Consulting
Performance Improvement

European Corporate Performance Management Survey
How do you manage your business?

European Corporate Performance Management Survey
How do you manage your business?

Published by PricewaterhouseCoopers

All rights reserved. This material may not be reproduced in any form, copied onto microfilm or saved and edited in any digital medium without the express permission of the publishers.

Typesetting
Nina Irmer, Digitale Gestaltung & Medienproduktion, Frankfurt am Main

Printing
Druckerei J. F. Niemeyer GmbH & Co. KG, Ostercappeln

Printed in Germany

© June 2009
PricewaterhouseCoopers refers to the German firm PricewaterhouseCoopers AG Wirtschafts-prüfungsgesellschaft and the other member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

Preface

Today's economic environment is marked by increasing global competition, intensified regulation, growing cost pressure and tighter financing opportunities. Business leaders today are forced to focus even more on the profitability of their business. Companies are looking to improve the quality of management information while at the same time having to process an increased amount of data. In addition, the information needs of a growing number of stakeholders must be fulfilled. Therefore, management is looking for more focused, complete, accurate and current information that can be delivered efficiently. Decisions have to be made quicker and be backed by reliable facts more than ever before.

During the last several years, companies have initiated Corporate Performance Management (CPM) programmes to improve the quality of their management. However, their experience shows that no matter how well-intentioned the efforts, not all of them yielded the expected success.

That was the starting point for this European-wide CPM survey. The main objective was to understand if, and to what extent, CPM is implemented in businesses today and how it contributes to a companies' success.

The survey was conducted from September 2008 to April 2009 in 22 European countries. Nearly 400 companies took part and supplied the necessary data to answer the following questions:

- To what extent are CPM programmes set up across Europe to increase the quality of management information?
- What does CPM look like in the operational reality of businesses today?
- What is the current development level of CPM and does this level differ between regions (East and West) and industries?
- What are the biggest obstacles in implementing CPM programmes?
- How well do companies rate their ability to 'operationalise' strategic goals through CPM initiatives in order to provide greater transparency of profitability?
- How well do they leverage information technology to enable and realise a better CPM?
- What are the future trends in CPM?

Interesting insights to these questions as provided by board members and CPM practitioners are presented in this comprehensive survey report. Regional and industry-specific findings are given where significant.

We would like to thank all the companies and individuals who participated in the survey for their constructive feedback.

We hope you enjoy reading. Comments and acknowledgements are welcome any time.

Damir Maras
Partner
Consulting

Contents

Figures

A Our understanding of Corporate Performance Management

Why CPM?

Organisations need reliable management information to guide their business. They need to understand the heart of the organisation – not only what is going on financially but also operationally.

How we define CPM

Corporate Performance Management is a framework to translate business strategy into sustainable performance. It gives management a prospective and real-time picture of what is actually going on across the value chain. It helps executives to address the fundamental business questions of: What are our business expectations? What should be done to meet them? How do we monitor progress? Which systems are in place to support the sustainable realisation?

Our holistic CPM model follows a chain circuit approach as described below.

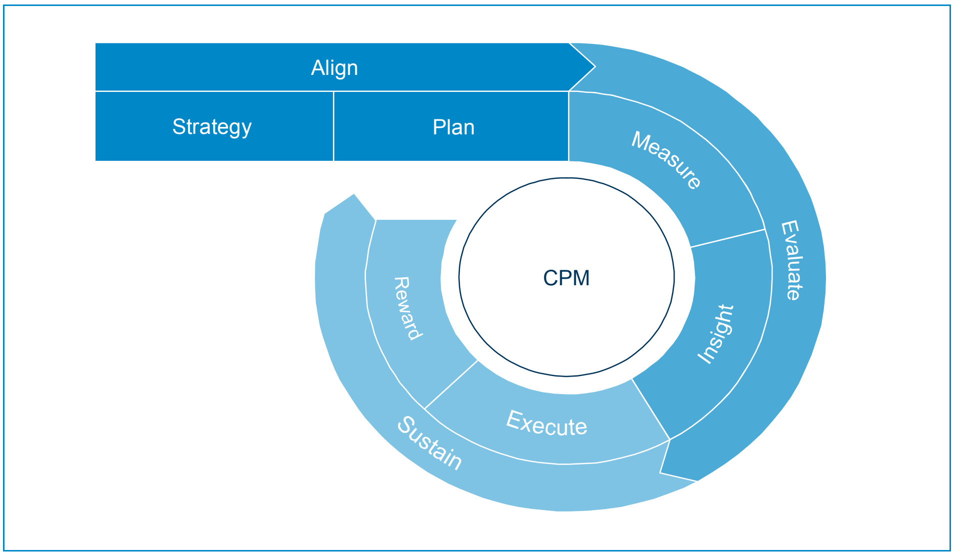

Fig. 1 CPM model of PricewaterhouseCoopers

Align – strategy

In the alignment phase, the strategy has to be defined and 'operationalised'. That means the strategy has to be broken down into controllable and measurable strategic targets. Key issues at this stage are strategic alignment, the definition of strategy maps, value drivers, performance measures, scenario models, and organisational structures, as well as effective stakeholder management.

Align – plan

The financial and operational planning process comes next. Different industries and companies pursue very different models in terms of content, structure and time frame. In this stage, companies focus on operational target-setting, financial and operational business planning, budgeting and forecasting.

Evaluate – measure

To measure target achievement, performance information in adequate form is needed. Key issues at this stage are the definition of financial and operational data required for scorecards and dashboards, as well as for management and statutory reporting.

Evaluate – insight

Based on insights gained from planning, performance indicators have to be analysed and if necessary updated and adapted to changing business requirements. Therefore, companies have to establish governance processes to guide target and performance tracking as well as business activity monitoring.

Sustain – execute

During the sustain stage, the activities and measures that are necessary to achieve targets have to be determined and executed. Key issues are performance dialogue and communication, the definition of corrective measures, business and project evaluation and the initiation and realisation of change management measures.

Sustain – reward

Ultimately, the reward to management, divisions and employees has to reflect the achievement of targets. Compensation and rewards based on accountability and target realisation is part of a valid motivation scheme. Additionally, the definition of, and commitment to required support, training or coaching measures (employee development programmes) and a constructive feedback culture is necessary to reach sustainable implementation of CPM.

CPM in a few words

The main goal of CPM is to 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.

Only if a company is able to execute CPM with more focus on the company’s information needs and less effort in addressing those needs the real support CPM provides can be achieved.

B Management summary

CPM is not new but essential

The basic idea of CPM is the realisation of a company's full potential through a promising strategy and its transformation into operations. Subsequently performance is measured by the most crucial KPIs supported by effective organisational structures and adequate IT platform. All these approaches are absolutely essential but not entirely new.

The business world is changing

Nevertheless, in today's business world of market turbulence, uncertainty and volatility, combined with a choked credit and funding environment, businesses have to rely even more on their own capabilities to ensure profitability. Therefore they need to be able to focus on the right initiatives, to plan and monitor the expected as well as the unexpected, resulting in fast and fact-based managerial decisions. All of this belongs to effective Corporate Performance Management. Hence, we decided to conduct this survey to help us understand:

How well do companies across Europe manage their business with CPM?

CPM is a hot topic across regions, countries and industries

The tremendous response indicates that companies have realised the importance of CPM in improving the quality of business management. In total, 384 companies from Western and Eastern Europe participated. From small-scale companies with less than 100 million euros in revenue (22%) to blue chips with recorded revenue of more than 5,000 million euros (18%), CPM is a topic of particular relevance. Significant differences between regions (East and West) and industries are highlighted on the following pages.

CPM is a board-level issue

CPM is a board-level issue. More than 60% of our participants are at board level: 13% in the driver's seat as CEO and 51% in the position of CFO. This underscores the fact that companies across Europe have recognised that only by placing CPM within top management the cultural shift necessary to link strategy and operations can be created.

The level of satisfaction with CPM differs strongly across the different industries

Most of the companies tend to be satisfied with their current CPM system. However, significant differences between industries occurred. The Public Sector showed the lowest level of satisfaction while Financial Services displayed the highest one. With regard to management reporting, the participating companies are particularly satisfied with the accuracy and reliability of information which has been rated on average 3.0 on a scale from 1 (very unsatisfied) to 4 (very satisfied).

There is room for improvement!

The results of the survey reveal that there is still room for improvement and that the perceived quality is sometimes higher than what is actually delivered. CPM is an approach for better management of information – more complete, current and efficiently delivered. To exploit the full potential of CPM, today's finance departments need to evolve further.

Strategy maps are not used widely

To define corporate strategy and cascade it into business unit strategies, companies need an integrated set of processes, guidelines and tools. Participants acknowledge the challenge posed by communicating their strategies on all organisational levels and about 90% have implemented, or plan to implement, related communications tools. Nevertheless, only 33% use strategy maps as a tool to communicate their strategy.

Value-orientated performance indicators are still neglected

Value-based performance management approaches are not included in the KPI set-up of most of the companies participating. The survey shows that at present only 30% rely on value-orientated KPIs, such as Economic Value Added (EVA), as leading performance indicators. The negligence of value-oriented KPIs can however result in the fact that the needs of company's key stakeholders are not properly accounted for. Companies have to deal with a wide spectrum of investors with differing interests. Only those offering investors the opportunity to earn adequate returns will survive in the long run. Therefore, managers should see their companies from the angle of their investors. They should focus on the enhancement of value to increase their attractiveness for investors in the competitive business environment of today.

22% do not perfom cash flows analysis regularly

It is remarkable that the importance of cash flow analysis and integrated cash flow planning is often neglected. 22% of the participating companies do not perform cash flow analysis on a regular basis. Cash flows are not static and depend much on changes in market forces, competitors, suppliers and customers. Companies need to measure their "liquidity" on a regular basis and track the generation of cash especially in times when illiquidity becomes the major threat for businesses around the world.

Planning takes too much time

The majority of participating companies spend more than three, and even up to six months a year on planning activities. It seems that companies have accepted the cumbersome work of planning and budgeting even though these processes can be significantly quickened and improved. Best practice companies show that it is possible to spend less than three months' time on annual planning and budgeting activities.

Organisational issues set barriers

In terms of organisation, companies identified complex hierarchies, missing responsibilities, undefined escalation rules and delayed delivery of information as major obstacles to improving the quality of business management through CPM.

CPM is developing further

To overcome actual obstacles companies plan different initiatives, and CPM itself is developing further. The top three trends are:

- **From data collection to data analysis**
  Companies currently spend too much time on non-value creating activities such as data collection, calculation, reconciliation and structuring. This means that the time available for beneficial decision-making is insufficient. While non-value creating activities currently take up to 59% of time available, companies would like to reduce this to 33%.
- **Further investments in business intelligence (BI)**
  Companies seem to have perceived the great benefits of BI systems as more and more companies are investing in such technologies. Some are already trying to improve the performance of already implemented BI solutions to further enhance their CPM systems. Expanding BI to focus on strategy in addition to operational aspects is essential for driving business success. The survey results show that more than 50% of the companies which are not using BI are unsatisfied with their data delivery. On the contrary, from all companies which have BI in place more than two-thirds are satisfied with their data delivery.
- **Reducing the budget cycle time**
  The third trend is the increasing interest in innovative budgeting and forecasting approaches, such as Better Budgeting and Beyond Budgeting. Even though Beyond Budgeting is more an academic discussion and not yet a solution for all businesses, more than 20% of the respondents are considering this concept and some of them are already partly applying it.

C Survey results

1 CPM phase 1: Alignment

Strategy first

The CPM approach begins with the development of the strategy followed by its translation to financial and operational plans. An integrated set of processes, guidelines and tools is needed to develop the corporate strategy and then cascade it into business unit strategies. Defined strategies, however, often do not reach the needed operational level. Therefore, corporate and business unit strategies need to be translated into medium-term financial and non-financial plans and yearly budgets, as well as into individual performance targets for each department.

The following section provides an overview of how well companies across Europe are coping with this challenge, what the main obstacles are and how the companies plan to be successful in the future.

1.1 Strategy – key findings

Take it from the top

CPM begins with strategy and strategic planning. The starting points to develop strategic objectives are:

- Having a common understanding of the actual overall corporate vision and company mission.
- Being aware of the value drivers of the overall corporation and its business units.
- Anticipating the overall financial resources and allocation within the business portfolio.

Strategic objectives can be derived from these inputs. After this stage it is crucial to 'operationalise' the strategic objectives, with a balance between profitability, growth, quality, efficiency and time. Communication of the strategy in order to drive execution at all layers of the organisation is the next important step.

A strategic performance management framework is crucial

The survey shows that, all in all, companies recognise the significance of common strategy development and management approaches.

The importance of the different activities, from developing a vision to defining KPIs, was rated on a scale of 1 (not important) to 4 (very important) as shown in figure 2. On average their importance was rated as 3.1.

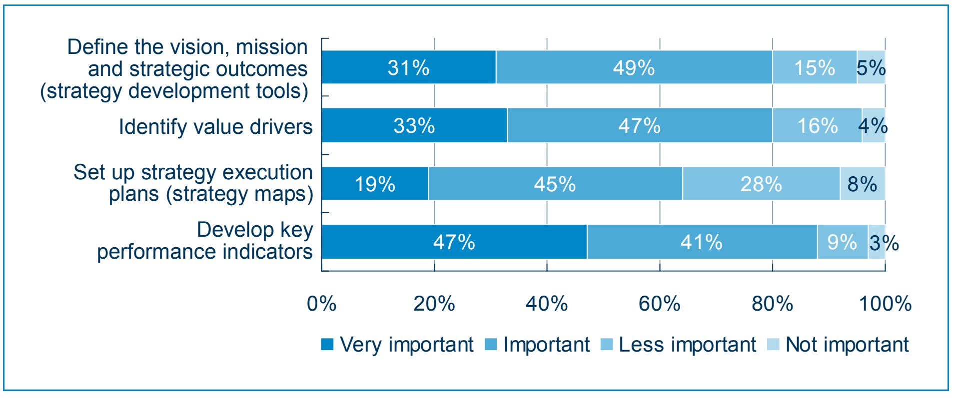

Fig. 2 Significance of strategy methods

Methodologies are commonly used in the process

Most of the companies agree that systemically deriving KPIs from their strategy and effectively communicating that strategy are crucial to ensuring strategic objectives are met. To ensure this many successful companies use strategy maps to make sure their vision and strategic objectives address the financial, customer, internal process and people dimensions. A good strategy map tells the story of the strategy and is part of good communication of the strategic goals.

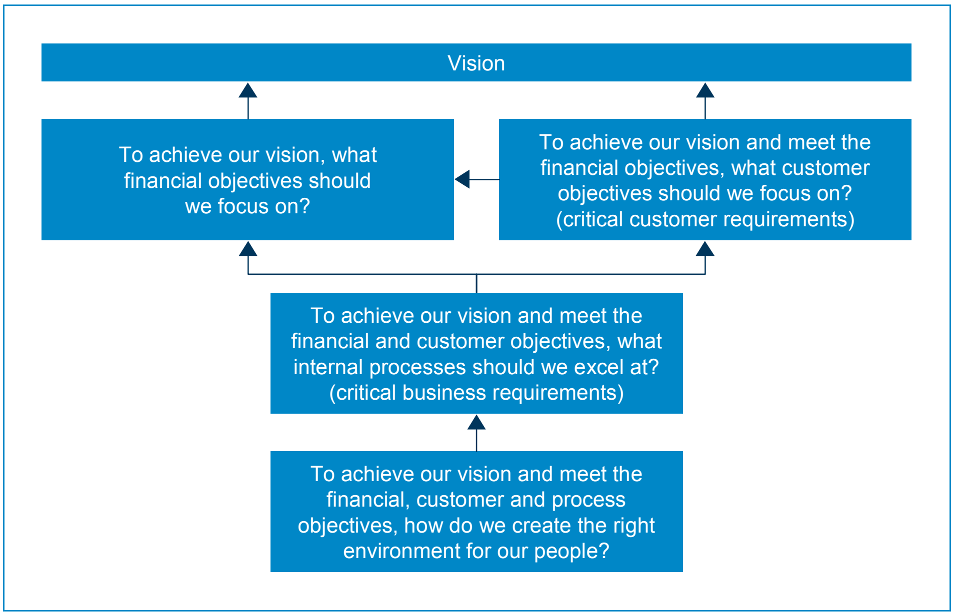

Fig. 3 Composition of strategy maps as a cascaded set-up of objectives

As figure 4 indicates below, only 33% have implemented strategy maps. Nevertheless 67% of the companies use strategy development tools such as value chain analyses. Despite this high level of use, however, their significance was rated comparably low. Only 31% of the companies consider these tools to be important for their strategy processes.

While many companies say they derive KPIs from strategy (61%), a smaller number indicate that they have been through the process of defining strategic value drivers (54%) to break down strategy and identify relevant KPIs.

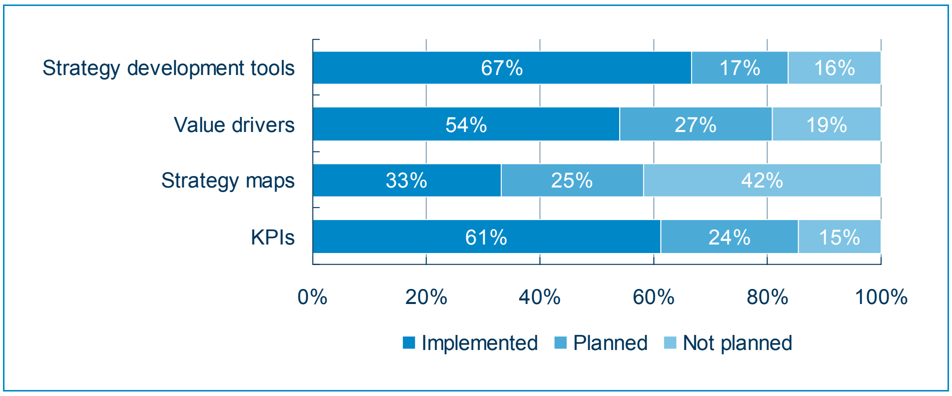

Fig. 4 Percentage of companies that use strategy methods or plan to do so

In general, these results are not surprising. Methodologies are certainly helpful, but in the end, they are just supportive. Especially in the field of strategy the relevance of methodologies is limited. Only the combination of top management's ability to identify strategic priorities, such as innovative market strategies, and the creative process of turning strategic initiatives into measurable results will ensure success.

Strategy communication is an important part of successful execution

We also found that transparent and comprehensive communication of the strategy is considered very important to its execution, with a rating of nearly 3.5 on a scale of 1 (unimportant) to 4 (very important). The communication of strategy has to be adapted to the different layers of the organisation, as they all have different expectations and information needs.

Major challenges are related to communication and KPI development

Regarding strategy and strategic planning our respondents identified the following major challenges:

- focusing on the alignment of strategy, its operational realisation and its measurement through clearly defined KPIs;
- improvement in coordination and cooperation between different management levels;
- optimisation of strategy communication in order to significantly and sustainably improve strategic alignment; this should entail the involvement of all employees to establish a strong business culture.

PwC's point of view

We strongly believe that being and staying successful requires strategic focus and alignment. Companies need to identify the issues that matter most in terms of a rigorous focus on strategic value drivers. Furthermore, the full alignment of structure, processes, people and technology with strategy needs to be realised. To do this, the following steps should be taken:

- value driver analysis at different levels of the organisation
- identification of strategic goals within the strategic planning process based on the value drivers
- strategy maps to communicate the strategy
- derivation of KPIs for ongoing monitoring of strategic performance
- top-down objectives from group strategy serve as a frame for business unit strategies
- interconnection of strategy and budgeting processes

1.2 Plan – key findings

Operational planning is an implication of the strategy development process

Once the strategy is defined, the next challenge is to 'operationalise' strategic targets and thus ensure the link between strategic planning and budgeting processes. It is crucial that the final financial figures of the strategic plan match with the results of the budgeting process. Hence, the budgeting process must not begin before strategy planning is finalised and communicated.

Operational planning and budgeting are often deemed unsatisfying, and it has to be asked how much companies have improved during the last years. Have they succeeded in improving slow, laborious budgeting processes and in reducing the effort required for coordinating and reconciling within the process? Do they apply new methods in order to eliminate the inflexibility of budget periods based on calendar years? Have they overcome the challenge of increasing integration between strategic and operational planning? Are they focusing on the main cost and revenue drivers in their planning and budgeting processes?

The planning and budgeting processes are highly integrated

The survey results demonstrate that the perceived level of integration between strategic and operational planning is generally high. On a scale of 1 (not integrated) to 6 (fully integrated), 73% of the companies rate their process integration as a 4 or above as shown in figure 5. This means that almost three-quarters of the participants already show a high degree of integration. However, 27% have relatively unaligned processes (rating of 1 to 3), which suggests that they see room for improvement.

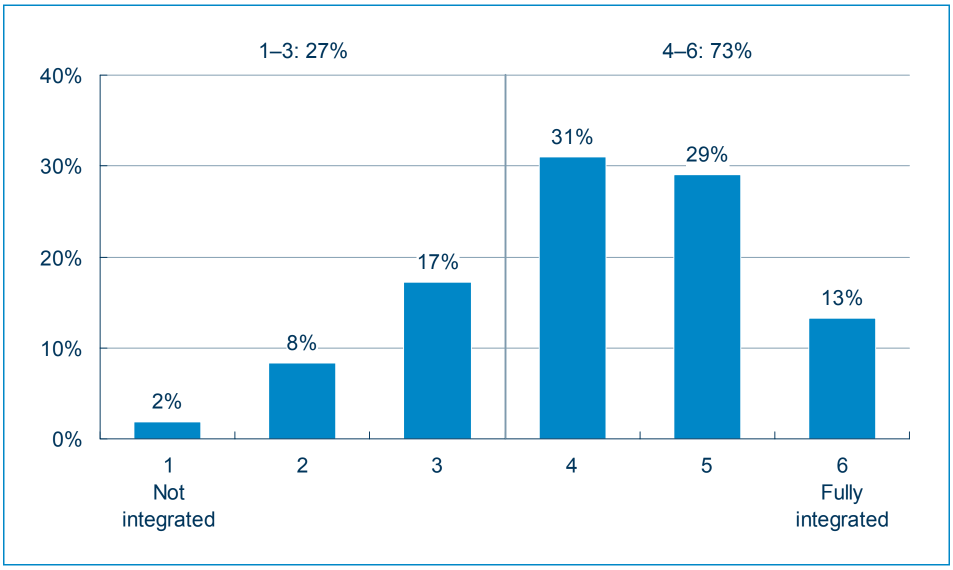

Fig. 5 Integration between strategic planning and budgeting processes

The Public Sector still has great potential for improvement in the integration between strategic and operational planning. Although only few companies from the Public Sector participated it is outstanding that 60% of the Public Sector companies considered their processes as not or poorly integrated (rating of 1 to 3). In contrast, 68% of the participants in the Financial Services sector were very satisfied with the integration level of the planning processes (rating of 5 and 6), followed by 65% in the Energy, Utilities and Mining sector and 55% in the Chemicals and Pharmaceuticals sector.

The use of methodologies helps to improve the level of integration

Furthermore, the survey results indicate that the use of specific tools such as strategy maps and balanced scorecards in the strategy process has a positive effect on the subsequent integration of strategic and operational planning. Figure 6 shows that companies that use strategy methods are more satisfied with the integration of strategic planning and budgeting processes. The average rating of process integration at companies having implemented strategy methods (including the use of tools like strategy maps and balanced scorecards) is 4.5, compared with only 3.1 for companies not planning to use them. Moreover, companies showing high process integration are more aware of the importance of strategy methods for efficient corporate management.

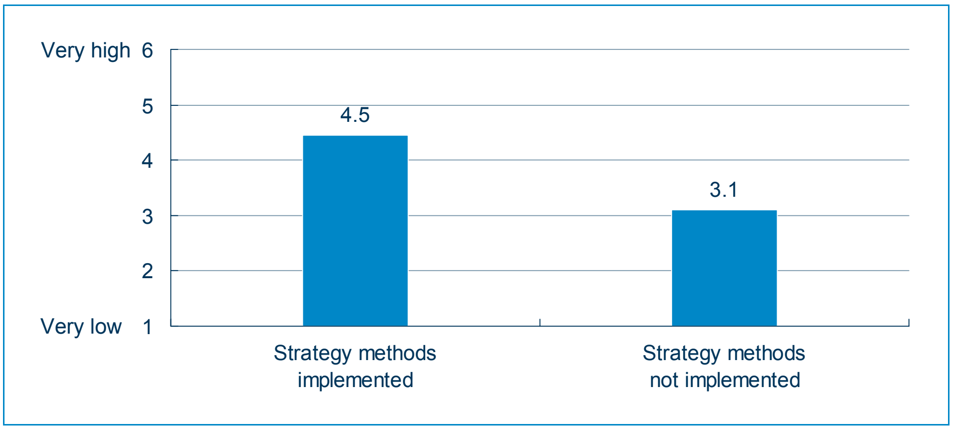

Fig. 6 Average integration of planning and budgeting depending on implementation of strategy methods

Planning processes offer potential for improvement

Not only does strategic planning and its link to operational planning and forecasting pose a challenge to most companies, but so do the processes themselves. The following critical issues have been evaluated by the respondents of this survey:

- level of automation and user-friendliness of IT tools;
- timeliness in providing information;
- number of iterations;
- level of involvement of operational units;
- level of detail;
- clarity of responsibilities.

Our analysis demonstrates that overall satisfaction with planning and forecasting processes is high. On a scale of 1 (very low) to 4 (very high), the average rating was 2.6. Comparing the critical issues listed above, satisfaction with the level of detail as well as with the level of automation and user-friendliness of IT tools is especially low. Figure 7 shows the average satisfaction regarding these issues.

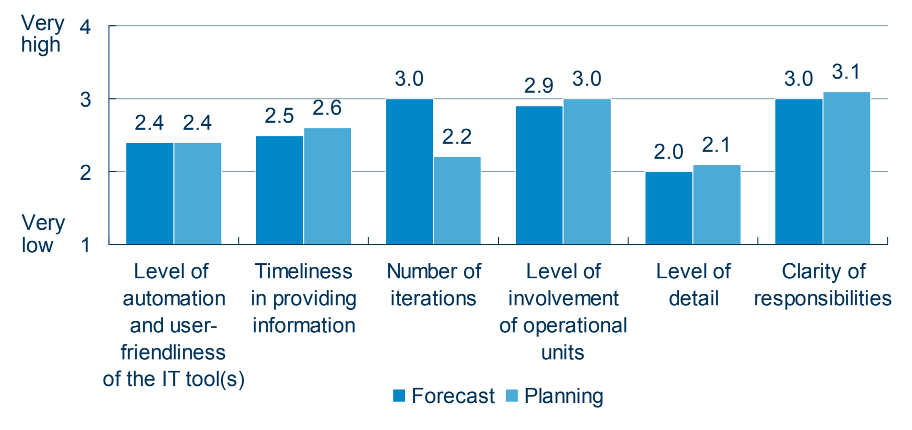

Fig. 7 Level of satisfaction with planning and forecasting processes

The Public Sector is below the average level of satisfaction with planning processes

The survey reveals notable differences between industries. The Public Sector was least satisfied with their planning and forecasting processes, with an average of only 2.3 (see fig. 8). The survey indicates that the companies from this industry need to improve the integration of strategic and operational planning. Among our participants, those from the Energy, Utilities and Mining and Financial Services sectors are most satisfied, which is not surprising, as they had already expressed one of the highest levels of satisfaction with integration of their strategic and operational planning process.

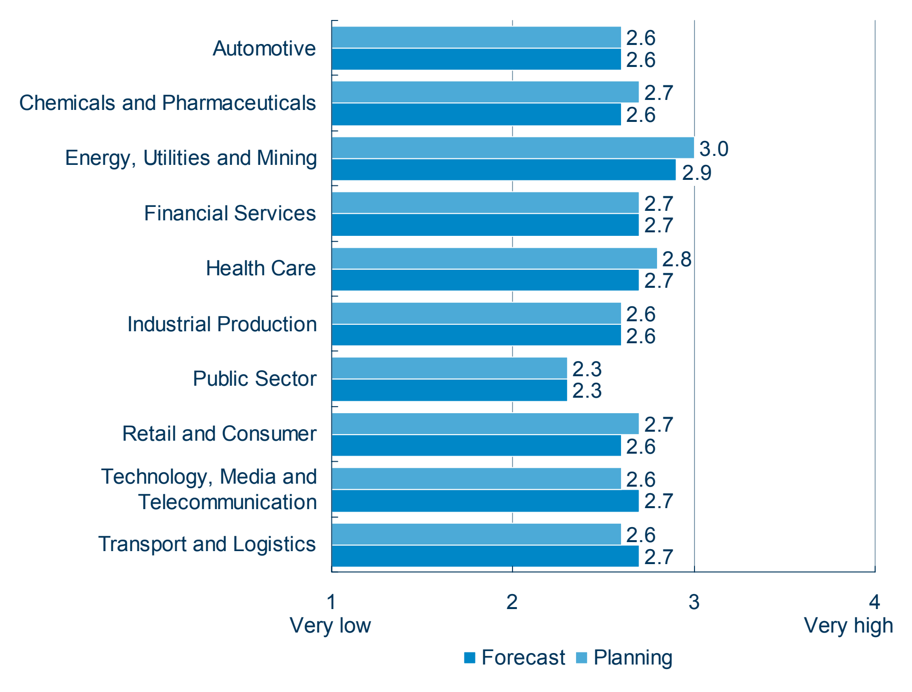

Fig. 8 Average level of satisfaction with planning and forecasting processes by industry

Time spent on planning processes can be reduced

Planning and budgeting processes are often perceived to be time- and resource-consuming. The majority of participating companies need between one and two months for each of the following planning cycles:

- strategic planning
- medium-term/tactical planning
- operational planning/budgeting

Taken as the total corporate planning process, the majority of the companies spend between three and six months on planning activities a year (see fig. 9). Nearly 40% of the companies need even more than six months for their overall planning processes (strategic, medium-term and operational planning). However, best practice companies spend less than three months on all planning processes across all operational levels. This result is only achieved by six of the participating companies, which is a clear indicator that there is room for improvement by lowering the time required for planning and hence the costs arising from it.

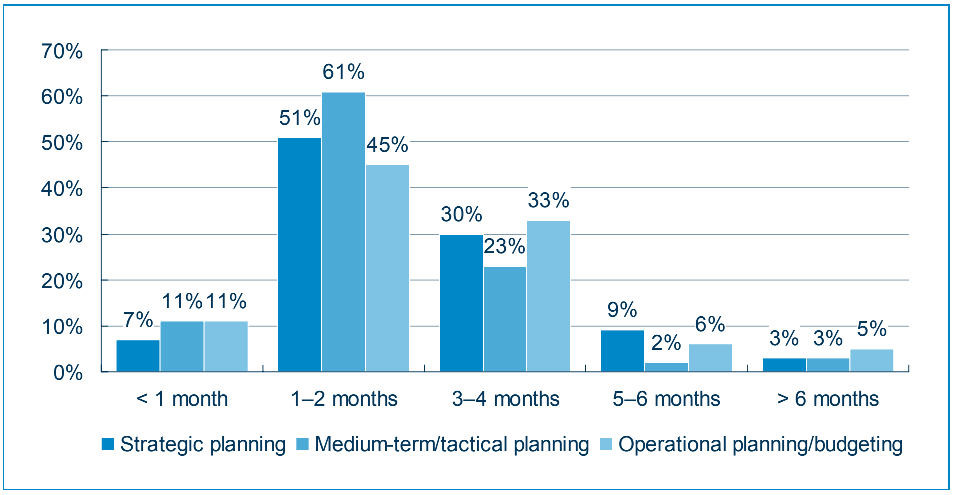

Fig. 9 Time spent on planning activities

Companies are willing to develop further

Our analysis of the results clearly shows that companies are fairly satisfied with their planning and budgeting processes. However, best practice results reveal that companies overestimate the quality of their actual processes. Despite the general satisfaction with the planning processes, the participating companies are willing to develop further. Planned initiatives to further improve planning and forecasting include the implementation of new/better planning software and the optimisation of the planning process. Other important future developments concern innovative budgeting and forecasting approaches, such as Beyond Budgeting and Rolling Forecast.

Rolling Forecast is a promising trend

The survey shows that Rolling Forecast is already comprehensively applied in order to turn budgeting into an ongoing process. It aims to introduce the planning processes as a permanent process rather than a periodic event which has a positive impact on the duration of the planning processes. As shown in figure 10, almost 50% of the participating companies have already implemented Rolling Forecast, while another 18% are planning to do so.

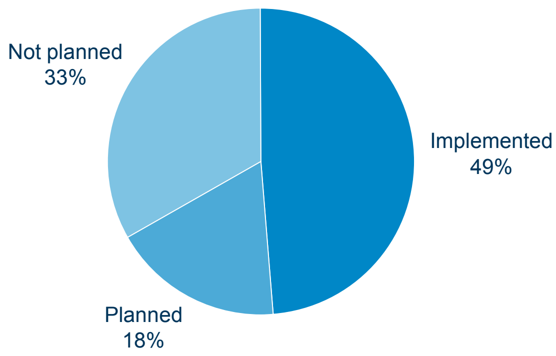

Fig. 10 State of implementation of Rolling Forecast

Different stages of development have been identified across the two country clusters. While many participants in Western Europe plan to review and improve their Rolling Forecast models, more and more companies in Eastern Europe are thinking about implementing such a method. Despite the huge interest in Rolling Forecast it has to be beard in mind that implementation is challenging and success highly depends on acceptance and appliance by all employees.

Companies seek solutions to improve planning and budgeting

Beyond Budgeting is based on the idea of managing a company with a small set of KPIs instead of a detailed system of rules and standards. Currently around 20% of the participants are considering the Beyond Budgeting model, and some are even partially applying it. However, only very cautious conclusions may be drawn from this, as Beyond Budgeting is an academic model that may be interpreted differently. The reorganisation of a company according to Beyond Budgeting means radical changes and is a difficult task. Without a doubt, many companies are looking for solutions to reducing their planning and budgeting effort, and so they are looking for new and innovative ideas. But in the end, there may be more suitable solutions than steering a company entirely without budgets.

PwC's point of view

We believe that it is possible to lower the average duration of the planning process down to three months. This is supported by the fact that benchmarks show that best-in-class companies spend less than three months on planning activities. This is more than three months less than the average in the survey results. This can be achieved mainly through a rigorous process management of the planning process and the intelligent use of planning functionalities provided by modern planning tools.

2 CPM phase 2: Evaluation

Necessary information need to be evaluated to track strategy achievement

The second phase of CPM concerns the evaluation and analysis of business performance. Identifying the information that must be measured and evaluated by financial and operational key performance indicators (KPIs) is decisive within this step. By cascading these KPIs from strategy to an operational level, they will help in understanding whether the company is achieving its goals and plans. It is important to identify and select the most significant measures and to perform focused data analyses.

The following section provides an overview on how companies across Europe track the attainment of their strategic targets and sustainably administer and supervise their CPM approach.

2.1 Measure – key findings

The measures that matter need to be identified

In order to assess the realisation of the defined strategy and the derived operational plans, the measures that really matter have to be identified and translated into KPI's. That said, key performance indicators are just one side of the equation. Getting the right information is also an important issue. How to guarantee the availability of the required actual data? How to check reliability and integrity? Companies have to answer the question of how to attain better management information as a basis for decision-making. The final goal is a higher level of transparency.

Companies focus on financial measures

The survey demonstrates that many companies focus on classic financial control measures. 81% of the companies stated that they use KPIs concerning profit and loss, liquidity, profitability and operative business.

Classic profit-orientated KPIs dominate CPM

Classic profit-orientated indicators are still the main instruments that companies use for their Corporate Performance Management. The predominant focus is on earnings-related figures (e.g. gross profit, EBIT, EBITDA), followed by margin-related figures (e.g. gross or contribution margins) and profit-related KPIs (e.g. ROE, ROI). Alongside these financial indicators, 51% of the participating companies explicitly indicated non-financial measures like customer satisfaction or quality of delivered services as KPIs in use.

Value-orientated KPIs are not comprehensively used

Value-orientated KPIs seem to still play a relatively insignificant role. Of the participating companies, 30% indicated having value-orientated KPIs in place. But value orientation nevertheless plays an important role for listed as well as for non-listed businesses. It is a competitive advantage to understand how a company is valued and how to increase and sustain that value in the short and long term, even if the business is solely or family-owned. Only companies that offer sustainable returns will survive in the long run.

Figure 11 gives an overview of the most often-stated key performance indicators for all categories. It shows that all categories are dominated by standard KPIs. Looking at the most often-stated KPIs, it is obvious that there is a clear tendency toward absolute values over ratios. Moreover, the figure shows that competitive information was rarely mentioned. We believe that, in a growing competitive environment, this information is important not only during the strategy process but also during monthly evaluation of a company's development.

Category	Most often-stated key performance indicators		
Profit and loss	EBIT	EBITDA	Margin – gross/contribution
Profitability	ROE	ROI	RONA
Liquidity	Cash flow	Liquidity	Net Debt
Value orientation	EVA	ROCE[1]	NPV
Operative business	Working capital	Capital turnover	Stock turnover
Non-financials	Customer satisfaction	Quality	Staff satisfaction
Workforce	FTE	Headcount	Revenue per FTE

[1] In comparison to a defined return on capital

Fig. 11 Overview of most stated KPIs per category

Working capital management is more developed in Western Europe

Looking at differences between East and West in operational KPIs, 50% of respondents from Western Europe explicitly named working capital as their most relevant KPI. On the contrary, only 30% of respondents from Eastern Europe did so; however, they focus on stock turnover as a component of working capital. This leads to the conclusion that East European companies look at a part of working capital, but do not yet pay as much attention to the management of accounts receivable and accounts payable.

On-demand analyses represent a high percentage

Asking which analysis the companies consider decisive for successful corporate management and how often they carry them out revealed interesting results. All analyses listed were said to be important or even very important by 60 to over 90% of all respondents (see fig. 12).

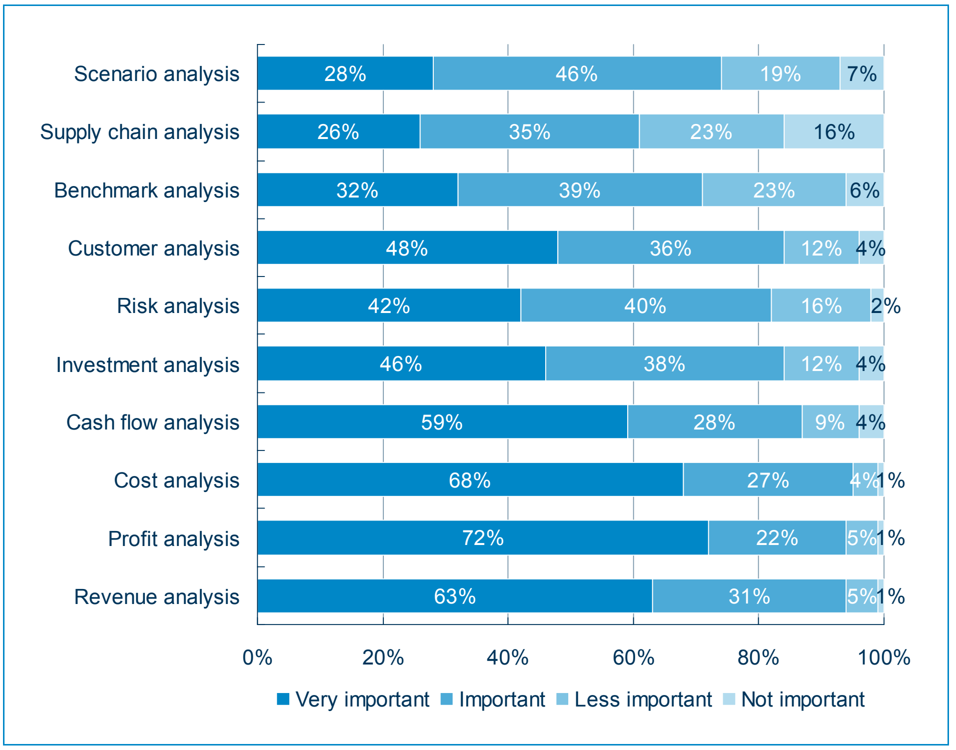

Fig. 12 Significance of different types of analysis

Mainly revenue, profit and cost analyses are regularly applied

The most important analyses for the participating companies are related to revenue, costs and profit. These analyses are performed regularly at more than 85% of the companies (see fig. 13).

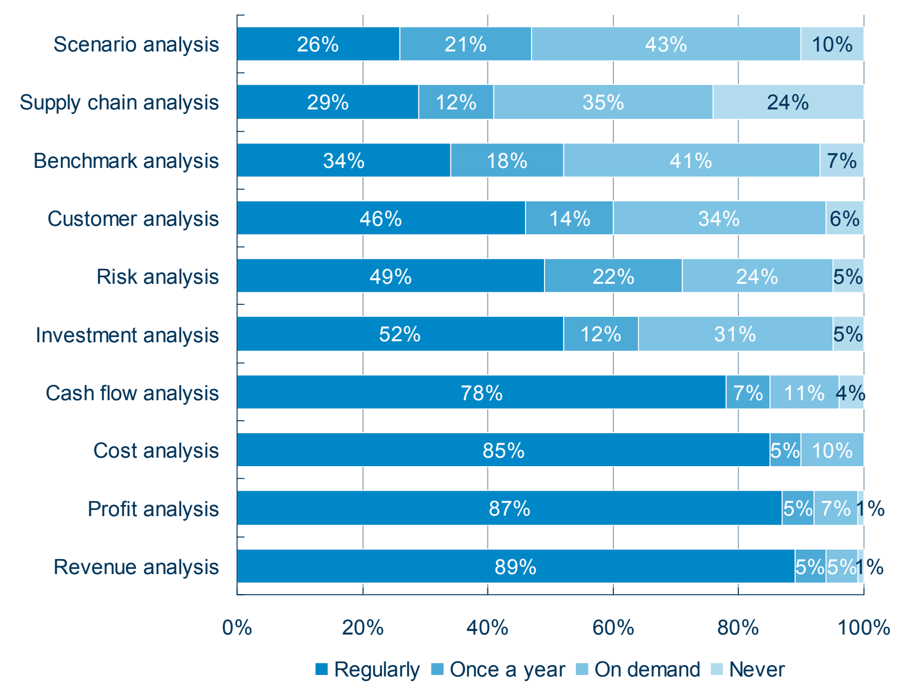

Fig. 13 Frequency of analysis performed

Cash flow importance is often neglected

In this context, the result on cash flow analysis is also remarkable. Even though this type of analysis is among the most frequently used, cash flow is only analysed on demand in 11% of the participating companies, and some do not perform cash flow analyses at all. Given that illiquidity is an actual threat for companies of all sizes and in all sectors, cash flow analyses and integrated cash flow planning should be part of the indispensable management tools of all organisations.

Accuracy and reliability are most important within reporting process

Focusing more on the process of management reporting, companies most value accuracy and reliability as well as timely data delivery. Compared to these factors, integration of IT systems is judged as less important. Still, we found that companies have realised the importance of IT integration in supporting accurate and timely information.

The lowest importance rating was given to the costs of report generation. Companies have experienced the high remedy costs for wrong decision-making based on poor quality of management information. So they would rather invest in improving the quality of corporate reporting than bear its negative effects.

Satisfaction with IT integration is relatively low

When asked about these management reporting factors, the participants expressed greatest satisfaction with accuracy, timeliness and costs and lowest satisfaction with IT integration, followed by somewhat low satisfaction with the systematic analysis of changing information needs (see fig. 14).

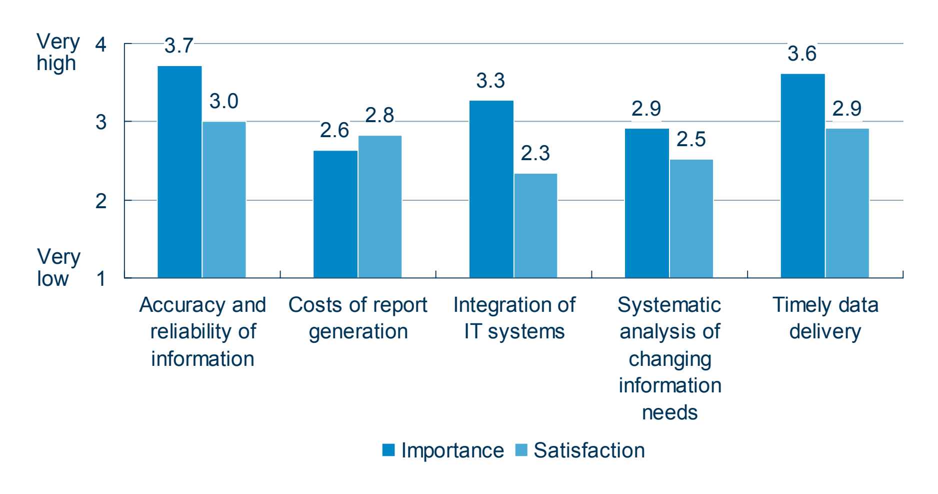

Fig. 14 Importance of and satisfaction with management reporting factors

Data collection takes too much time

The low satisfaction with IT integration is explainable when looking at the mix of management reporting activities. Time spent on basic reporting activities, such as data collection, calculation, reconciliation and structuring, averages 59% due to the difficulty in retrieving the relevant data from barely integrated IT systems (see fig. 15). This means that only 41% of the time can be used for value-adding activities like data analysis and interpretation. Companies would like to reduce non-value-creating activities in favour of more advantageous decision support, which they want to spend 60% instead of 30% of their time on. The increasing complexity of companies' internal data as well as of relevant external information necessitates a stronger analytical focus on the part of management reporting staff, interpreting the data provided and putting it in the right context. Companies will therefore need better IT support that focuses on functional support for management reporting as well as better systems integration using business intelligence functionality.

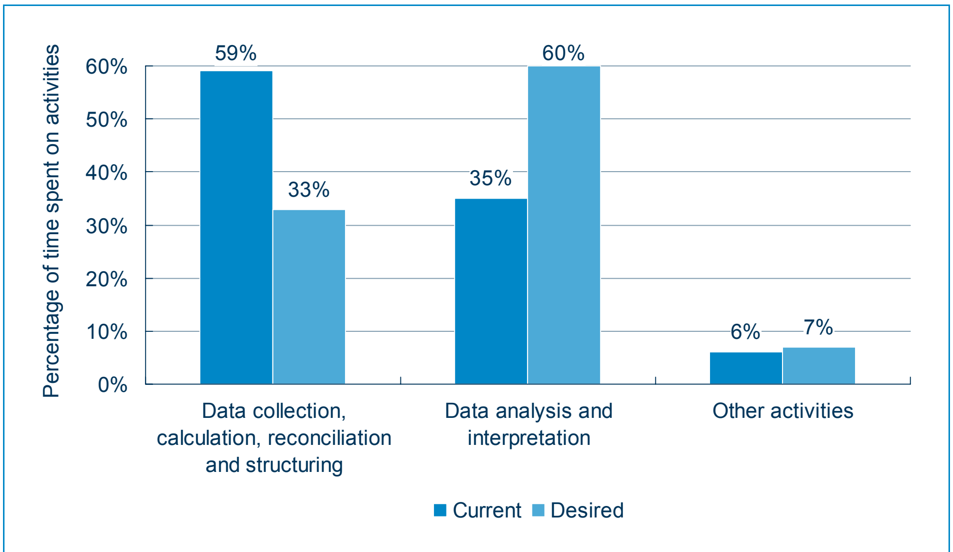

Fig. 15 Percentage of time spent on management reporting activities

Resolution of data logistic issues is not satisfactory

Looking closer at the low satisfaction in the realm of data generation reveals that companies are somewhat unsatisfied with the current resolution of data logistic issues around management reporting. A lot of information is generated manually (e.g. by using MS Excel) instead of by integrated management reporting systems. Consequently, missing interfaces between relevant IT systems pose another challenge companies are grappling with. Also, a clearly missing master data ownership and the quality of data itself prove to be unsatisfactory (see fig. 16).

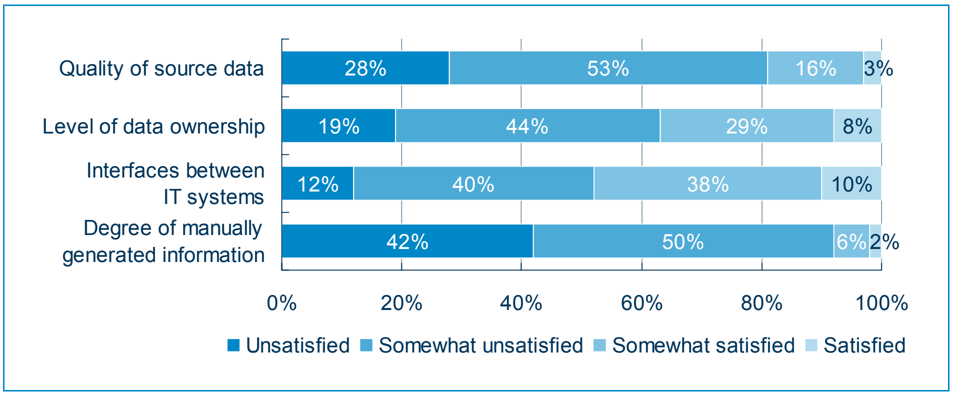

Fig. 16 Satisfaction with resolution of data logistic issues around management reporting

PwC's point of view

We believe it is important to focus on regular performance monitoring and analytics and subsequently stay action-oriented by turning the outcomes of the analyses into effective activities. The scope of management reporting must be defined by the information needs of management itself. It is advisable to look for data for the most relevant metrics (cash, market, competition or operationally based) and then to design reports and automate data provision as much as possible, instead of solely relying on default information and reports provided by ERP systems.

High-performing companies provide a reduced number of company-specific reports with the most decisive information for managerial decision-making.

2.2 Insight (CPM governance) – key findings

CPM governance are not commonly implemented

An important factor in implementing and sustaining CPM within the company is CPM governance. The CPM organisation and related processes should be standardised, soundly centralised and documented.

On the whole, the participating companies rated the relevance of the following three CPM governance areas highly:

- centralisation of the CPM governance function (e.g. standardised change request)
- documented CPM system (e.g. KPI dictionary, process documentation)
- ease of access to documents, policies, guidelines and data

Although companies realise the importance of CPM governance, the rather low level of satisfaction with the current state of implementation shows there is room for further improvement (see fig. 17).

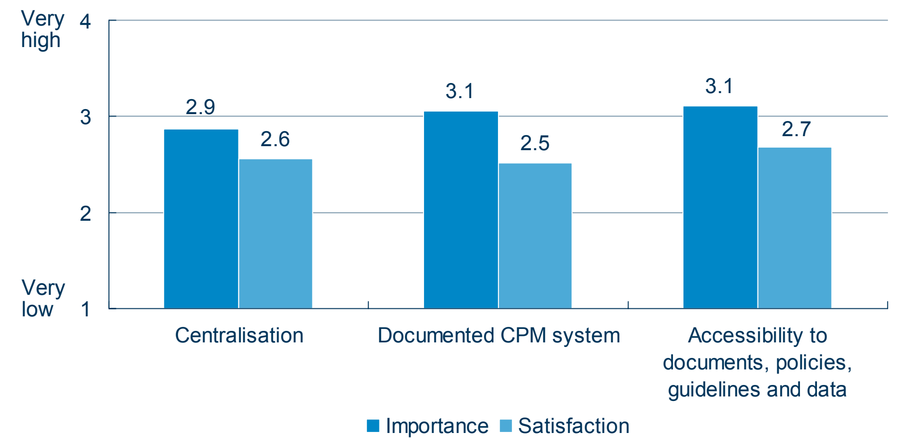

Fig. 17 Aspects of CPM Governance

Eastern Europe is slightly more satisfied with governance

Looking at regional discrepancies reveals that respondents from Eastern Europe tend to rate the importance of and satisfaction with CPM governance factors slightly higher than their counterparts from Western Europe. In Western as well as in Eastern companies the importance of easy accessibility to data and documentation is valued most. Documentation and centralisation are strong supporting factors in accessibility. As companies grow, these factors become even more important.

PwC's point of view

We believe that in order to reap the maximum benefits from CPM, a long-term, sustainable framework needs to be in place. Well-organised, standardised and structured CPM governance is needed to safeguard, maintain and improve the companies' CPM going forward. This allows for controlled flexibility in terms of changing business demands stemming from an increasingly dynamic business environment.

CPM governance should focus on the structure and design of CPM on the one hand (e.g. definitions, processes, organisation) and on the quality of information and the underlying data (accuracy, integrity, timeliness and completeness) on the other hand.

To secure CPM governance, guidance and maintenance need to be organised centrally. An office of strategic management (OSM) should oversee the alignment of all management processes with the designated strategy, while a business intelligence competence centre typically governs demand and supply at an operational level.

3 CPM phase 3: Sustainability

Sustainable improvement as a key objective of CPM

One of the key objectives of CPM is to achieve sustainable improvements of the companies' performance. To be successful, companies need to review their business results and, where necessary, take corrective action to reinforce their strategy.

Major considerations at this stage of CPM are:

- How to execute a strategy to achieve corporate targets in daily business.
- Which corrective actions need to be taken to get back on track.
- How to both maximise employee commitment to reach goals and leverage each individual's skills to increase corporate performance overall.

The following section looks at how to execute sustainable strategies. What are the key factors for success? Where are the major pitfalls? The need for integrated and balanced incentive schemes is also addressed.

3.1 Execute – key findings

Execute strategy in daily business

One of the biggest challenges in CPM is finding the right way to execute strategy and achieve corporate targets in daily business. The solution lies in first identifying the crucial drivers for the achievement of targets and then pinpointing the obstacles that are hidden in processes, technologies, organisational design and even people's attitudes. The final step is to remove these obstacles, something which requires tough, well-considered management decisions. One of the key findings of this study, however, is that the decision-making process is where things break down.

Decision-making process is impeded by several factors

From an organisational perspective, the survey revealed that non-customised management reporting severely compromises the efficiency of management decision-making. Moreover, poorly defined and/or understood responsibilities significantly impede effective management decision-making (see fig. 18). In order to execute strategy, it is vital to concretely define and communicate responsibilities. In addition to a lack of assignment of responsibility, late and insufficient information top the list of barriers to effective management decision-making.

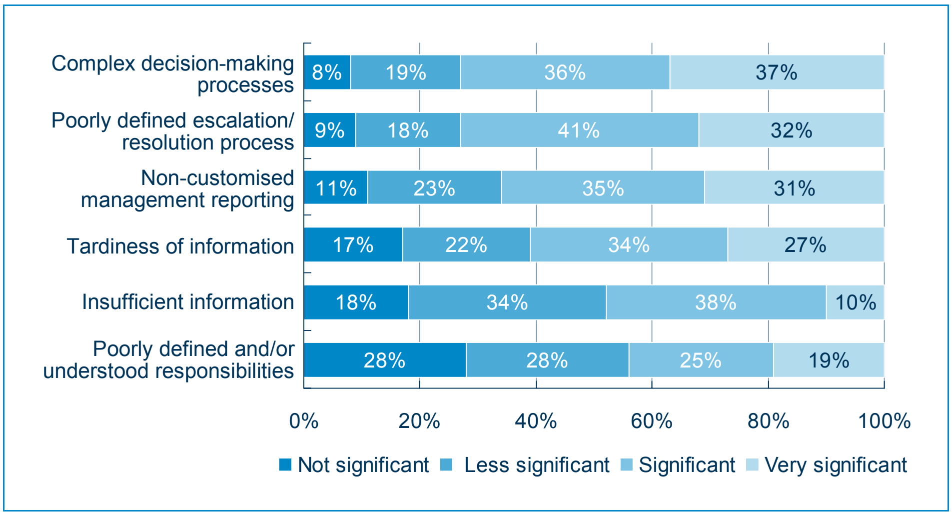

Fig. 18 Significance of impediments to effective management decision-making

Companies want to improve decision-making processes

Some companies have recognised the importance of the management decision-making process and have already implemented improvement initiatives during the last two years. Other companies surveyed are planning similar projects in the near future. In terms of the type of initiatives used to enhance management decision-making, 65% of respondents said they are improving the quality of management reports. Improving the quality of information itself and better assigning responsibilities are also considered important. Projects concerning defined issue escalation and resolution processes are listed by 34% of respondents.

Eastern Europe lead in change initiatives

In particular, 61% (see fig. 19) of the Eastern European companies initiated changes to improve decision-making in the past two years (e.g. during restructuring projects). In contrast, only 42% of the companies in Western Europe started similar initiatives.

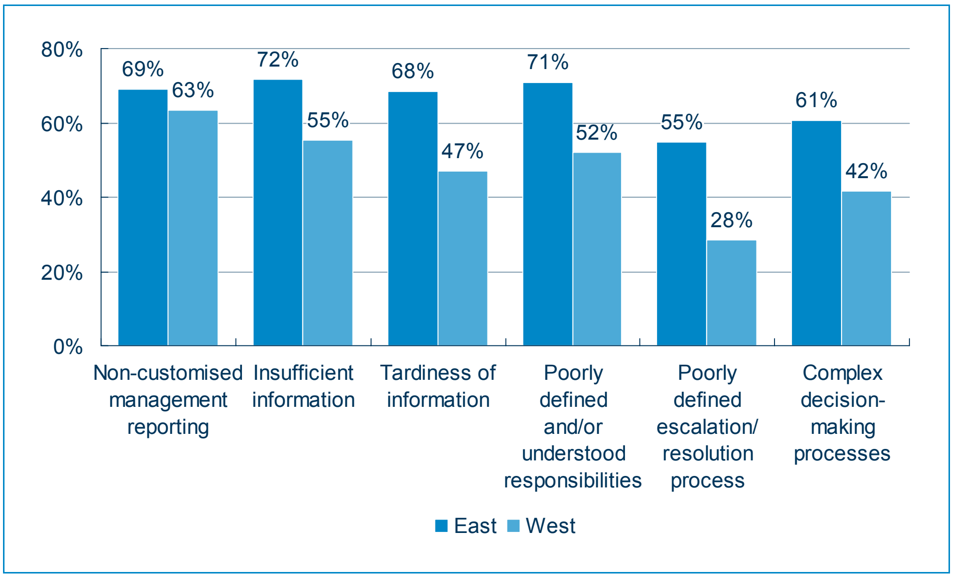

Fig. 19 Changes implemented to eliminate impediments to effective management decision-making

Involvement of operational units is an important success factor

In addition to examining the decision-making process, the survey also aimed to look more closely at the involvement of operational units. Close collaboration is especially important during the planning and forecasting processes. The quality of most of the planning and forecasting models is driven bottom-up by experts' forecasts of future developments, regardless of whether they concern market developments or internal indicators. While top management is responsible for decisions about corrective actions, the experts are crucial in planning and forecasting future development in detail.

Operational units are very involved in planning

The participating companies were rather satisfied with the overall involvement of operational units in planning and forecasting, rating it with an average of 2.9 on a scale of 1 (unsatisfied) to 4 (satisfied). Moreover, planning and forecasting processes are also well integrated throughout the companies. Nevertheless, the survey shows that there is still clear room for improvement, as 30% of all companies are not satisfied with the level of involvement of their operational units.

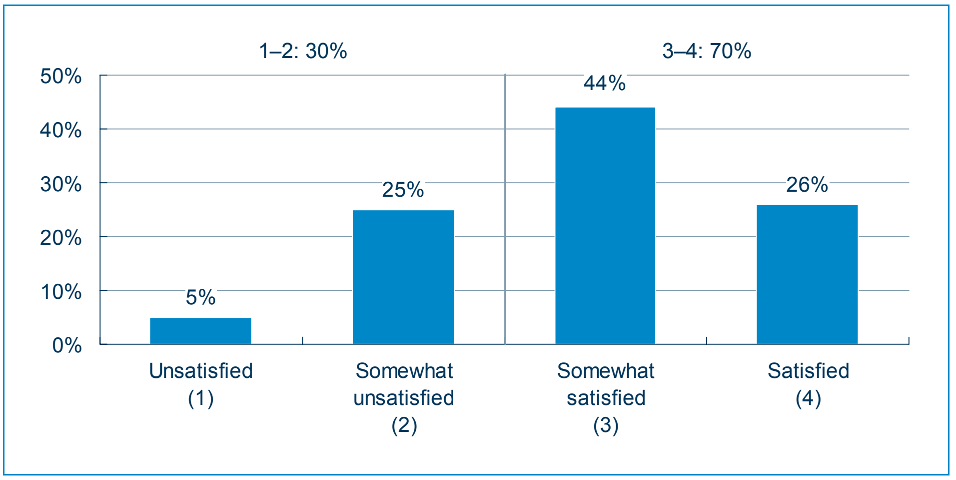

Fig. 20 Satisfaction with level of involvement of operational units in planning and forecasting processes

PwC's point of view

We believe that it is important to have clearly defined, documented and communicated responsibilities and replacement regulations. For minor and ordinary deviations pre-defined corrective action plans should be in place. This enables quick reactions without time-consuming decision-making processes. In order to react correctly, especially in the case of major and extraordinary deviations, clearly defined escalation procedures that trigger immediate action need to be set up.

It is important to design feasible bottom-up approaches which integrate operational managers into planning and forecasting processes to benefit from their expert opinion.

3.2 Reward – key findings

Positive influence of reward systems is recognised

Another major challenge in CPM is to develop the optimal rewarding system. The survey clearly shows the benefit of incentive systems: 93% of the participants agree that incentive systems positively influence Corporate Performance Management. Both financial and non-financial approaches are applied across all organisational levels to control the efficiency of strategy execution.

Profit sharing as most popular incentive

The most popular incentive is profit sharing, used by 37% of the companies. 25% follow bonus bank approaches, which keep bonuses in a kind of bonus bank account for a certain amount of time in order to ensure the sustainability of results before the bonus is paid out in full. Other incentives are non-financial incentives such as special training courses or international assignments, which are applied in 24% of the companies. Stock options are the least preferred incentives with 14%.

Comparing the two main regional clusters, Western European countries use profit sharing more than Eastern European countries (41% vs. 32%). In contrast, Eastern European countries lead in bonus bank approaches (28% vs. 23%) and non-financial incentives (28% vs. 21%) (see fig. 21).

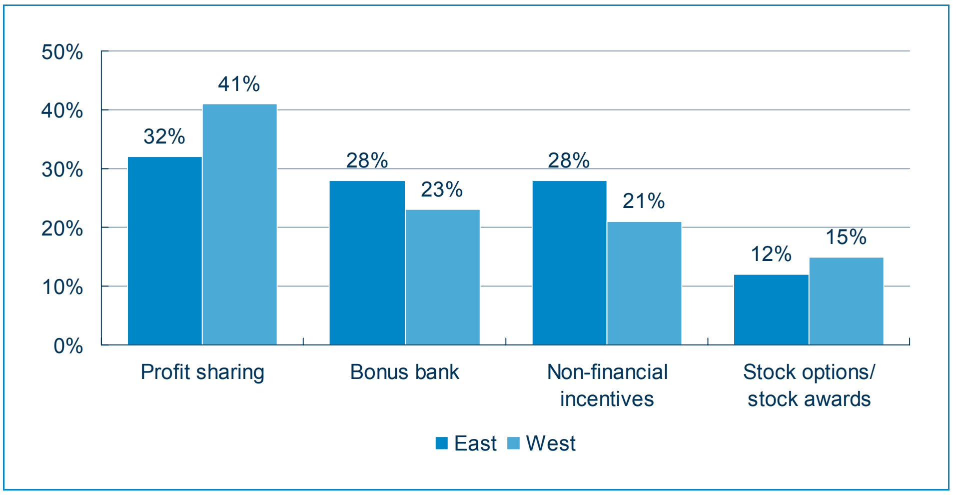

Fig. 21 Incentive systems in use

Financial incentive systems overrule non-financial ones

The study reveals that incentive systems are mostly dominated by financial incentives. Non-financial incentives are often disregarded in spite of their undeniable advantages – especially during economic downturns.

Variable compensation depends much on corporate performance

The survey also shows that the individual performance of 69% of all participants has only low or very low influence on their variable compensation. Corporate performance has a much higher impact on variable compensation: More than 49% of the respondents state that corporate performance has high or very high influence on their variable compensation. In general, corporate performance has more influence on variable compensation than individual performance.

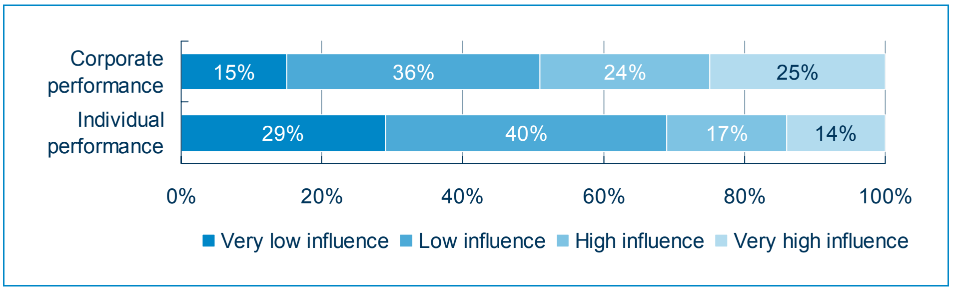

Fig. 22 Influence of individual performance and corporate performance on variable compensation

If employees feel that their individual performance may not have much influence on their compensation scheme, they could not agree to a larger amount of variable compensation. Conversely, if they feel that their individual performance is taken into account, they will be open to a more performance-oriented compensation structure.

Variable compensation decreases from the top to the bottom of the organisation. On the first management level (e.g. board level) variable compensation accounts for 26 to 50% of total compensation in more than half of the participating companies. On the fifth level (e.g. team members, clerks) variable compensation represents 0 to 25% of total compensation in 93% of the companies. Interestingly, the analysed data show that there is no unanimous opinion about the use or significance of variable compensation. There are fluctuations of up to 25% in the amount of variable compensation at each management level.

Greater emphasis on variable compensation in Eastern Europe

Eastern European companies tend to favour variable compensation more than their Western counterparts. In Eastern companies where entrepreneurship and growth were major driving forces in the last several years variable compensation on the first management level represents at least 51% of total compensation in one-fifth of participating companies (20%); in Western European countries only 10% of companies are in the same range. On the fifth level total compensation is still composed of 26 to 50% of variable elements in 26% of Eastern European companies; on the contrary 99% of Western European companies are in the range of 0 to 25% (see fig. 23). Nevertheless, variable compensation is key in impacting individual performance and subsequently corporate performance regardless of sector.

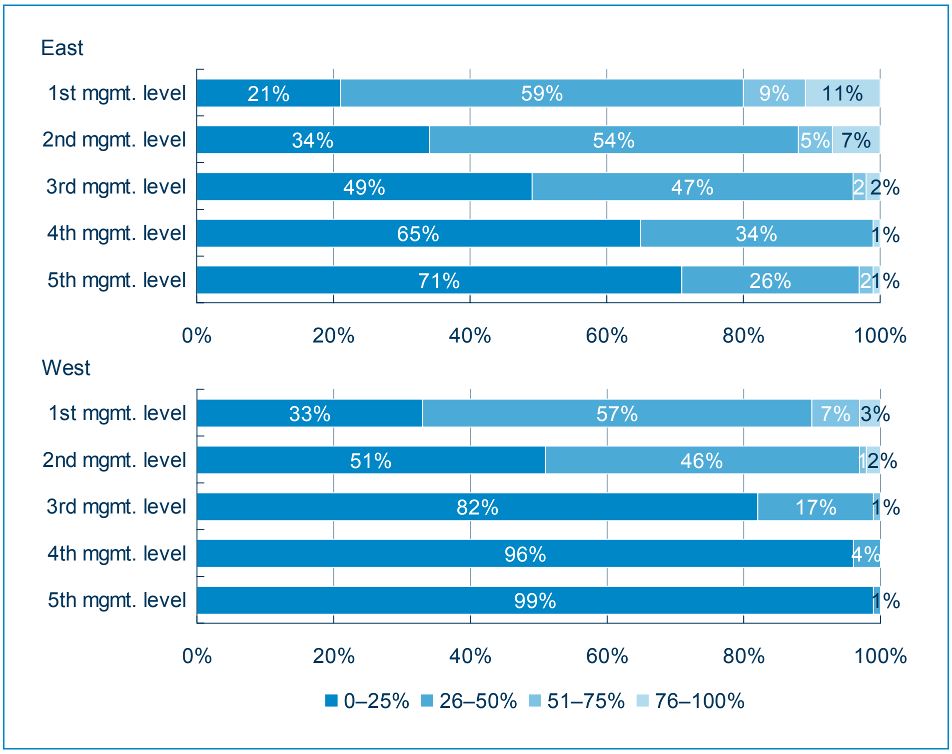

Fig. 23 Percentage of variable compensation in total compensation package

Incentive systems can increase planning accuracy

The survey results show that 65% of the companies are convinced that incentive systems positively influence the accuracy of planning and budgeting (see fig. 24). Especially companies in the Public Sector as well as Chemicals and Pharmaceuticals are of this opinion. Setting individual performance targets in relation to budget attainment, may on the one hand lead to more realistic goals and subsequently higher planning accuracy. On the other hand, fear of losing goal-based remuneration may result in cost targets being deliberately set too high and revenue targets too low, thus compromising the full potential of the company.

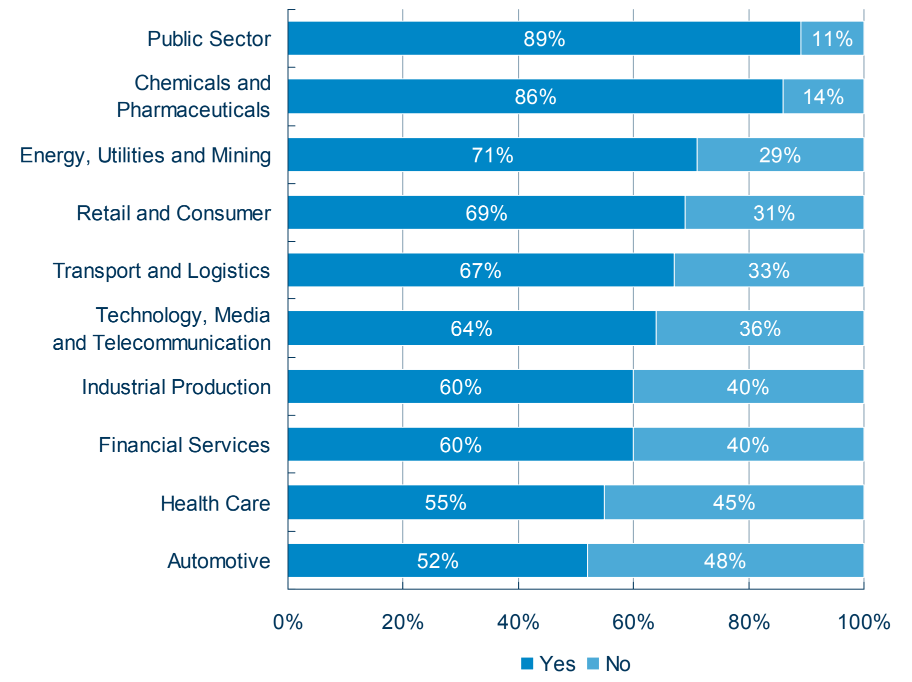

Fig. 24 Positive influence of incentive programmes on planning accuracy

Trend towards long-term incentive programmes

An important trend can be seen in the increasing development of long-term incentive plans that align long-term individual targets with strategic corporate goals. This trend evolved to counteract the short-term orientation of incentive plans. In the drive to increase their variable compensation top managers and employees may do whatever possible to reach ambitious short-term targets – and in the process compromise long-term strategic goals. This is one reason why incentive systems are not universally accepted.

Definition and measurement of targets are key issues for incentive systems

The majority of respondents also listed the difficulty to set reliable and realistic targets and to measure them with non-conflicting key performance indicators as other major problems associated with incentive systems. In addition, defined goals tend to be subjective and can often be manipulated at the expense of fairness and justice. Companies also worry about short-term thinking over-shadowing the long-term success of the enterprise. Finally, employees may get used to high variable compensation in good times and take it for granted.

PwC's point of view

From our point of view successful companies have a higher amount of variable compensation throughout the organisation. It is crucial that employees realise that they have personal influence on target achievement and consequently on the overall corporate performance and the amount of their variable remuneration.

We also strongly believe that optimised variable remuneration models based on financial as well as on non-financial incentives need to be developed and implemented. Furthermore, incentive programmes must take short-term success and at the same time sustainable corporate performance into account. Bonus bank approaches are a step in the right direction. They help to balance short-term and long-term orientation of incentives.

4 CPM key enabler: Technology

An adequate IT approach is crucial for successful CPM

CPM can only be successful with adequate supporting information technology (IT) that is able to fulfil all technical requirements. Here, business intelligence (BI) is considered an appropriate solution. BI offers an integrated IT approach, which includes the definition of an information strategy and an integrated data model, and software solutions from back-end (data warehouse) to front-end (management dashboards with pre-defined but dynamic reports, planning and forecasting functionalities, etc.).

4.1 Information technology – key findings

High overall satisfaction with IT for CPM

The survey results clearly indicate that the overall satisfaction with the IT tools implemented within the CPM cycle is fairly high, especially in the fields of management reporting, analysis and consolidation. Yet another main outcome of the survey is that companies desire a higher level of integration for their IT systems as well as increased automation and user-friendliness. Even though BI technology can be a key in the remediation of those and other deficiencies, the majority of the companies do not yet apply such a solution.

IT systems in use

Typically, organisations implement several IT systems for their various needs and processes, such as:

- KPI system (value drivers/performance measurement);
- planning/budgeting;
- forecasting;
- consolidation;
- management reporting;
- risk management.

Overall 69% of the participants said they were satisfied with their IT systems, especially with reporting systems and management consolidation systems. Companies were less satisfied with KPI Systems (see fig. 25).

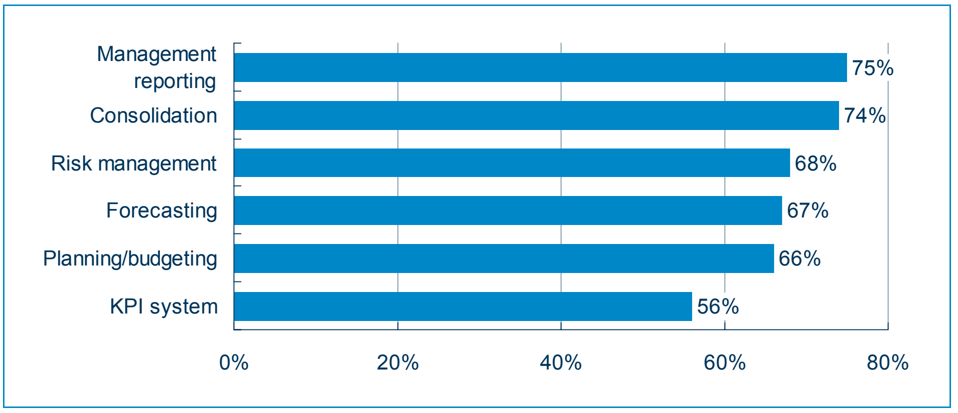

Fig. 25 Satisfaction with IT solutions in use

In terms of software, Microsoft (MS) Excel is still by far the most widely used solution, especially for KPI reporting, planning, forecasting and risk management (see fig. 26). Participants listed ease of use and flexibility as major advantages, although they also recognised Excel's drawbacks: it requires more manual work than other programmes and data reliability is compromised by low data and system integrity.

SAP and MS Excel are still the most applied software combination in Europe

In Europe SAP solutions (e.g. SAP BPC, SAP EC-CS) and MS Excel are almost equally popular for reporting and management consolidation, with Hyperion not too far behind (see fig. 26).

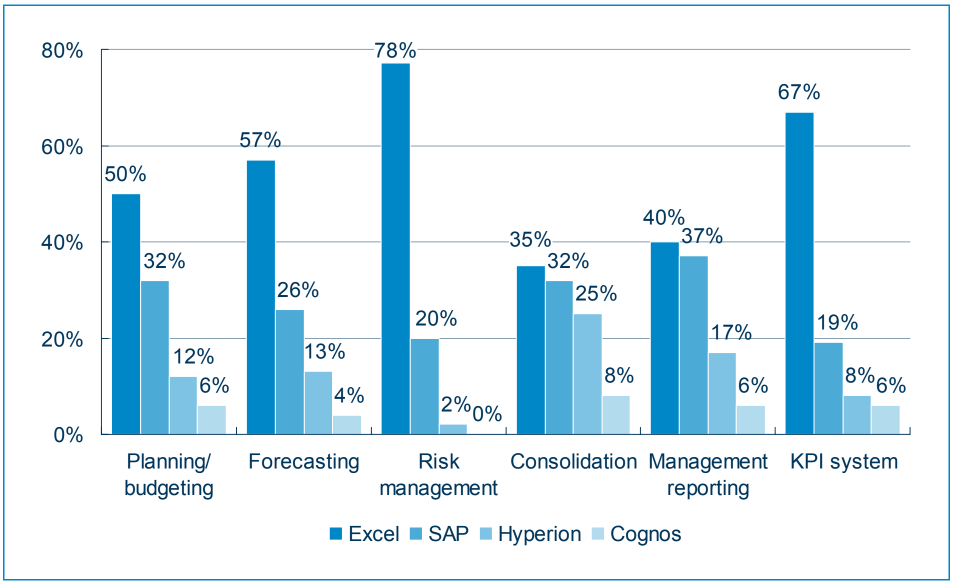

Fig. 26 Software in use for CPM

When it comes to implementing IT systems, the participants indicated a high interest in SAP BI and BPC in particular: more than 30% named these applications.

Obstacles to IT system implementation

The implementation of new software is a critical endeavour and requires a large commitment of resources. The participants of this survey confirmed that the necessary process customisation and behavioural change of the employees are significant obstacles to the implementation of new systems or tools. In addition technical issues like data integration or the development of interfaces must be well-managed in order not to compromise software implementation. A less critical but still very important factor for the participating companies is the danger of exceeding the budget. Figure 27 shows how companies rated IT impediments on a scale from 1 (very low) to 4 (very high).

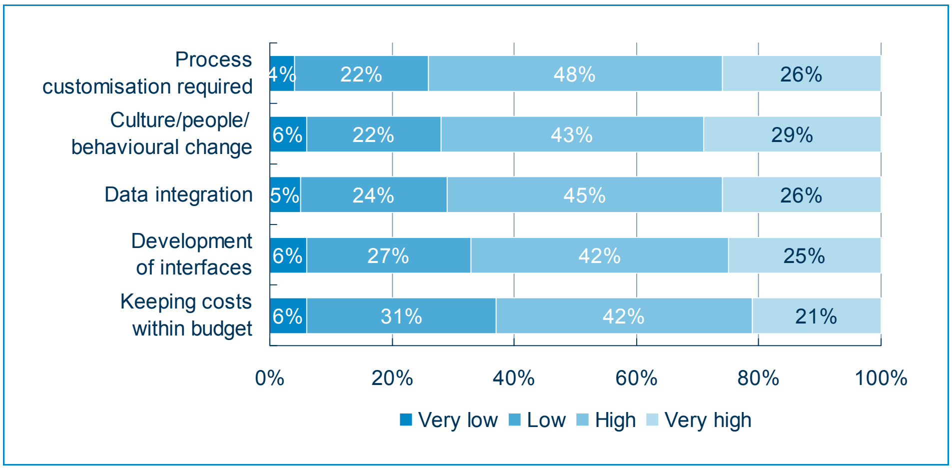

Fig. 27 Seriousness of obstacles to successful software implementation

When asked to consider current problems with their IT solutions, companies in all industries and countries name the level of automation and user-friendliness of their planning and forecasting systems. On a scale describing satisfaction from 1 (very low) to 4 (very high), the average rating for this factor was only 2.3. A mere 10% of the participants say they are very satisfied with the current degree of automation and user-friendliness of their IT.

Satisfactory IT system integration is important

Another issue perceived at all management levels is a lack of integration of IT systems. Especially management reporting systems are often historically grown and the various different systems are usually barely integrated. Furthermore, 84% of companies consider integration important or very important yet less than 40% are satisfied or very satisfied with the current situation. The results are displayed in figure 28.

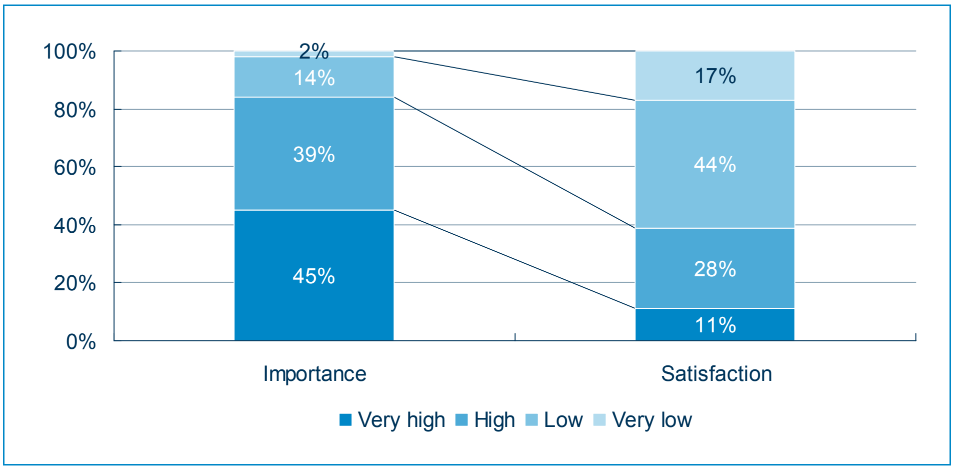

Fig. 28 Integration of IT systems

The cost of data storage drop but …

As data storage costs drop, organisations are able to collect more data than ever before. While this can be advantageous, it can also be overwhelming. The major issue for companies is making sure data are well integrated in the CPM infrastructure. Most systems have a short-term focus with no clear linkage to value creation and no integrated enterprise data model.

Enterprise data models empower BI

To increase system integrity and to empower business intelligence technologies the use of integrated data models is absolutely crucial. BI provides an integrated approach for analysis, interpretation and presentation of business information. An integrated enterprise data model specifies information and data flows within the whole organisation. This type of data model goes far beyond defining a couple of KPIs across the organisation. An efficient model for BI must be cross-functional and also consider non-financial data.

Expanding BI to a strategic level is essential for driving business success

Most BI solutions focus on operations: they support front-line staff, supervisors and managers charged with delivering services and processing the associated transactions. It is our opinion that of all the technologies available today, BI is the key enabler technology for strategy execution. Strategic BI is achieved when executive management recognise the potential strategic impact on their business: it is the difference between “I know I need to know” and “I didn’t know I need to know”.

Only an integrated BI approach leads to satisfaction

In general, simply implementing an IT solution with a data warehouse in the back-end and predefined management dashboards in the front-end is not enough. Implementation needs to be performed as a strategically integrated BI approach with defined objects and object measurements across the following dimensions:

- Statutory accounting vs. management accounting (internal and external harmonisation)
- Group vs. sub-group vs. subsidiaries vs. business units (integrated reporting)
- Plan data vs. forecast data vs. actual data (integrated planning and reporting)
- IT vs. business responsibilities (goal-directed operating model)
- Operating ERP systems vs. business warehouse (data structure and data management)
- Standardisation vs. flexibility (single and secured source of information)

Companies who are 'very satisfied' with their planning process often use BI as key enabler

Companies relying on integrated BI are notably more satisfied with the accuracy, reliability and timeliness of information. Figure 29 shows that companies with implemented BI technology are significantly more satisfied with their planning and forecasting processes than companies without BI, especially in terms of the automation and user-friendliness of IT systems. Clearly, BI is a key enabler for more quality within the planning and forecasting processes.

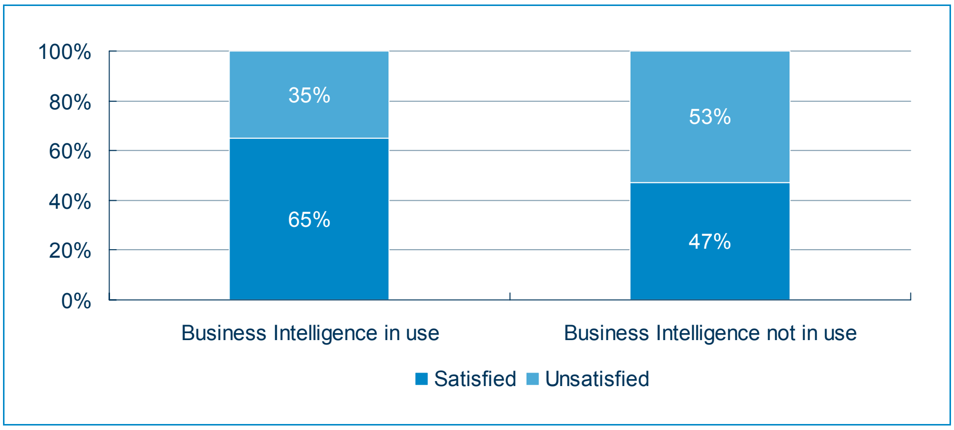

Fig. 29 Level of satisfaction with automation of data delivery and user-friendliness of systems in relation to BI technology

Companies with solid BI need less time for planning and forecasting activities

Another effect of integrated BI solutions is greater satisfaction with the interfaces between IT systems. While 60% of the companies using BI are satisfied with their interfaces, only 45% of those who do not use BI are satisfied with the degree of solving typical data logistic-related problems.

Moreover, companies which have implemented a BI solution need less time for planning and forecasting. Of those companies not using BI technology, 55% manage to complete their strategic and operational planning in less than two months compared to 60% of the companies applying BI technology. It can be assumed that a further expansion of BI would reduce the overall duration of planning and forecasting.

The implementation state differs

The state of BI implementation differs significantly between East and West. While companies in Western Europe are trying to improve the performance of current BI solutions to further enhance their CPM systems, Eastern European companies are still gathering their first experiences with BI technology and embarking upon implementation projects.

PwC's point of view

We think that an integrated IT approach is significant in achieving effective CPM. A key element here is a balanced data model that is cross-functional, addresses all relevant dimensions and also considers non-financial data.

Expanding BI to focus on strategy in addition to operations is essential for driving business success. Strategic BI is achieved when executive management recognises how BI can strategically impact their business: "I know I need to know" versus "I didn't know I need to know".

The IT approach should also always include a governance concept. We advise implementing standardised tools and processes with clear responsibilities and timelines across the whole organisation. This in turn reduces cycle times and improves workflows.

D Survey participants

Participation by region

Companies from 22 European countries and representing different sizes, industries and legal forms were contacted for the CPM survey. In total 384 companies participated in the survey.

For each participating European country, multiple companies returned a completed questionnaire. The results were then divided into the following regional clusters:

- Western Europe: Austria, Belgium, Denmark, France, Germany, Ireland, Italy, Netherlands, Portugal, Spain, Switzerland and United Kingdom
- Eastern Europe: Bulgaria, Croatia, Czech Republic, Greece, Hungary, Kazakhstan, Romania, Russia, Serbia and Slovakia

Figure 30 shows participation by region. Whereas about 140 companies in Eastern countries answered our questionnaire, some 240 did so in Western ones. The response rates of the two clusters are sufficient to conduct an East-West comparison which leads to interesting results regarding the use of CPM in both places.

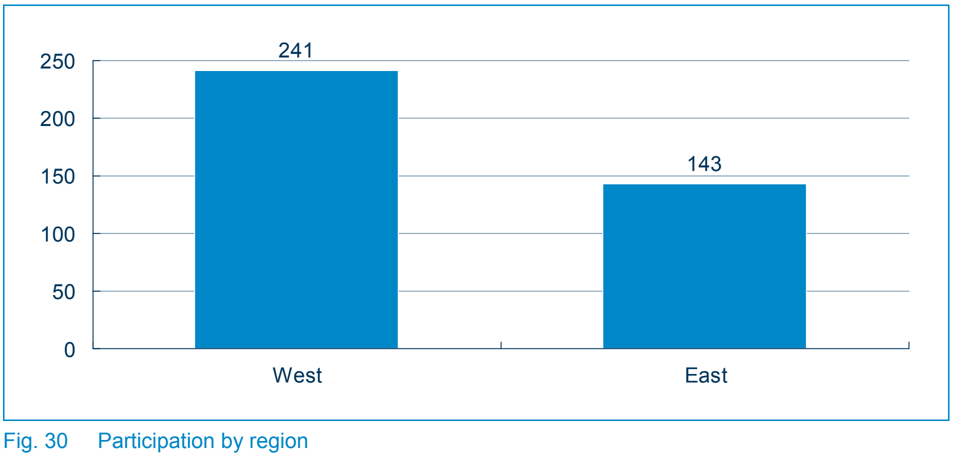

Fig. 30 Participation by region

Participation by global revenue

Participants also varied from small- to medium-sized, and even up to large-scale companies. More than half the companies recorded revenue of less than 500 million euros globally. Almost one-third have revenue between 500 and 5,000 million euros globally. The remaining 18% recorded revenue higher than 5,000 million euros (see fig. 31).

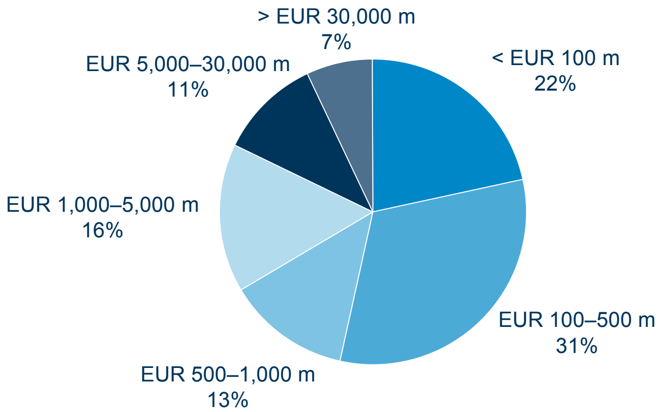

Fig. 31 Participation by global revenue

Participation by hierarchical level

The hierarchical level of our respondents offers interesting insights as well. More than 50% of questionnaires were answered by the CFO and 13% by the CEO (see fig. 32). This clearly demonstrates that CPM is a topic of crucial significance for the respective companies and often top management's responsibility.

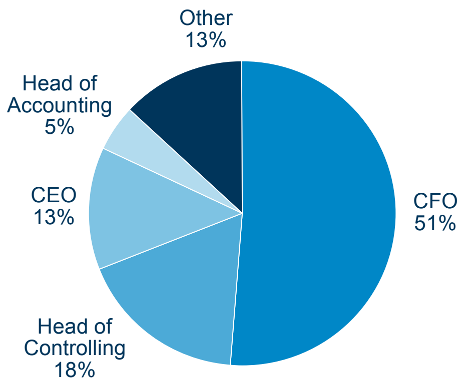

Fig. 32 Function of the respondent within the participating company

Participation by industry

For the industry-specific analyses, we applied PricewaterhouseCoopers' own industry classifications. Figure 33 shows that the majority of survey responses came from companies in the Industrial Production; Financial Services; Energy, Utilities and Mining; and Retail and Consumer sectors.

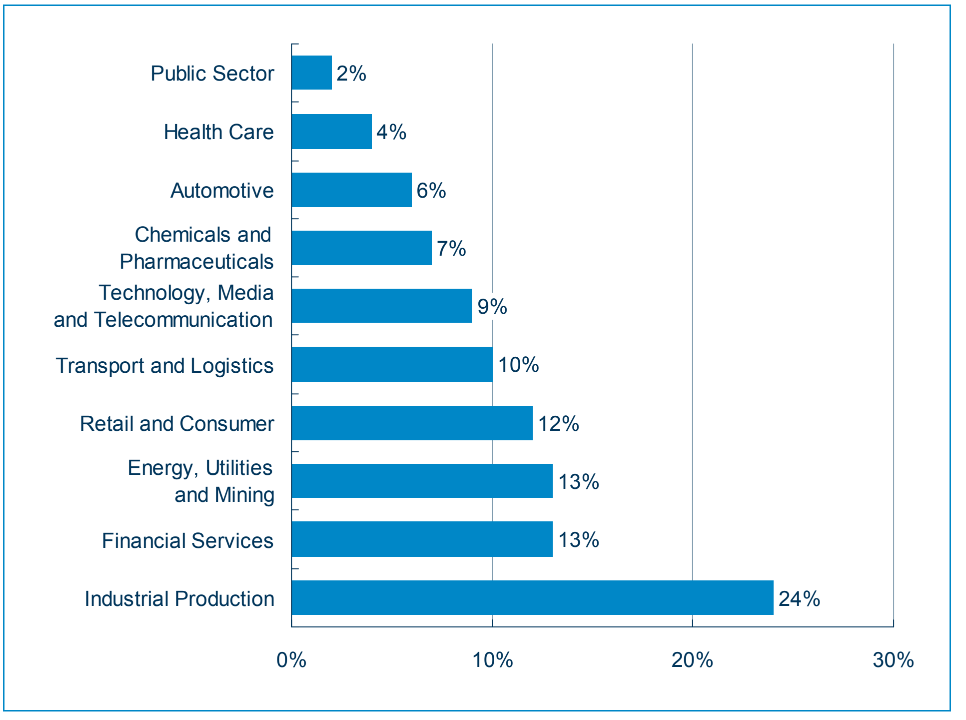

Fig. 33 Participation by industry

Survey analyses by sections

The survey takes a European perspective and encompasses cross-sectional analyses. These analyses take into account regional cluster, global revenue, hierarchical level and industry. Where significant results for any one of the sections were found, they are described in the relevant part of this report.

Contacts

Austria
Dr. Günther Jauck
Erdbergstraße 200
1030 Vienna
guenther.jauck@at.pwc.com

Belgium
Drazen Primorac
Woluwe Garden, Woluwedal 18
1932 Sint-Stevens-Woluwe
drazen.primorac@pwc.be

Bulgaria
Momchil Vasilev
9–11 Maria Louisa Blvd
1000 Sofia
momchil.vasilev@bg.pwc.com

Croatia
Tanya Rukavina
Alexandera von Humboldta 4
10000 Zagreb
tanya.rukavina@hr.pwc.com

Czech Republic
Pavel Beran
Kateřinská 40
120 00 Prague 2
E-mail: pavel.beran@cz.pwc.com

Denmark
Jesper Tvede Simony
Strandvejen 44
2900 Hellerup
E-mail: jps@pwc.dk

France
Alexandre Pailloncy
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex
alexandre.pailloncy@fr.pwc.com

Germany
Damir Maras
Moskauer Str. 19
40227 Düsseldorf
damir.maras@de.pwc.com

Greece
Dimitrios Fragou
268-270 Kifissias Ave
15232 Athens
dimitrios.fragou@gr.pwc.com

Hungary
Dániel Somlai
Wesselényi u. 16
1077 Budapest
daniel.somlai@hu.pwc.com

Ireland
Ed French
Spencer Dock
Dublin 1
ed.french@ie.pwc.com

Italy
Gianluca Sacchi
Via Monte Rosa, 91
Milan 20149
gianluca.sacchi@it.pwc.com

Kazachstan
Elmira Abdikarimova
29/6 Satpaev Ave, 4th floor
050040 Almaty
elmira.abdikarimova@kz.pwc.com

Netherlands
Dimitri Hoogenboom
De Entree 201, P.O. Box 22735
1100 DE Amsterdam Zuidoost
dimitri.hoogenboom@nl.pwc.com

Poland
Paweł Dżurak
Al. Armii Ludowej 14
00-638 Warszawa
pawel.dzurak@pl.pwc.com

Portugal
Jorge Ferreira
Rua António Bessa Leite, 1430 – 5º
4150-074 Porto
jorge.oliveira.ferreira@pt.pwc.com

Romania
Gabriel Mustea
Opera Center
1–5 Costache Negri Street
RO-050552, Bucharest
gabi.mustea@ro.pwc.com

Russia
Anastasia Osipova
Kosmodamianskaya nab. 52, bldg. 5
115054 Moscow
anastasia.osipova@ru.pwc.com

Serbia
Aleksandar Đukić
Omladinskih brigada 88a
11070 Belgrade
aleksandar.djukic@yu.pwc.com

Slovakia
Peter Poliak
Namestie 1.maja 18
815 32 Bratislava
peter.poliak@sk.pwc.com

Spain
Ignacio Rel Pla
Paseo de la Castellana, 43
28046 Madrid
ignacio.rel.pla@es.pwc.com

Switzerland
Beat Posratschnig
Birchstrasse 160
8050 Zurich
beat.posratschnig@ch.pwc.com

United Kingdom
Paul S. Morton
1 Embankment Place
London WC2N 6DX
paul.s.morton@uk.pwc.com

PricewaterhouseCoopers is one of the leading auditing and consulting services networks worldwide and is drawing on the knowledge and skills of about 154,000 employees in 153 countries. In Germany, some 8,900 employees generate a turnover of around 1.47 billion euros in assurance, tax and advisory services at 28 locations.

For many years we have been auditing and consulting major companies of all sizes on the industrial and service sector. The service line ‘Middle Market’, attending directly to small and medium-sized companies with a solid network of local contacts, has been greatly expanded. And also the public sector, associations, municipal bodies and other organisations place their confidence in our knowledge and experience. For good reason: about 400 partners and 6,600 specialists impart their expertise to all important branches of industry.

Our emphasis on high quality is complemented by forward thinking for our clients. This means going beyond the mere completion of a task and also anticipating their needs and providing a forward-looking solution. In doing so, we give our clients added security in an increasingly complex world.

www.cpm-survey.com