



Finance effectiveness

A rapid diagnostic opportunity for portfolio companies from KPMG Private Equity



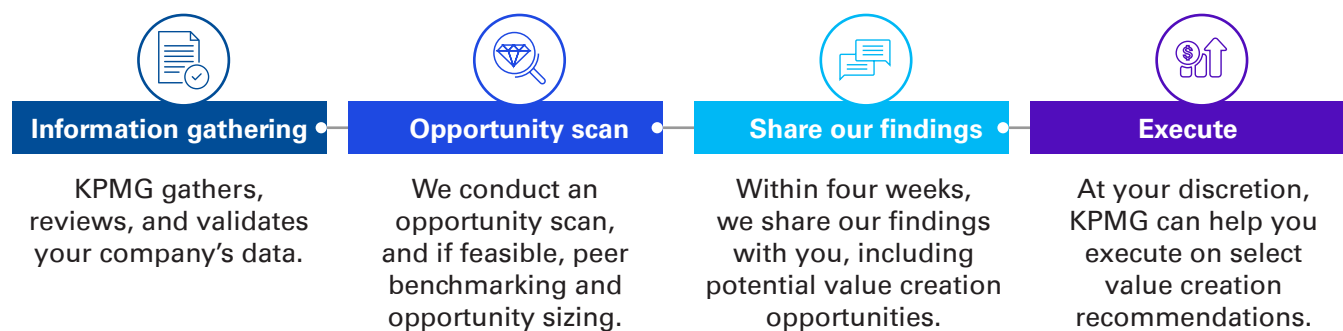
KPMG offers a diagnostic process to quickly assess the state of a portfolio company's financial operations and identify potential finance function value creation opportunities.

Addressing critical challenges of the finance function

Finance organizations are often responding to change resulting from an acquisition, rapid growth, M&A transactions, new ERP systems, or competitive threats. Our diagnostic process combines customized support from industry-aligned data science professionals embedded in KPMG advisory teams with our powerful data and analytics capabilities. The process has been designed to quickly identify potential opportunities and strategies for overcoming critical challenges.

Our approach




Through an initial diagnostic exercise, which is a light-touch process on your part, we quickly identify potential opportunities to improve performance and overcome functional challenges. Then, at your discretion, KPMG specialists can further guide you through the execution of select value creation opportunities that have been identified.



Deliverables from the finance effectiveness diagnostic include:

- Key observations and challenges identified during the rapid assessment
- Perspective on current-state maturity versus leading practices
- Considerations and next steps

Finance improvement focus areas

 Operational effectiveness	 Process and compliance	 Financial reporting
<ul style="list-style-type: none">• Providing insights to support business performance improvement• Establishing a cost-effective financial function• Developing high-performing finance professionals	<ul style="list-style-type: none">• Ensuring management of cash and funding• Instituting proper controls• Tracking and reporting priority program results	<ul style="list-style-type: none">• Meeting all regulatory reporting requirements• Ensuring accuracy of internal and external reporting• Communicating performance to the markets

Case study: Rapid finance assessment and roadmap



The challenge

KPMG supported a private equity client following its recent acquisition of a defense and transportation corporation, in the assessment of the acquired company's finance organization to identify opportunities to deliver optimized performance and business partnering capabilities, improved cost structure outcomes, and future M&A flexibility.



What KPMG did

- Conducted a rapid assessment of the portfolio company's current-state finance operating model and organization, engaging with leaders and members, to document current-state challenges and determine required future-state operating model capabilities to address these and realize finance's world class ambition
- Refreshed existing benchmark analyses to serve as an input to future-state finance organization sizing
- Defined the series of initiatives required to implement the future-state operating model and organization structures; documented key activities, dependencies, resources, and outcomes; estimated associated savings and costs



Results

- \$5.5–7.2M in labor and nonlabor cost savings identified, linked to actionable savings initiatives
- Enhanced commercial partnering capability to drive improved outcomes resulting from automation of transactional processes and investment in FP&A capabilities

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