

Operating & Cost Strategy

Optimize your performance with KPMG's Operation & Cost Strategy KPMG Strategic and Performance Transformation



Companies experience various triggers that force them to evaluate and re-design their Operating Model and Cost Strategy and look for additional value



Misalignment between financial targets & operating performance



Complex and inefficient organization designs



Underperformance against targets and peers



Lack of flexibility in context of changing customer demands



Changes in market and competitive dynamics



New management team or CEO



Changes in regulation impacting pricing and margins



Disruptive technologies and increasing digitalization

Our approach will enable you to create an ambitious but practical Operating & Cost strategy that is fully in line with your overall strategy

The Operating and Cost Strategy framework is designed to support our clients at each stage of their journey, from case for change to delivery of results. The type of concerns will affect the pace and style of the engagement (e.g. business review, operating model, value/cost). Our framework is designed to be modular and provides defined points for broadening the service mix or transitioning to another proposition.

Define



Frame the value case

Objectives

Determine context, starting point and strategic rationale for change

Output

Ambition, prioritized value opportunities and design principles

Diagnose



Identify the value opportunities

Objectives

Identify critical value levers & needs to improve performance

Output

High-level operating model options, value hypotheses and issues drivers

Develop



Create the value solutions

Objectives

Determine and prioritize realistic change options

Output

Finalized change opportunities, final options design and impact assessment

Design



Design the value roadmap

Objectives

Define required changes and their impact & sequence into a roadmap

Output

Prioritized change roadmap, plans detailed design and change approach

Deliver Deliver



the value

Objectives Implement solutions and provide overall

provide overal program governance

Output

Improvement monitoring and benefits realization

KPMG's unique approach provides multiple benefits and differentiates itself from generic methodologies

Buyer perspective

We use an external buyer mind-set to challenge the client's organization, which includes the extensive use of comparator and market trends analytics and insights. This ensures a maximal fit with customer expectations.

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How **KPMG** can assist?

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Rapid pace

We leverage our hypothesis-driven analytics and progressively build on sector insights, points of view and learnings from past growth projects to ensure a nimble project delivery.

Tailored foundations

We base our analyses on verifiable data insights that expose the trade-offs between value and risk, tailored to the client's unique situation.

Focus on delivery

We take an early focus on delivery planning and change portfolio planning, based on value and risk scenarios.



We test financial targets and business models upfront to ensure that all resources and assets are optimally allocated to support the overall strategy.

Our approach focusses on the key aspects of operating and cost strategy:

- Articulating the financial ambition, stakeholder alignment, capital allocation and other externalities
- Translating business model priorities into a fit-forpurpose operating model design
- Driving an operating strategy and ways of working that maximize the value to customers
- Providing an appropriate organic growth engine
- Installing an organizational structure that underpins execution success with agile decision making
- Deciding how best to deploy capital to maximize returns and deliver business strategy

Our recent experiences

- Company-wide cost reduction for a Real Estate investment company with a turnover of 5 B€
- International pharmaceutical with a turnover of 480 B€

Contact



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