



PROFITABILITY ANALYSIS

OUR SYSTEMATIC APPROACH TO EVALUATE PROFITABILITY ALONG VARIOUS DIMENSIONS (E.G. BUSINESS UNIT, PRODUCT, SALES CHANNEL OR GEOGRAPHY)



BUSINESS CHALLENGE

- **Realised margin per business unit and/or product group is unknown**
Inappropriate cost allocation system leads to incorrect cost allocation to single cost units, misleading profitability indicators per product/customer/channel and misinterpretation of business unit success.
- **Imprecise and incoherent allocation of general and administrative overheads to business units and products**
Present allocation method of selling, general and administrative expenses to business units and products is incorrect and falsifies the true profitability.
- **Sales business unit structure is inconsistent with legal entities and corporate structure**
Existing structure of the sales business unit does not reflect the actual organisation of the corporation.



OUR APPROACH

- **Detailed assessment of processes and cost allocation structure to identify optimisation areas and design new solution**
Based on our extensive experience as well as clear understanding of the industry we define the most optimal strategic and technical solution concept to introduce a new profit and cost centre logic and redesign cost unit calculation.
- **We create transparency and ensure compliance with standardised accounting principles**
Full financial transparency and flexible ERP systems build the essential foundation for business-unit-based allocation of SG&A overheads and enable detailed product-based profitability analysis.
- **We ensure up-to-date periodic reporting**
Ongoing in-detail overview of product (group) profitability must be guaranteed for ad-hoc as well as long-term evaluation.



VALUE DELIVERED

- **Introduction of a clearly defined new profit and cost centre logic**
Implementation of a new profit and cost centre structure built on a data warehouse solution enables management decisions based on comprehensive profitability analyses.
- **Increased efficiency and standardisation of accounting**
Automated accounting processes and clear accounting principles internally and externally improve the efficiency of accounting and reporting tasks.
- **Full transparency and clear accountability for second level management**
Total clarity on profitability provides a reliable basis for assessment and evaluation on business unit level as well as strategic and operational decision making for management and investors.

BASE CAMP MANAGEMENT CONSULTING GMBH

Base Camp Management Consulting is a management consulting firm working closely with private equity investors and mid-market companies. We realise value potential through the development of companies with the aim to create a clear transparency of the company's performance, to promote sustainable growth and increase the overall enterprise value. Our core topics include our Digital Management Cockpit solution as well as our specialised private equity advisory, financial and business transformation services. As we work, we focus on the big picture, communicate in plain language and develop viable solutions for our customers.



GET IN CONTACT

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