# Gap in Process Performance Affects Competitiveness of Companies Around the World, Says Global Genpact Study

**Benchmarking Fundamental to High-Performing Companies, Study Conducted by CFO Research Services Shows**
**- 60% of finance executives agree strongly that improving financial and administrative process performance yields meaningful financial benefit to companies;**
**- There is a strong correlation between using benchmarks and driving process performance and automation, however only 34% of companies make extensive use of external benchmarks;**
**- Shared services centers 40% more efficient than decentralized models for source-to-pay processes and nearly twice as efficient for consolidate-to-report processes**
**- 46% of companies in North America say that their companies make extensive use of benchmarks; 35% in Asia; 30% in Latin America; only 23% in Europe**

NEW YORK, May 30, 2012 /PRNewswire/ -- *Made to Measure*, a study released today by Genpact Limited (NYSE: G), a global leader in business process and technology management, has found that many companies must close a performance gap in their business processes to boost competitiveness. The research, conducted by CFO Research Services, sought to dig deeper into metrics that are useful to managers to guide their business, surpass their competitors, and, ultimately, deliver value to stakeholders.

(Logo: http://photos.prnewswire.com/prnh/20120501/NY98560LOGO)

A relationship between the use of external benchmarking and process performance emerges from the results of the study. The research found that executives acknowledge the benefit of improving processes, with more than 60% of respondents agreeing strongly that improving their financial and administrative process performance would yield meaningful financial benefit to their companies. Although companies recognize this, only 34% of companies make extensive use of external benchmarks to assess and improve their performance.

The study also found that making extensive use of external benchmarks is linked with higher performance in financial and administrative processes. Respondents at companies that make extensive use of benchmarks are more likely to report that their companies excel at a variety of planning, consolidation, and reporting activities, compared with companies that make only some or limited use of benchmarks.

"Companies rely on return-based metrics to measure their performance, and while these are very important, they tell only part of a company's financial and operating story," **said Sasha Sanyal, senior vice president, Smart Enterprise Processes and Lean Six Sigma at Genpact.** "Performance metrics on core processes reveal how effectively a company carries out these activities—and how well they deliver return to shareholders. By combining robust process metrics with measurement from external benchmarks, executives can close the information deficit that too often keeps companies from achieving their best performance."

The use of benchmarks varies by region. According to survey data, companies in North America are more likely to make extensive use of external benchmarks than companies in other regions. Almost half of respondents based in North America (46%) say that their companies make extensive use of benchmarks, compared with only 35% of respondents based in Asia/Australia/New Zealand, 30% of respondents based in Latin/South America, and only 23% of respondents based in Europe and the Middle East.

Genpact's study also reveals inefficiencies in companies that decentralize their processes. Companies that placed their source-to-pay activities within shared services centers deploy less labor within their accounts payable department compared to their peers with decentralized source-to-pay organizations. Those companies that utilize shared service centers are 40% more efficient than decentralized models for source-to-pay processes and nearly twice as efficient for consolidate-to-report processes.

"The present economic climate has created a set of unprecedented challenges for the CFO. With rising finance costs, dwindling margins, and increased shareholder expectations, the CFO is under constant pressure to optimize business processes," **said Shantanu Ghosh, senior vice president, Practices, Solutions and Transitions at Genpact.**

"Amid this environment, a robust, quantitative comparison of activities, processes, performance, and business outcomes reveals an analytically sound view of how processes can perform and the business implications of reaching a higher level of performance. Maximizing the effectiveness of these processes leads to improved management of product lifecycles, higher service levels, more satisfied customers, greater sales volume, and lower inventory and distribution costs," **Ghosh said.**

*Made to Measure* is the latest in a series of studies that Genpact has commissioned to gauge CFOs' needs and help them to leverage more effective processes for optimal business outcomes. Recent studies include *From Efficiency to Effectiveness: Transforming the Finance Delivery Mix* (2011) which addresses the services delivery mix, and *Going Beyond Process Efficiency to Process Effectiveness: The CFO's Role in Standardizing Global Processes and Improving Business Outcomes* (2010) which explores how CFOs see process measurement. Given the consistent volatility in the global business landscape, Genpact helps CFOs to create greater value for their organizations through the development and execution of better processes.

This research surveyed more than 400 senior executives in finance and procurement functions at companies with annual revenues in excess of $1 billion. It also included a selection of in-depth interviews. Respondents were distributed across all major global regions.

Genpact engaged CFO Research Services, the research unit of CFO Publishing LLC, to conduct the field study and analyze the market data. The full report and the executive summary are available at www.genpact.com or www.cfo.com/research.

**About CFO Research**

CFO Research Services is the research unit of CFO Publishing, LLC, a portfolio company of Seguin Partners. CFO Publishing is the leading business-to-business media brand focused on the information needs of senior finance executives. Delivering content through multiple channels including online, digital, mobile, and print, the business consists of CFO magazine, CFO.com, CFO Research Services, CFO Learning and CFO Conferences. CFO's award-winning editorial content and loyal, influential audience make it a valued resource for its readers as well as an effective marketing partner for a wide range of blue-chip companies. CFO has long-standing relationships with nearly a million finance executives.

**About Genpact**

Genpact Limited (NYSE: G), a global leader in business process and technology management services, leverages the power of smarter processes, smarter analytics, and smarter technology to help its clients drive intelligence across their enterprise. Genpact's Smart Enterprise Processes (SEP(SM)) framework, its unique science of process combined with deep domain expertise in multiple industry verticals, leads to superior business outcomes. Genpact's Smart Decision Services deliver valuable business insights to its clients through targeted analytics, reengineering expertise, and advanced risk management. Making technology more intelligent by embedding it with process and data insights, Genpact also offers a wide range of technology services. Driven by a passion for process innovation and operational excellence built on its Lean and Six Sigma DNA and the legacy

of serving GE for more than 15 years, the company's 56,000+ professionals around the globe deliver services to its more than 600 clients from a network of 64 delivery centers across 17 countries supporting more than 30 languages. For more information, visit www.genpact.com. Follow Genpact on Twitter, Facebook, and LinkedIn.

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