



Fast food leader trims the fat

Client story

Client
A global leader in food services

Sector
Consumer markets

Project
Undertaking a strategic approach to cost optimization



Client challenge

Challenged by investors, the client had committed to cutting half a billion dollars in general and administrative (G&A) costs through refranchising, corporate restructuring and a greater deployment of shared services across ten major business functions.

The client knew that the first step was to make a detailed assessment of all corporate functions and structures. Then management identified a set of savings opportunities available by streamlining the organization structure, reducing non-labor spend, eliminating work and moving activities to shared service centers and Centers of Excellence.

Only one key challenge remained: how to take all these insights and turn them into business realities.



Client results

KPMG was asked to plan, design and implement a strategic Global Business Services (GBS) model to

span multiple functions, geographies, and delivery channels. Leveraging proven methodologies and deep experience in GBS, the KPMG team reviewed a broad set of functions including Finance, HR, IT, Procurement, and Administrative Support. Team members determined what process activities could be delivered through a GBS model, where to locate those services, who should deliver the services and, and how best to improve and automate them. They also accommodated ongoing changes in personnel, leadership and strategic direction.

KPMG assisted at every stage of the initiative, guided by a target operating model that incorporated service delivery, data governance, technology, business processes, governance and organizational structures. In addition, KPMG provided support through an integrated Change Management and Program Management approach that addressed the objectives of the initiative with a minimum of disruption to operations. The KPMG team also provided resources and support for the client's transformation team on a global basis in 13 major markets, including target delivery locations in Eastern Europe and India. Based on KPMG's efforts, the client is now realizing significant cost savings and other benefits.



KPMG advisor insights

Don't be limited to a single approach

Sometimes it's better to move from a single approach to problem solving to a much more flexible methodology, redefining what is possible in a rapidly evolving business environment.

Build ideas on business experience

Lots of ideas look great on paper, but adopt an approach informed by what has been proven to work in business. Consider similar projects undertaken by organizations and look at the lessons learned that are relevant to your own initiatives.

Nothing is set in concrete

As the saying goes, plan your work and work your plan, but recognize that even the most detailed plans usually have to be adjusted to accommodate changes in business conditions, resources, time constraints, and budgets.



The project

Intense competitive pressures ... investor demands to cut costs ... new leadership ... and a fragmented, inefficient approach to administrative services across multiple functions around the world. These were only some of the issues recently faced by a global giant in the food services industry. The client turned to KPMG for help, basing their decision on KPMG's deep understanding of their industry, proven methodologies, a seasoned engagement team, a solid background in GBS, and KPMG's ability to support a global, integrated team for the engagement. The client also cited work that KPMG had done for their Tax and Internal Audit functions. KPMG provided the strategy, design and implementation of a GBS model based on service centralization, outsourcing, and automation. Through this transformation, the client is seeking to become a stronger, more cost-efficient, and far more agile player in a highly competitive marketplace.



If you are interested in learning more about this case study, or if you are experiencing similar issues, please contact us.

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