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# FROM CRISIS TO COMEBACK: THE DESIGN COLLECTIVE

Navigating a business through a global pandemic is a challenge that no entrepreneur could be prepared for. For the design COLLECTIVE's Founder, James Blissett, the COVID-19 crisis threatened to derail the company's hard-earned success and growth. However, with the guidance and partnership of the Accountability Services team led by CPA Dave Fischer, the design COLLECTIVE not only weathered the storm but emerged stronger and more resilient than ever.

This case study explores the power of financial planning and analysis in guiding a business from the brink of collapse to a remarkable comeback.



## BEFORE THE PANDEMIC

The design COLLECTIVE, founded in 2007 by architect James Blissett, had grown steadily each year up until 2020. With a team of 21 employees and nearly \$3 million in revenue, the firm had established a strong niche in designing movie theaters for three of the four largest theater operators, as well as projects for Starbucks and other clients. Financially, the company was doing well.

Despite their strong overall financial health, there were a few unprofitable markets that put pressure on their bottom line along with a lack of guidance from their previous accountant.

In 2009, James Blissett connected with Dave Fischer from Accountability Services, who became more than what business owners often think of when they hear the term "CPA." Dave became a de facto business manager, providing the much-needed financial guidance and partnership that James had been missing.

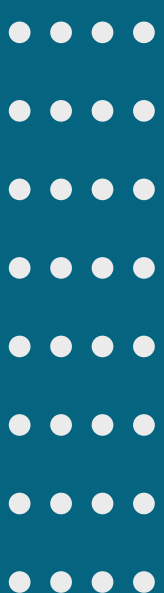
**As James puts it,**

*"Most architects don't know what to do from a business standpoint. We need someone to be hands on and hold us accountable."*

## THE PANDEMIC'S IMPACT

Fast forward to 2020, and the devastation that would cripple and crush so many businesses. When the pandemic hit, business came to a halt. The design COLLECTIVE experienced a 75% drop in revenue, leading to layoffs and financial struggles. Despite securing PPP funds, the firm still faced significant challenges once the funding ran out. Theater operators that owed tens of thousands to the firm were going bankrupt, and nobody was building.

It was at this point that Dave Fischer and Accountability Services introduced the firm to the Employee Retention Tax Credit (ERTC).





## THE ERTC LIFELINE

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## FINANCIAL PLANNING & ANALYSIS (BEYOND SURVIVAL)

Understanding that more needed to be done in order to save the company and allow them to emerge from the pandemic with an opportunity to rebuild, Dave Fischer and the Accountability Services team focused on improving cash flow through various strategies, including:

1. Reducing overhead by giving up an office suite
2. Cutting back on expenses and bonuses
3. James Blissett, the Founder, taking a significant pay cut in his own distributions
4. Attacking accounts receivable and collecting outstanding payments
5. Raising prices
6. Exploring lines of credit and tapping into a small line of credit

Dave knew that the accounts receivable represented a big opportunity. Knowing that the design COLLECTIVE's clients also received significant amounts of PPP and ERTC funding, there was every reason to tap into this opportunity to reduce accounts receivable and improve the cash position.

And, while lines of credit were difficult to get, Dave helped identify opportunities James had not even considered.

These strategies helped change the firm's financial outlook, with a renewed focus on cash flow and making informed decisions based on revenue and expenses. Dave's guidance went beyond financial and cash flow strategy, providing a calming presence and expert advice during moments of crisis.

This would prove to be invaluable for James, as there were more challenges in store.



## WHEN YOU DIDN'T THINK IT COULD GET WORSE

As if a global pandemic wasn't enough, the design COLLECTIVE would also be impacted by the writers' strike and actors' strike both of which occurred in 2023, as the pandemic subsided. Without writers and actors, there were no movies. Without movies, theater operators were not building new locations.

As his "de facto business manager," James leaned into Dave's calm demeanor and expertise when at times, it appeared that the business he had built was crumbling.

## BUSINESS REVIVAL & GROWTH

As the movie industry emerged from both the pandemic and the strikes, the design COLLECTIVE has experienced a remarkable recovery. In recent months, the firm has achieved its highest billings since 2019, with projections for the best year since the pandemic began.

The improved financial position has allowed the firm to pursue new opportunities, such as:

1. Building up staff and hiring new employees
2. Exploring acquisitions to expand into new markets to diversify their portfolio of clients
3. Implementing new budgeting software to better track project profitability and efficiency



## BEFORE THE PANDEMIC

Through this experience, James Blissett has learned the importance of having the right CPA firm as a true business partner, a firm with a solid foundation in financial planning and analysis. Dave Fischer and Accountability Services have provided invaluable guidance, not just in financial strategy, but in all aspects of business management and growth.

The partnership between the design COLLECTIVE and Accountability Services demonstrates the power of financial planning and analysis in guiding a business from crisis to comeback.

*"A CPA is a personal partner in your business. Dave asks the right questions. He always wants to know, 'Where do you want to go,' because he is good at getting you there."*

**– James Blissett**

By focusing on financial planning and analysis and leveraging the expertise of a strategic CPA firm, businesses can overcome even the most daunting challenges and emerge stronger than ever.



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