

## BENCHMARKING TO VALIDATE SG&A PERFORMANCE

*First Kernel assessed functional competency and benchmarked various IT and Business functions in a mid market company against its industry and best-in-class peers to identify opportunities to reduce costs and increase performance.*



### Situation :

As part of its overall business transformation, our client wanted to ensure that its SG&A capabilities, costs and performance were in line with those of its best-in-class peers; where there was variance, the company intended to take steps to close gaps.

### Solution:

First Kernel leveraged its strategic partnership with APQC (American Productivity and Quality Center), the largest independent SG&A performance metrics organization, to undertake benchmarking of the following SG&A functions:

- Finance & Accounting
- Information Technology
- Human Resources
- Supply Chain Management

Working closely with the CFO, COO and other operational leaders, we organized capability, cost, and performance data for several key functions in ~~an~~ scope domains. This data was processed by APQC and detailed benchmark reports were generated. Combining our knowledge of the business and benchmark results, we were able to provide specific improvement related recommendations to our client.

### Status:

Our client was able to confirm that its SG&A capabilities, costs and performance were in-line with its peers. With this knowledge, the leadership team focused on aggressively driving top-line growth and revenues.

### KEY OUTCOMES

- Fact based understanding of how the company's current SG&A performance compared against its industry and best-in-class peers
- Awareness of opportunity for capability, cost and performance improvement in specific SG&A functional areas.
- Identification of specific business and IT processes for improvement regarding cost effectiveness, staff productivity, and cycle-time
- A measurement and monitoring system to track progress and make adjustments

### ABOUT FIRST KERNEL

*First Kernel is a Business Transformation and Transaction specialist firm, serving mid market Enterprises and Investors. It brings together Capital Access, Strategy Formulation and Hands-on Execution to accelerate growth, revenues and profits.*

*First Kernel advisors are former entrepreneurs, C-level, M&A, Venture and Operations executives with 20 years of experience on average. In aggregate, the Company's advisors have led well over 30 transformation and transaction engagements impacting several billion dollars, in many industries.*

*For Investors, First Kernel's services address Sourcing, Closing and Creating Value in portfolio companies.*

*For Enterprises, First Kernel's services address Restructuring, Renovation and Globalization of businesses and LOBs.*

### FIRST KERNEL

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