

FINANCE DEPARTMENT PERFORMANCE BENCHMARKS FY19



*Benchmark your finance function on key metrics:
Budgets, activities, functional costs, workforce measures and more*

A STUDY OF KEY PERFORMANCE PARAMETERS IN FINANCE

IMA India's **2019 Finance Department Performance Benchmarks** are designed to provide a baseline against which organisations can measure themselves on a variety of efficiency and effectiveness parameters.

More than **240 CFOs** from large, medium, and small companies across the manufacturing and services space responded to a detailed questionnaire covering areas such as costs, staff, volume of work, organisation structure, finance automation, and outsourcing and insourcing trends.

The study will help you:

- ✓ **Identify** areas of over- and under-spend in the finance department
- ✓ **Understand** opportunities for cost reduction or performance improvement
- ✓ **Compare** your organisational structure, systems maturity, process automation and talent allocation against others in the same sector or size band
- ✓ **Establish** benchmarks for finance department productivity and outcomes
- ✓ **Evolve** service strategies in line with leading industry practices
- ✓ **Secure** the support of decision makers or direct reports by making objective, data-based arguments

The results and analysis are current and relevant as the data was collected between **November and December 2018**.

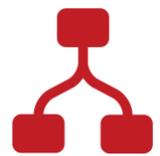
The survey is presented as a composite picture and **data cuts** by turnover, ownership and sectors are also provided for key indices.



240+ respondents



60+ finance metrics assessed



5 core finance sub-functions analysed



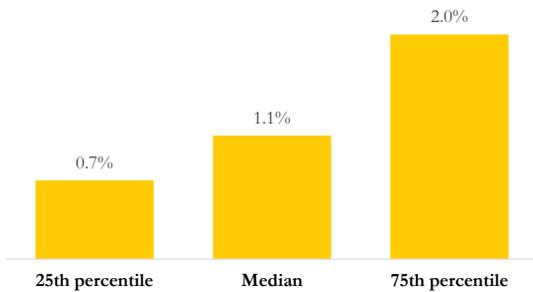
8 line items evaluated for impact



3 levels of data split: sector, revenue, ownership

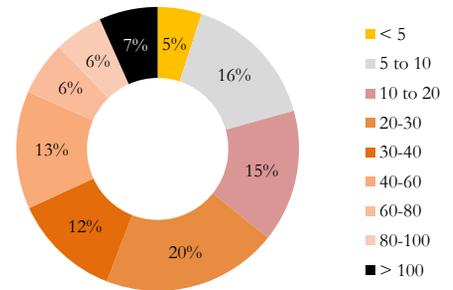
IMPROVE BASELINE PERFORMANCE BY COMPARING AGAINST LEADERS

Finance Budget as a Percentage of Revenue



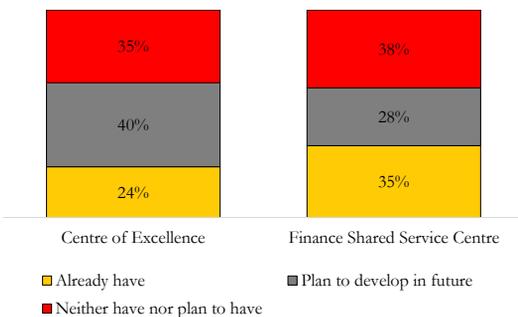
The median finance department budget in 2018-19 is 1.1% of the total revenue; 43% of CFOs expect an increase of 10% or more in their finance budget in 2019-20.

Total Employees in the Finance Department



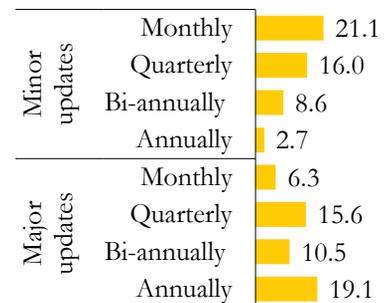
The median employee strength of the finance department is 3% of the total workforce. The average CFO has 4 direct reports, and 9 reporting to those direct reports.

Current Status of Insourcing Activities through CoE and SSC(%)



35% of firms have a finance shared-service centre and 24% have a CoE. Another quarter plan to develop an SSC and 40% a CoE, in the coming years.

Frequency of Forecasts (%)



Most companies run major forecast updates quarterly and annually, with major updates on a monthly/quarterly basis.

Other Highlights

- Large services organisations (>Rs 5,000 crores) spend a fifth of their finance budget on business partnering.
- Companies listed in India allocate a fourth of their finance staff to transaction processing; companies listed overseas allocate two-fifth while unlisted companies allocate almost half.
- Almost half the CFOs believe that the level of their finance system investments are 'inappropriate'.

Subscription Fees: Rs 60,000 + taxes

Special Fees For Members of IMA Forums:	Early bird	Regular
	Rs 25,000 + taxes (before 28 th Feb 2019)	Rs 35,000+taxes (after 28 th Feb, 2019)

CONTENTS OF THE REPORT

Finance Cost



- Finance budget for 2018-19 (Rs crores) and as a percentage of revenue: 25th, median and 75th percentile levels
- Finance budget detailed split by sector, ownership and revenue band: 25th, median and 75th percentile levels
- Expected change in finance budget in FY20 and factors driving the change
- Finance budget allocation by activities and splits by sector, ownership and revenue band
- Finance budget split by line items and splits by sector, ownership and revenue band

Finance Headcount



- Finance FTEs in 2018-19 by sector, ownership and revenue band: 25th, median and 75th percentile levels
- Core finance FTEs by sub-function
- CFO span of control
- Finance staff qualification: 25th, median and 75th percentile levels
- Finance staff hiring and attrition trend
- Finance staff skill/competency gap

Finance Department Productivity



- Frequency of forecasts (major vs minor updates)
- Number of days to prepare annual budget/forecast/update (actual vs desired)
- Sufficiency of line items for budget and forecast reports
- Key volume metrics for tax, transaction processing, treasury, and other sub-functions

Finance Outsourcing and Insourcing Trends



- Extent of finance activities outsourcing and insourcing
- Current status and plans to develop CoE and SSC
- Drivers of insourcing decisions

Finance Systems



- Level of automation of finance activities (current vs desired)
- Current state of finance systems investments and maturity
- Current position of ERP systems
- Confidence in finance system's ability to create a single version of truth

ABOUT IMA INDIA

In the last two decades, **over 2,000 member corporations** have subscribed to IMA's business intelligence programmes for India's industry leadership.

IMA's vast experience in conducting benchmarking studies, opportunity assessments and long-term strategy development across sectors gives us the ability to produce insights that are relevant to corporate strategy.

25+

Years of Experience

2,500+

CXO Clients

1,400+

Member Companies

76%

of NSE 50 brands represented

77%

of BSE Sensex brands represented

Our Publications

The 2018 Executive & Board Remuneration Report



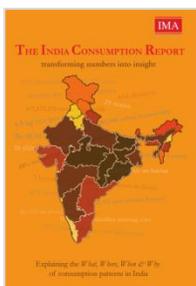
The Annual HR Survey



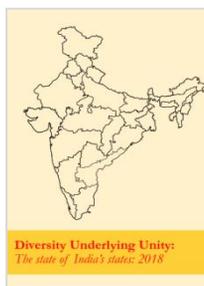
The India Employment Report



The India Consumption Report



The India States Study



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