



Workforce spend optimization model

Private Equity Firm

Built an Excel model to analyze the workforce spend of a company and identify potential cost saving opportunities

Private equity firm company needs workforce spend optimization model

Picture this...

You're looking to analyze historical data and external databases in order to derive benchmarks and compare the portco's existing data to identify cost savings. Currently, you observe that portfolio companies have significant workforce spending but lack a defined method to assess the efficiency of this expenditure.

You turn to Accordion.

We partner with your team to build an Excel model to analyze the workforce spend of a company and identify potential cost saving opportunities, including:

- 1) Exploring external databases such as Radford and SEC filings, as well as internal databases, to create benchmarks based on selected cohort companies within the same industry
- 2) Designing a business logic that calculates the opportunities for workforce optimization at the function and country level
- 3) Developing an Excel model that estimates the potential opportunities for optimizing workforce headcount, span of control, geographical footprint, and compensation, using provided employee data
- 4) To apply company specific adjustments, provided flexibility to manually override benchmarks based on business judgement

Your value is enhanced.

- You have identified potential savings of approximately 35% on workforce spend for the analysis of the company. You have reduced the turnaround time in the due diligence process for evaluating potential investments and provided clear visibility into the company's performance.

WORKFORCE SPEND OPTIMIZATION MODEL

KEY RESULT

- ~35% of potential savings

VALUE LEVERS PULLED

- Workforce Analytics
- Compensation Optimization

Situation

- The client observed that portfolio companies had a significant workforce spend, but did not have a defined method to assess the efficiency of the spend
- Partnered with the client to analyze historical data and external databases in order to derive benchmarks and compare the portco's existing data to identify cost savings

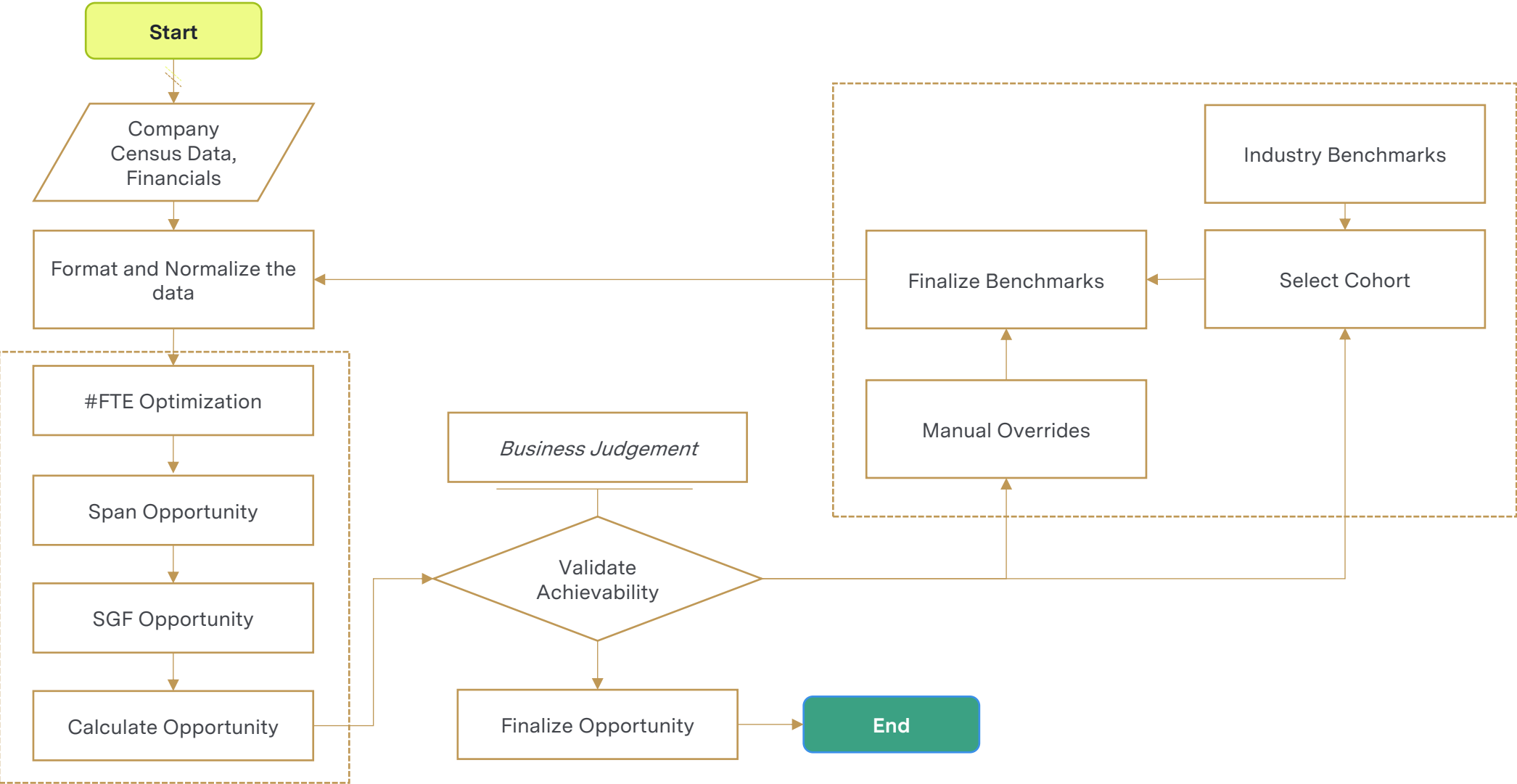
Accordion Value Add

- Explored external databases such as Radford and SEC filings, as well as internal databases, to create benchmarks based on selected cohort companies within the same industry
- Designed a business logic that calculates the opportunities for workforce optimization at the function and country level
- Developed an Excel model that estimates the potential opportunities for optimizing workforce headcount, span of control, geographical footprint, and compensation, using provided employee data
- To apply company specific adjustments, provided flexibility to manually override benchmarks based on business judgement

Impact

- Identified potential savings of approximately 35% on workforce spend for the analyzed company
- Reduced the turnaround time in the due diligence process for evaluating potential investments and provided clear visibility into the company's performance

Methodology & approach



Waterfall chart presenting the summary output

