



EXTERNAL INSIGHT HELPS TO REALIGN INTERNAL PROCESSES



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STRATEGIC INSIGHTS ADDRESSES CONCERNS WITH ADMINISTRATIVE COSTS

Think of your business like a vehicle. If things under the hood and in the tanks aren't where they need to be, the vehicle doesn't operate well. Performing siloed inspections will continue prompting you to put money, parts, and effort into it only to continue in inadequacy. Realigning your focus and looking at the bigger picture better prepares you for changes and improvements to get your car – or your business working at its best for you.

In order to get things running even better, there are resources that you can use from a professional perspective. Enlisting the expertise of a knowledge gathering partner does the leg work for you by conducting research and assembling information to help identify 'repairs' and upgrades for your business. By reaching out to industry experts and performing research and review, your business will know both how it compares to others and more importantly, how it can outshine the rest.



THE QUESTION TO BE ANSWERED

Let's walk through a possible scenario with your company.

Recently, you've been crunching numbers in your budget. The outcomes are leading you to question a few facets, one of which is if your business has been spending more on its administrative costs than it needs to. You wonder how other businesses similar to yours compare and how they are managing their administrative sector.

You have decided to enlist the help of Strategic Insights to perform research, provide market input, and give your company a point of reference and comparison.



PHASE 1: MEET, GREET AND IDENTIFY

Let's start with a kick-off event to identify your project goals and main objectives, and then drill down to specifics. In the example of looking into administrative costs, 10 to 15 questions will be identified for use during the expert interviews to assure we are gathering the information you are looking for. In addition, we determine appropriate secondary research which includes existing documentation such as periodicals, news releases, financial statements, and website reviews to help in collecting industry-wide best practices.

Now that you have met with your research team, your questions, directives, and goals have been reviewed. Let the knowledge gathering process begin!

PHASE 2: ESTABLISHING BENCHMARKS

Our primary research was focused on your company's most relevant peers, by target segments and regions. Our gathering of existing materials consisted of competitors' websites, annual reports, 10ks, audited financial statements, and other pertinent documentation.

Your research project involves companies located in North America, Europe, China, and Brazil and includes several competitors for collection of benchmarking data. Direct, one-to-one interviews are conducted and secondary research is reviewed. The data compiled for benchmarking purposes encompasses each of your administrative costs excluding consumer and royalty costs.



PHASE 3: THE INTERVIEWS

Our team of recruiters identified and secured expert sources to contribute their perspectives and insights. Initially, the interviewer takes time to understand the topic of administrative costs and your industry. The best interview methods will be determined, in order to get the answers to the questions posed in our kick-off meeting.

The interviewer prepares a template that prompts questions and topics of discussion. Regarding interviews with heavy quantitative information, the questions are sent to the industry expert in advance, to allow time for data collection and preparation.

One-to-one, live, 60-minute interviews are conducted with these key industry players:

RELEVANT POSITION	COMPANY SIZE	RELEVANT EXPERIENCE	MARKET	YEARS OF EXPERIENCE
CFO	US\$ 25 billion revenue	Responsible for growth management through acquisitions, internal investments and development of local financial teams' expertise and impact. Reinforcement of finance fundamentals (forecast accuracy, internal control and risk management).	Europe	23
CFO	US\$ 26 billion	As a CFO, presided over a five year organizational restructuring, reducing administrative costs by 6-7pp in the same period.	China	20+
Head of Finance & Procurement	US\$ 26 billion	Has more than 20 years working in the finance area of the consumer products industry. Last position was Head of Finance and procurement based in China.	China	20
Senior Finance Manager	US\$ 52 billion	Provides financial support to Senior Leadership, including strategic business planning, budget control, and business case management. Manages monthly closing processes, results consolidation and reporting.	Brazil	19
Financial Planning and Analysis Manager (FP&A)	US\$ 26 billion	Responsible for consolidated financial analysis and reporting from Latin America. Manages budgeting, actuals, and strategic P&L analysis for the next three years in Latin America.	Brazil	18
Finance Head	US\$ 26 billion	Senior finance executive with broad experience leading finance organizations in large global businesses. High impact business partner to CEOs and senior leadership teams in multiple industries.	China	16
Finance Senior Manager	US\$ 63 billion	Responsible for trade spend management investments, working closely with the business - acting as business partner to proactively improve the data and analytics investments.	Brazil	15
Senior Finance Analyst	US\$ 26 billion	Extensive experience in financial and strategic planning, P&L management, budgeting and forecasting, financial modeling, SAP, AX/ER System, and internal controls.	US/CA	15
Finance Manager	US\$ 8 billion revenue	Main responsibilities are budgeting, forecasting and internal controls. Worked in different sites to make sure that each function met and understood their own cost budget.	US/CA	15
CFO	US\$ 13 billion	Senior finance executive with broad experience leading finance organizations in large global businesses. High impact business partner to CEOs and senior leadership teams in multiple industries.	US	13
Spend Analysis Project Manager	US\$ 53 billion	Project Manager with responsibilities in supporting the company on spend analysis, savings, and cost cutting. Heavily involved in Zero Based Budget program to help reduce the administrative costs in the company.	Europe	13
Financial Planning Director Europe	US\$ 26 billion	Lead Financial Director for Europe, responsible for the forecasting, market analysis, templates, administrative cost cycle, budget process, and risk management across Europe. Leading commercial finance, marketing and innovation across Europe, is also responsible for the P&L in Europe.	Europe	10

Strategic Insights now has detailed information on administrative costs and best practices from selected peers around the world. By reaching out to industry experts, intricate, pertinent information is collected from professionals who have worked through similar projects and situations with their companies.

PHASE 4: BONUS INFORMATION

Additional information provided by peers in relation to changes in cost management and cost reduction programs has been gathered. These changes have resulted in positive improvements in their organizations. They have shared insights and outcomes on their cost management and reduction initiatives with you:

LINE ITEM	COMPETITOR COST MANAGEMENT/REDUCTION PROGRAM DETAILS
Compensation	<ul style="list-style-type: none"> • Reduced headcount by 25-30% and hired temporary resources • Capped new employee salaries at the 80th percentile • Reduced bonuses by 50%
Non-Compensation (General)	<ul style="list-style-type: none"> • Aligned employees on saving money and spending only on what is needed; this needs to come from top management • Communicated clearly that everyone across ranks has to follow the rules, no exceptions
Sales Support and Resources	<ul style="list-style-type: none"> • Categorized sales support cost into sales force P&L • Significantly reduced free product samples
Professional Fees	<ul style="list-style-type: none"> • Required that all third party services must be approved by global HQ • Significantly reduced contractor fees up to 85%
Facilities and Related Services	<ul style="list-style-type: none"> • Looked for more cost-effective options to rent office space, such as a longer contract • Sublet unused office space, including conferences rooms
Travel	<ul style="list-style-type: none"> • Implemented new booking policy: 2+ weeks in advance for domestic, 3+ for international and requires approval, and no business class • Created an awareness program for employees to turn off roaming and use Wi-Fi
Institutional	<ul style="list-style-type: none"> • Only allowed director level or above to attend sales conferences
Information Systems	<ul style="list-style-type: none"> • Removed local resources and outsourced IT functions whenever possible • Implemented Cisco for teleconferences
People Recruitment and Development	<ul style="list-style-type: none"> • Used employees for recruiting instead of external agencies • Has not recruited many new people in the past 3-5 years – move existing resources around • Developed an online learning tool 5 years ago to replace most classroom trainings
Company Vehicles	<ul style="list-style-type: none"> • Gave leased company cars on a need base to only local sales force

Whether large or small, changes can make a huge difference in the productivity and bottom line of a company. Initiatives such as those listed above have proven to be effective measures of trimming administrative costs by others. Such changes may be impactful in helping your company with its bottom line.

PHASE 5: HOW DO YOU MEASURE UP?

The primary research comprised of personal interviews has been completed. The existing materials including surveys and whitepapers have been gathered. Additional insight has been reviewed. We are prepared to provide your business with feedback and ideas regarding your administrative costs and how you compare to others within your industry.

Research results are provided to you in presentation-ready format for review. Interview transcripts are also given, as well as additional findings, reports, surveys, and reviews.

Further analysis reveals administrative cost comparisons between your company and those involved in our study:

US, CANADA AND CHINA (APAC)	Your non-compensation cost ratio is leading compared to peers, however you spend ~50% more on compensation cost.
EUROPE (UK, FRANCE AND GERMANY)	Your company spends 47% more on admin cost when compared to peers – 30% more on compensation and 85% more on non-compensation.
BRAZIL (LATAM)	Your company spends 30% less on admin costs than its peers.
OVERALL	You are spending 3% more on total admin cost when compared to peers, 35% more on compensation, 18% less on non-compensation (with the exception of Europe).

Industry best practices were also uncovered during this research.
Your competitors have:

- Initiated strictly disciplined cost management and reduction programs
- Utilized zero-based budgeting
- Hired temporary resources
- Reduced unnecessary headcount
- Optimized unused office space

Each competitor provided a drilled-down cost reduction initiative and best practices to assist you in your efforts. For example, Competitor A provided this information:

CATEGORY	PROGRAM DETAILS	FINANCIAL RESULTS
Compensation	Implemented a ZBB program , focusing on building stronger alignment between bonus payments and performance measurement in order to reduce the overall spend in compensation.	<ul style="list-style-type: none"> • Saved \$150M • Eliminated over 4000 positions
	Salary bands: the company achieved lower people cost by setting salary bands. In this initiative, new joiners cannot get above 80% of the spectrum, which drives down total salary cost.	
Non-Compensation	ZBB: the company established 'package owners', responsible for assuring that cost reduction targets were met for all non-compensation items. These were reviewed with the company CFO every quarter.	
	Travel: everyone including executives are on the same per diem for food while traveling – doing so not only saves money directly, it also frees managers from low-value hours of inspecting expense reports for rule violations.	<ul style="list-style-type: none"> • 13% drop in net cost per trip mile
	High-profile investments sponsored and approved by Global: potential reductions of professional fees up to 85%.	<ul style="list-style-type: none"> • Reduced delivery from 20% to 5% of sales
	Utilization of SRM: invested in a supplier relationship management tool with the main objective of creating competitive tension between supplies to win contracts and therefore get better discounts through the process.	



The research has been completed. You now have input from industry experts whose companies have previously addressed rising administrative costs. We have determined how your costs compare to theirs. They have provided feedback regarding processes they have implemented and changes they have made to help their businesses save on administrative fees. Your questions now have answers and your business has newly defined metrics and goals.

Uncovering such pertinent information will help you update past practices, improve current systems, and move forward with knowledge and perspective. It opens doors to allow for investigation. For example, your business may decide that hiring an outsourced virtual executive assistant work force might be an effective way of furthering your administrative resources and preserving overhead dollars. In doing so, there may be opportunity to rent office space in your building to further help your budget.

There is a myriad of partners, ideas, and solutions available to you to help your business thrive. Companies like Cayuse are at the ready to support your business. With years of experience as a service provider, we deliver the insight to help your company in discovery. We also aid in realigning your assets by utilizing services such as virtual executive assistants that can help your overall processes and improve your bottom line.



RESOURCEFUL PARTNERS

As seen in this case study, knowledge gathering partners such as Strategic Insights exist to help with the success of others. We want to provide opportunities for your business to discover processes, gather insight, and uncover ideas that will help you and your company thrive.

Partnering with a resource team is an effective way to gain detailed industry information from others who are successfully doing what you do. Outside perspectives are valuable in gaining inside awareness. Use your 'mechanics' in the industry to get your business running the way you've always wanted it to.

A FULL-SERVICE SOLUTION

With resources that include Virtual Executive Assistants, Remote IT Service Desk, and knowledge gathering services, partnering with Cayuse puts business solutions at your fingertips. We are a minority-owned company with years of experience as a full-service provider.

Cayuse offers expert, diverse, talented professionals who are dedicated to helping your business thrive. Strategic Insights provides a valuable way of looking into the core of your company to help answer questions, solve issues, revamp processes, and realign your goals and perspectives. With access to the thoughts and ideas of thousands of experienced professionals, as well as extensive research of related materials, learning directly from the experts provides proven, hard-fast solutions to business needs.

Someone else has been where you are and has resolved an issue resulting in great improvements for their company. Allow us to connect you to resources that aim at improvement, resolution, and advancement for your business.

