

Case Study

Renowned Supplier of Quality Pet Food Products

Service(s) offered: **Finance Organization Re-designing**

Sector/Industry: **Food Processing**



Finance Organization Re-designing for a Food Processing Company

The client is one of the leading companies in the world which focuses on the health of pets and supplies pet food and is headquartered in France. The company has a set-up distribution network throughout India. They had identified certain internal control lapses and realized that their internal finance organization design was not optimum. The client approached Nexdigim (SKP) to assist them in identifying the role and efforts spent by the existing finance team, compare the same with the industry trends and design an optimum Organization Structure for their internal finance department.

Challenge

The client had conducted an internal review on the functioning of the finance department and had identified various lapses. There were inefficiencies in the way processes were managed due to mismatch in the documented job profiles and actual jobs performed. The finance organization structure was not strategically aligned with other group companies. They were unable to identify ways to optimize the functioning of the finance department and create a balanced and efficient organizational structure.

Case Highlights

- Eliminating inefficiencies to ensure the utilization of spare capacities in different processes of the finance function.
- Benchmarking the alignment with industry trends and industry best practices.
- Cost savings due to the removal of inefficiencies.
- Alignment of the finance function to the goals and objectives of the organization and the group.
- Providing a path to the organization on the upscaling possibilities with the use of technology and standardizing of the processes.

Solution

Our team assumed role to optimize the finance function and improve efficiencies and organization structure by performing various tasks such as:

Conducting survey using McKinsey 7S model

Our team surveyed within the organization using McKinsey 7S framework. This framework is generally used to monitor the implementation of any strategic

change. As per the framework of this model, if the 7S, i.e. structure, strategy, systems, skills, style, staff, and shared values are aligned and mutually reinforcing, then the organization can reach to at optimum performance levels. Basis the responses received from the survey; our team was able to create a judgement on the key sentiments of the finance staff. This helped in identifying the principle issues in the finance function and its org structure.

Benchmarking exercise

We assisted the client in conducting a benchmarking exercise wherein we carried out primary research on comparable companies using secondary research reports readily available in the public domain. This exercise helped the client in clearly identifying gaps in its finance function's org structure viz-a-viz industry at each process level. These identified gaps then led to root cause analysis for each process.

Preparation of Scorecard

We created a scorecard to identify the root causes of each of the gaps. Based on the detailed study of the as-is structure of the finance team, this scorecard helped the organization in identifying areas of improvement, ranging from activities on which unreasonably high efforts were being spent to activities which are critical but no/minimal time was spent. The scorecard not only gave insights on making the finance function efficient but also helped in aligning the bandwidth of senior roles.

Scalability of roadmap - technology enablement and controls

We also provided a roadmap in terms of scalability of the finance team while the business grows. This roadmap broadly covered impact of controls maturity, automation, manual operations, and usage of ERP functions on the organizational structure and team size while the business increases.

Impact

The exercise of finance organization re-designing helped our client in saving costs, making the finance function efficient and, at the same time scalable to the growing business needs. The org structure recommended by us was also comparable to the industry standards as well as their group practices.

For more information on this case study, please write to us at:

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You can also visit our website to know how our services resulted in tangible business benefits:

www.nexdigm.com