

A Luxury Wedding Business Gets its Financial House in Order

An internationally renowned designer of specialized, high-end wedding services* engaged Erin Armstrong to solve its complex financial challenges:

- Increasing profitability and revenue
- Addressing erratic cash flows
- Resolving pricing and positioning issues
- Improving operational efficiency
- Boosting CEO compensation

**The business has consented to be featured in this case study, as long as its name, specific services and geographical markets remain anonymous.*

Results



233%

increase in profits
(within 1 month)



300% +

projected increase
in profit within 12
months



Effective overhaul
of service
positioning and
pricing



5,100%

increase in owner
compensation
(within 1 month)



12hrs+

time back per month
(through streamlined
tracking process)

A Luxury Wedding Service Provider Struggles to Manage its “Household Finances”

The owner/CEO of an internationally recognized designer of specialized, high-end wedding services was frustrated. Even though business was booming, the company always seemed to be short on cash. Even worse, after she paid everyone else, she never seemed to have enough money left over to cover her own everyday expenses, let alone pay for her mortgage and family health insurance coverage.

- Razor-thin profit margins were negatively impacting the firm’s bottom line.
- Cash flows were highly erratic.
- Ever-increasing revenue wasn't translating into higher personal income.

She couldn’t let these issues get in the way of growing her business. Nor was she willing to reduce the quality of her services to better balance the books.

She knew she needed professional help to solve these thorny financial challenges. After reaching across her professional network for recommendations, she contacted [Erin Armstrong](#), a nationally known provider of flexible fractional CFO services.



A Luxury Wedding Service Provider Struggles to Manage its “Household Finances” (Continued)

After meeting with Erin to discuss the financial trajectory of her business, the CEO engaged her for an accelerated “VIP Day with a CFO” engagement to address these objectives:

- Solve the firm’s cash flow and profit margin challenges.
- Analyze and rectify the business’s pricing and positioning issues.
- Fix its broken internal expense-tracking system.
- Help her figure out how to earn a good living without risking the company’s financial viability.

What is a Fractional CFO?

Fractional CFOs enable small businesses to solve their complex financial challenges without having to hire a full-time CFO. Owners hire fractional CFOs on a contractual basis to provide ongoing expert financial analysis, support and guidance.

In addition to long-term fractional CFO relationships, Erin Armstrong also offers her unique, accelerated **VIP Day with a CFO service**. This short-term, limited-scope engagement combines business and financial consulting, coaching and financial modeling. Erin presents all of her analysis and business and operational recommendations in a single, intensive day. Many of Erin’s clients choose the VIP Day option because they need to start solving their business problems as soon as possible. After going through one of these accelerated engagements, some have said it’s like experiencing the results of six months of work in one day.

Diagnosing the Firm's Financial Challenges

An integral component of Erin's VIP Day with a CFO service is the extensive prep work she does in advance. For this client, Erin spent several days conducting an extensive analysis of the business's financial and operational processes. She then presented her findings in one full-day session, with specific actionable recommendations the CEO could implement on her own.

These recommendations targeted five specific issues.



1. Too Much Time and Effort Spent on Low-Profit Requests

While the firm had been established to serve affluent couples planning luxurious wedding experiences, a large percentage of its sales came from time-consuming, non-wedding requests that were priced far below the firm's top-tier offerings.

Erin's analysis revealed that these requests not only consumed far more time and effort than they were worth, but they were also sapping the motivation and morale of staff members who worked on them.

The Solution

Erin used this analysis to provide specific recommendations on which kinds of clients the CEO should double her efforts on trying to land - and which kinds they should turn away. **She determined that the most profitable engagements were with:**

- Couples with unique artistic wedding visions who were willing to spare no expense for the look and feel they wanted.
- Couples who worked with experienced wedding planners.

The Results

The firm was able to turn down time-consuming, marginally profitable requests from non-wedding customers. This enabled it to focus **100%** of its time and effort on fulfilling its core mission of serving affluent couples and families.

Not only did this result in **greater profitability**, but it also gave staff members **more time** to do the kind of work they loved most.





2. High-End Services Weren't Generating Top-Tier Profits

After conducting extensive financial analysis of the firm's previous high-end wedding engagements, **Erin identified several issues:**

- Profit margins for each job averaged **less than 22%** - far below the industry standard of **50%**.
- The business had never accounted for design and project management time when conducting cost analysis for each assignment. When included, it drove the actual average profit margins from **22% to 10%**.
- On many engagements, scope-creep issues resulted in much higher expenses - often **300% more** - than the CEO had originally budgeted for, but she didn't bill her clients for these overages.



The Solution

Erin worked with the CEO to develop a multi-faceted solution that would minimize losses resulting from budget-bleeding and scope-creep. **Specific recommendations included:**

- Charging more for specific services that had been consistently underpriced in the past.
- Creating tighter client contract templates that more clearly defined the original vision and scope of work.
- Adding "scope-creep" provisions to contract templates that would allow for additional charges if the client's vision and/or requirements resulted in additional or higher expenses.

- Establishing multiple check-in points and criteria for the CEO and staff members to confirm that conducted activities were following the original terms of each contract.
- Instituting easy-to-follow formal procedures that specified how the firm should handle change requests (and what they should charge for these changes).
- Creating scripts and walking through a coaching session to help the CEO gain confidence in discussing and resolving scope-creep issues with her clients.

Erin's solution enabled the CEO to assert greater control over how money was being spent. It also gave her greater peace of mind in knowing she no longer had to be on the losing end when her clients' vision of the perfect wedding became more elaborate - and expensive.

The Results

In the first month after the CEO instituted this solution, **profits increased by 233%** and are projected to increase by **over 300% within 12 months**.





3. The Company - and Its Services - Weren't Positioned or Priced Effectively

The CEO believed that prices for her specialized wedding services were comparable to those of her key competitors. But Erin's market research revealed that the CEO was dramatically undercharging for what her team delivered.

The Solution

To alleviate this disparity, Erin proposed an **extensive overhaul** of the business's positioning and service model.

- She recommended that the business stop promoting itself as a “wedding product provider” and instead rebrand itself as an expert designer of highly personalized artistic solutions aimed at making every wedding an extra special and memorable occasion.
- She made specific recommendations for repricing certain services to reflect what competitors were charging.

Part of this effort involved reimagining what the ideal client experience should be - and how much it should cost.

The Results

Once Erin's recommendations were implemented, the number of high-end wedding engagements **significantly increased**. Indeed, the CEO discovered that charging more helped to position her firm as a “luxury brand” in the minds of her clients.



4. Tracking Client Payments was Inefficient and Inaccurate

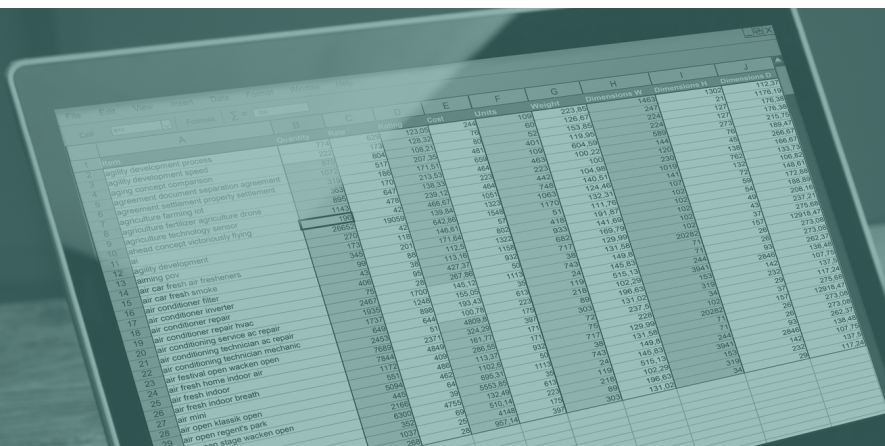
The CEO was using a cobbled-together shared spreadsheet template for managing and tracking budgets and payments for individual jobs. A lack of automated calculations and data integration meant that staff members had to enter information manually, resulting in numbers that were neither clear nor accurate.

The Solution

Erin created a **new, streamlined spreadsheet template** that incorporated formulas and data imports to help automate record keeping and reduce user errors. She also developed a short training tutorial to help users get to up speed on the new process.

The Results

Manual data entry tasks that often took an hour or more are now completed in **minutes**, and each spreadsheet accurately reflects budgeting and cash flows for each project.



	A	B	C	D	E	F	G	H	I	J
1	Client	175	675	125.00	24	100	223.85	1463	1200	112.51
2	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
3	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
4	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
5	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
6	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
7	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
8	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
9	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
10	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
11	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
12	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
13	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
14	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
15	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
16	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
17	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
18	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
19	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
20	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
21	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
22	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
23	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
24	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
25	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
26	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
27	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
28	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
29	Project	175	675	125.00	24	100	223.85	1463	1200	112.51
30	Project	175	675	125.00	24	100	223.85	1463	1200	112.51



5. The CEO's Pay was Either “Feast or Famine”

Razor-thin profit margins and lingering cash flow issues meant that the CEO wasn't paying herself regularly. Instead, she paid herself after a job was completed with what little money was left over from the project after paying everyone else.



The Solution

Erin convinced the CEO to start paying herself first each month by providing a plan that showed how she could earn a baseline compensation (including health insurance) funded by existing cash flows. She took this a step further by showing how the CEO could increase her compensation over time as Erin's other recommendations boosted profitability.



The Results

Within the first month, the owner's compensation **increased by over 5,000%**.



Erin Armstrong's accelerated VIP Day with a CFO engagement helped this struggling small business boost profitability and efficiency in a manner that fully reinforced its international reputation as a destination for specialized wedding services.



To learn how Erin can produce similar results for your business, [contact her today.](#)