



An introduction to Value Creation

KPMG in Thailand | Deal Advisory

What is Value Creation?

In today's rapidly changing and uncertain environment, businesses need to be able to adapt quickly in order to both protect and create value for their stakeholders. To do this effectively, as well as having a robust strategy, business leaders need to leverage data to understand the value drivers of their business and make informed, value-based, decisions.

Our value creation approach deploys a powerful combination of hypothesis-led thinking with advanced data analytics. Together with our deep sector knowledge and functional expertise, this enables us to provide you with a unique set of insights specific to your business.

When is Value Creation relevant to a business?

Our value creation approach identifies potential improvements and can be deployed across a number of situations:

Pre-Deal – During the acquisition or sales process, we help you to understand the potential to create value from the target company, unlocking value for either the buyer or seller. So, whichever side you are on you can be confident that your valuation incorporates potential upsides, backed by robust analytics and implementation considerations

Post-Deal – After closing the deal, we perform a deep-dive into the company's financial and operational data to identify where to reposition assets to enhance EBITDA and cash flow. We can then assist in implementing the right initiatives to deliver this improvement to ensure value is delivered ahead of any exit or IPO.

Whilst our approach has been developed with a deal lens in mind, it is equally relevant for any corporate that is looking to grow or improve their financial performance and needs help developing a robust plan to create value. With access to KPMG's global experts, we can provide you with detailed, actionable insights to drive value, whatever your current situation.

Our collaborative, and data-driven approach

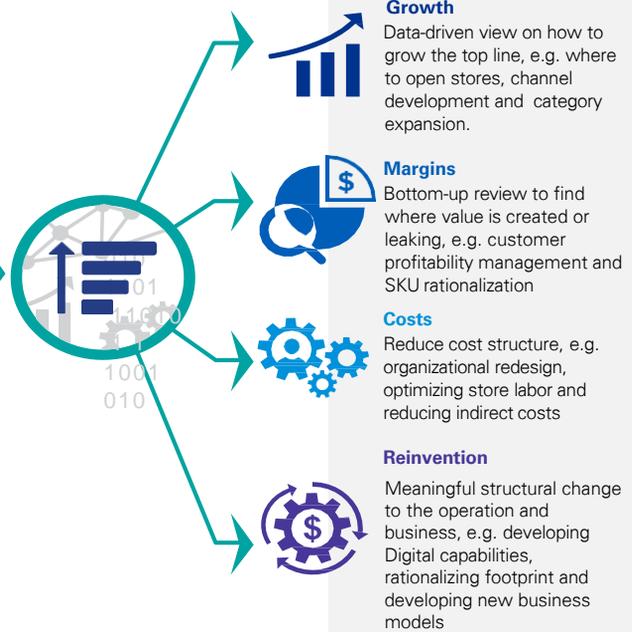
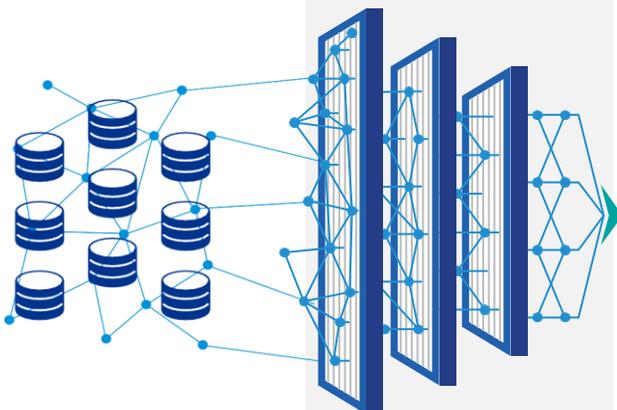
At KPMG Thailand, we use our experience to generate a list of potential value creation hypotheses, which we will then validate and refine through a combination of data analytics, using both internal and external market data, and collaborative discussions with you about the challenges you are facing and future strategy of your business. Hypotheses could include using geospatial analytics to identify the best locations for your store expansion plans, or analyzing the true profitability of your products or services.

Organize and normalize data from various systems, consumer indicators and geographies

Merge and analyze company level data with external insights and benchmarks

Develop a single source of truth to baseline opportunity areas

Evaluate opportunities across a series of levers to uncover value across the organization



Growth

Data-driven view on how to grow the top line, e.g. where to open stores, channel development and category expansion.

Margins

Bottom-up review to find where value is created or leaking, e.g. customer profitability management and SKU rationalization

Costs

Reduce cost structure, e.g. organizational redesign, optimizing store labor and reducing indirect costs

Reinvention

Meaningful structural change to the operation and business, e.g. developing Digital capabilities, rationalizing footprint and developing new business models



An introduction to Value Creation

KPMG in Thailand | Deal Advisory

How we can help



- Extract financial, operational and commercial data
- Understand business operating models, structures and processes
- Perform a detailed diagnostic of cash and operating profitability across targeted business areas
- Develop tactical options for quickly realizing savings opportunities while exploring longer-term options
- Prioritize EBITDA and working capital opportunities, identify interdependencies and assess implementation costs and resourcing needs

- Develop tailored plans to implement EBITDA and working capital opportunities
- Consolidate plans to form a unified schedule for implementation, including resources, one-off costs, and risk/mitigation actions
- Validate schedule and resource requirements for each workstream, and across business units
- Establish reporting structure to measure program success
- Draft project charters to ensure all team members are working towards a common defined goal

- Rapidly Implement the opportunities to create value
- Establish the Project Management Office
- Assign work stream ownership to key stakeholders
- Execute implementation plan for working capital and EBITDA opportunities
- Carefully track the implementation of benefits and one-time costs
- Review progress and milestones with management
- Full handover with regular input from KPMG experts on focused points

Contact us



Sukit Vongthavaravat

Partner
Head of Advisory

sukit@kpmg.co.th
Tel: +66 2677 2350



Ian Thornhill

Partner
Head of Deal Advisory

ithornhill@kpmg.co.th
Tel: +66 2677 2297



Matt Crane

Director
Deal Advisory
Value Creation & Turnaround

mcrane1@kpmg.co.th
Tel: +66 2677 2154



Maete Saerechavaroj

Manager
Deal Advisory

maetees@kpmg.co.th
Tel: +66 2677 2751



Jakkra Rattananukit

Manager
Value Creation & Turnaround

jakkra@kpmg.co.th
Tel: +66 2677 2730



Toungrat Pichitdej

Manager
Value Creation & Turnaround

toungrat@kpmg.co.th
Tel: +66 2677 2793



KPMG in Thailand

48th Floor, Empire Tower
1 South Sathorn Road,
Yannawa, Bangkok 10120
T: +662 677 2000

home.kpmg/th

© 2022 KPMG Phoomchai Business Advisory Ltd., a Thai limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.