

Corporate Performance Management

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Goal of CPM is:

“Link a company’s strategy to its operations through financial and operational planning and reporting right down to individual performance measurement with the support of efficient processes, organisation; and IT systems”

CPM Model

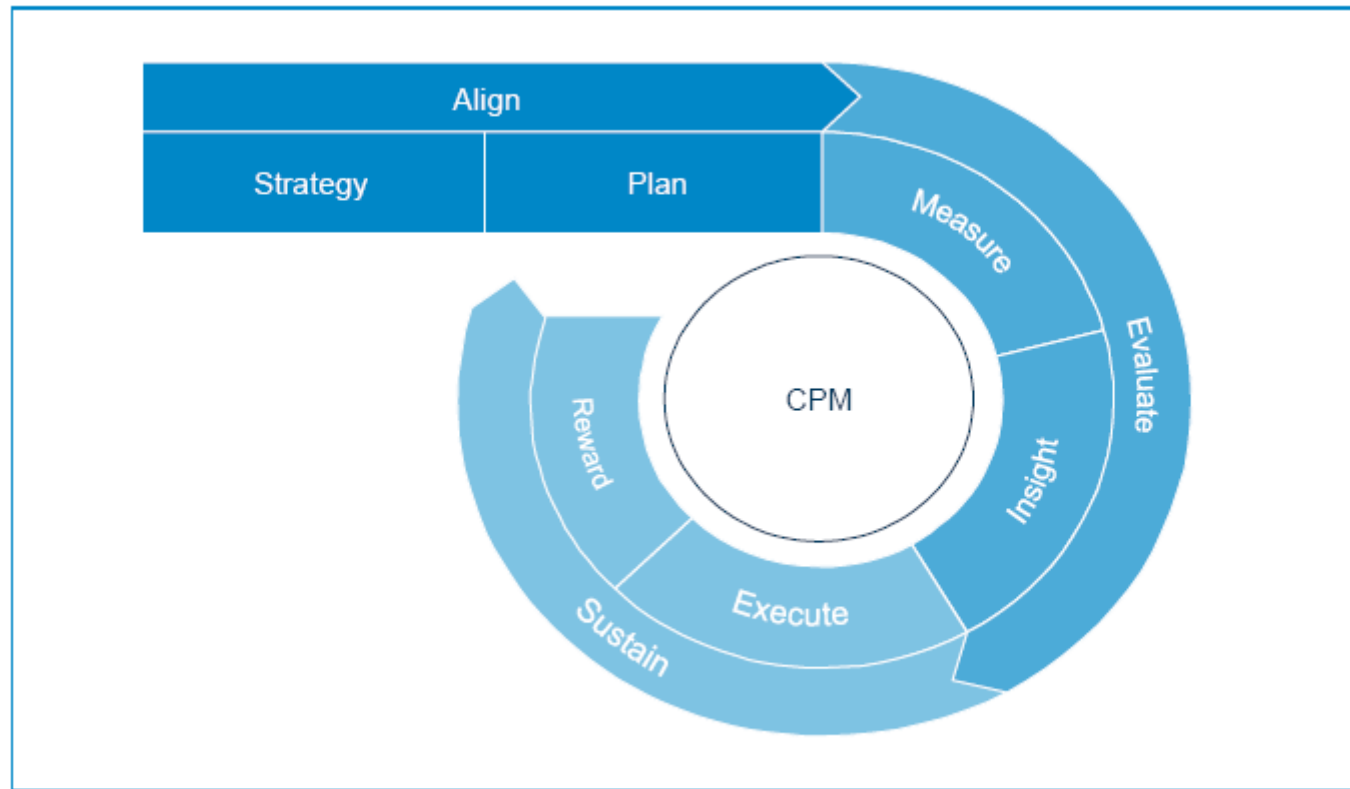


Fig. 1 CPM model of PricewaterhouseCoopers

The PwC Survey

Europe

384 companies – (241 Western, 143 Eastern)

22% < €100m revenue

18% > €5,000m

North America

400 companies

Major Challenges for KPI development

- Alignment of strategy, operational realisation and measurement through clearly defined KPIs
- Co-ordination/co-operation between different management levels
- Strategy communications – improve alignment – involvement of all employees

Comprehensive Communication rated 3.5 out of 4

Timescales for Planning Processes

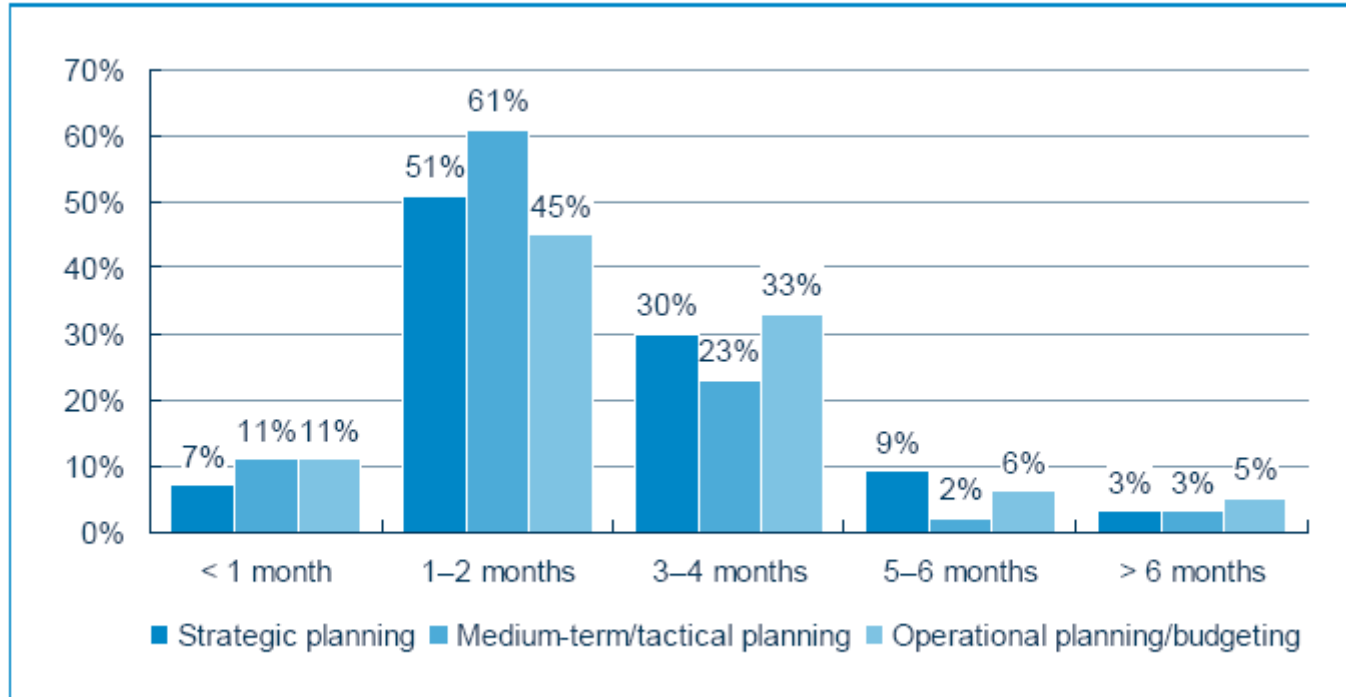


Fig. 9 Time spent on planning activities

Nearly 40% of companies spend more than 6 months, however best practice is less than 3 months

Measuring Performance

- 50% explicitly named working capital as key KPI
- 81% use profit and loss KPIs
- 51% explicitly use non-financial KPIs e.g. customer satisfaction
- Only 30% use “value-orientated” KPIs

Competitive information rarely mentioned

Management reporting Importance and satisfaction

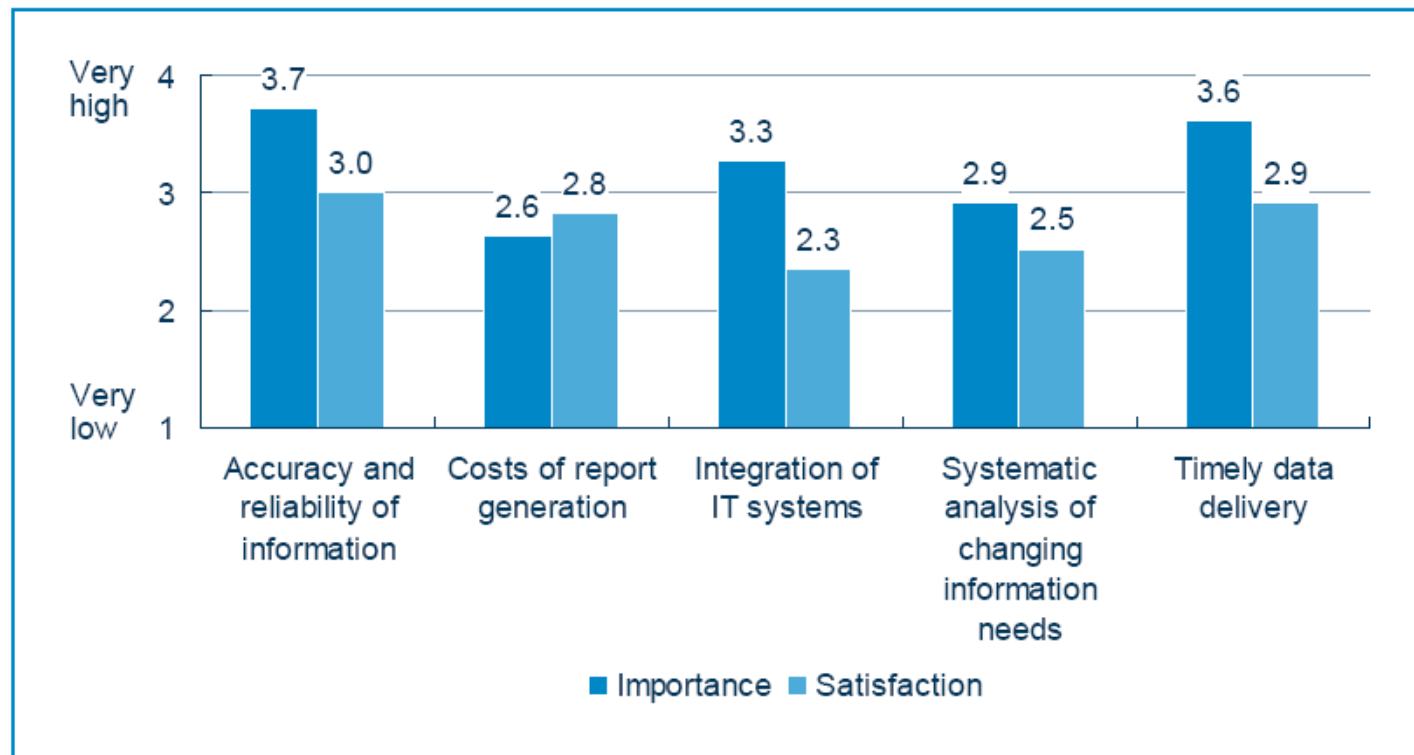


Fig. 14 Importance of and satisfaction with management reporting factors

Management reporting

Satisfaction with data

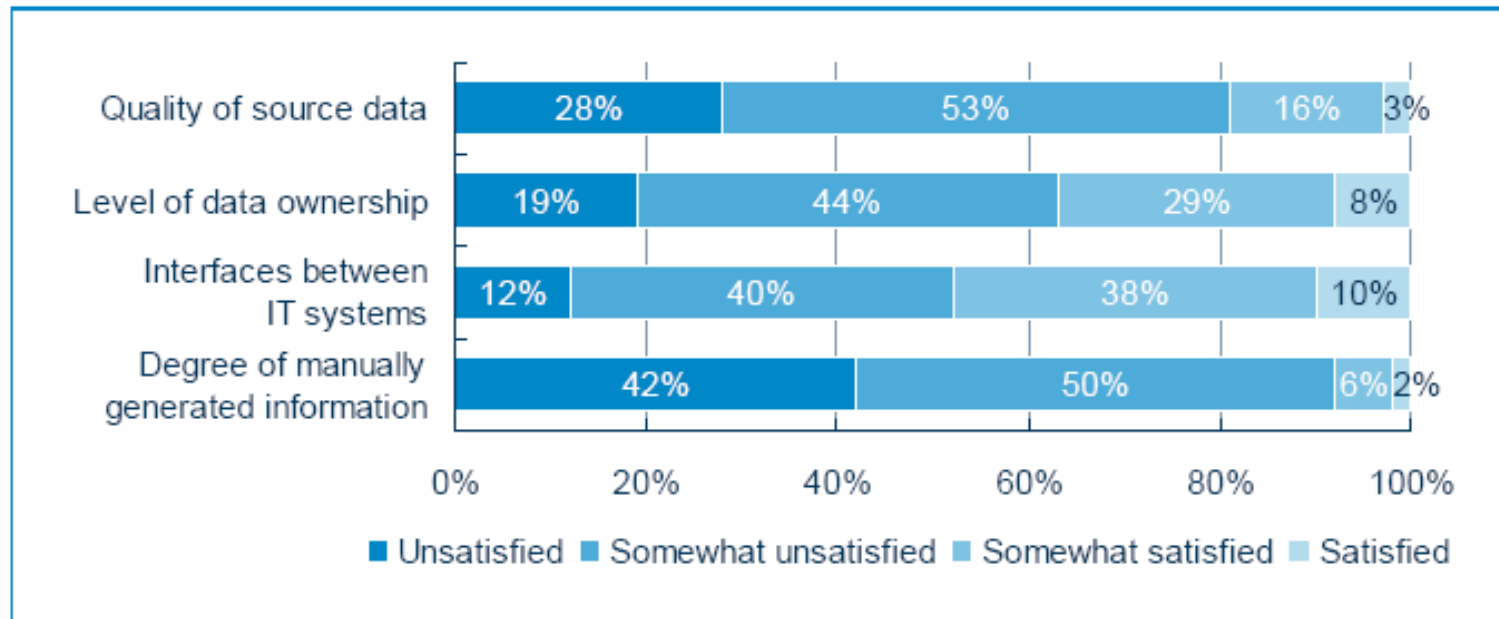


Fig. 16 Satisfaction with resolution of data logistic issues around management reporting

Obstacles for improvement

- Complex structure
- Unclear/missing responsibilities
- Undefined escalation rules
- Delayed delivery of information

Time for Data Collection and Analysis

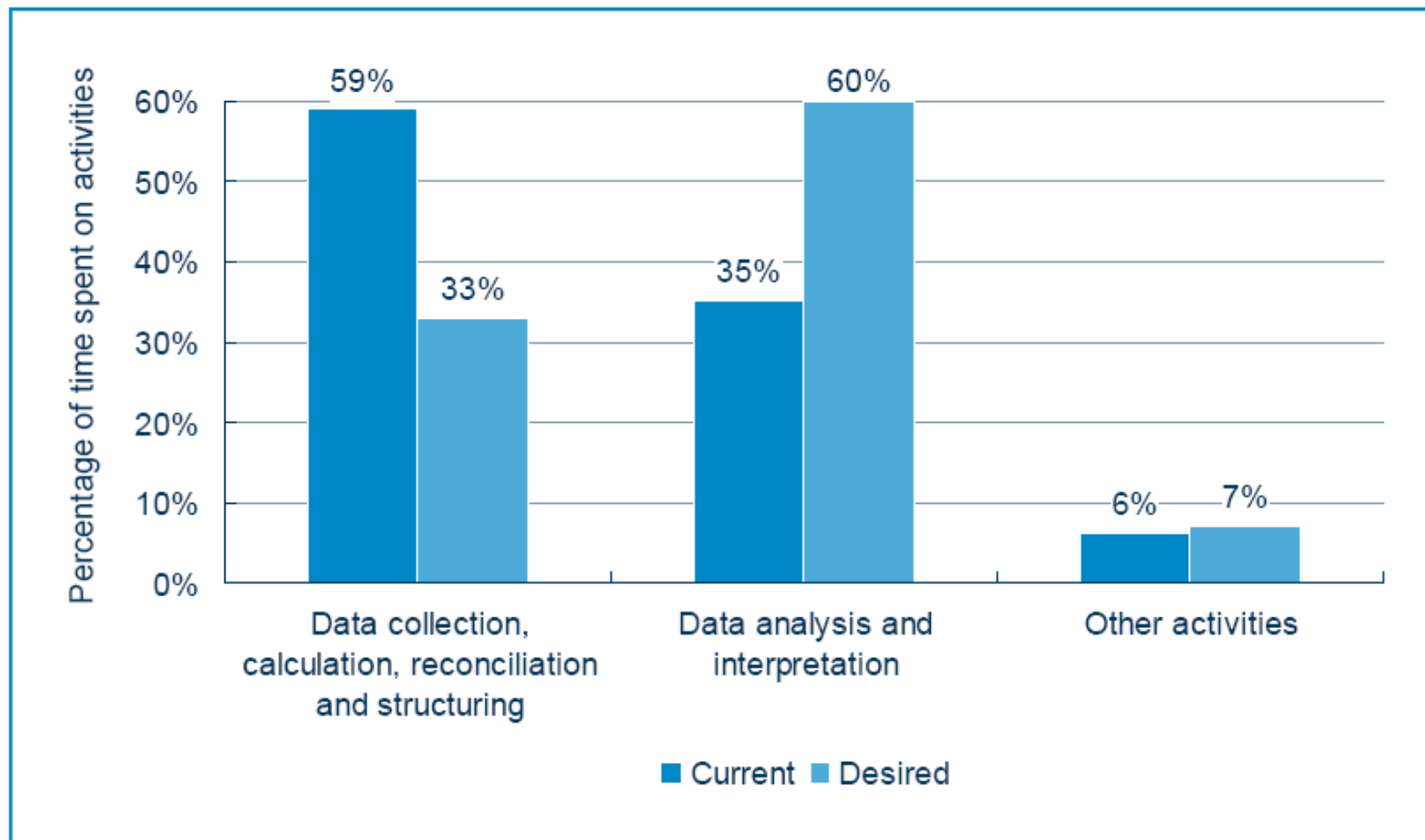


Fig. 15 Percentage of time spent on management reporting activities

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