

Breaking Rank

A benchmarking program doesn't end when the results come in. Leverage the new knowledge to build a business case for performance improvement.

Increasing productivity. Enhancing revenue. Containing costs. And, ultimately, increasing shareholder value.

While many companies have been using benchmarking as their process performance management tool of choice for several years, their needs have become progressively more sophisticated. Deloitte Consulting LLP believes it's no longer enough to know where you rank

among competitors. You must be able to translate your quantitative benchmarking results across key functions and identify improvement opportunities that integrate with action-based improvement plans. Then, you can re-benchmark to measure the improvement program's effectiveness in meeting corporate and process improvement targets.



How to Drive Value through Benchmarking

By establishing a benchmarking program that turns program results into executable plans, companies aim to establish a performance-driven environment that leads to ongoing process improvement. We've helped some of the world's leading companies benchmark their finance and accounting operations. Here are some of the key lessons that we've learned along the way.

Know why you're benchmarking. Benchmarking should be part of your overall corporate strategy, with regular intervals of measurement and performance improvement. In addition, there may be scenarios outside of a typical benchmarking cycle when a company may want to perform benchmarking, including a recent merger, acquisition or divestiture; a new CXO; a major technology implementation; or a corporate cost reduction effort.

Determine which processes you will benchmark. A company rarely has the time or resources to benchmark every process at once. Decide which processes are the highest priorities for benchmarking and focus on those. Here are some of the questions to ask to help determine if a process is a priority for benchmarking. Does the company want to develop a baseline for a process before making a major change? Which processes have the highest overall cost, longest cycle times, lowest quality, or lowest customer satisfaction? Which processes are being considered for an outsourcing strategy? Has it been more than three years since the process was benchmarked?

Develop an action plan and implement. Use your benchmarking results to help build a business case for functional improvement initiatives. Improvement initiatives can be either continuous programs that drive performance improvement over time or functional transformation programs that focus on comprehensive, integrated improvements across process, organizational, technology, people, and leadership dimensions.

Re-benchmark as needed. Confirm that improvement initiatives are meeting the desired performance targets and that you are staying ahead of competitors. This will help create a performance-driven culture in which functional goals are evaluated and measured.

Bottom-Line Benefits

- Receive accurate answers to top-of-mind business questions by designing balanced, fact-based reports that measure the efficiency and effectiveness of your Finance and Accounting processes
- Draw meaningful conclusions from your benchmarking program by measuring high-impact processes and comparing results to cross-industry and top performers
- Maximize the value of your benchmarking results by using them as part of a business case for future improvement projects
- Encourage a performance-driven environment by continually evaluating improvement projects against the established baseline

Getting It Done

While conducting regular benchmarking is necessary to understand business performance, it's only half the battle. Savvy companies continually tap benchmarking results as part of continuous programs that drive process improvement.

Our Benchmarking Center of Excellence has developed a specific, granular approach to establishing benchmarks across a broad scope of Finance and Accounting processes. Breakthrough performance requires a unique combination of innovative thinking and disciplined follow-through. We work together with senior executives to significantly help improve the performance of their businesses – and to choose the right course of action, fusing together executable strategy, operations, and technology.

Contact

To learn more about how we can help you engage the value of benchmarking, please contact:

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