When a food manufacturer worked to improve operational efficiency and effectiveness
We helped benchmark their performance against industry practice and identified improvement opportunities

The Challenge
The client is a world’s leading food manufacturer. Their senior management team felt that their Selling, General & Administration Expense (SG&A) and Overhead costs were spiralling out of control. They were also interested in comparing their performance with industry best practice and worked to improve the efficiency and effectiveness of its operations in the Asia Pacific.

How we helped?
We were engaged to conduct an initial benchmarking exercise to assess the performance of a number of SG&A and Overhead functions and activities to identify potential improvement opportunities.

We analysed the costs for the Australian and New Zealand businesses, and compared them against a set of data metrics for industry peers across a wide range of functions:
• Sales and marketing
• Finance
• Customer service and logistics
• Procurement
• Human resources
• Office services
• Administration
• Research and development
• Manufacturing administration
• Information systems.

The analysis focused on developing high level cost related benchmark metrics by function, total cost and as percentage of revenue.

Value delivered
The benchmarking of SG&A and Overhead costs highlighted how the client’s current performance compared against industry best practice (globally, Asia Pacific and domestically). This prompted identification of evidence based, practical improvement initiatives to embed leading industry practice. The benchmarking also provided a current performance baseline against which to measure performance improvement projects.
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