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MICRO NON-MANUFACTURING

# Competitive benchmark report

Prepared for:

**International Forwarding Ltd**

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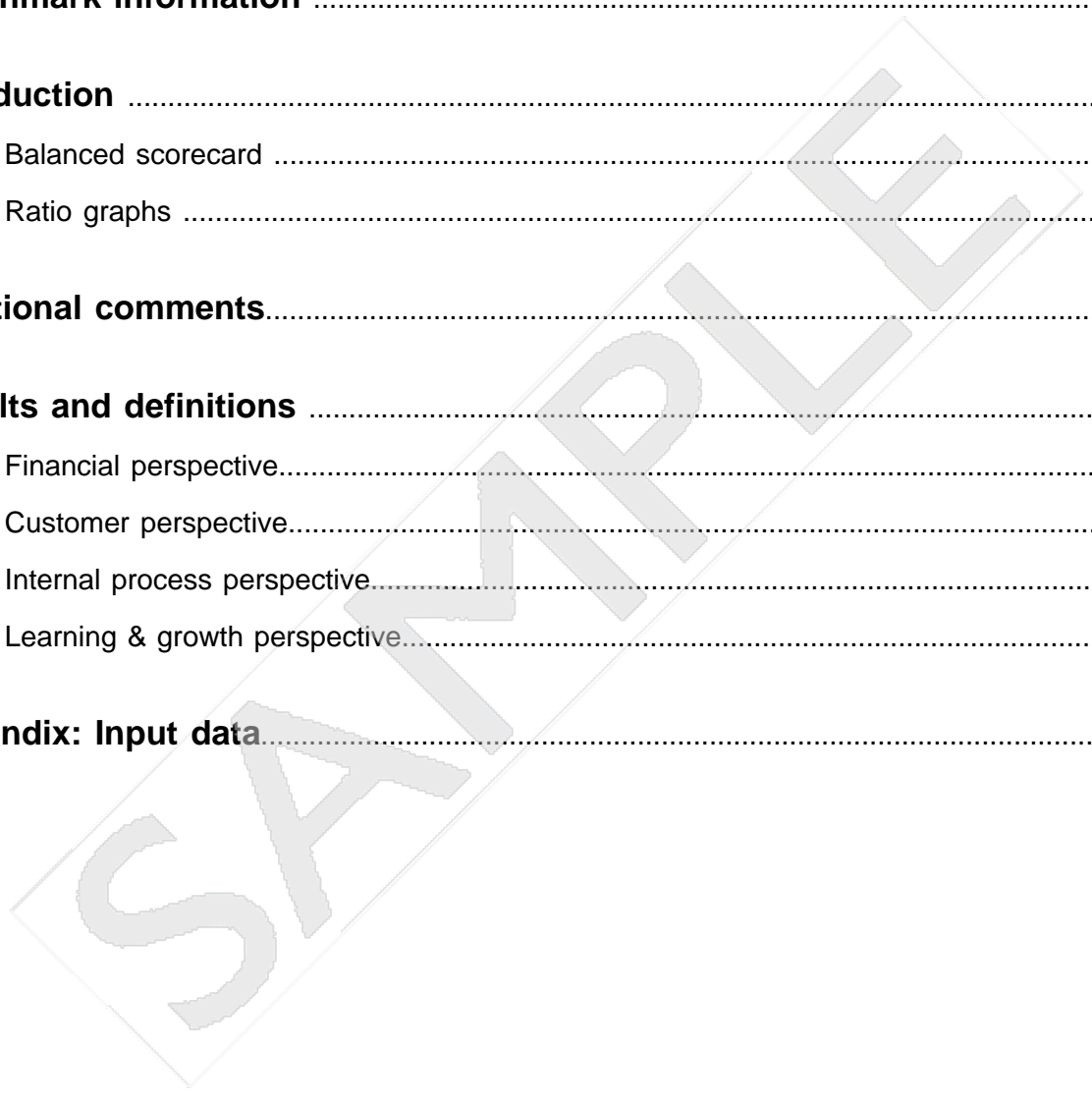
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## Benchmark information

### Company details

Company name	<b>International Forwarding Ltd</b>
Contact name	<b>Mrs Claudia Chambers</b>
Contact job title	<b>MD</b>
Address	<b>Freight House Chester Road Sandbach SB23 5RT United Kingdom</b>
Region	<b>Midlands</b>
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### Profile

Turnover (GBP K)	<b>3,415.39</b>
No. of employees (FTEs)	<b>15</b>
NACE code (2003)	<b>63.40</b>
NACE description	<b>Activities of other transport agencies</b>
Business description	<b>Freight Forwarders</b>

# Benchmark information

## Benchmark criteria

Employees	<b>Between 10 and 20</b>
Turnover (GBP K)	<b>Between 2000 and 5000</b>
Business area(s)	<b>Transport, Storage and Communication</b>
NACE code(s)	<b>Not Specified</b>
Country(s)	<b>United Kingdom</b>
Region(s)	<b>Eastern, Midlands, North West, Wales, Scotland, East Midlands, South West, London, West Midlands, Yorkshire &amp; The Humber, North East, Northern Ireland, South East</b>
Maximum sample size*	<b>154 companies</b>

\* Indicates total number of companies in your selected peer group.

## About this report

This report shows the results of the benchmark you have recently undertaken. It compares your performance with that of a chosen sample of companies agreed with the adviser who performed this review. The results are presented graphically and cover the financial, customer, learning & growth and internal process aspects of your business, to provide a view of your performance based on the Balanced Scorecard approach (as described in the following section).

If you did not complete any questions within the benchmark questionnaire, i.e. you did not provide data for a required measure, then no ratio results that require that particular measure will be shown on the relevant graph, although, the ratio label itself will still be shown.

Your results for each ratio are presented and show the relative position of your company – against the chosen sample – indicating areas of relative strength or weakness.

This report will provide the basis for you and your adviser to complete a strategic review of your company and should be used to support the setting of business goals, developing and validating business strategies, and prioritising actions. This should be considered as a continual process of improvement that provides the catalyst for strategic development and improved performance, and should therefore be completed on an annual basis.

This report was generated using the winning measures benchmarking system.

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# The balanced scorecard

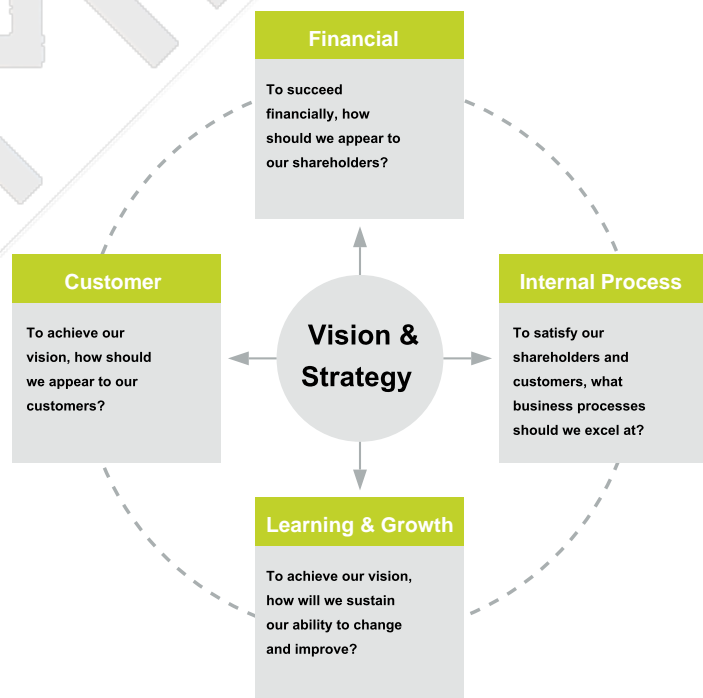
*You can't manage what you don't measure*

The Balanced Scorecard is an approach to strategic management that was developed in the early 1990's by Dr. Robert Kaplan (Harvard Business School) and Dr. David Norton (Balanced Scorecard Collaborative). Recognising some of the weakness and vagueness of previous management approaches, the Balanced Scorecard provides a clear indication as to what companies should measure in order to 'balance' the financial perspective (which was already comprehensively measured), with other aspects of business performance.

The Balanced Scorecard is a management system that enables organisations to clarify their vision and strategy, and translate them into action. It provides feedback around both the internal business processes and external outcomes in order to continuously improve strategic performance and results. When fully deployed, the Balanced Scorecard transforms strategic planning from an academic exercise into a powerful and pragmatic approach to improve performance.

This benchmark uses measures within that have been carefully selected to provide a balanced view of your performance and to link cause-and-effect issues to help determine those practices that are contributing to superior performance and those that are not.

You can't improve what you don't measure. It is essential, therefore, that a framework exists to enable you to collect the data for each of the measures identified in each of the four key areas of your business. Once this has been done, you will have the opportunity to assess the performance of your organisation in a comprehensive and objective way. Through this assessment, you will be able to judge not only those areas where you are relatively strong or weak, but you will also be able to make connections between 'cause' and 'effect', e.g. it will help answer questions such as 'does our R&D expenditure result in higher levels of innovation?'



# Ratio graphs

The headline ratio graphs contain both graphical and statistical representation of your benchmarking results. The results are shown in percentiles and the length of the horizontal bar graph indicates your performance against the chosen sample size. Each of the ratios is listed in the main column to the left, with their corresponding values being GBP, # (number) or % (percentage), as appropriate.

## Relative

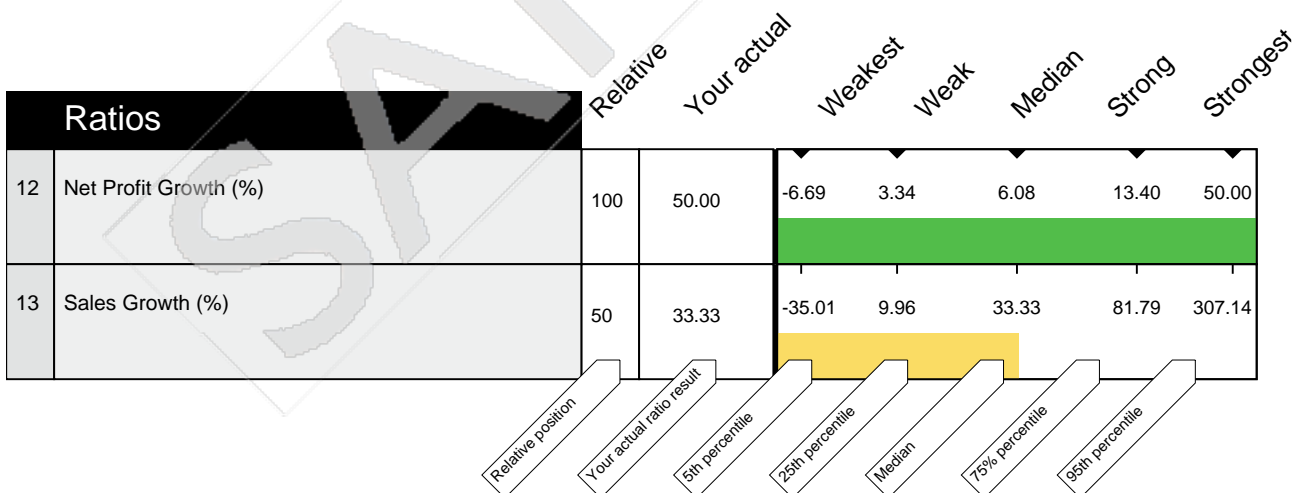
The 'relative' figure expresses your performance against the selected sample, i.e. your relative is calculated as a percentage score given your position in the database. If this column returns a null result, it indicates that the sample size is too small to generate a result.

## Your actual

This is the actual calculation resulting from the input data provided for each of the measures. If this column returns a null result, it indicates that either one or more of the required fields to calculate this ratio were not completed. Consequently, the 'relative' column will also return a null result.

## Statistical results

The figures that appear in the 'weakest' and 'strongest' columns represent the 5th and 95th percentile results achieved by businesses within the sample group size. The 'weak' and 'strong' values represent the results achieved by the 25th and 75th percentile businesses respectively. The 'average' result represents the median point of scores within the group.



SAMPLE





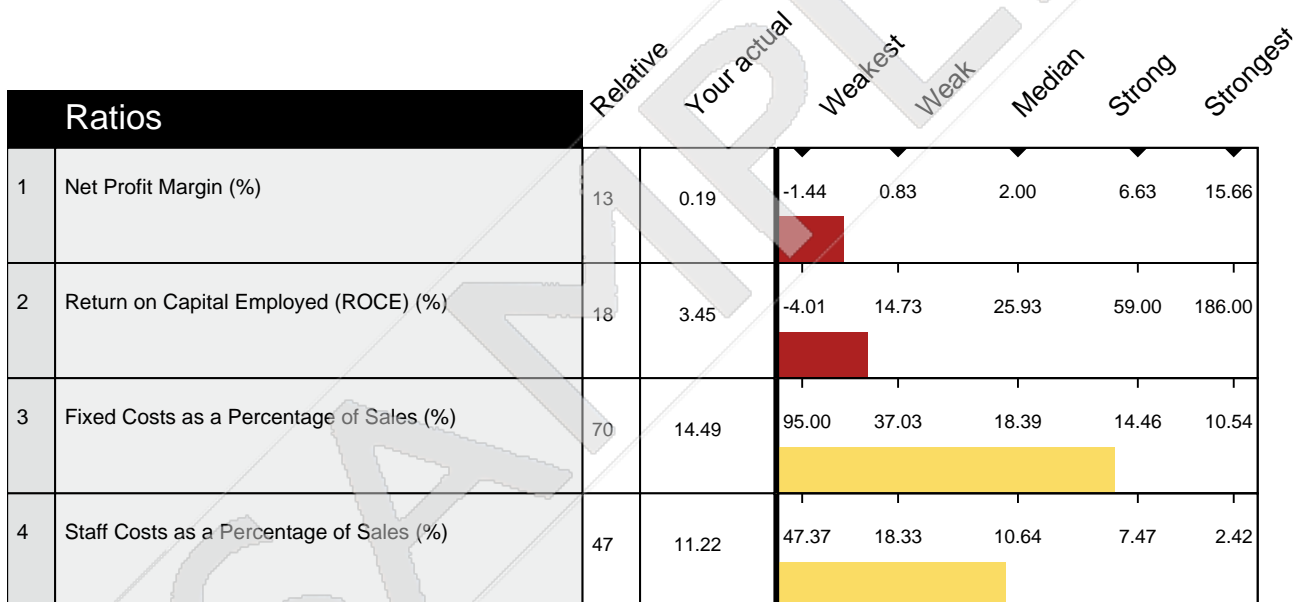
## Results & definitions

SAMPLE

# Financial perspective

The financial perspective indicates the key performance results of your company. The results show how effective your choice of strategy has been at impacting your business’s performance and provides the backdrop against which the other perspectives should be considered. When looking at these results, it is important to remember that they are outcomes or effects of something else. You can’t influence these things directly. This report will lead you to consider what practices exist within your business – the causes – that are either contributing to or detracting from your performance.

## Is the company making enough money?



## Ratios Explained

**1 Net Profit Margin (%)**

*(Profit before tax / Total turnover) x 100 [(Q6 / Q3) x 100]*

This indicates the amount of net profit per 1GBP of turnover a business has earned. That is, after taking account of the cost of sales, administration costs, the selling and distributions costs and all other costs.

**2 Return on Capital Employed (ROCE) (%)**

*[Profit before tax / (Long-term loans + Other long-term liabilities + Shareholders' funds)] x 100 [(Q6 / (Q15 + Q16 + Q17)) x 100]*

This indicates the percentage return generated on the total capital invested in the business, a good overall measure of management effectiveness.

**3 Fixed Costs as a Percentage of Sales (%)**

*[(Total turnover - Cost of sales - Operating profit) / Total turnover] x 100 [(Q3 - Q4 - Q5) / Q3] x 100]*

This indicates operational gearing. Businesses, which have high fixed costs relative to variable costs, are said to have high operational gearing. Operational gearing matters because it highlights potential volatility in future profits, when activity levels change. Businesses with high operational gearing will have profits which rise disproportionately from a given increase in turnover, and conversely, which fall disproportionately when turnover declines.

**4 Staff Costs as a Percentage of Sales (%)**

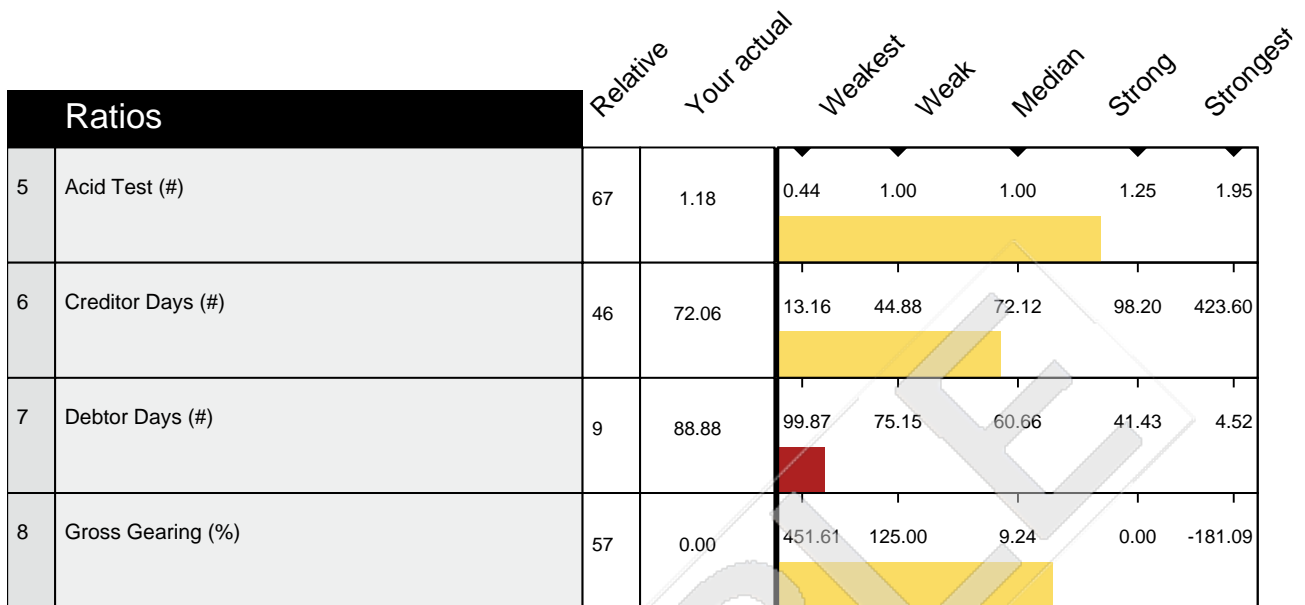
*(Staff costs / Total turnover) x 100 [(Q7 / Q3) x 100]*

This indicates the amount that is spent on salaries as a proportion of turnover.

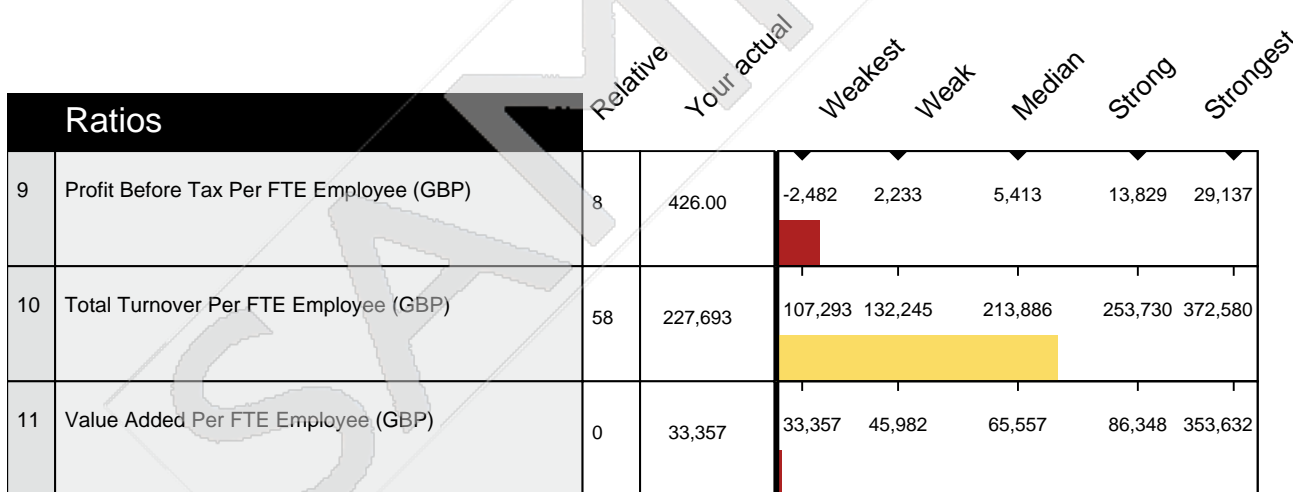


**RESULTS:** Financial perspective

## Is the company financially stable?



## Is the company productive?



# Ratios Explained

### 5 Acid Test (#)

*(Trade debtors + Cash in bank and in hand + Other current assets) / (Trade creditors + Other current liabilities + Short-term loans) [(Q8 + Q10 + Q11) / (Q12 + Q13 + Q14)]*

This indicates the business's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory, receivables). Stock is taken away from current assets as it can take too long to get rid of.

### 6 Creditor Days (#)

*(Trade creditors / Cost of bought-in materials and services) x 365 [(Q12 / Q18) x 365]*

This indicates how many days on average it takes a business to pay its bills. It measures the reliance on creditors, supplier relationships and may be a measure of solvency.

### 7 Debtor Days (#)

*(Trade debtors / Total turnover) x 365 [(Q8 / Q3) x 365]*

This indicates how many days on average it takes a business to get paid for what it sells. It measures how the business manages its debtors, i.e. credit and bad debt control, and could impact upon customer relationships.

### 8 Gross Gearing (%)

*[(Short-term loans + Long-term loans) / Shareholders' funds] x 100 [(Q14 + Q15) / Q17] x 100]*

This indicates the extent to which a business uses debt versus equity to finance its working capital and is a measure of business risk.

### 9 Profit Before Tax Per FTE Employee (GBP)

*(Profit before tax / Number of FTE employees) x 1000 [(Q6 / Q33) x 1000]*

This indicates employee profitability. It is calculated as pre-tax profit divided by the number of FTE employees.

### 10 Total Turnover Per FTE Employee (GBP)

*(Total turnover / Number of FTE employees) x 1000 [(Q3 / Q33) x 1000]*

This indicates employee productivity. It is calculated as ratio of turnover (sales) divided by the total number of FTE employees.

### 11 Value Added Per FTE Employee (GBP)

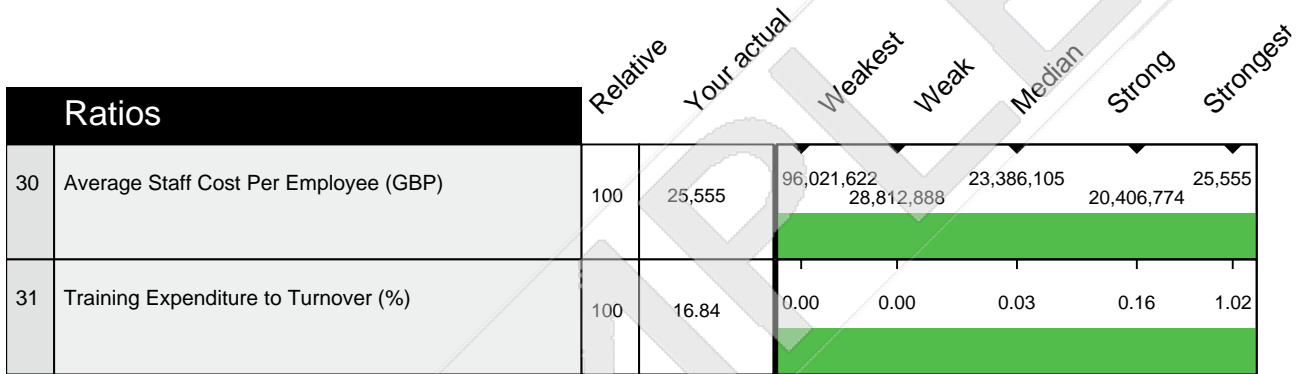
*(Total turnover - Cost of bought-in materials and services) / Number of FTE employees x 1000 [(Q3 - Q18) / Q33 x 1000]*

This indicates the average level of value added generated per FTE employee, and is an indicator of employee productivity and business profitability.

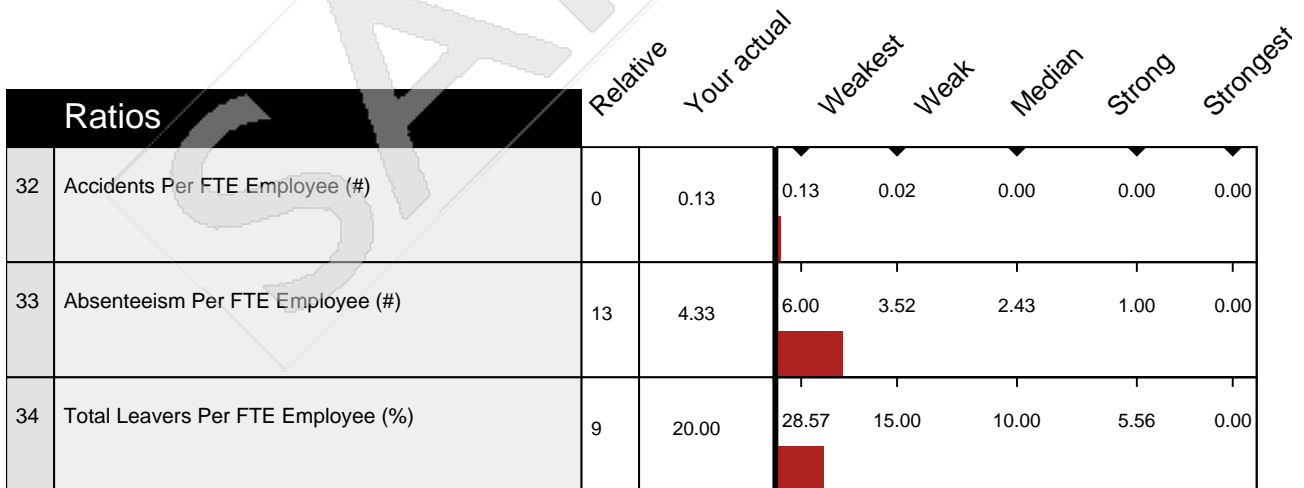
# Learning & growth perspective

This section considers the company's drive for learning and growth and it is usually the case that practice in this area influences performance in the other perspectives. The results here will reflect how you manage your people and how you structure your company. They also show people productivity and people satisfaction and provide an understanding as to how much your people are contributing to the achievement of your vision and goals.

Is the company managing its people effectively?



Are the staff happy?



### Ratios Explained

**30 Average Staff Cost Per Employee (GBP)**

*(Staff costs / Number of FTE employees) x 1000 [(Q7 / Q33) x 1000]*

This indicates staff utilisation and overall effectiveness of staff management within the business.

**31 Training Expenditure to Turnover (%)**

*(Training expenditure / Total turnover) x 100 [(Q36 / Q3) x 100]*

This indicates the business's investment in its employees.

**32 Accidents Per FTE Employee (#)**

*Number of accidents or incidents / Number of FTE employees [Q29 / Q33]*

This indicates the number of accidents per employee. It demonstrates the level of commitment to safety that the business displays and the importance that is attached to providing a safe working environment.

**33 Absenteeism Per FTE Employee (#)**

*Absenteeism (number of days per year) / Number of FTE employees [Q34 / Q33]*

This indicates the amount of time that people spend away from work due to sickness, unexplained absence etc.

**34 Total Leavers Per FTE Employee (%)**

*(Number of FTE employees who leave the organisation / Number of FTE employees) x 100 [(Q35 / Q33) x 100]*

This indicates staff turnover. It can give an idea as to how happy staff are with their workplace. It can also demonstrate the effectiveness of the selection procedures.

SAMPLE

# Input data

## Finance

	Current Year	Previous Year
1 Local turnover (GBP K)	3,415.39	3,381.23
2 Export turnover (GBP K)	0	0
3 Total turnover (GBP K)	3,415.39	3,381.23
4 Cost of sales (GBP K)	2,915.04	
5 Operating profit (GBP K)	5.61	
6 Profit before tax (GBP K)	6.39	33.33
7 Staff costs (GBP K)	383.32	360.38
8 Trade debtors (GBP K)	831.69	
9 Stock (GBP K)		
10 Cash in bank and in hand (GBP K)	15.49	
11 Other current assets (GBP K)	6.91	
12 Trade creditors (GBP K)	575.51	
13 Other current liabilities (GBP K)	150.04	
14 Short-term loans (GBP K)	0	
15 Long-term loans (GBP K)	0	
16 Other long-term liabilities (GBP K)	7.04	
17 Shareholders' funds (GBP K)	178.15	
18 Cost of bought-in materials and services (GBP K)	2,915.04	
19 Capital investments (GBP K)	17.49	

## Customer

20 Number of customers (#)	289	
21 Number of new customers (#)	21	
22 Marketing expenditure (GBP K)	6.1	
23 Number of orders received (#)	6,012	
24 Number of recorded customer complaints received (#)	87	
25 Number of customer orders which were not delivered when promised (#)	488	

## Winning Measures data protection declarations

Winning Moves Ltd is primarily responsible for the delivery of the Winning Measures system and will process your personal data in accordance with the Data Protection Act 1998 ('DPA') as the data controller. The information you provide will be used for the following purposes:

1. Processing and assessing the data contained in the questionnaire.
2. Submission to the database, which allows the data to be processed and a benchmark derived.
3. The ratio results (but not your personal details) may be used for statistical, performance reporting, benchmarking and evaluation purposes.

The database refers to all businesses that have used Winning Measures for the purpose of benchmarking themselves against a comparison group of similar businesses.

You have a right to request a copy of any personal data held by Winning Moves Ltd at any time, so that you can check the accuracy of the information held.

If you wish to do this, please write (explaining that your interest is in personal data maintained by Winning Moves Ltd) to: Winning Moves Ltd, Field House, Mount Road, Stone, Staffordshire ST15 8LJ