

# Initiatives and Tools to Support Benchmarking

## Benchmarking tools/methods to support innovation

### GBN's Benchmarking Workshop

Abu Dhabi

December, 09<sup>th</sup> 2018

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Director Corporate Management

Fraunhofer IPK

Berlin – Germany



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# Agenda



1

**The Information Centre Benchmarking**

2

Diagnostic Benchmarking

3

Process-Benchmarking

4

Benchmarking of Intangible Assets

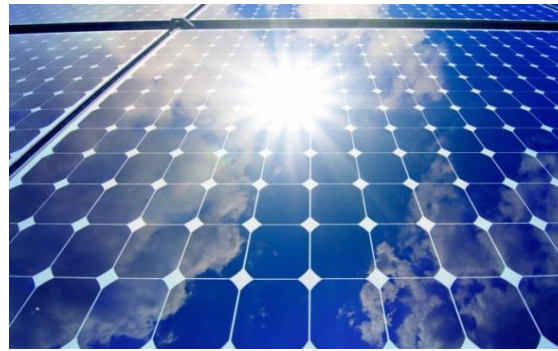
# The Fraunhofer-Gesellschaft



Fraunhofer is the largest organization for applied research in Europe.

Our Customers:

- Industry
- Service sector
- Public administration



# Drivers of Innovation for Business Excellence

## Tools and Practices for implementing successful innovation



### Corporate Management

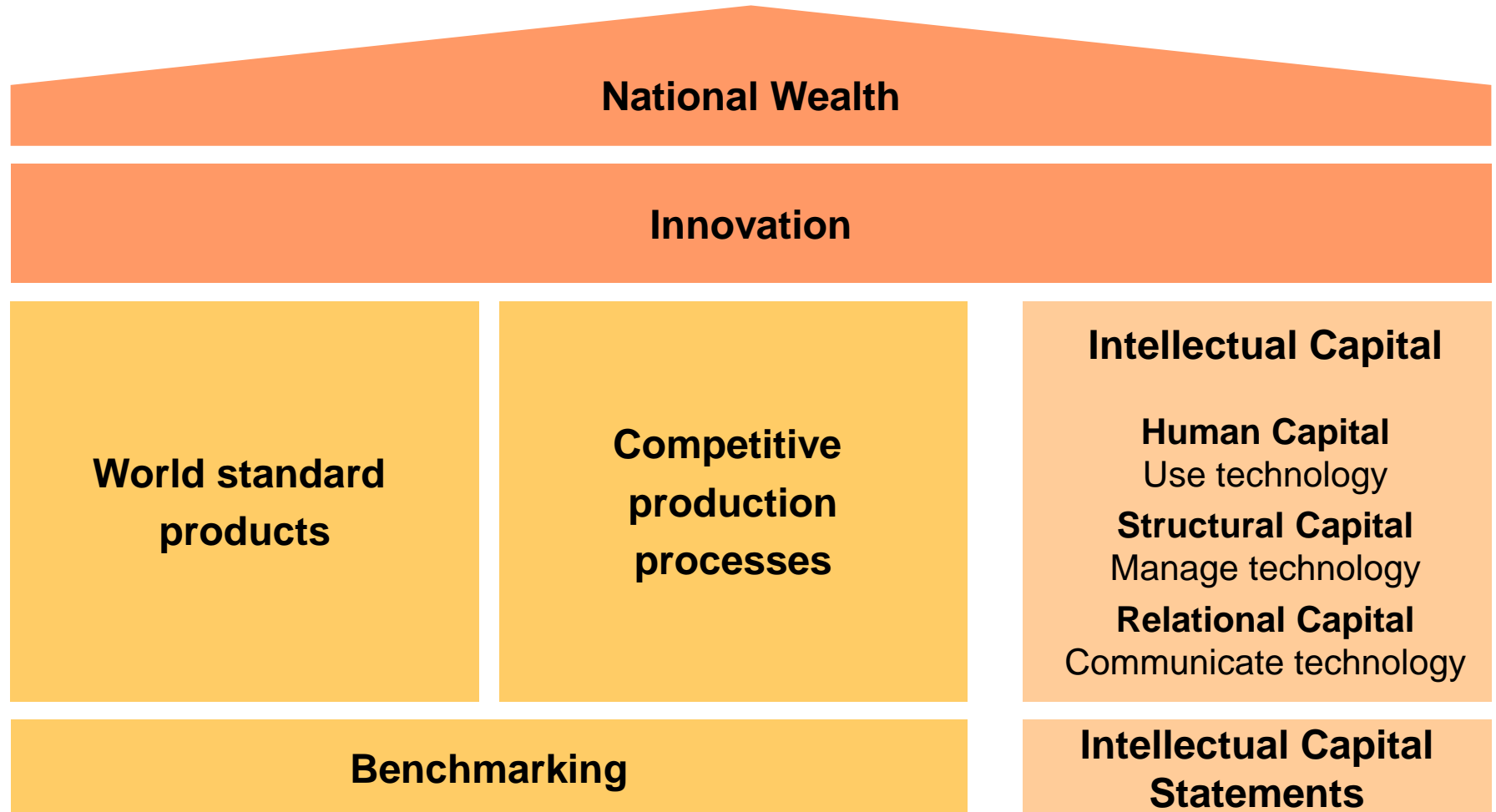
- ▶ Management of Intellectual Capital
- ▶ Management of Innovation Systems
- ▶ Information Centre Benchmarking
- ▶ Balanced Scorecard
- ▶ Corporate Planning and Logistics
- ▶ Knowledge Management
- ▶ Process Management

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# Development of Economy - Innovation System



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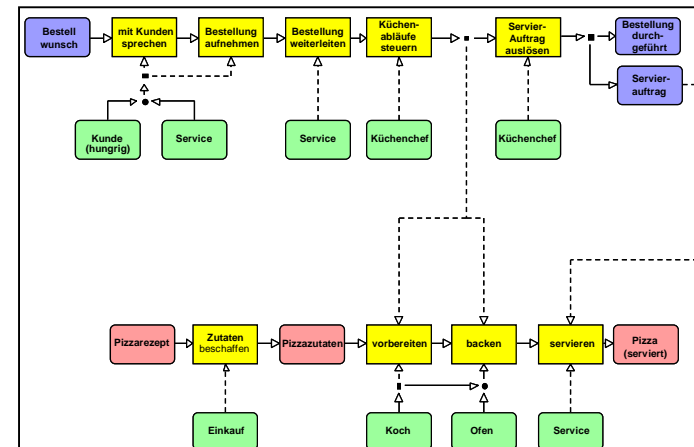
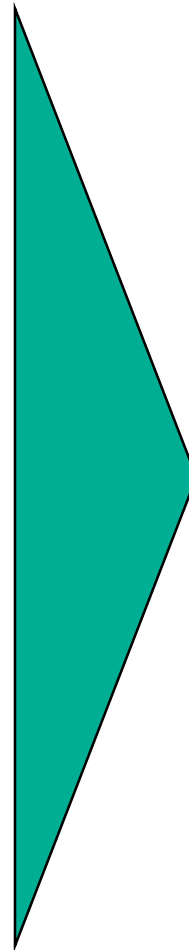
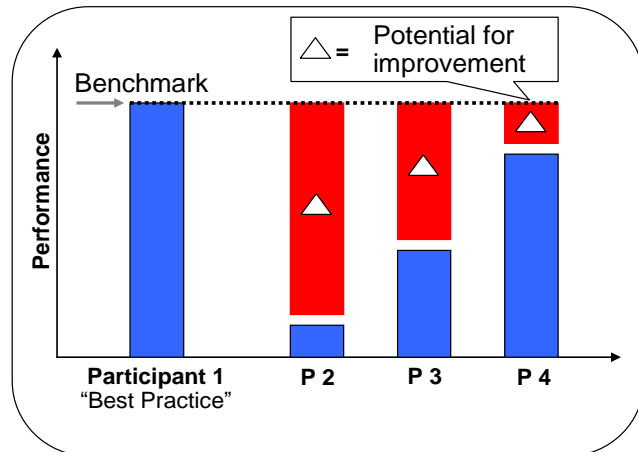
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Process-Benchmarking

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# Benchmarking: Diagnoses vs. Medicine



# 1. Is the company making enough money?

## Financial Perspective

## Customer Perspective

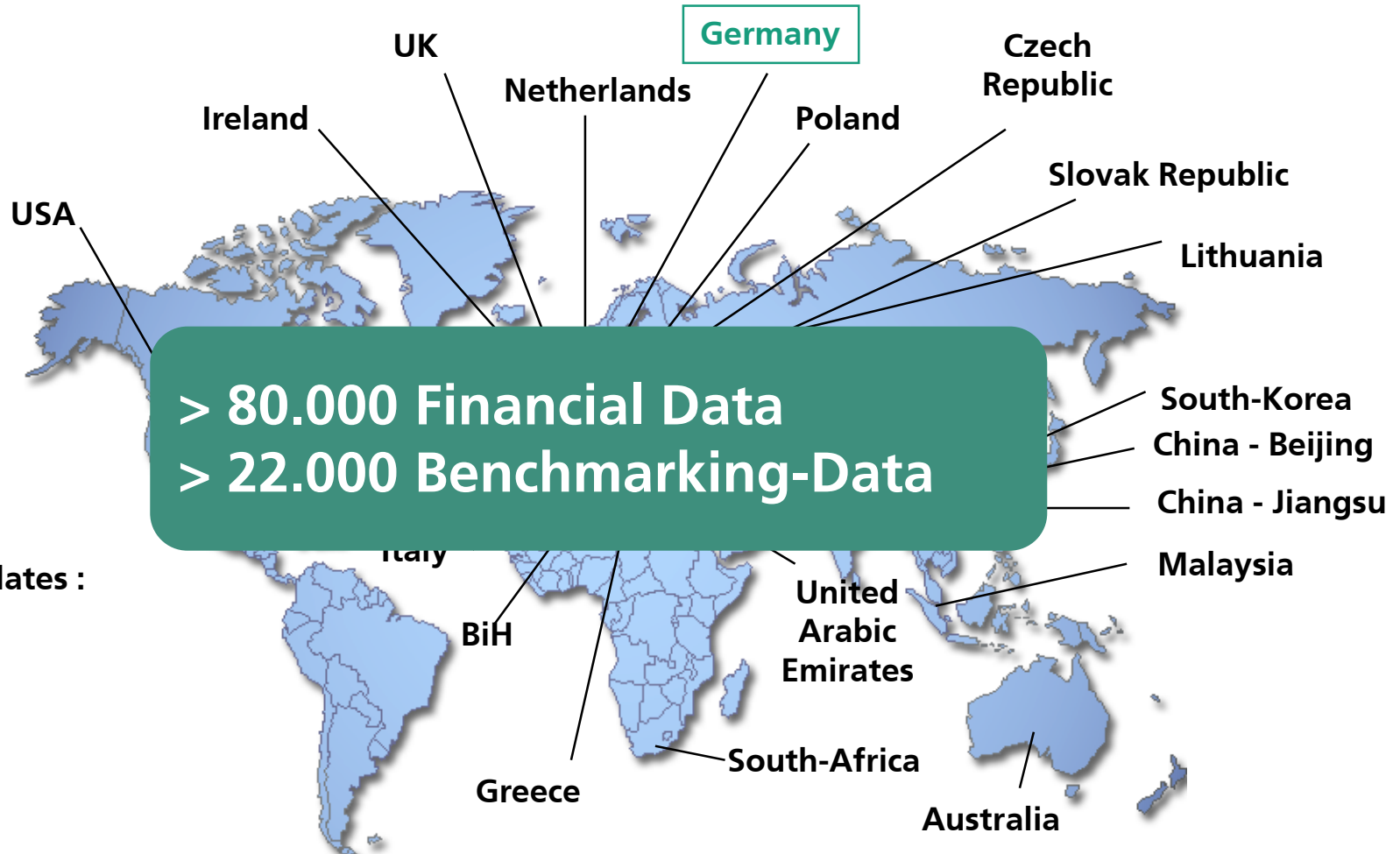
## Learning & Growth Perspective

## Process Perspective





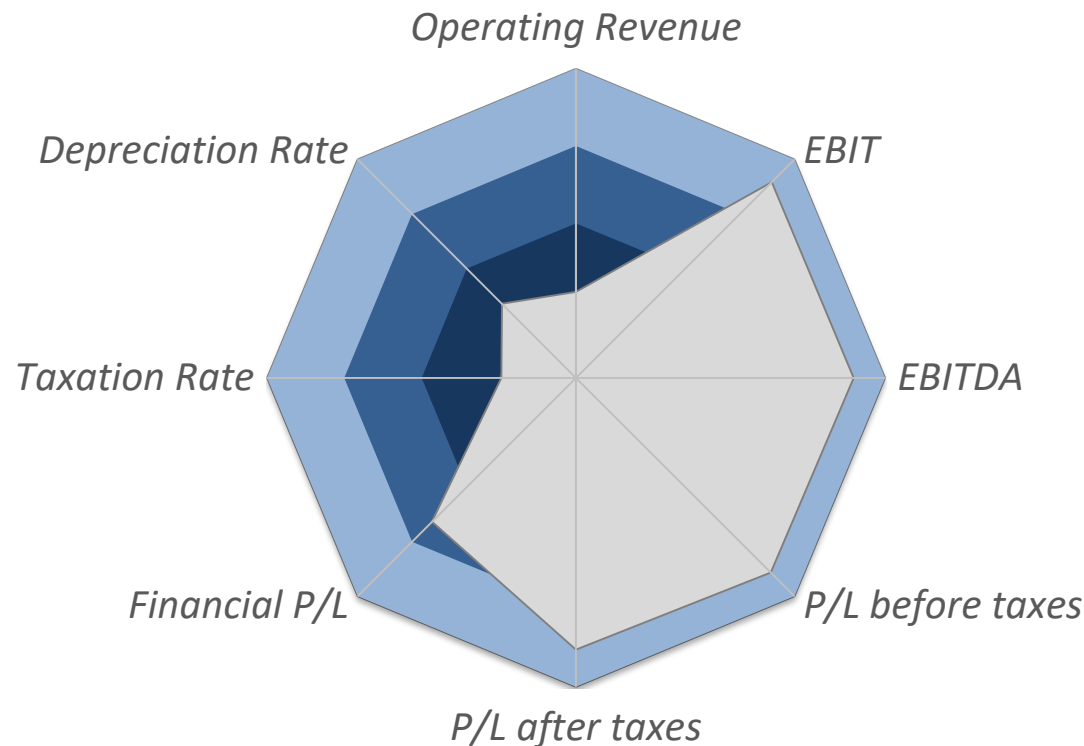
# Current Distribution of the BenchmarkIndex



## Current Candidates :

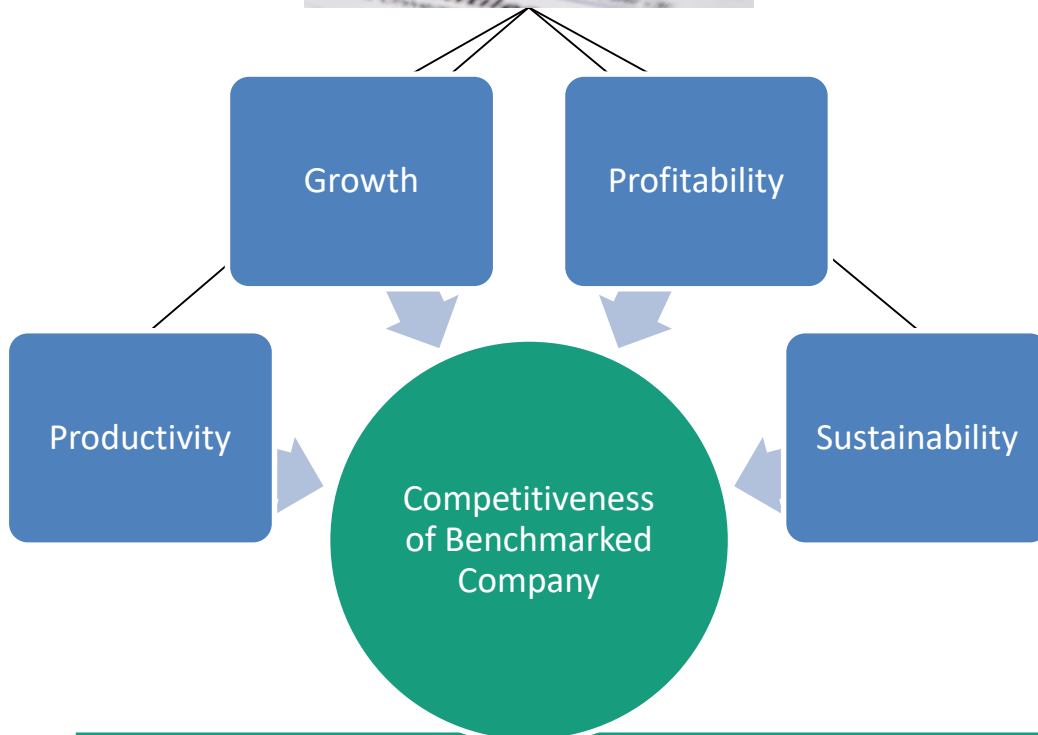
- Russia
- Philippines
- Brazil
- Saudi Arabia

# Fraunhofer Financial Benchmarking (FFB)



# Introduction

## Key Financial Indicators



- Benchmarking analysis of the financial competitiveness and structures of European organizations
- Comprehensive database of **18.5 million companies based on**
  - Annual reports
  - Key financial figures of balance sheets & profit and loss statement
- Support European SMEs by indicating their competitive position in terms of
  - **Productivity**
  - **Growth**
  - **Profitability**
  - **Sustainability**
- Identification of improvement potentials on company and national level as a basis for action planning

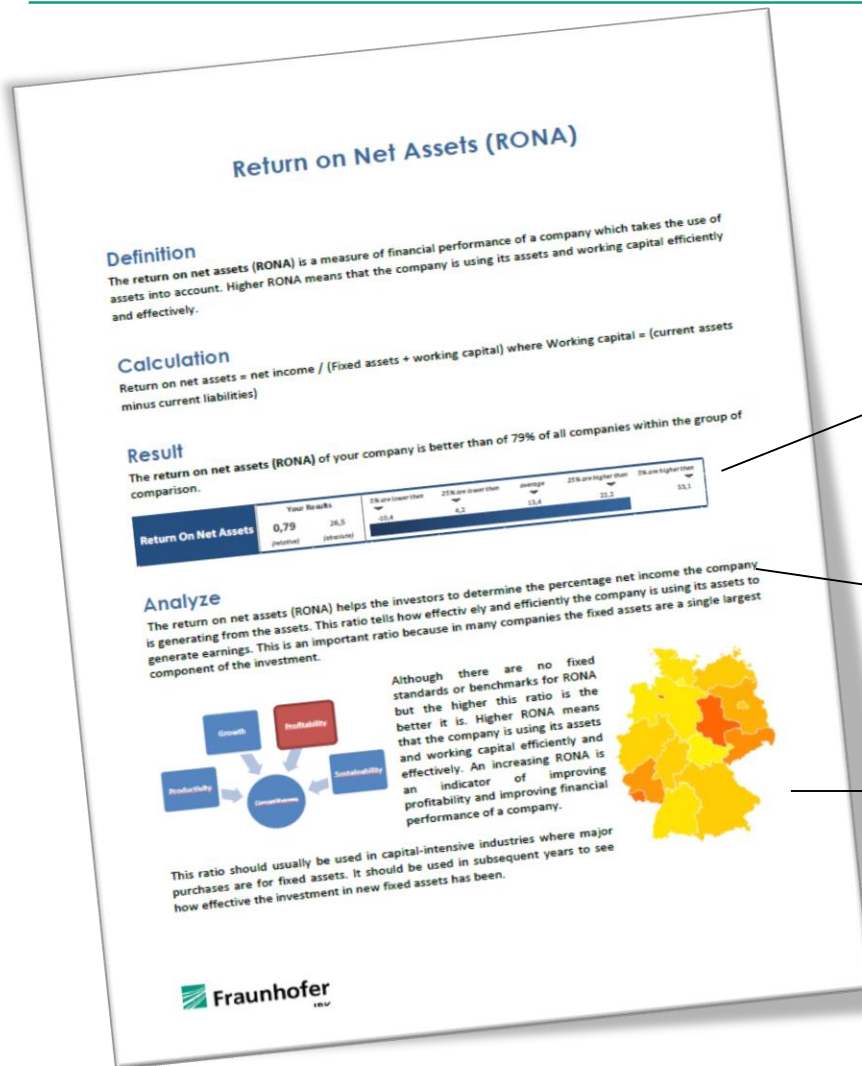
# Fraunhofer Financial Benchmarking Report - Overview

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- The Fraunhofer Financial Benchmarking Report includes
  - a detailed overview of the benchmarked peer group,
  - a comparison of 42 key financial indicators from the annual report and the profit and loss statement with the benchmarked peer group,
  - a detailed performance-analysis of the key financial indicators on a company and national level,
  - profound information for each benchmarked indicator to facilitate the understanding and the interpretation of the results,
  - a summary highlighting strengths and weaknesses in terms of competitiveness and financial structure and
  - the need for action (improvement potentials).



# Fraunhofer Financial Benchmarking Report - Main Benefits



- Access to financial data from up to **18.5 million companies** in Europe
- Evaluation of selected key financial indicators in comparison to companies of the same size and industry
- Detailed definition, analysis and interpretation for **42 key financial indicators**
- **Visual Analytics:** Detailed location analysis of results across Europe (radar charts, heat maps etc.)



# Available Data

**COUNTRYS**

<input type="checkbox"/> Albania	<input type="checkbox"/> Luxembourg
<input type="checkbox"/> Austria	<input type="checkbox"/> Macedonia
<input type="checkbox"/> Belarus	<input type="checkbox"/> Malta
<input type="checkbox"/> Belgium	<input type="checkbox"/> Moldova, Republic of
<input type="checkbox"/> Bosnia and Herzegovina	<input type="checkbox"/> Monaco
<input type="checkbox"/> Bulgaria	<input type="checkbox"/> Montenegro
<input type="checkbox"/> Croatia	<input type="checkbox"/> Netherlands
<input type="checkbox"/> Cyprus	<input type="checkbox"/> Norway
<input checked="" type="checkbox"/> Czech Republic	<input type="checkbox"/> Poland
<input type="checkbox"/> Denmark	<input type="checkbox"/> Portugal
<input type="checkbox"/> Estonia	<input type="checkbox"/> Romania
<input type="checkbox"/> Finland	<input type="checkbox"/> Russian Federation
<input checked="" type="checkbox"/> France	<input type="checkbox"/> Serbia
<input checked="" type="checkbox"/> Germany	<input type="checkbox"/> Slovakia
<input type="checkbox"/> Greece	<input type="checkbox"/> Slovenia
<input type="checkbox"/> Hungary	<input type="checkbox"/> Spain
<input type="checkbox"/> Iceland	<input type="checkbox"/> Sweden
<input type="checkbox"/> Ireland	<input type="checkbox"/> Switzerland
<input type="checkbox"/> Italy	<input type="checkbox"/> Turkey
<input type="checkbox"/> Latvia	<input type="checkbox"/> Ukraine
<input type="checkbox"/> Liechtenstein	<input type="checkbox"/> United Kingdom
<input type="checkbox"/> Lithuania	

Dropdown menu options: OECD, EU, **EU2**, EURO, G8, EFTA

- Normalized and latest data for all EU-countries, e.g.:
  - France: > 3,6 Million companies
  - UK: > 2,6 Million companies
  - Germany: > 1,5 Million companies
- Overall 42 key financial indicators per company including
  - 25 values from Balance Sheets, e.g.
    - Assets
    - Shareholder funds & liabilities
    - Number of employees
  - 17 values from Profit/Loss-Accounts, e.g.
    - Revenues and profits
    - Expenses and costs
    - Taxations and Depreciations



# Defining the Benchmarking Peer Group

- Industry-Classification with NACE 2:
  - 89 main-industry-descriptions
  - 273 sub-industry-descriptions
  - 616 different activities
  
- Company-related Benchmarking criteria:
  - Number of Employees
  - Operating Revenue
  - Profit / Loss

## **NACE-CODE**

 2612: Manufacture of loaded electronic boards

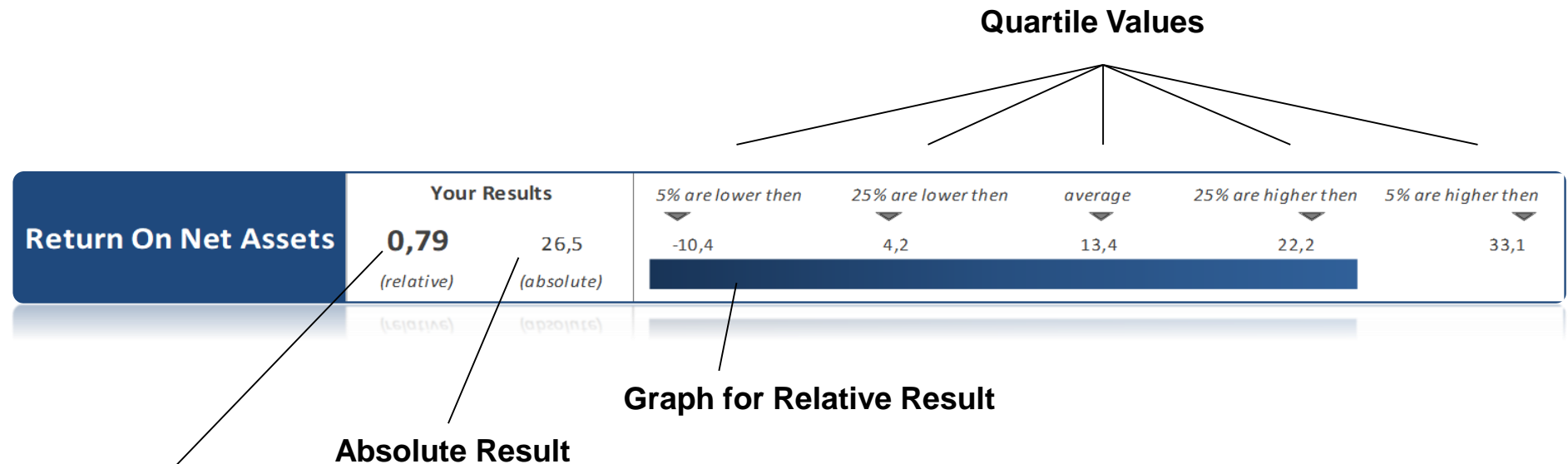
## **CRITERIA**

 Nr. of Employees	<u>30</u>	-	<u>50</u>
 Operating Revenue	<u>6.500.000</u>	-	<u>11.500.000</u>

# Result Visualization & Analysis (1/2)

- The Fraunhofer Financial Benchmarking Report will be generated automatically
- All 42 key financial indicators will be compared to the benchmarked peer group

Individual Results are presented as show below:

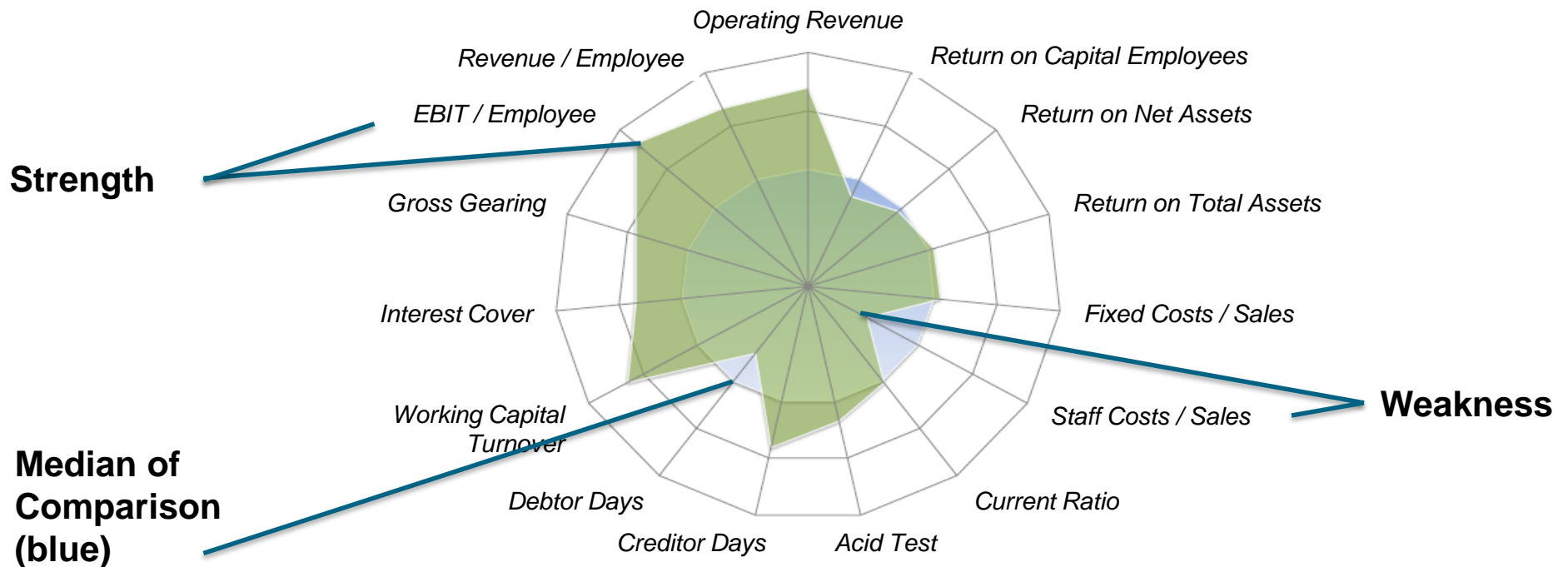


**Relative Result**

(79% of all companies within the peer group have a smaller RONA than the benchmarked company)

## Result Visualization & Analysis (2/2)

- Additionally, the results of the Fraunhofer Financial Benchmarking Report are displayed as “Radar Chart”
  - Strengths and Weaknesses in a standardized overview
    - Size of green area as an overall indicator for the financial competitiveness
  - Profile of the company’s financial structure



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# Fraunhofer Financial Benchmarking Outlook

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- Fraunhofer Financial Benchmarking will be available from early 2019 by using a IZB-APP.
- A dynamic online-tool is also planned for end of 2019. Therefore the range of functions will be extended by
  - direct access to a library of financial benchmark-ratios,
  - the possibility of defining own benchmark-criteria and “user-defined-ratios”,
  - the possibility of using secondary NACE-Codes for even more detailed analyzes.
- Additional analysis to evaluate partners and competitors on the European level will be included.



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# SME Sustainability Benchmarking Tool

## Winning Moves Ltd., Fraunhofer IPK

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### Current Status of Completion

- Research and pre-selection of sustainability indicators for the economical, ecological and social perspective based on international standards (GRI, IÖW, VDI 4070, Susex, DIN 14000, EMAS, etc.).
- Design the tool – structure and measures with software development input.
- Program the system structure, database and benchmarking engine to receive, process and store data, and generate and feedback the results.
- Develop the portal interface for users to input data and generate reports.
- Design and set the questionnaire and PDF output report (Final Testing Stage).

### Next Steps

- Involving all GBN members in a Doodle-vote to identify the most usable and reasonable selection of indicators for the benefit of the GBN.
  - Integrating the sustainability indicators in the online solution and set up online training session
  - Testing & finalizing the SME Sustainability Benchmarking Tool.
  - Roll-out: Start of 2 year free license → Self managed tool by GBN country representatives.
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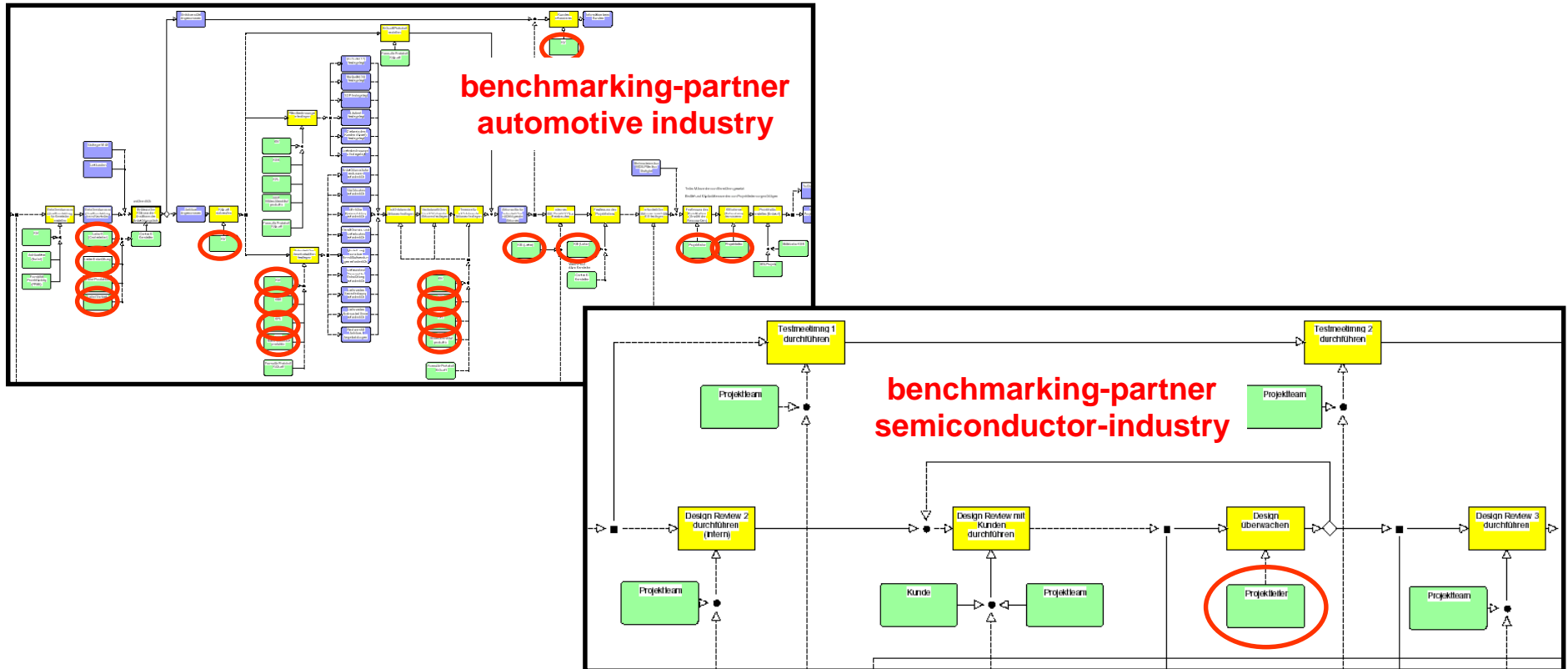
3

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Benchmarking of Intangible Assets

## Comparison of Business Process



# Intranet-based implementation of Best Practices

## Example: via Benchmarking – Process Assistant

The screenshot displays the IPK QMS intranet interface within a Microsoft Internet Explorer browser window. The main window is titled "IPK QMS - Microsoft Internet Explorer provided by Willkommen IPK User" and shows the URL "http://um190/". The interface includes a navigation menu on the left with links such as "QMS Aktuelles", "QMS Handbuch", "Hauptprozesse", "Rollen und Funktionen", "Dokumentenübersicht", "QMS Ansprechpartner", and "Begriffe / Abkürzungen". A search bar labeled "Suche im QMS PA" is also present. The main content area is titled "Hauptprozesse" and features a list of 14 numbered steps: 1 Ziele setzen und Erfüllung planen, 2 Ressourcen bereitstellen, 3 Messen und Analysieren, 4 Verbesserung, 5 Managementbewertung durchführen, 6 Öffentlichkeitsarbeit und Akquisitionen, 7 Angebotserstellung und Verträge sch, 8 Akquisition öffentlich finanzierter Pro, 9 Projekt planen und überwachen, 10 Projekt steuern, 11 Aus Projekt lernen und bekanntmac, 12 Projekt abrechnen, 13 Vorlauftforschung durchführen, and 14 Industrie-/ Öffentl. Forschungsprojek. The right side of the interface shows a "MO²GO Viewer" window displaying a complex flowchart titled "Management-, Unterstützungs- und Verbesserungsprozesse". The flowchart is organized into three main sections: "Management-, Unterstützungs- und Verbesserungsprozesse", "Projektplanung und -steuerung", and "Projektdurchführung". The "Projektplanung und -steuerung" section includes sub-processes like "Projektplanung", "Projektsteuerung", and "Projektabschluss". The "Projektdurchführung" section includes sub-processes like "Projektstart", "Projektfortschritt", "Projektabschluss", and "Projektbewertung". The bottom of the browser window shows the status bar with the text "Aktion :: 13 Vorlauftforschung durchführen" and "Applet Moogo-JavaViewer started".

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# Standard IC Factors

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## Human Capital

- Professional Competence
- Social Competence
- Employee Motivation
- Leadership Ability



## Structural Capital

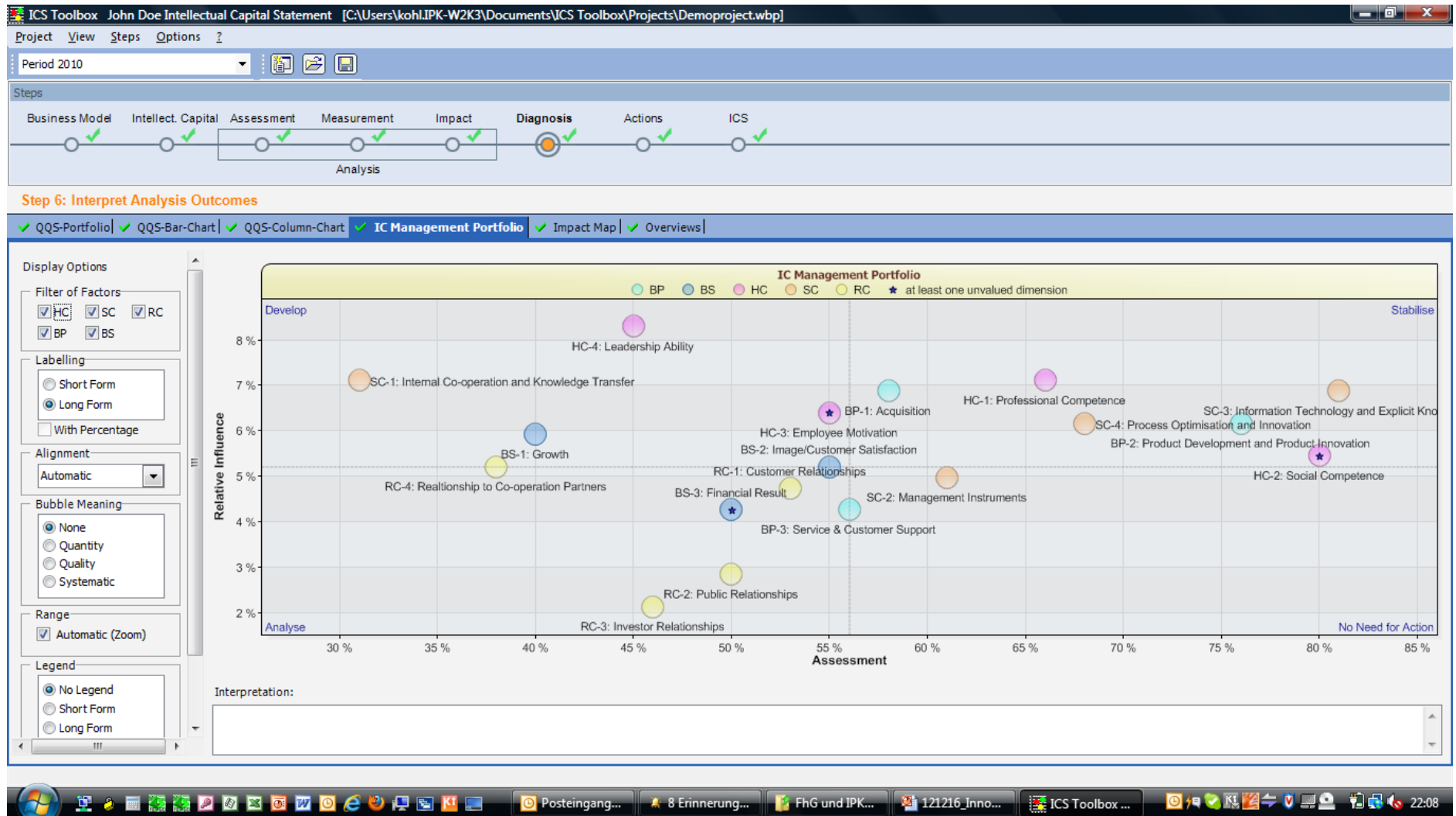
- Internal Co-operation and Knowledge Transfer
- Management Instruments
- IT and Explicit Knowledge
- Product Innovation
- Process Optimisation and Innovation
- Corporate Culture



## Relational Capital

- Customer Relationships
- Supplier Relationships
- Public Relationships
- Investor Relationships
- Relationships to Co-operation Partners

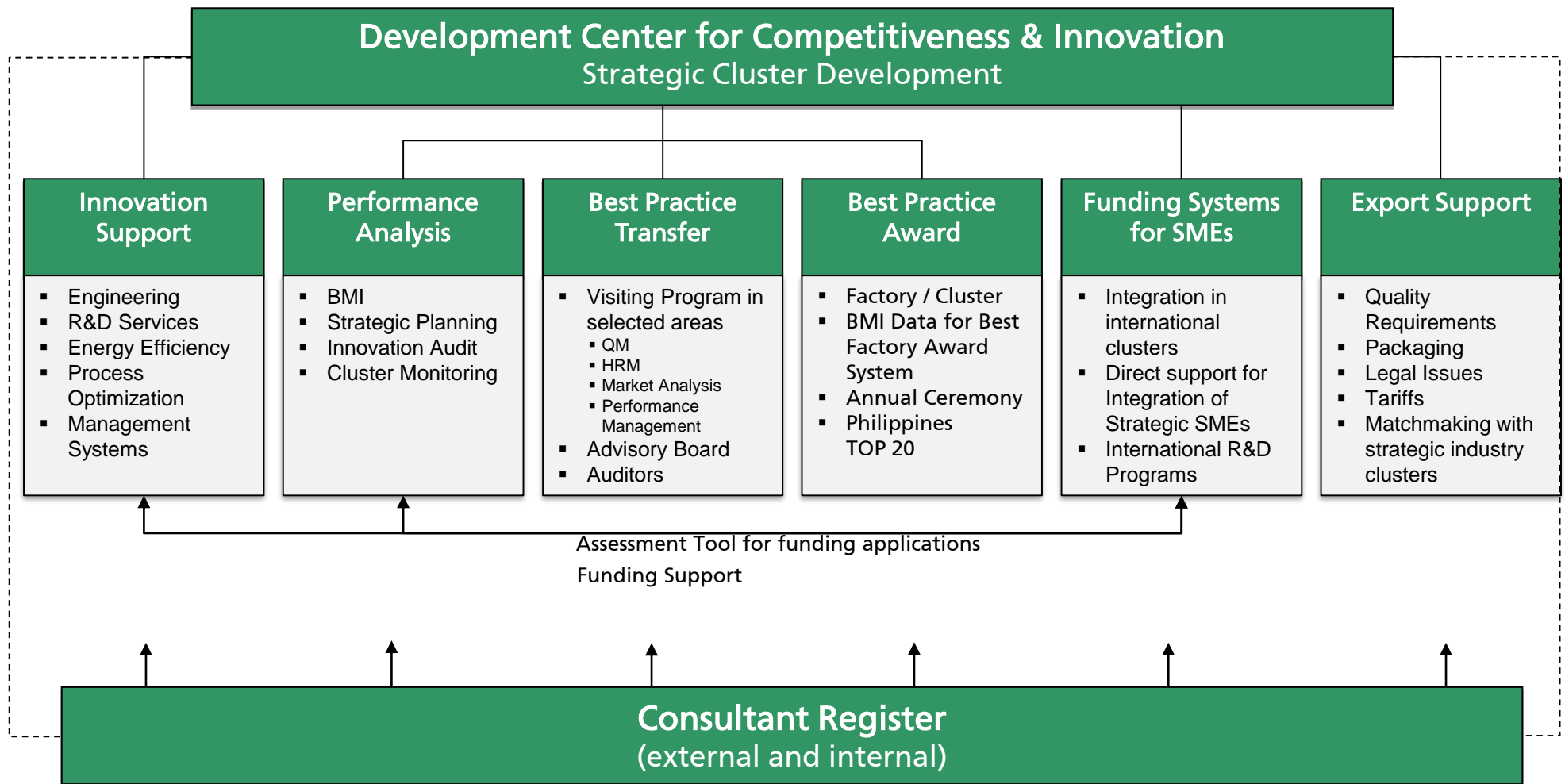
# Intellectual Capital Statements (ICS) - Toolbox

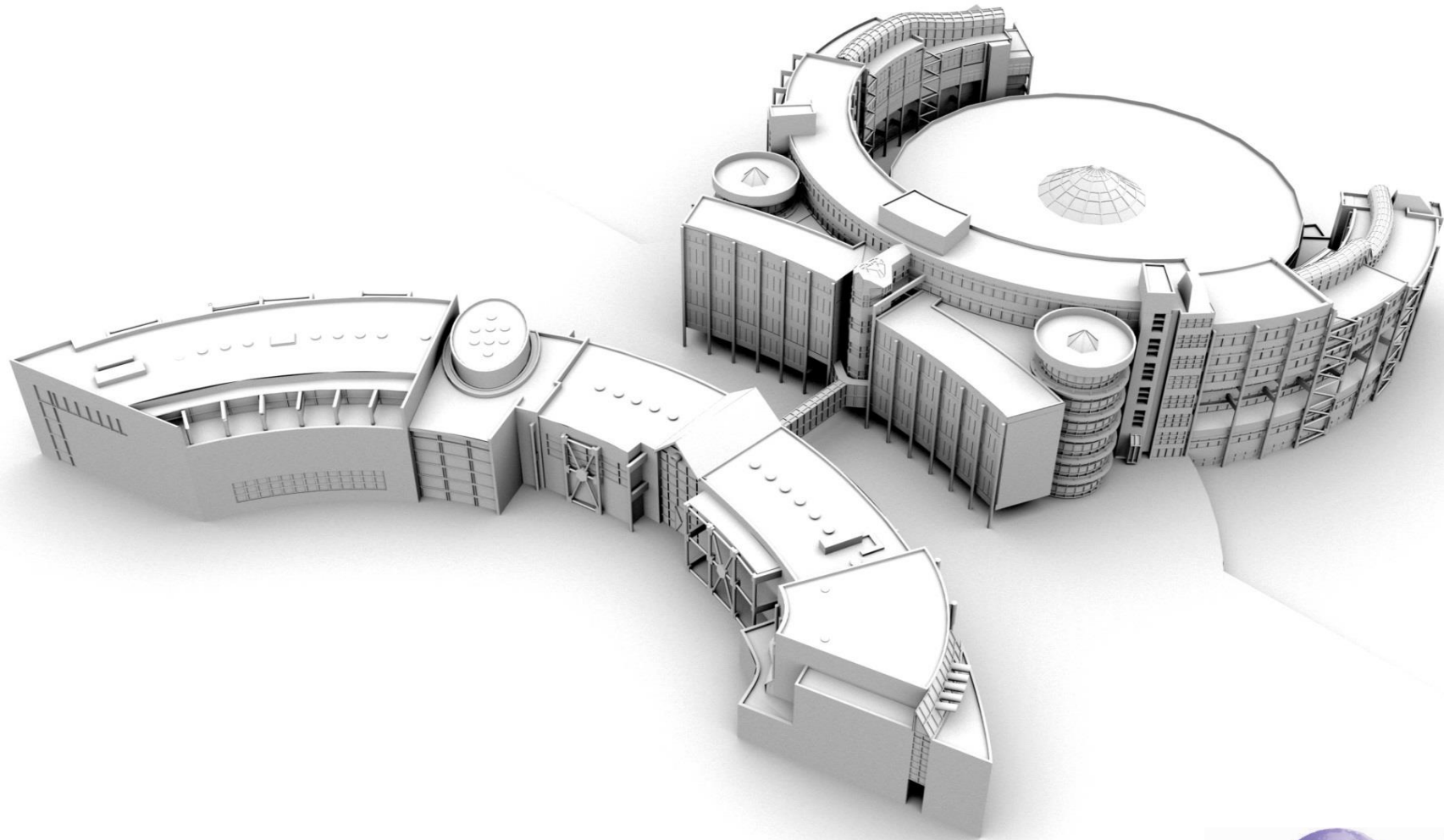


## Finding Best in Class Performers



# Concept for an Enterprise Support Center





Thank you for your kind attention.

