense Type Normalized as Percentage of Job Income



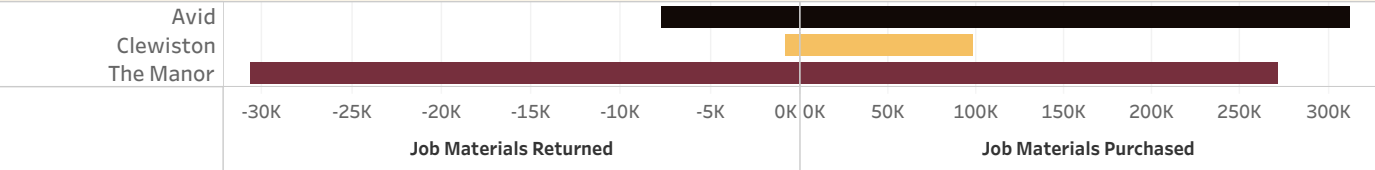
## Expenses by Type and Billing Period



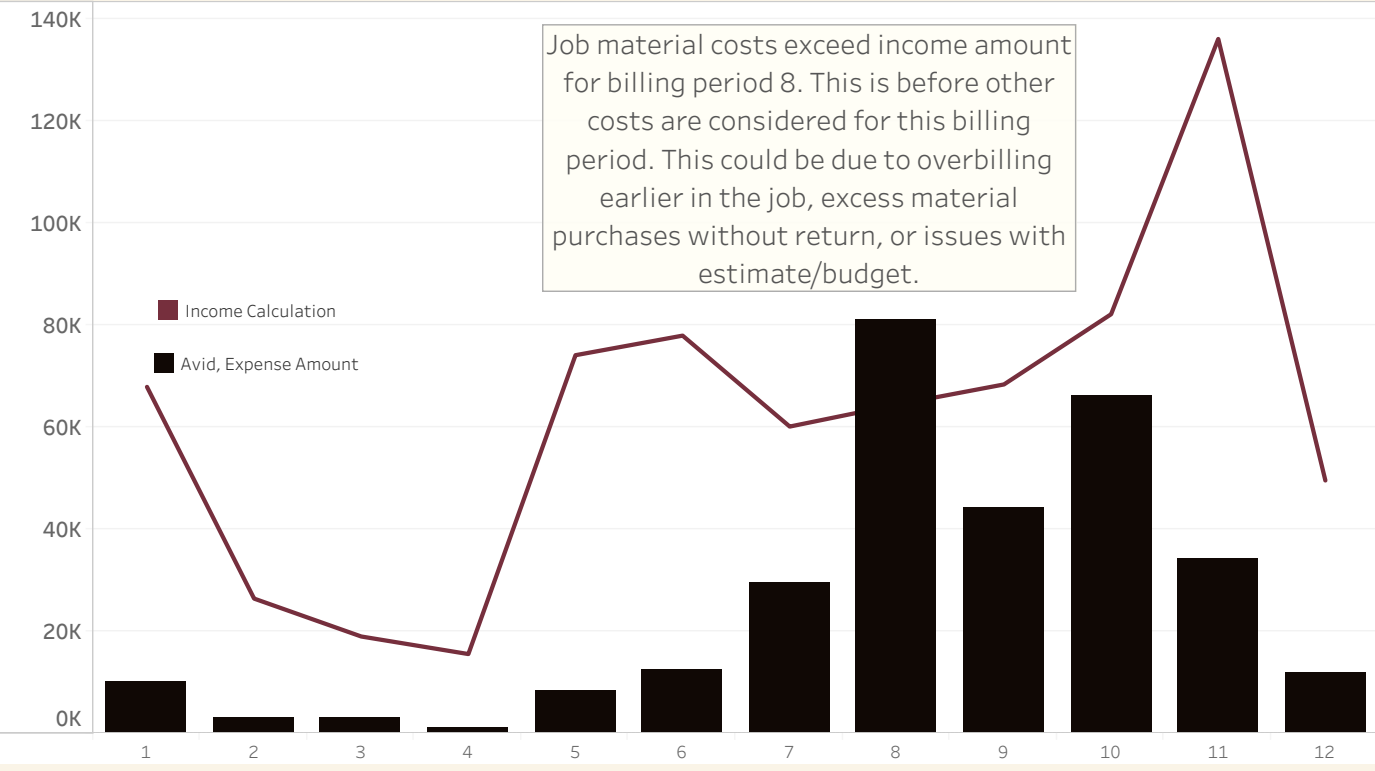
# What Went Wrong? Exploring Underperformance

The Avid job did not meet goals for margi..	Avid has higher percentage of cost in ..	Job material purchases were highe..	Subcontractor expense for the Avid is all gen..	Summary and Suggestions
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Comparison of Job Materials Purchased and Credits for Materials Returned Across Jobs



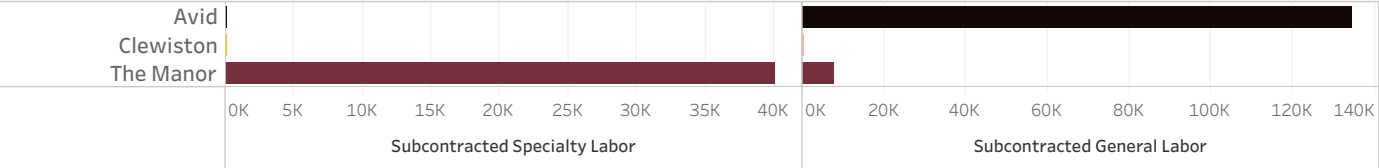
Avid Job Material Cost and Income by Billing Period



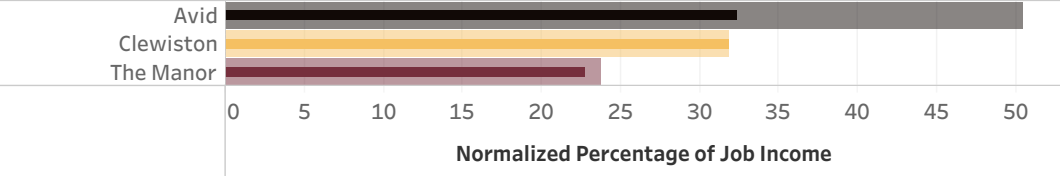
# What Went Wrong? Exploring Underperformance

The Avid job did not meet goals for margi..	Avid has higher percentage of cost in ..	Job material purchases were high..	Subcontractor expense for the Avid is all gen..	Summary and Suggestions
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## Breakdown of Subcontractor Expenses into General and Specialty Labor

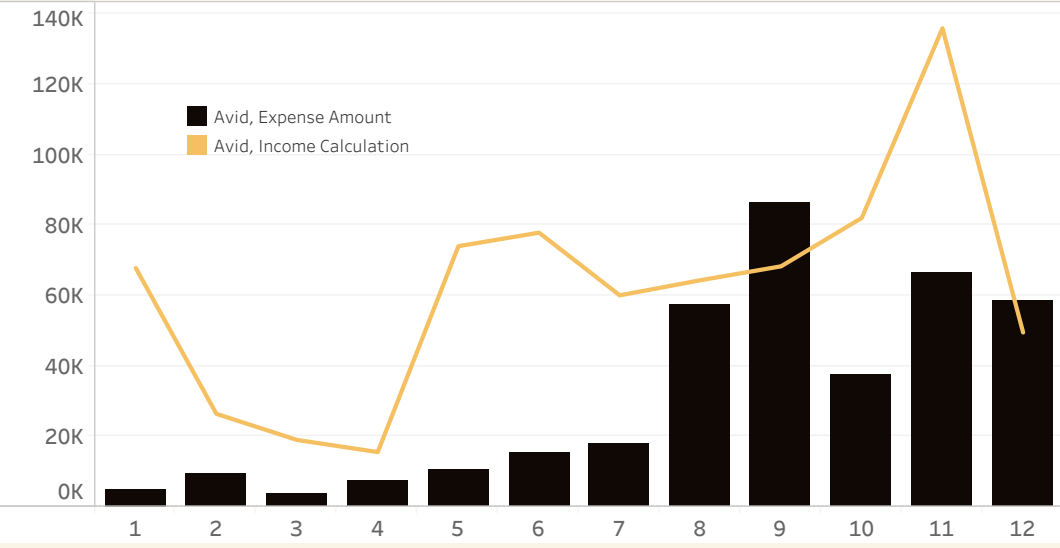


## Comparison of Labor Expense as Normalized Percentage of Income



With the understanding that subcontractor expense for the Avid was general labor and not specialty subcontractors (fire alarm, data, etc), this amount can be added to the labor amounts to get a more accurate depiction of labor expenses. It is clear that the Avid had a very high labor cost compared to the other two jobs when subcontracted labor is also considered and normalized as a percentage of job income. It is also interesting to note the spike in labor costs toward the end of the job and the labor cost in excess of income with no other expenses considered in billing period 9. This could indicate issues with overbilling early in the job and/or issues with labor management and schedulin..

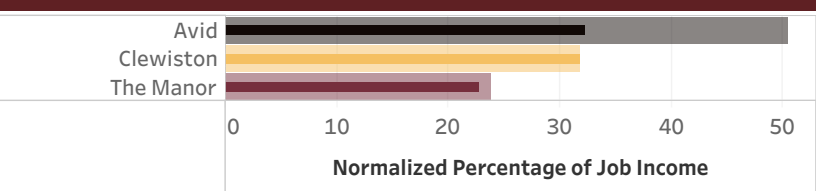
## Avid Total Labor Cost and Income by Billing Period



# What Went Wrong? Exploring Underperformance

The Avid job did not meet goals for margi..	Avid has higher percentage of cost in ..	Job material purchases were high..	Subcontractor expense for the Avid is all gen..	Summary and Suggestions
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Comparison of Labor Expense as Normalized Percentage of Income

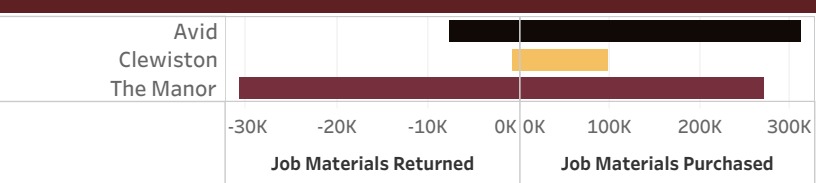


**Problem:** Avid underperformed and did not meet margin goal or generate revenue sufficient to cover overhead.

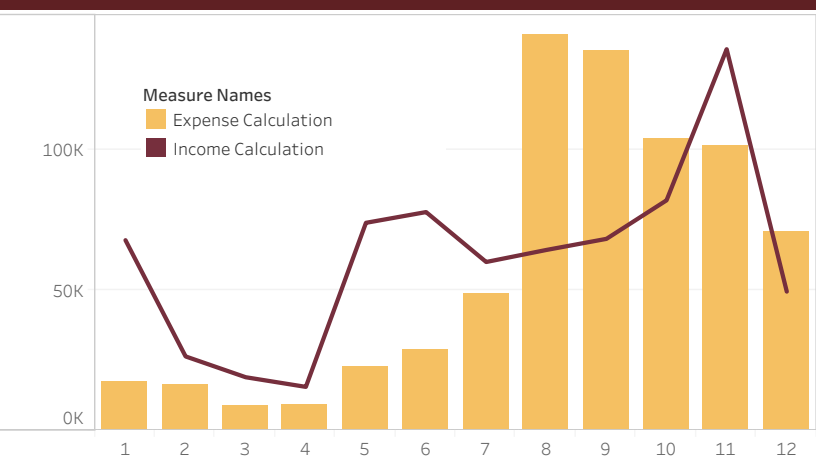
**Why:** High labor and job material costs were the most significant expenses impacting the poor overall performance of the Avid job.

**Possible Solutions:** Bonus incentives for project managers, job formen and other employees could help curb wasted labor and materials and motivate employees to return unused materials. Improved communication between managers and field workers with regular on site meetings could help connect the work being done in the field to the financials ultimately improving both work quality and profitability.

Comparison of Job Materials Purchased and Credits for Materials Returned Across Jobs



Avid Income and Expense by Billing Period



The focus of this analysis was primarily expenses impacting the margin. However in addition to the Avid not generating enough income overall to cover expenses and meet margin, it is of interest to note the distribution of expenses and income across billing periods. It appears that income/billing amount was very high compared to expenses in the early stages of the job. This likely caused additional stress late in the job with less funds available. This could have been caused by poor communication between workers on site and managers regarding the amount of work completed. It could also be a result of issues with the estimate or job budget. Further examination is warranted and would be a good follow up to this analysis.