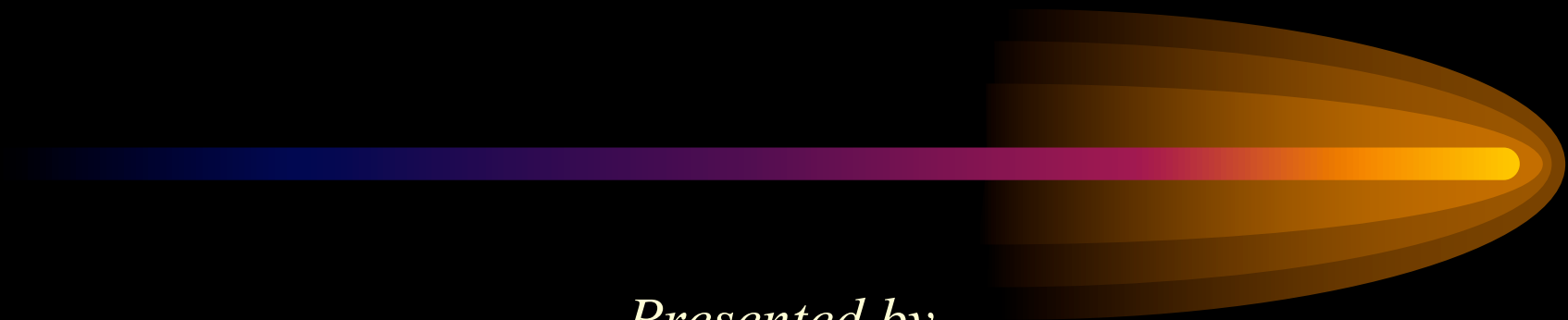


Benchmarking



Presented by
Nick Forrester
Forrester Consulting

Agenda



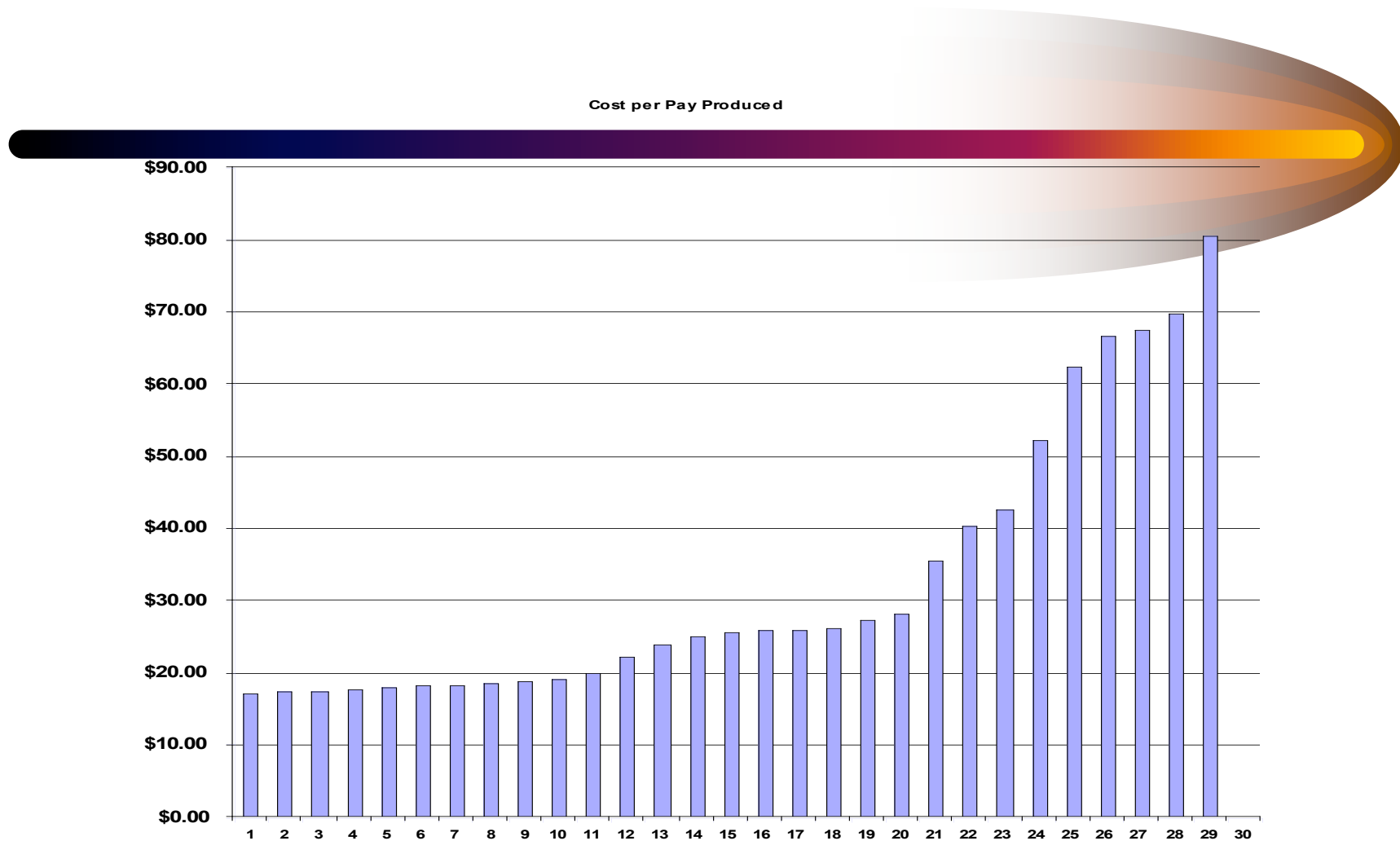
- KPIs what are they?
- Ratings
- FIP's - Factors Influencing Productivity
- Comparisons
- Benchmarking – how to go about designing your own benchmark targets

Key Productivity Indicators



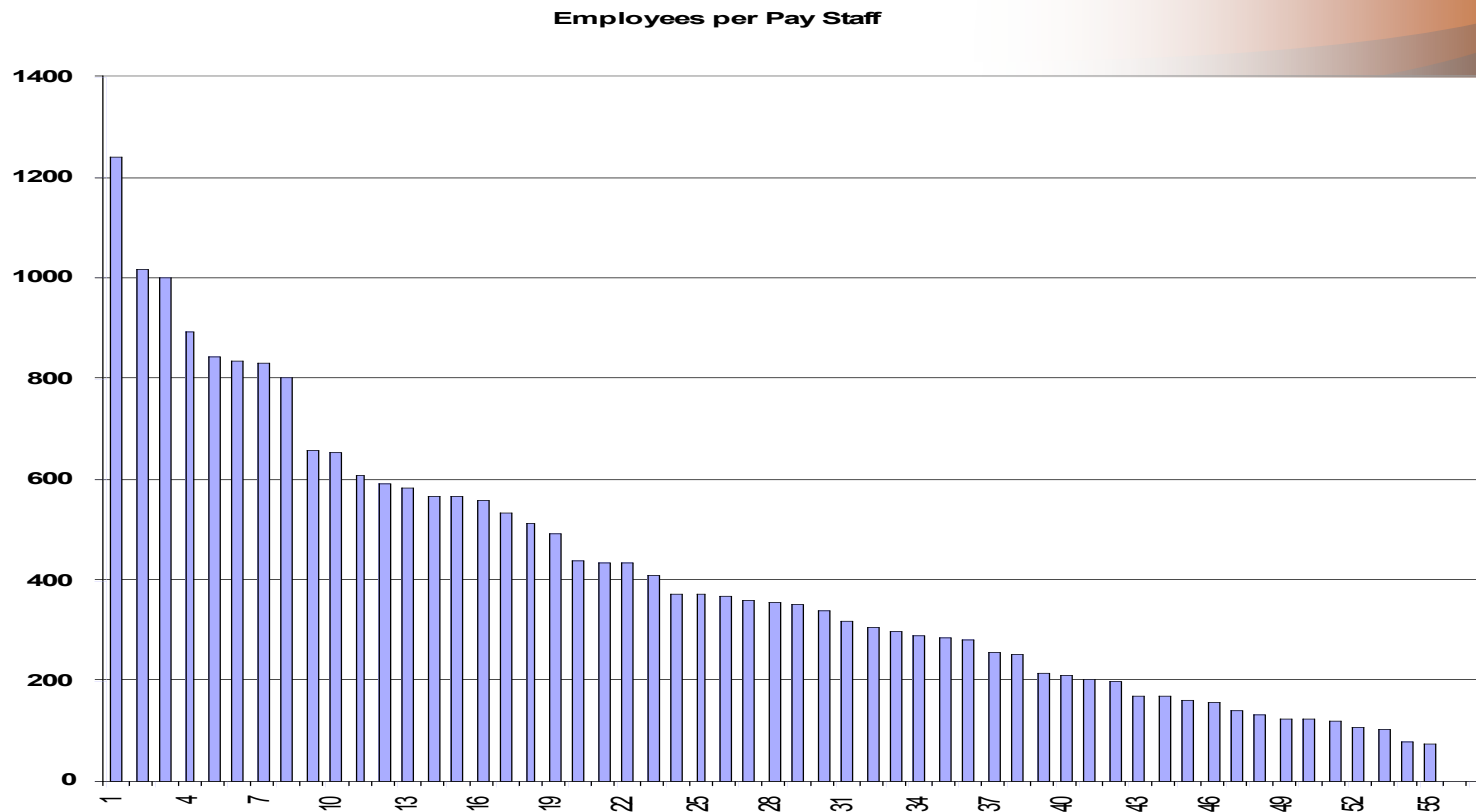
- Cost per pay produced
- Employees per payroll staff
 - Employee Turnover
- Pays produced per payroll staff
- Error%

Ratings – Cost per pay produced



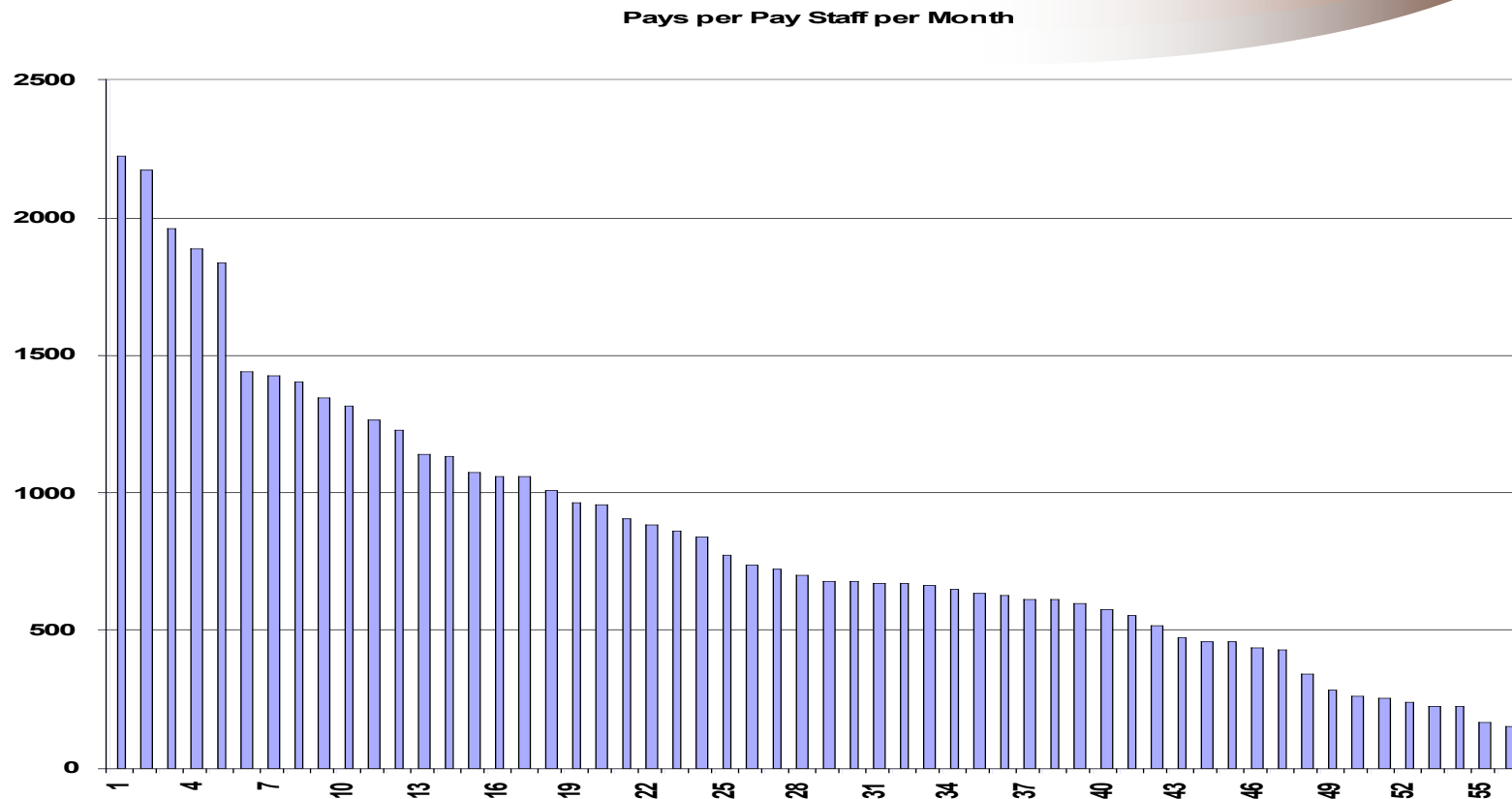
Ratings

Employees per Payroll Staff



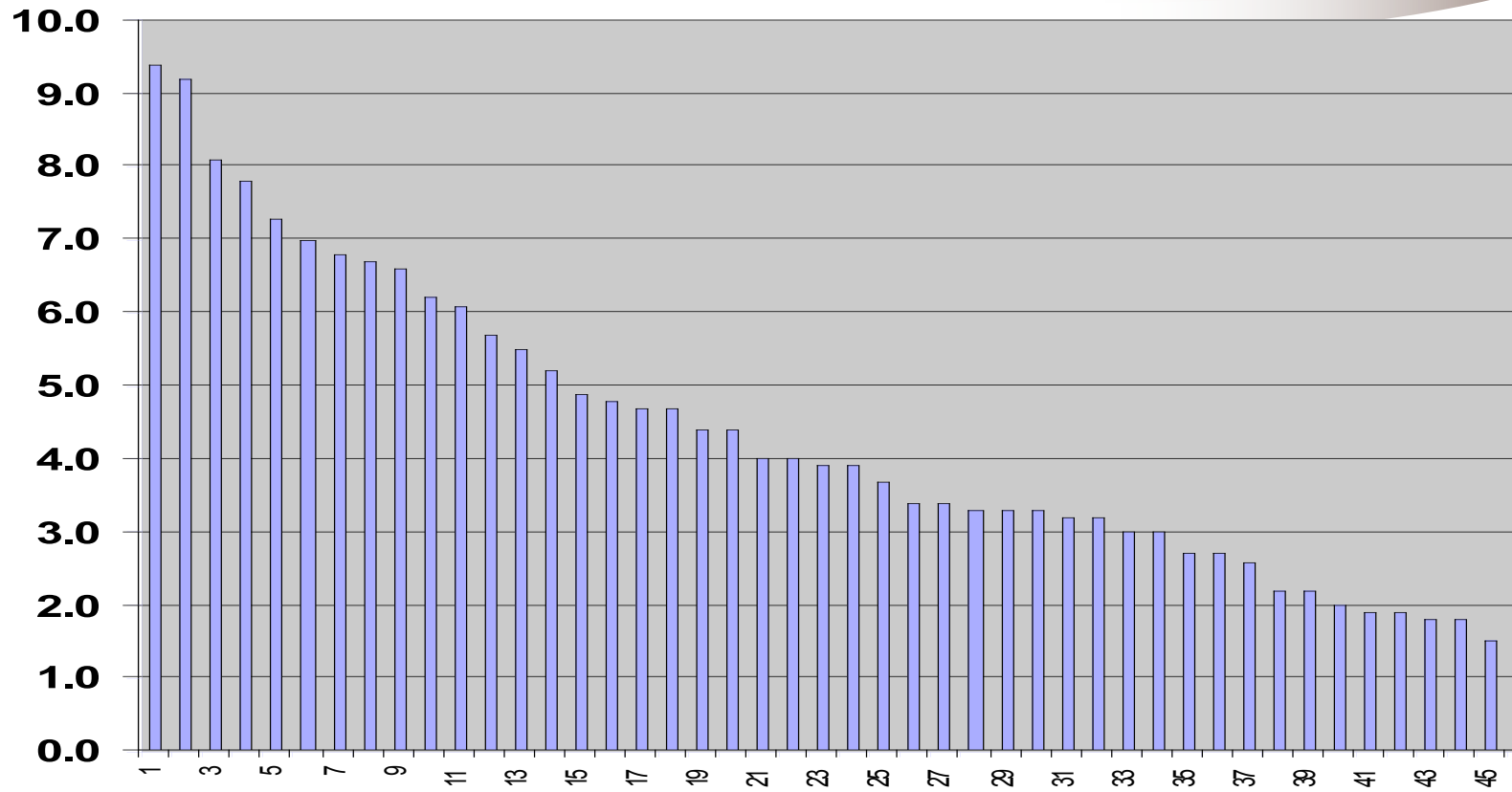
Ratings

Pays produced per payroll staff



Ratings

Error %



FIP's – Factors Influencing Productivity



- Size
- Cycle
- Data Entry – Award Interpretation
- Complexity
- Delivery Methodology
- System
- Centralised/Distributed
- Service Levels

FIP's – Smoothing



- Statistical Methodology
- Degree of Difficulty
- Costs require Notional Smoothing

FIP's – Smoothing

	<u>Size</u>		<u>Cycle</u>	<u>D-E</u>	
Impact	10		10	70	
Possible	100		50	350	
Factor					
>200	10	50			
200-500	10				
500-1000	5				
1000-2000	2				
2000-5000	1				
<5000	0				
Wk			5		
Fn			3	30	
M			0		
Manual AI				5	350
.5M, .5A				3	
Auto AI				0	
Score			820		
Possible	1000				
Mean			500		
DoD			1.64		



Comparisons

- *Beware of Raw Data*
 - FIP's can influence results by +/- 60%
 - Minimise variations by comparing against:
 - ❖ Vertical Industry
 - ❖ Similar Size
 - ❖ Other FIP matches

Designing your own Benchmark



- Compare against yourself
- Measure actual vs. anticipated results from:
 - Changed Work Practices
 - New Systems
 - Corporate Restructure
- Utilise external expertise for cross industry benchmarking

Thank You

