Benchmark Target Details: **Thursday, August 15, 2024, 3:09 PM**

This is the sample deliverable for Finance Functional Benchmark for the "2000-FOOD AND KINDRED PRODUCTS " industry, this benchmark is tailored to businesses operating in North America and provides insights into Finance function specific to the SIC Industry code - 2000-FOOD AND KINDRED PRODUCTS sector. The product offers valuable data to help companies evaluate and improve their Finance processes, ensuring they align with industry standards and best practices.

2000-FOOD AND KINDRED PRODUCTS

SIC 4 Digit Code & Description	**2000-FOOD AND KINDRED PRODUCTS**
Business Region	**North America**
Data Product Name	**Sample Deliverable | Finance Functional Industry Benchmark**

Competitors Details:

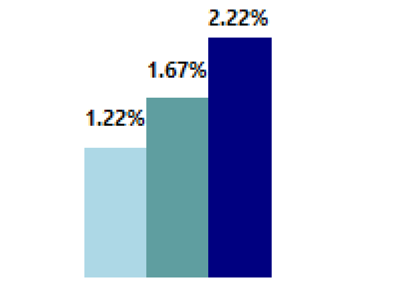
You have chosen the following set of peer companies to conduct a benchmarking comparison for the 2000-FOOD AND KINDRED PRODUCTS industry. The following table lists the competitors included in the comparison, along with their respective business regions and industry descriptions:

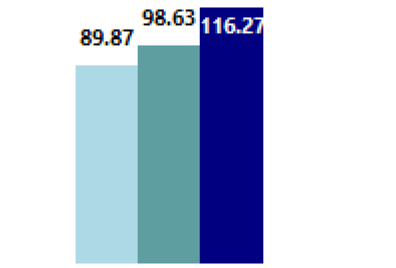
Industry Benchmark for: **2000-FOOD AND KINDRED PRODUCTS**

Industry Peer	Business Region	SIC Industry Code & Industry Description
Peer # 1	North America	2000-FOOD AND KINDRED PRODUCTS
Peer # 2	North America	2000-FOOD AND KINDRED PRODUCTS
Peer # 3	North America	2000-FOOD AND KINDRED PRODUCTS
Peer # 4	North America	2000-FOOD AND KINDRED PRODUCTS
Peer # 5	North America	2000-FOOD AND KINDRED PRODUCTS
Peer # 6	North America	2000-FOOD AND KINDRED PRODUCTS
Peer # 7	North America	2000-FOOD AND KINDRED PRODUCTS
Peer # 8	North America	2000-FOOD AND KINDRED PRODUCTS
Peer # 9	North America	2000-FOOD AND KINDRED PRODUCTS

These companies have been selected to ensure a comprehensive benchmarking analysis, providing valuable insights into the Finance practices within the SIC Industry code - 2000-FOOD AND KINDRED PRODUCTS sector. This comparison aims to highlight industry standards and identify opportunities for improvement.

Finance Function: Total Finance Cost as a percent of Revenue, Finance FTEs per Billion Revenue.





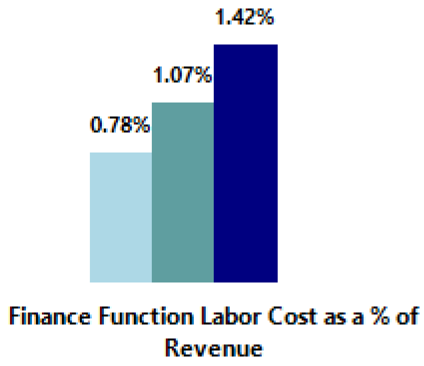
	Selected Peer Group's Quartile Breakpoints				
	Min	P25	Median	P75	Max
Total Finance Function CPR%	0.95%	1.22%	1.67%	2.22%	6.43%
Finance FTEs per Billion	13.88	89.87	98.63	116.27	160.82

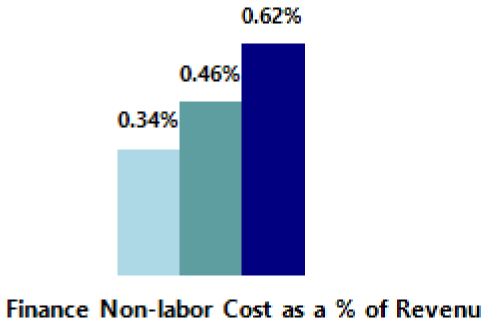
Finance Function Cost as a % of Revenue: The total finance functional costs in an organization encompass all expenses directly and indirectly associated with the operation of the finance department. This typically includes a variety of costs, namely fully loaded salaries and labor-related outsourcing (Labor), apportioned technology and communication costs (Technology). These expenses are related to the purchase, maintenance, and upgrade of technology and systems used by the finance department, such as accounting software, ERP systems, and data security services, as well as expenses for communication tools such as telephones, internet services, and possibly postal charges if relevant. Other costs include office supplies, subscriptions, travel and entertainment (T&E), training and development, facilities costs, and various external fees associated with audit, consulting, and legal services, as well as depreciation and amortization associated with the finance department's office equipment. The Median Finance cost as a % of Revenue for the selected peers is **1.67%.**

Finance Function FTEs per Billion Revenue: This refers to the total number of full-time equivalent staff working in the finance department. Full-time equivalents account for both full-time employees and the equivalent count of part-time employees combined into full-time terms. For example, two half-time workers would be considered one FTE. 1 FTE corresponds to any FTE who is working 40 hours a week. By measuring how many finance FTEs are required per billion dollars of revenue, companies can assess the efficiency of their finance operations. A lower number may indicate higher efficiency or automation within the department, while a higher number may suggest more labor-intensive finance operations, which could be due to various factors like industry complexity or regional compliance or technology adoption. This metric is also used for benchmarking against peers or industry standards. Companies often compare this metric against similar firms to determine if their finance department is overstaffed or understaffed relative to others in the same industry. For the selected peers, the Median Finance FTEs per Billion is **98.63.**

In general, reducing finance function costs and improving its effectiveness and efficiency involves a multifaceted approach. First, implementing advanced automation technologies can streamline repetitive tasks, reducing manual labor and minimizing errors. This includes using software for tasks such as invoice processing, financial reporting, and data entry. Second, adopting robust data analytics allows for better forecasting and budgeting, leading to more informed decision-making and optimal resource allocation. Regularly monitoring key performance indicators (KPIs) and benchmarking against industry standards can identify inefficiencies and areas for improvement. Proactive risk management, including compliance with regulatory requirements, helps avoid costly penalties and financial setbacks. Fostering a culture of continuous improvement and innovation encourages the finance team to seek out and implement best practices and new technologies. Additionally, investing in staff training and development ensures that the team has the skills and knowledge to operate at peak efficiency. By focusing on these areas, organizations can significantly reduce finance function costs while enhancing overall effectiveness and efficiency.

Finance Function Labor & Non-labor Cost as a percent of Revenue.





Selected Peer Group's Quartile Breakpoints

	Min	P25	Median	P75	Max
Finance Labor CPR%	**0.61%**	**0.78%**	**1.07%**	**1.42%**	**4.10%**
Finance non-Labor CPR%	**0.26%**	**0.34%**	**0.46%**	**0.62%**	**1.78%**

Finance Labor Cost as a % of Revenue: Labor cost is the biggest component of the total function cost. This fully loaded labor cost includes base compensation, bonuses, overtime, and benefits. It also encompasses fringe costs, namely contributions made toward employees' retirement funds, workers' compensation, insurance plans, savings plans, pension funds, etc. The Median Finance labor cost as a % of revenue for the selected peers is **1.07%.**

Finance Non-labor Cost as a % of Revenue: The Non-labor costs in the finance function of a company can encompass a variety of expenses that are not directly related to employee salaries or wages. this primarily includes, Technology costs, professional fees, office supplies and equipment's, training and development. Travel and entertainment, compliance and regulatory costs, facilities costs, depreciation and amortization and Insurance. The Median non-labor cost for the selected peer group is **0.46%.**

IndustryBenchMarking-2000-FOOD AND KINDRED PRODUCTS 's non-labor cost as a % of revenue is which indicates that it is a best-class performer. It effectively reduces its non-labor costs through strategic use of automation and technology, such as robotic process automation (RPA) and cloud computing, to streamline processes and cut down on hardware expenses. They apply lean management principles and standardize procedures to eliminate waste and enhance efficiency. Effective vendor management, including negotiation and consolidation, helps secure better pricing and services. Leveraging data analytics allows these companies to pinpoint cost drivers and optimize expenses. Outsourcing non-core activities and centralizing functions in shared services centers further reduce costs. They adopt energy-efficient and sustainable practices to lower utility and resource consumption. A culture of continuous improvement and innovation, along with proactive risk management and compliance, ensures ongoing cost savings. Lastly, investing in employee training and promoting knowledge sharing enhance efficiency, contributing to significant non-labor cost reductions

Benchmark Assumption and Glossary: Thursday, August 15, 2024, 3:09 PM

For the purposes of consistency, all monetary figures have been presented in USD. For the selected competitors, all the data was sourced from their respective
10-K/20-F forms.

Annual Revenue: Revenue is the income generated from normal business operations and includes discounts and deductions for returned merchandise. It is the top line or gross income figure from which costs are subtracted to determine net income

Cash Conversion Cycle (CCC): The Cash Conversion Cycle (CCC) is a key metric used to evaluate the efficiency of a company's operations and its management of working capital. It measures the time, in days, that it takes for a company to convert its investments in inventory and other resources into cash flows from sales.

The CCC is a composite metric derived from three individual components namely DSO, DIO and DPO using the formula DSO+DIO-DPO.

Cost of Goods Sold: Cost of goods sold (COGS) refers to the direct costs of producing the goods sold by a company. This amount includes the cost of the materials and labor directly used to create the goods.

Cost of Goods Sold 3-year CAGR: means the 3-year compound annual growth rate in the Company's cost of goods sold (COGS) during the Performance Period.

Days Sales Outstanding (DSO): The average number of days that a company takes to collect payment after a sale has been made.

Days Inventory Outstanding (DIO): The average number of days that a company takes to turn its inventory into sales.

Days Payable Outstanding (DPO): The average number of days that a company takes to pay its suppliers.

Number of Employees: Refers to the total number of persons who work for the enterprise, it includes all persons who are on the payroll of the enterprise, whether they are full-time or part-time. However, the number of employees excludes manpower supplied by to the enterprise by other enterprises.

Gross Margin: Gross margin is a company's net sales revenue minus its cost of goods sold (COGS).

EBIT Margin: Earnings before interest and taxes is an indicator of a company's profitability. One can calculate it as revenue minus expenses, excluding tax and interest. EBIT is also referred to as operating earnings, operating profit, and profit before interest and taxes. It is calculated by dividing EBIT (earnings before interest and taxes) by sales or net income.

Quartile breakpoint: A quartile is a statistical term describing a division of observations into four defined intervals based upon the values of the data and how they compare to the entire set of observations. A quartile divides data into three points – a lower quartile, median, and upper quartile – to form four groups of the data set. The lower quartile or first quartile is denoted as Q1 (percentile 25) and is the middle number that falls between the smallest value of the data set and the median. The second quartile, Q2 (percentile 50), is also the median. The upper or third quartile, denoted as Q3 (percentile 75), is the central point that lies between the median and the highest number of the distribution.

Potential Opportunity Calculations: Applicable to Target Company Benchmarks, if you have submitted Target company data. **Median Opportunity**: This is the difference between Target company's CPR % and Peer Group Median CPR% times target Company Revenue. Similarly **Top Quartile Opportunity** is the difference between Target company's CPR % and Peer Group Top Quartile CPR % times Target Company's Revenue.

Revenue 3-year CAGR: means the 3-year compound annual growth rate in the Company's revenue during the Performance Period.

Revenue per Employee: Revenue per employee—calculated as a company's total revenue divided by its current number of employees is an important ratio that roughly measures how much money each employee generates for the firm.

Selling, General and Administrative Expenses (SG&A): Selling, general and administrative expense (SG&A) is reported on the income statement as the sum of all direct and indirect selling expenses and all general and administrative expenses (G&A) of a company. SG&A, also known as SGA, includes all the costs not directly tied to making a product or performing a service. That is, SG&A includes the costs of selling and delivering products and services and the costs of managing the company.

Revenue per Store: Net sales divided by number of active retail stores distributing the product.

Revenue per Square Foot: The average revenue earned for every square foot of sales space.