



# Robert Walters Midlands SSC Forum - Welcome

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ROBERT WALTERS

# Midlands Shared Service Forum

**16<sup>th</sup> April 2015 Breakfast Briefing:**

**Benchmarking – Why, When and How?**

# Topics for today

- *When should you consider benchmarking?*
- *Who should you be benchmarking with?*
- *How can you best combine benchmarking and best practice to deliver real improvement in support services?*
- *How can the forum help you with this?*

# Agenda for this session

1. Introduction and context
2. Why benchmark?
3. What is Benchmarking?
4. How do you get the most out of it?
5. Breakout Session

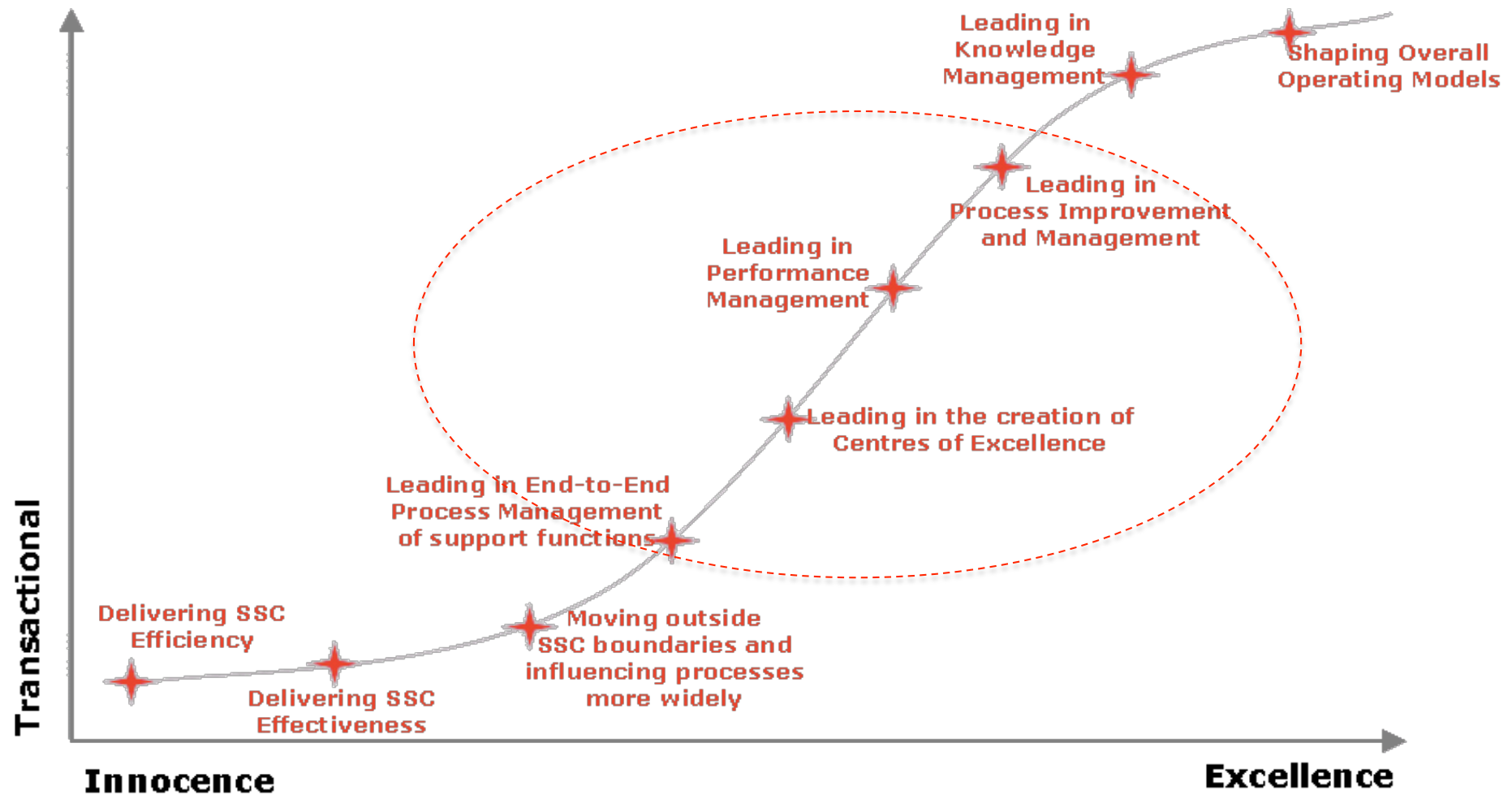
# Stephen – Benchmarking overview

- Benchmarking history and context
- SSC key stages
- Achievements and milestones
- Where benchmarking sits on the path
- Key/critical points when benchmarking may help

# Benchmarking & the SSC value curve

**Focus**

**Value Add**



# What is Benchmarking Anyway?

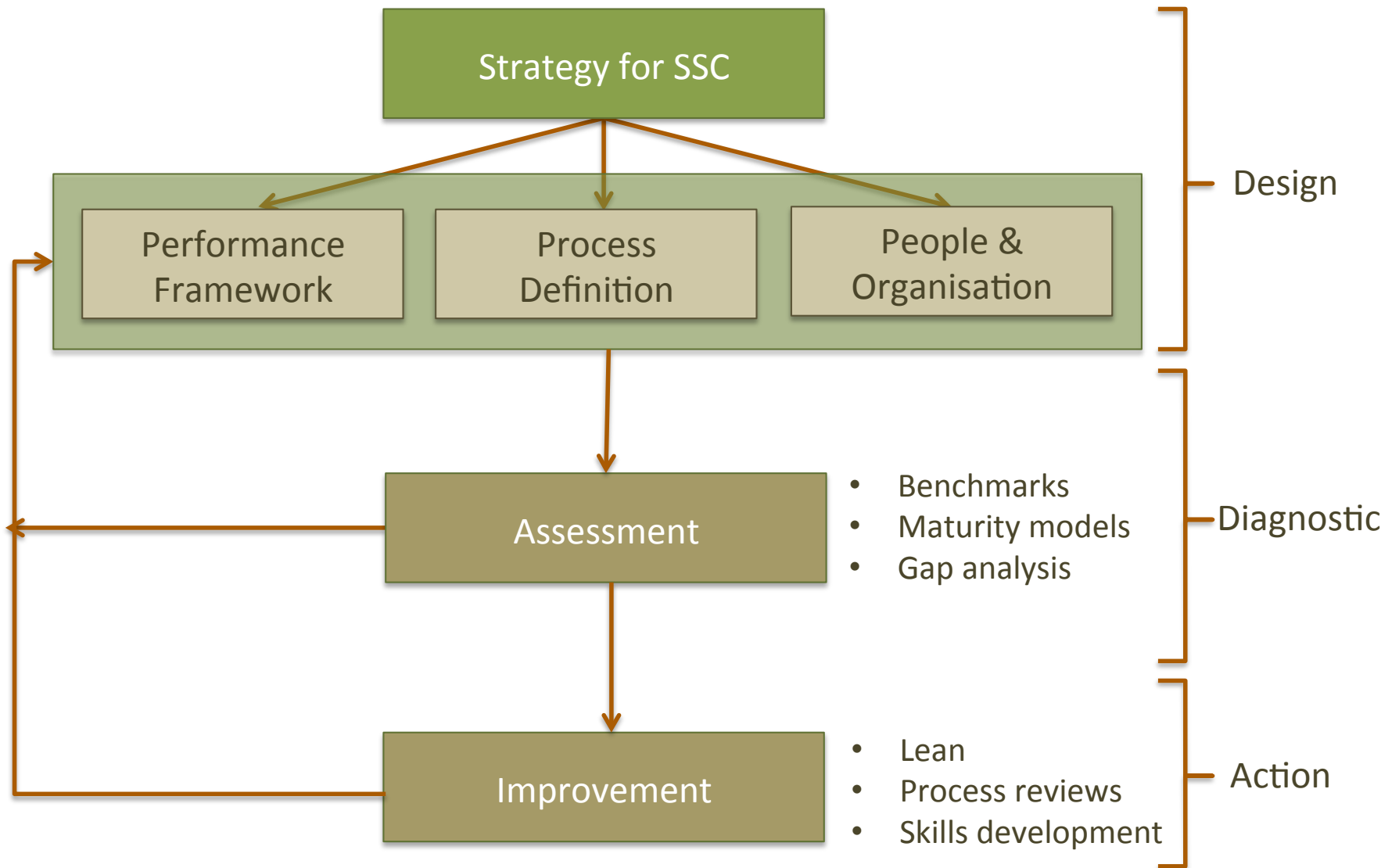
Including the following elements:

- Hard benchmarking (financial vs non financial)
- Internal or External
- Link to maturity models
- How to build an action plan after a benchmarking review

## Examples of Models

- Hackett
- IQPC
- EFQM
- Other models

# How Benchmarking fits with the Shared Service Strategy & Operations Model

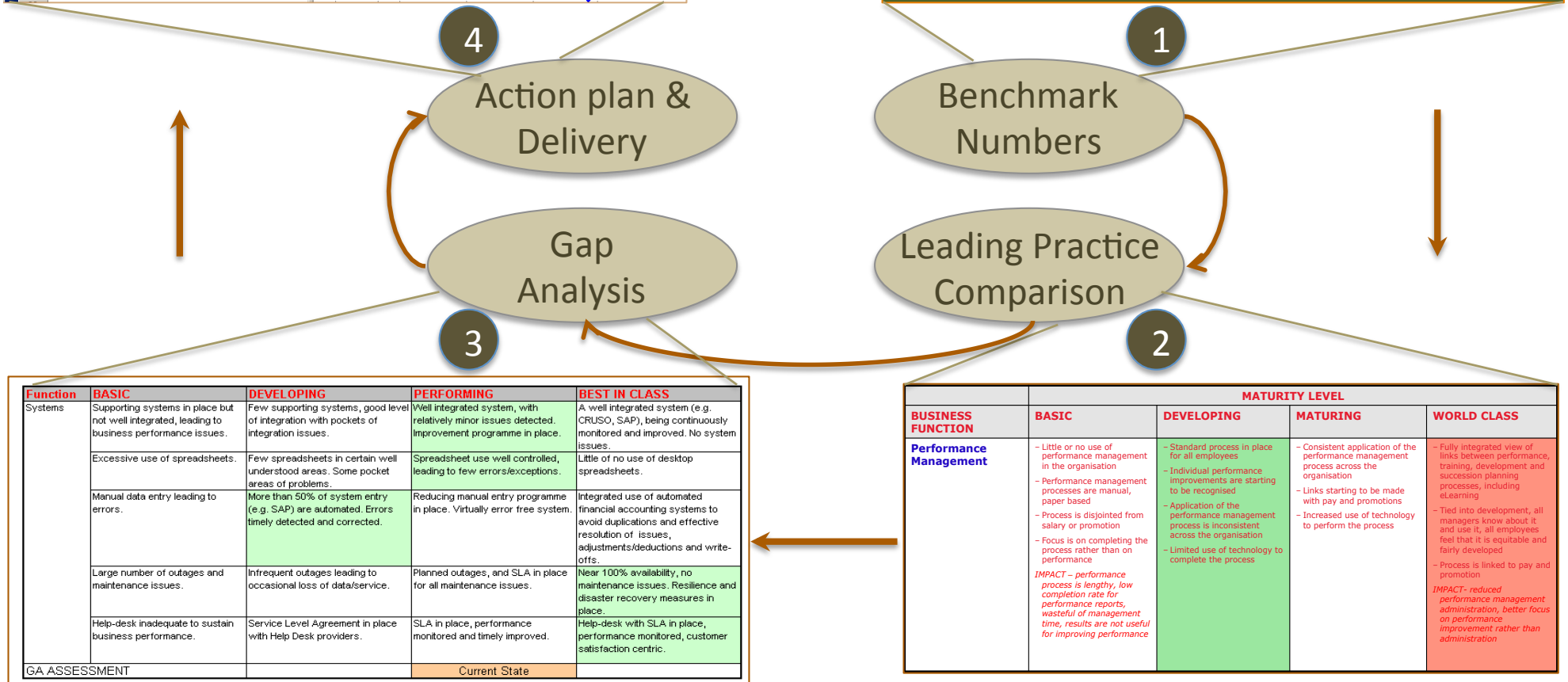




# Making this happen: key stages in practice

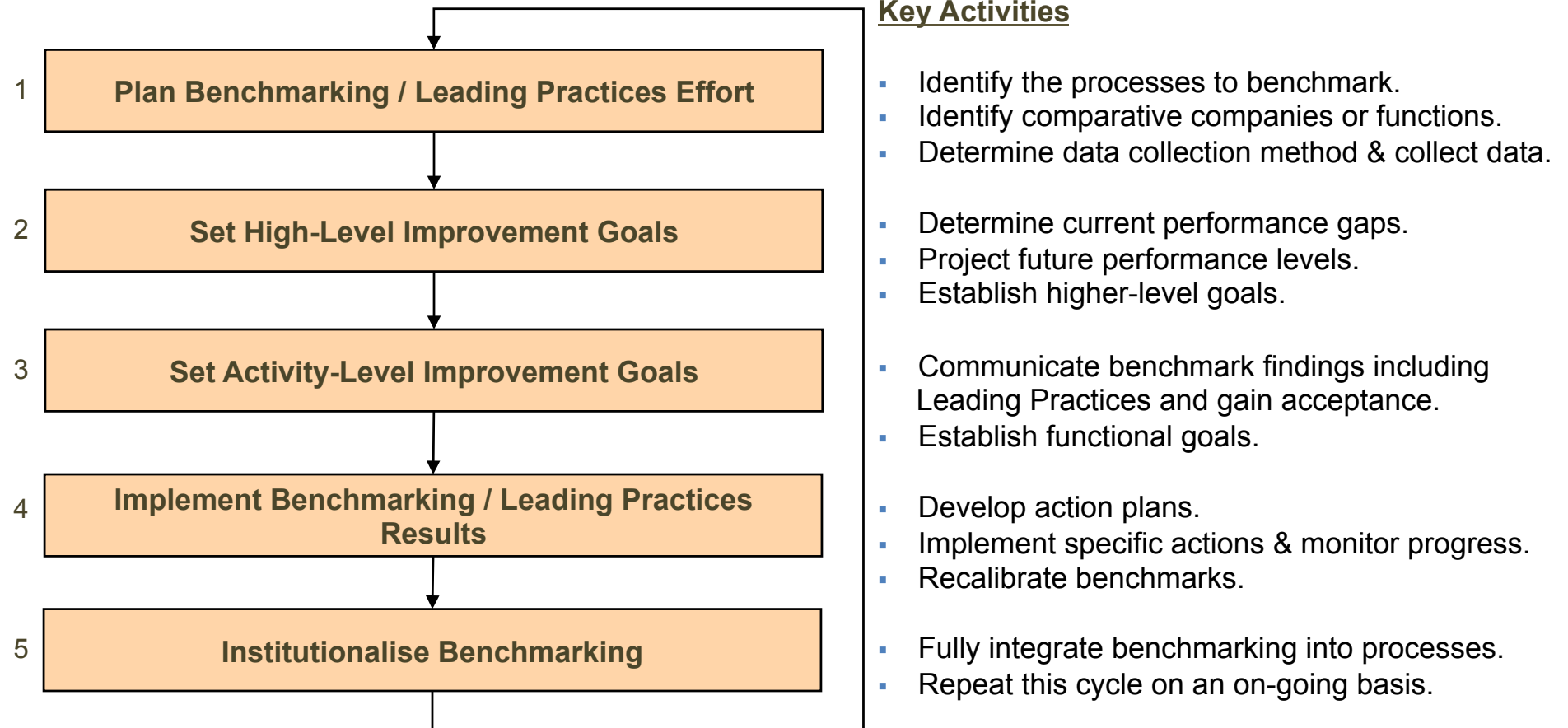
Task Name	June	July	August	September	October	November
1 Health check assessment	21	28	04	11	18	25
2 Start-up & planning	02	09	16	23	30	06
6 Workshop Reviews	09	16	23	30	06	13
9 Research leading practises	16	23	30	06	13	20
13 High level plan	23	30	06	13	20	27
18 Finance Excellence Workstream	30	06	13	20	27	03
19 General Accounting	06	13	20	27	03	10
20 Review current Learning Needs Analysis	13	20	27	03	10	17
21 Review Cash process (including KPIs)	20	27	03	10	17	24
22 Incorporate procedure documentation in daily process	27	03	10	17	24	31

Sample Size	No	Description of Element	Current		Position		Desired State (3yr)			
			Client	Average	Best	Worst	Client	Average	Best	Worst
15	1	Accounts Payable	5	6	8	2	7	8	10	7
13	2	Accounts Receivable	3	4	8	2	6	6	10	6
12	3	Intercompany Accounts	3	3	6	1	5	6	9	2
13	4	Tangible Fixed Assets	2	3	8	1	5	5	10	3
13	5	General Ledger and Closing	2	3	7	2	5	6	10	4
10	6	Reporting	4	4	7	2	5	6	10	5
3	7	Cost Accounting	4	3	4	2	5	6	7	5
3	8	Currency Management	7	4	7	1	7	6	7	5
2	9	Inventory Control	2	3	4	2	5	5	5	5
6	10	Operational Planning and Reporting	7	5	7	3	7	8	8	7
12	11	People Capability/Finance Excellence	3	4	9	1	6	7	10	4



# Our Approach to Successful Benchmarking

Our experience shows that successful benchmark projects typically take the following approach:



***Only those firms that pursue benchmarking with discipline successfully achieve superior performance***

# 12 Principles of Effective Benchmarking

1. Benchmarking is a means to an end in Performance Improvement
2. It needs to fit within a Overall Performance Framework
3. Metrics are only directional – they don't deliver improvements
4. Relevant leading practices are the tools that deliver improvements
5. To link metrics to practices you need a clear process definition
6. Effective Process definitions are enabled by an effective taxonomy
7. Leading practices are not always transportable
8. Apples and Bananas don't mix
9. Best in class is only best in class today
10. Beware databases and providers who don't recognise 1-9 above
11. The “missing link” in perfect correlation is people & change management
12. Look outside your industry or area to make step changes

# 10 Common Benchmarking Mistakes

1. Confusing benchmarking with participating in a survey.
2. Thinking there are pre-existing "benchmarks" to be found.
3. Forgetting about service delivery and customer satisfaction.
4. The process is too large and complex to be manageable.
5. Confusing benchmarking with research.
6. Misalignment.
7. Picking a topic that is too intangible and difficult to measure.
8. Not establishing the baseline.
9. Not researching benchmarking partners thoroughly.
10. Not having a ethics code & contract agreed with partners.

# Key Issues/Barriers sometimes quoted

“Arriving at common metric definitions can be very difficult”

“Metric data for some areas is often not readily available”

“Gathering of data over a meaningful period can slow the process”

“Analysis and interpretation can take as long as data collection”

# Breakout Session

- Where do you sit on the SSC journey?
- Enablers/Barriers to change
- How could benchmarking help you?
- Group discussion in breakout