

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**.

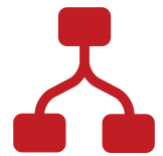
The survey is presented as a composite picture and **data cuts** by turnover, ownership and sectors are also provided for key indices.



240+ respondents



60+ finance metrics assessed



5 core finance sub-functions analysed



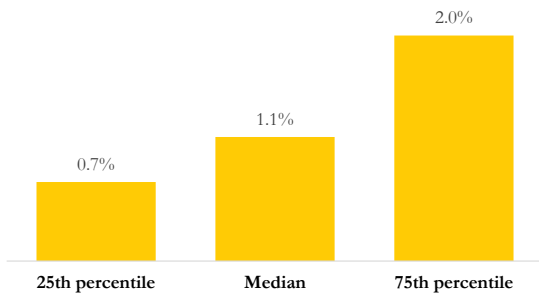
8 line items evaluated for impact



3 levels of data split: sector, revenue, ownership

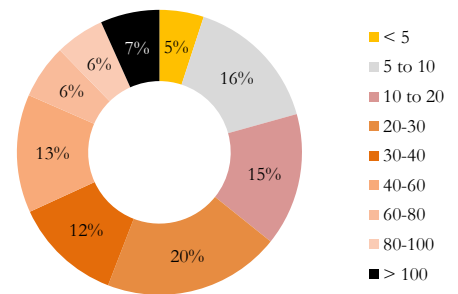
IMPROVE BASELINE PERFORMANCE BY COMPARING AGAINST LEADERS

Finance Budget as a Percentage of Revenue



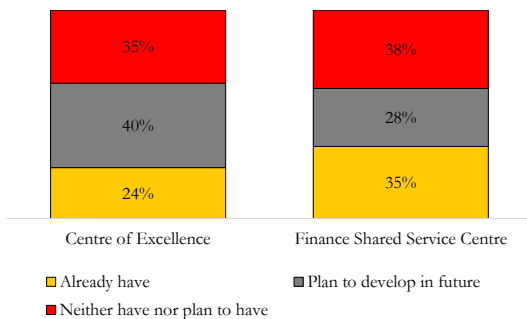
The median finance department budget in 2018-19 is 1.1% of the total revenue; 43% of CFOs expect an increase of 10% or more in their finance budget in 2019-20.

Total Employees in the Finance Department



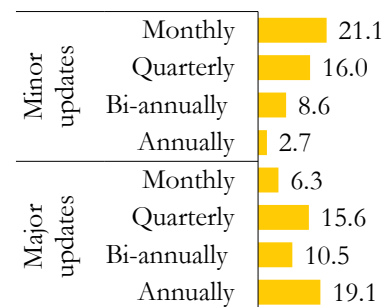
The median employee strength of the finance department is 3% of the total workforce. The average CFO has 4 direct reports, and 9 reporting to those direct reports.

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:

Rs 35,000 + taxes

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 our proprietary research practice the ability to deduce insights that is relevant to corporate strategy

20+

Years of Experience

2,500+

CXO Clients

1,400+

Member Companies

76%

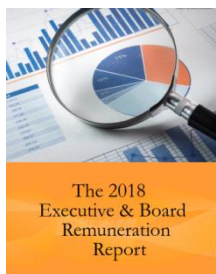
of NSE 50 brands represented

77%

of BSE Sensex brands represented

Our Publications

The 2018 Executive & Board Remuneration Report



The Annual HR Survey



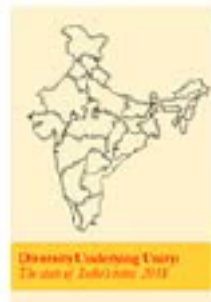
The India Employment Report



The India Consumption Report



India's Study on India's States



To subscribe or know more about these reports, contact:
 Preeti Rajput (preeti@ima-india.com)