Case Study: Overcoming Misaligned Goals Between Sales and Operations to Restore Profitability

Client Profile

Our client, a division of concrete contractor specializing in parking garage construction and maintenance, experienced rapid growth, increasing its revenue from $15 million to $45 million over a three-year period. They sought our help to address challenges in their estimating process, initially focusing on selecting the right software.

Challenge

During the Discover phase of the *Building Excellence Blueprint™,* Profitability Works (PWI) identified that the primary challenge was a misalignment between ambitious sales growth targets and static operations resourcing. This led to recurring issues in the estimation process that were unrelated to the tools being used.

The sales team was tasked with ambitious annual growth targets, prompting the VP of Sales to expand the salesforce with board approval. However, operations were not included in these growth goals and did not increase their estimator headcount.

As a result, the number of estimators remained unchanged over three years, despite significant business growth. This increased workload led to a decline in the quality of bids and proposals (unable to get competitive material pricing, subcontractor quotes, etc.), with close ratios falling from approximately 30% to less than 10%. Estimators were now tasked with preparing bids for more than $450 million annually, compared to $45 million previously, to support aggressive growth objectives.

Additionally, the estimators no longer had the capacity to conduct site visits, even for repair work. Instead, they relied on salespeople to capture customer requirements, determine scope, and measure work—tasks outside the sales team's expertise.

Consequently, measurements were inaccurate, scopes lacked detail, and inexperienced salespeople set unrealistic expectations. This resulted in margin erosion between the sale and execution, dissatisfied customers, and operational challenges. The root cause was not the software, but the misalignment and communication gaps in the estimation process.

Our Recommendations

- Develop and document a standardized estimation process. Clearly define information needed, collection methods, measurement criteria, and responsibilities to ensure accountability and remove ambiguity.
- Expand a proven questionnaire tool company wide. Specify response quality standards and hold sales accountable for complete information.
- Implement Change Management: Reinforce adoption and compliance by establishing rewards for following the new process and consequences for non-compliance.
- Have the VP of Sales and Estimation Manager jointly present new expectations to both teams, driving alignment and shared ownership.
- Reassess software needs only after improving processes and alignment.

The Lesson

Sales and operations must have aligned goals, as each depends on the other. Sustainable success in trade construction requires seamless collaboration between these teams.

While software can support effective processes, it cannot fix underlying misalignments. Investing in expensive software will not resolve profitability issues if process and communication challenges persist.

Profitability Works helps trade contractors identify the root causes of business challenges and implement solutions that employees readily adopt.

Contact us today to schedule a consultation and discover how we can help you resolve misalignments, restore profitability, and accelerate your growth.