

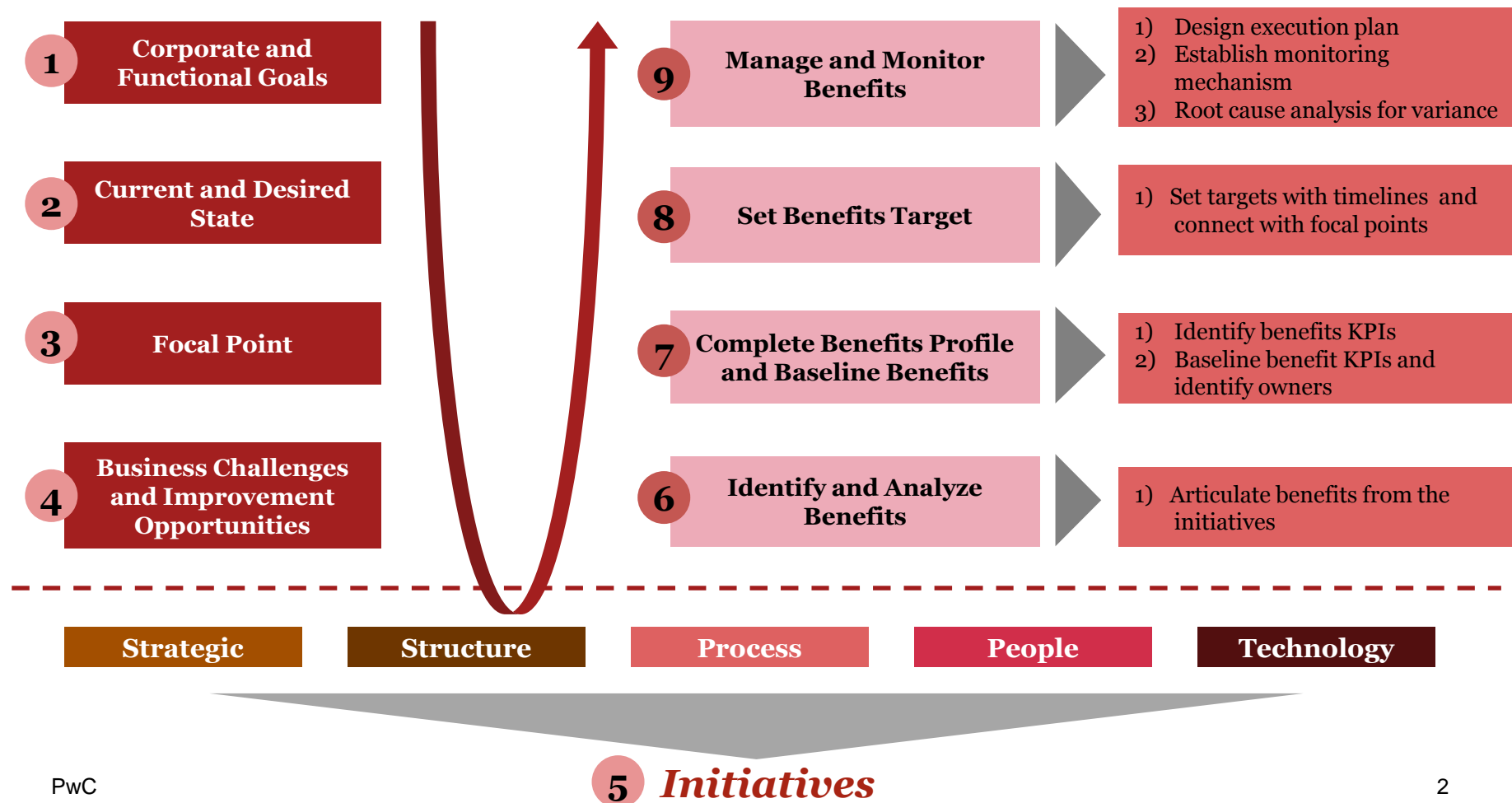
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PwC Approach to Benefits Management



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Benefits management is a process of translating business challenges into successful strategic, process, and technology initiatives by identifying, managing, and monitoring various benefits



Advantages of Benefits Management

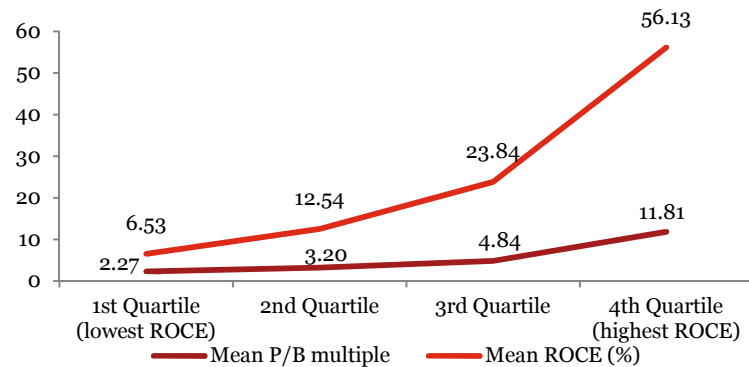
- Identification of various initiatives to solve business challenges
- Successful realization of benefits envisaged for a business initiative
- Detailed identification of benefits resulting in maximum returns from an investment
- Enabling collective ownership for an initiative by assigning various benefits to key stakeholders
- Systematic tracking and monitoring of benefits through defined programmes
- Better visibility to the client in terms of what to expect

Scope of Benefits Management

- Benefits Management is not only applicable to Technology projects, but also applicable to other initiatives like Strategy, Process, People, and Structure
- Every project we do could have a track for Benefits Management enabling us to:
 - Define the benefits expected
 - Give a clear roadmap to the client to monitor the progress once the project completes
 - Come back again to monitor and evaluate the progress made on each of the benefits

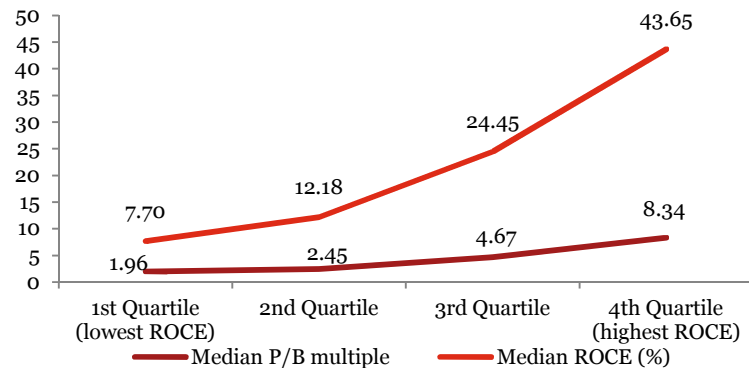
Our research indicates that companies with higher ROCE experience higher valuation

**Impact of ROCE on P/B Multiple
(analysis of BSE 100 quartile mean)**

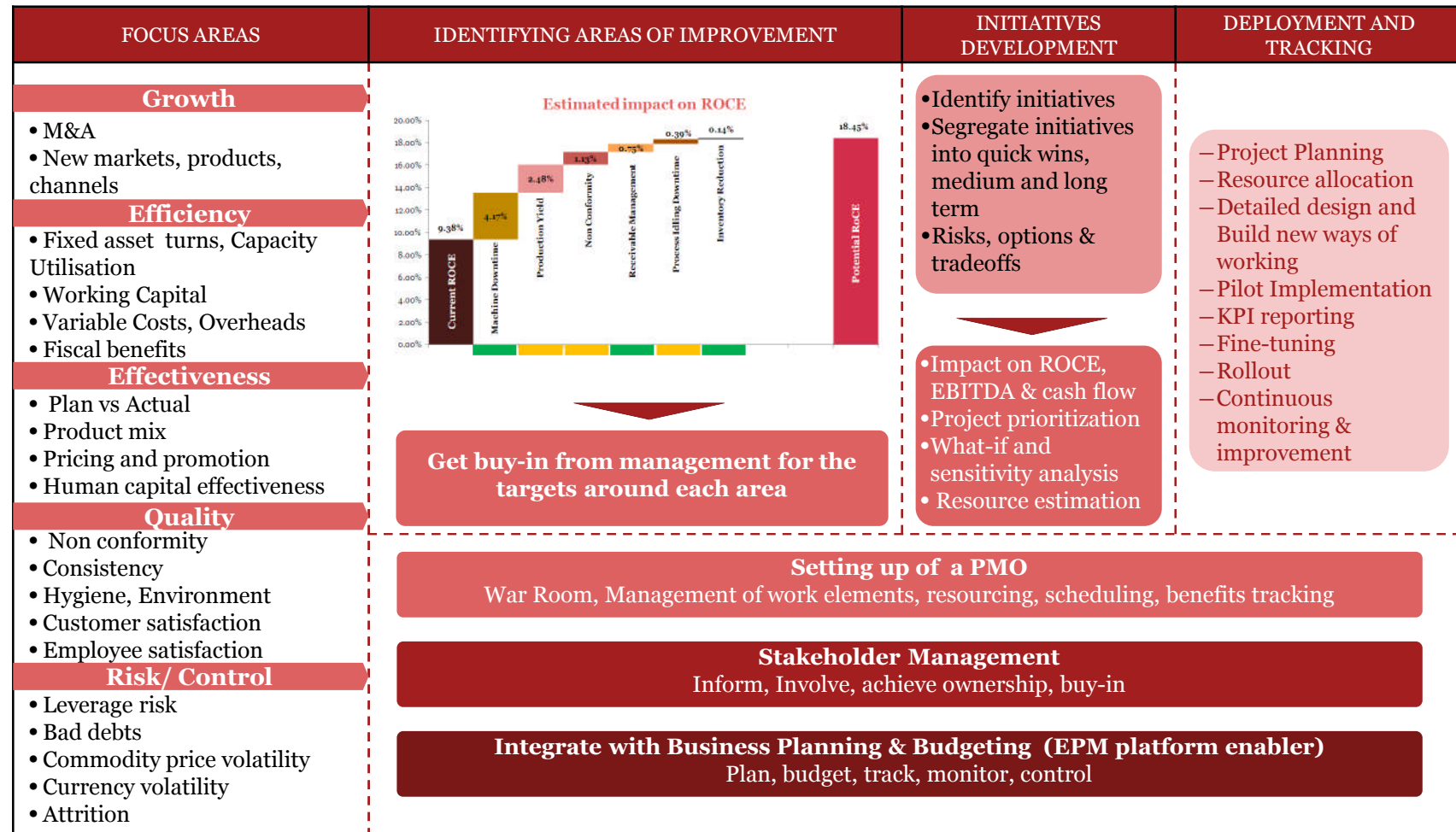


- Our study of listed companies indicates that, on an average, *companies that deliver better ROCE experience higher valuation**
- A clear focus on ROCE during the ideation and implementation of business plans is required
- This will also enable translation of corporate strategy into appropriate functional level goals, which can be tracked and monitored at the right frequency, to improve ROCE and thereby improve valuation.

**Impact of ROCE on P/B Multiple
(analysis of BSE 100 quartile median)**



ROCE Transformation Roadmap



Case study 1

Carve out of a bio pharma division company from one of the largest pharma players

Problem statement	<p>The carve out of a research based bio pharmaceutical division for one of the largest pharma players was a global business transformation program that would lead the company to be integrated, transparent, agile & efficient.</p> <p>It required all the entities globally to adopt common finance processes, systems & methodologies which follow a simple global business model leveraging shares processes, systems & resources</p>
Our distinctive solution	<ul style="list-style-type: none">• Our role was to act as the single point of oversight and control for maintaining functional work programs , monitor progress, issues, risks, activity completion and milestone achievement to facilitate change management and project communications within the Affiliate.• It involved replicating Global SOPs in the affiliate & highlighting any local process gaps and regulatory requirements to ensure there is adherence to the law with minimum disruption to the global target operating model.• Our role was to ensure the technology changes required under the global model are replicated in the affiliate and at the same time to ensure the operations at the affiliate take place in a seamless manner.• Another aspect of the role was change managing as the global model was a combination of regional shared services, resources & local expertise. It was important to acclimatize all stakeholders of their role in the business model
Impact	<ul style="list-style-type: none">• Rolled out transition services arrangement for back office services between the region and the affiliate.• Coordinated activities to manage and monitor the Transition Services as during their tenure and ensure readiness for roll-off• Provide critical information to help in decision support for site-specific activities that require local knowledge or proximity.• Helped implement clear governance, roles and accountabilities

Case study 2

Support in identifying opportunities for cost reduction for a large cement manufacturer

Problem statement	The client organisation was embarking on a major cost reduction exercise for the Indian entity. They sought our assistance in identifying the areas for cost reduction in the area of SG&A.
Our distinctive solution	<p>The project team undertook the following tasks in uncovering costs that could be avoided and / or reduced:</p> <ul style="list-style-type: none">• Studied the different components of costs related to sales and procurement• Benchmarked each of the components of costs both internally and externally• Internally identified opportunities for cost avoidance and cost reduction• Identified alternate ways of producing similar outcomes without incidence / reduction of the earmarked costs• Created business case• Presented findings to senior management• Based on areas approved by the senior management, we created roadmap for execution
Impact	<ul style="list-style-type: none">• Clearly defined areas for cost avoidance and cost reduction with sales operations and procurement• Signed-off areas from senior management for actions to be undertaken by the respective head of function

Case study 3

Post-merger integration assistance for the Indian affiliate of a global pharma major

Problem statement

The client had acquired a smaller company with a complementary product portfolio and a larger presence in the emerging markets. The integration team at the client was developing a comprehensive Country Integration Plan (CIP), under which a CIP was to be generated independently by each of its affiliates as outlined in the Affiliate Integration Guideline Document (AIGD).

The challenge faced were in identifying potential synergies and integration costs and assigning responsibility for the same. We worked with the CFO's office as well as heads of other departments to document synergy benefits of the integration and simultaneously design a roadmap for the implementation.

Our distinctive solution

- Assisted in building templates (backups) used by each functional area (Marketing, Supply Chain, Distribution, IT etc.) to document synergy benefits of the integration
- Interacted with the functional areas and challenge the estimates pertaining to the synergy benefits and the one-time exit and integration costs
- Synthesised this data in the standard format outlined in the CIP document
- Helped present it to the Finance function for them to challenge it
- Re-iterated with the functional areas to confirm and improve
- Helped create the CIP for submission to the global integration team
- Improved the acquired company's MIS reporting, and bringing it in line with client's reporting standards and comply with the comprehensive area and group reporting requirements

Impact

- Identification of individual cost and synergy items
- Detailed integration plan taking into account all significant costs
- Improved MIS, use of standardised templates across both companies

Thank You

Our thought leadership



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