The world’s foremost authority in benchmarking, best practices, process and performance improvement, and knowledge management.
OPEN STANDARDS BENCHMARKING®
ASSESSMENT SUBMISSION PRIMER
FOR PS FIRMS

January 27, 2020
APQC is the world’s foremost authority in benchmarking, best practices, process and performance improvement, and knowledge management. APQC’s unique structure as a member-based nonprofit makes it a differentiator in the marketplace. APQC partners with more than 500 member organizations worldwide in all industries.
PCF AND BENCHMARKING

Relating the PCF to the Open Standards Benchmarking® Survey Assessments
APQC's Process Classification Framework® (PCF), at its simplest level, is a list that organizations use to define work processes comprehensively and without redundancies.

Organizations use the PCF to:

- Standardize definitions around processes
- Benchmark internally and with other organizations
- Align IT rollouts and updates for similar processes across the organization
- Discuss organizational performance using the same terminology across business units and departments
- Organize enterprise content and knowledge
RELATING THE PCF TO BENCHMARKING

- A quick reference of the PCF is in every benchmarking assessment.

- The complete PCF can be found at https://www.apqc.org/process-performance-management/process-frameworks

APQC’s Process Classification Framework (PCF)

The PCF is a list of universal business processes performed by every business, giving you a common language to communicate and define work processes across your organization. Developed in 1992, the PCF is the world’s most widely used business process framework.

Download the latest version of the Cross-Industry PCF (Excel 7.2.1)
All quoted processes within APQC’s benchmarking assessments align back to processes within the PCF.

| Numeric | 159.0140. What is the number of full-time equivalents (FTEs) employed during the year to perform the process "manage and process collections"? |

<table>
<thead>
<tr>
<th>PCF ID</th>
<th>Hierarchy ID</th>
<th>Name</th>
<th>Metrics available?</th>
</tr>
</thead>
<tbody>
<tr>
<td>10745</td>
<td>9.2.4</td>
<td>Manage and process collections</td>
<td>Y</td>
</tr>
</tbody>
</table>
Where they are further decomposed . . .

<table>
<thead>
<tr>
<th>PCF ID</th>
<th>Hierarchy ID</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>10745</td>
<td>9.2.4</td>
<td>Manage and process collections</td>
</tr>
<tr>
<td>10804</td>
<td>9.2.4.1</td>
<td>Establish policies for delinquent accounts</td>
</tr>
<tr>
<td>10805</td>
<td>9.2.4.2</td>
<td>Analyze delinquent account balances</td>
</tr>
<tr>
<td>10806</td>
<td>9.2.4.3</td>
<td>Correspond/Negotiate with delinquent</td>
</tr>
<tr>
<td>10807</td>
<td>9.2.4.4</td>
<td>Discuss account resolution with internal</td>
</tr>
<tr>
<td>10808</td>
<td>9.2.4.5</td>
<td>Process adjustments/write off balances</td>
</tr>
<tr>
<td>14007</td>
<td>9.2.4.6</td>
<td>Perform recovery workout</td>
</tr>
<tr>
<td>14008</td>
<td>9.2.4.7</td>
<td>Manage default accounts</td>
</tr>
</tbody>
</table>

159.0140. What is the number of full-time equivalents (FTEs) employed during the year to perform the process "manage and process collections"?
And defined.

<table>
<thead>
<tr>
<th>Process Element ID</th>
<th>Hierarchy ID</th>
<th>Process Element</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>10745</td>
<td>9.2.4</td>
<td>Manage and process collections</td>
<td>Posting entries to respective accounts, and preparing accounts for receivables. Manage the cash collected by the business from its debtors. Record it in the books of accounts to provide clear information about the availability of the cash.</td>
</tr>
<tr>
<td>10804</td>
<td>9.2.4.1</td>
<td>Establish policies for delinquent accounts</td>
<td>Creating a process to follow in case of a failed payment by account holders. Create rules and regulations for the account holder who has failed to make at least the minimum monthly payment by the due date.</td>
</tr>
<tr>
<td>10805</td>
<td>9.2.4.2</td>
<td>Analyze delinquent account balances</td>
<td>Examining balance statements of account holders who failed to make required payments. Study or review the account details of customers' past payments when preparing negotiations policies.</td>
</tr>
<tr>
<td>10806</td>
<td>9.2.4.3</td>
<td>Correspond/Negotiate with delinquent accounts</td>
<td>Determine ways for customers in default to repay debts (e.g., allowing more time or discounts).</td>
</tr>
<tr>
<td>10807</td>
<td>9.2.4.4</td>
<td>Discuss account resolution with internal parties</td>
<td>Determining rules for handling accounts. Discuss and plan with internal parties (department heads, managers, and senior management) about rules to follow in coming months.</td>
</tr>
<tr>
<td>10808</td>
<td>9.2.4.5</td>
<td>Process adjustments/write off balances</td>
<td>Maintaining reserves for write-offs and adjustments. Adjust or write off certain expenses and losses.</td>
</tr>
<tr>
<td>14007</td>
<td>9.2.4.6</td>
<td>Perform recovery workout</td>
<td>Renegotiating the terms of a loan agreement in order to recoup money from a default account.</td>
</tr>
<tr>
<td>14008</td>
<td>9.2.4.7</td>
<td>Manage default accounts</td>
<td>Managing accounts that have not met the requirements agreed upon to pay off outstanding debts.</td>
</tr>
</tbody>
</table>

**Numerics: 159.0140.** What is the number of full-time equivalents (FTEs) employed during the year to perform the process "manage and process collections"?
APQC® BENCHMARKING

Tools
DETERMINE NEEDS

?- Time: How much time can I allot to the assessment?

?- Scope: High-level overview or in-depth study?

?- Data: Do I have the minimum required data to complete the assessment?
BENCHMARKING ASSESSMENTS

Open Standards Benchmarking

- Comprehensive assessment tool
- 3-4 day validation
- Robust report with all participants, industry, revenue, and region peer groups.
- Total time = 1.5-2 weeks (approximately)
- Must submit at least 50%

Rapid Performance Assessments

- High-level KPIs only
- Shorter assessment
- One-day validation
- Summary report with all participants, industry, revenue, and region peer groups.
- Total time = 3 days (pending validation)
- Must submit at least 80%

https://www.apqc.org/what-we-do/benchmarking/assessments
ASSESSMENT TOPICS

- Finance and Accounting
- Human Capital Management
- Information Technology
- Innovation
- Knowledge Management
- Organization and Management
- Process and Performance Management
- Product Development
- Sales and Marketing
- Supply Chain Management
COMPLETING AN ASSESSMENT

- Demographics
  - The demographics section of the assessment provides APQC’s benchmarking team the information needed to successfully communicate, validate, and report to the correct point of contact. Accuracy is critical and missing/incorrect demographic information will cause the exercise to halt. See example below.

![APQC Benchmarking Survey Table](image-url)
## DEMOGRAPHIC EXAMPLE

**Correct →**

### Payroll

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type the words &quot;I AGREE&quot; in the field to the right of this text if you agree with the terms and conditions</td>
<td>I agree</td>
</tr>
<tr>
<td>First Name</td>
<td>My</td>
</tr>
<tr>
<td>Last Name</td>
<td>Name</td>
</tr>
<tr>
<td>Title</td>
<td>Consultant</td>
</tr>
<tr>
<td>Company</td>
<td>PS Firm on behalf of ABC, Inc.</td>
</tr>
<tr>
<td>Address Line 1</td>
<td>123 ABC Inc Drive</td>
</tr>
<tr>
<td>Address Line 2</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>Evercity</td>
</tr>
<tr>
<td>State</td>
<td>TX</td>
</tr>
<tr>
<td>Zip/Postal Code</td>
<td>77777</td>
</tr>
<tr>
<td>Country</td>
<td>US-United States</td>
</tr>
<tr>
<td>Phone Number</td>
<td>123-456-7890</td>
</tr>
<tr>
<td>Corporate email address</td>
<td><a href="mailto:myname@mycompany.com">myname@mycompany.com</a></td>
</tr>
<tr>
<td>4 digit NAICS code</td>
<td>5241-Insurance Carriers</td>
</tr>
<tr>
<td>How did you hear about this survey?</td>
<td>Member</td>
</tr>
</tbody>
</table>

**Incorrect ←**

### Payroll

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
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</thead>
<tbody>
<tr>
<td>Type the words &quot;I AGREE&quot; in the field to the right of this text if you agree with the terms and conditions</td>
<td>I agree</td>
</tr>
<tr>
<td>First Name</td>
<td>My Client's</td>
</tr>
<tr>
<td>Last Name</td>
<td>Name</td>
</tr>
<tr>
<td>Title</td>
<td>Client Title</td>
</tr>
<tr>
<td>Company</td>
<td>PS Firm</td>
</tr>
<tr>
<td>Address Line 1</td>
<td>123 PS Firm Dr</td>
</tr>
<tr>
<td>Address Line 2</td>
<td></td>
</tr>
<tr>
<td>City</td>
<td>Evercity</td>
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<td>US-United States</td>
</tr>
<tr>
<td>Phone Number</td>
<td>123-456-7890</td>
</tr>
<tr>
<td>Corporate email address</td>
<td><a href="mailto:Clientemail@client.com">Clientemail@client.com</a></td>
</tr>
<tr>
<td>4 digit NAICS code</td>
<td></td>
</tr>
<tr>
<td>How did you hear about this survey?</td>
<td>Member</td>
</tr>
</tbody>
</table>
COMPLETING AN ASSESSMENT

➢ Pre-submission Validation

- Confirm completion rate for RPA and OSB surveys
- Alphabetical text cannot be used for "percent", "currency", or "numeric" responses
  - Correct: 1000000 or 1,000,000
  - Incorrect: 1m or 1million, or 1000000,00
  - Correct: 1.5
  - Incorrect: 1.5 days or 1-2 days
- Leave unanswered questions blank
  - Do not use “placeholders” such as zero, x, or n/a
- Total values (i.e., total cost, total process FTEs, total cycle times) are equal to the sum of the allocation of the totals.
  - Total cost = the sum of personnel, systems, overhead, outsourced, and other cost, or total process
  - FTEs = the sum of activity FTEs
  - Total cycle time = the sum of allocated cycle times of component stages
  - Cost of continuing operations = COGS + SG&A
- Multiple expressed values for a single question are consistent.
  - Total cost = the field that represents the sum of total cost
  - Total FTEs = the field that represents the sum of total FTEs
- All necessary components of internal costs are represented, and no value is zero.
  - Personnel, systems, overhead, and survey-specific components
- Percentage allocations that sum to 100% all must sum to 100% in your answer
- For questions where zero is not a valid response (i.e., FTEs) zeroes are not present in answer responses
- The sum of all category/process group/process FTEs strictly less than and represents a fraction of business entity FTEs
- The sum of all category/process group/process cost strictly less than and represents a fraction of business entity costs
  - Cost of Goods Sold > Cost to Manufacture
  - SG&A > total cost of finance function
- Cycle time values exist within the specific period of measurement
  - Monthly budgeting should be less than 30 days
  - Annual budgeting less than a year
- All common questions should be consistent across all surveys. Some surveys ask for the same information. If supplying several surveys, insure that the responses are the same.
  - Business entity revenue
  - FTEs
  - Costs
  - Cycle times
<table>
<thead>
<tr>
<th>Numeric</th>
<th>164.0060. What is the number of full-time equivalents (FTEs) employed by your business entity during the year to perform the process &quot;report time&quot;?</th>
<th>1.50</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numeric</td>
<td>164.0070. What is the number of full-time equivalents (FTEs) employed by your business entity during the year to perform the process &quot;manage pay&quot;?</td>
<td>0.50</td>
</tr>
<tr>
<td>Numeric</td>
<td>164.0080. What is the number of full-time equivalents (FTEs) employed by your business entity during the year to perform the process &quot;report payroll taxes&quot;?</td>
<td>0.75</td>
</tr>
<tr>
<td>Currency</td>
<td>164.0090. What are the annual personnel costs (compensation and benefits) for FTEs performing the &quot;report time&quot; process?</td>
<td>50,000.00</td>
</tr>
</tbody>
</table>

Correct ➔

<table>
<thead>
<tr>
<th>Numeric</th>
<th>164.0060. What is the number of full-time equivalents (FTEs) employed by your business entity during the year to perform the process &quot;report time&quot;?</th>
<th>See below</th>
</tr>
</thead>
<tbody>
<tr>
<td>Numeric</td>
<td>164.0070. What is the number of full-time equivalents (FTEs) employed by your business entity during the year to perform the process &quot;manage pay&quot;?</td>
<td>19.00</td>
</tr>
<tr>
<td>Numeric</td>
<td>164.0080. What is the number of full-time equivalents (FTEs) employed by your business entity during the year to perform the process &quot;report payroll taxes&quot;?</td>
<td>See above</td>
</tr>
<tr>
<td>Currency</td>
<td>164.0090. What are the annual personnel costs (compensation and benefits) for FTEs performing the &quot;report time&quot; process?</td>
<td>See &quot;Manage Pay&quot; below</td>
</tr>
</tbody>
</table>

Incorrect ➔
**SUBMITTING AN ASSESSMENT**

**NOTE:** APQC adheres to General Data Protection Regulation (GDPR) guidelines in regard to Personally Identifiable Information (PII) and the *right to be forgotten*. As such, we require all survey submissions to be loaded to a secure cloud space. **We will not accept emailed survey submissions.**

- Ensure that the submissions are not redundant
  - Example: If submitting a Payroll OSB submission, do not submit a Payroll RPA submission as well

- Before you submit, confirm that the file contains
  - Correct contact information
    - Contact name, email address, and phone number
  - Responses are complete, correct, and follow our instructions

- Submit your completed file to [https://zurl.co/8Rg92](https://zurl.co/8Rg92)
  - Drag and drop file
  - You will **not** receive a confirmation at the time of submittal.
  - When we are notified that the file has been loaded to the cloud, we will confirm receipt with you. This may take a few hours.
  - **We cannot** see where the file was loaded from or who loaded it so correct and complete contact information in the file is **critical**.
APQC VALIDATION PROCESS

- **Pre-validation**
  - Membership verification for the submitting entity. Submissions are only accepted from APQC members or companies that meet APQC's strict participation guidelines.
  - Inclusion of the appropriate participating business entity’s name and North American Industry Classification System code for the entity.
  - Period end-date verification: OSB does not accept future period end-dates, reflecting hypothetical, pro forma, or pro rata data.
  - Completion rate: OSB only processes OSB surveys at least 50% complete or RPA submissions 80% complete.

- **Logical Validation**
  - Numbers expressed are appropriate to the units of measure.
  - Allocations sum to the totals.
  - Measures of subsets are never greater than the measures of whole sets.
  - Data expressed is consistent with the participating entity’s demographic information.
  - Consistency checks of the provided information. APQC uses specific survey design principles to identify and catch typical survey participation errors.

- **Statistical Validation**
  - APQC employs the Interquartile Range (IQR) method to establish upper and lower bounds to establish a range of acceptable values. Metric values that fall outside of the established range are flagged for further investigation by the analyst.
  - The analyst may leverage multiple peer groups for comparison in determination of the significance of any outlier against peers with similar industry, size, and regional characteristics.
  - Data elements are then identified as potential outlier factors in statistical outlier metric values. The analyst makes a determination as to the outlier factor’s comparative nature to data elements unlikely to result in statistical outlier metric values.
Validation reports are provided once first round validation is completed by the analyst.

An email will be sent to the point of contact established in the assessment that provides a link to the validation file.

Submitter must update identified data, confirm existing data, and return the updated file to the APQC cloud space.

- **NOTE:** Updated data can only be provided in the validation file. All other formats will be ignored. This allows for accurate tracking of all updates made.

Updates are recorded in the database and those changes are re-validated.

Once validation is completed, a final report will be generated.
Both OSB and RPA reports contain your responses in metric form and compares those responses to the OSB database

- **Metrics**
  - List of metrics aligned to the assessment completed
    - Metrics that are missing answer components, or failed validation will have N/R for a response
    - Peer groups that do not have a sufficient N count for a metric will return an N/A value

- **Peer Groups**
  - All Participants – the entire database
  - Industry – the industry peer group the NIACS Code fall into
  - Entity Size – the revenue range relative to the business entity
  - Region – the geographic location relative to the business entity country

- **Your Organization’s Metric Value**
  - These are the values derived from the responses provided in the assessment

- **N**
  - Number of metrics within the dataset for a peer group

- **Bottom Performer, Median, Top Performer**
  - Value of a metric at the 25th, 50th, and 75th percentiles of the peer group dataset, respectively

- **Gap**
  - The gap between your organization’s response and the Top Performer (75%) data point for a given metric

- **Your Percentile**
  - Where your response lands within the dataset for a peer group expressed as a percentage

A link to the final report will be sent via email