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International Observatory Of Management Control

2014 Results

Which activities? Which processes?

Which methods? Which systems?

FOREWORD

DFCG is proud to share with you the 4th edition of the International Observatory of Management Control, in partnership with the consulting firm *Decision Performance Conseil*.

This observatory, published in French and in English, is now embracing 30 nationalities, continuously enlarging. Supported by results and analysis, the international scope provides to our readers a universal insight on management control best practices.

Beyond the basics of the profession to serve management and performance, the evolution highlighted in this observatory reflects the acceleration of decision making processes and the constant need for adaptability. In the current economical and geopolitical context with the more demanding time factor, companies look for greater and renewed reactivity and agility.

An important learning, that deserves particular attention, is the wish to rationalize and simplify reporting metrics, privileging more relevant indicators, where decision is based on quality. In the “Big Data” era, facing the challenge of large volume of information, management control must stand its ground and must take advantage of it. The massive inflow should translate into appropriate decision supporting information thanks to extremely subtle analysis. Business Intelligence become business analytics, management controllers become business analysts.

Finally, the observatory emphasizes this need for improvement in terms of methods and tools. These assessments are opportunities for the management control profession, which must adapt and evolve, like many other professions. The profession should avoid taking the risk of not being anymore at the core of the management and business performance analysis. Management control isn’t only about financials, but also about human resources, taxes and environment.

I wish to say a special word of thanks to the work-group and its Chairman, Frédéric DOCHE, co-chairman of the DFCG “Management Control and Decision Support” commission, as well as to all interviewed colleagues who contributed to this observatory.

Through this observatory, DFCG provides an important and valuable contribution to IAFEI in gathering Finance and Administration managers all over the world.

Thanks again to all of you for this 4th edition. We hope it to be pleasant and instructive for all our readers.

Truly yours,

Thierry LUTHI
DFCG Chairman

THE WORKING GROUP

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Chairman of DFCG Scientific Committee
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PRESENTATION OF INTERNATIONAL OBSERVATORY OF MANAGEMENT CONTROL

The International Observatory of Management Control has been launched at the end of 2010 by the DFCG (*Association Nationale des Directeurs Financiers et de Contrôle de Gestion*, the French Financial Association) in partnership with the consulting firm *Décision Performance Conseil.*

The purpose of this observatory is to get a better understanding of the activities, processes and methods used by management controllers all over the world.

In the current crisis environment, management control is becoming more central in the company: it is expected to make the link between operational management and the company's performance, to improve the company's flexibility in an ever-changing environment, and to support innovation on fast-moving markets.

Using an online survey of respondents of 31 different citizenships, relayed by partnering associations, the 2014 Observatory workgroup has examined various management control practices. The workgroup did assessments and compared them with prior year results. Finally, the workgroup prepared a complete analysis of practices and trends in the Management Control profession across the world.

The results of prior year's editions aroused great interest and were included in several presentations and publications. The 2014 conclusions are presented as well, notably during the IAFEI worldwide congress in Philippines and DFCG "Financium" congress.

The workgroup, chaired by Frederic DOCHE, co-chairman of the DFCG "Management Control and Decision Support" commission and chairman and founder of *Décision Performance Conseil*, wished to illustrate its analysis by testimonies of senior professionals in Management Controlling positions. We would like to thank all those who accepted an interview for their time and their valuable contribution to help us make this 2014 edition more dynamic and more meaningful.

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And obviously, DFCG in France.

FINDINGS SUMMARY

The DFCG's International Observatory of Management Control (IOMC), in partnership with the consulting firm *Décision Performance Conseil* and the management school ESSCA are presenting the results of their study for the fourth year running

Representing 31 nationalities, the study confirms its international dimension. All categories of companies are represented: respondents are working in small, intermediate and large firms and in all industries. The 2013 findings regarding the enduring economic crisis is confirmed: the 2014 panel includes twice as many companies facing stagnation or declining revenues compared to 2011. The respondent's profiles are quite similar to prior years, although proportionally the study shows a more important participation of women and young professionals. This year, the profile description has been completed with an analysis of differences in educational background across the geographical areas.

In a tense economical context for most of them, a majority of companies continues to work on improving their performance management. We find a greater focus on the management control of their core business, even if, for some of them, too much time is dedicated to reporting, planning and budgeting while losing sometimes momentum with operational staff, which is considered to be the key value adding activity. The process analysis highlights a significant number of companies that simplified their indicators and fastened their forecast process, and expresses a clear need for simplification and continuous efficiency improvements (cf. Process chapter). Discrepancies are still to be noticed, depending on company size, industry and citizenship.

In terms of methodology, we notice this year again the preponderance of benchmarking, used by 72% of the respondents. While this method is mostly used by growing businesses, companies facing downfall privilege other methods, such as Zero Based Budgeting (ZBB, cf. Methodology chapter).

As far as performance management systems are concerned, the leading tools are easy to use and require not a lot of investment, Microsoft Excel is ranking first. Projects aiming at system evolution or re-engineering are not on the agenda of 50% of the companies which increases frustration. It seems that the digital era and related powerful and flexible solutions are not yet as widely disseminated as for other functions.

Nevertheless, the innovation plot is brighter on the radar-screen of efficiency profile in 2013 compared to 2014. Where companies have managed to challenge the status-quo in management control practices, it mostly happens through the implementation of new methodologies (ZBB) and prioritization of daily activities but rarely through information systems improvement. It is noticed that innovation is showing a high score particularly thanks to American companies but that there are discrepancies again across geographical areas and industries (Cf. Efficiency chapter).

Whatever their profile is in the typological analysis (controlled, proactive, agile or regulated), companies tend to align their practices: re-enforcement of control and the structuring of the organization, opening up to transverse tools, involvement of all stakeholders in the performance management. It appears that the best performing companies are using 3 levers: adaptability or reactivity of the structure, involvement of stakeholders in the management processes and finally strategic vision. (Cf. Typology chapter).

KEY FIGURES

72% of the companies are using Benchmarking

31 countries answered the survey

+38% points of respondents using simplified indicators in reporting

48% of the companies are not satisfied with their current MIS

+ 5% points in the use of BSC (Balanced Scorecard)

Twice as many companies publish their reports within 5 days after closing date

60% use of cash flow indicators in the budget and forecast

+9% points of respondents have implemented Rolling Forecast

2 PROFILE

A population of companies generally similar to 2013

A renewed international dynamics:
31 nationalities in 2014 (compared to 27 in 2013)

An ever present **economic crisis**: twice as many companies with stagnating or declining turnover between 2011 and 2014

A population of **more experienced** respondents, open to young professionals & women

2 major development models in function of the observed geographic areas and a clear trend towards the internationalization of recruitment

A RENEWED INTERNATIONAL DYNAMICS

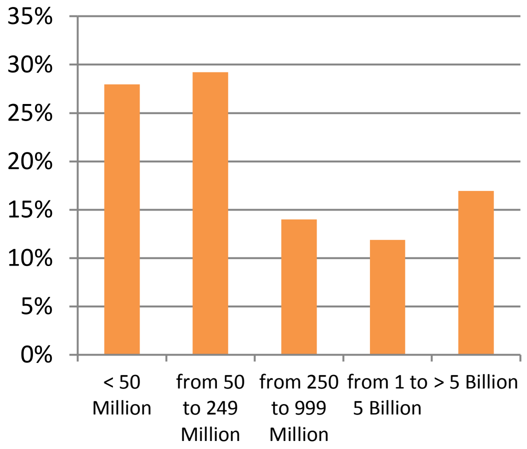
The population of respondent companies diversified: 31 different nationalities in 2014 compared to 21 in 2011. We can notice that companies set up in the East and the South of Europe or in Arabic countries did join the panel this year. The study keeps its international dynamics.

A PANEL OF COMPANIES GENERALLY SIMILAR TO 2013

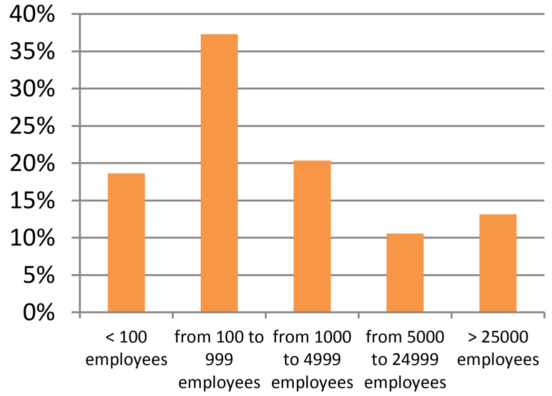
Companies are issued from all business sectors but seem to be generally similar in terms of size of turnover, of status (listed or not) and in terms of head counts. Small and middle sized companies remain mainly represented: in 2014 like in 2013 71% of them are showing a turnover lower than 1 million euros.

The proportion of the small companies (turnover<50 million USD) is quite consistent: 28% of the panel in 2014 compared to 29% in 2013.

Sizes by turnover in EUR (2014)



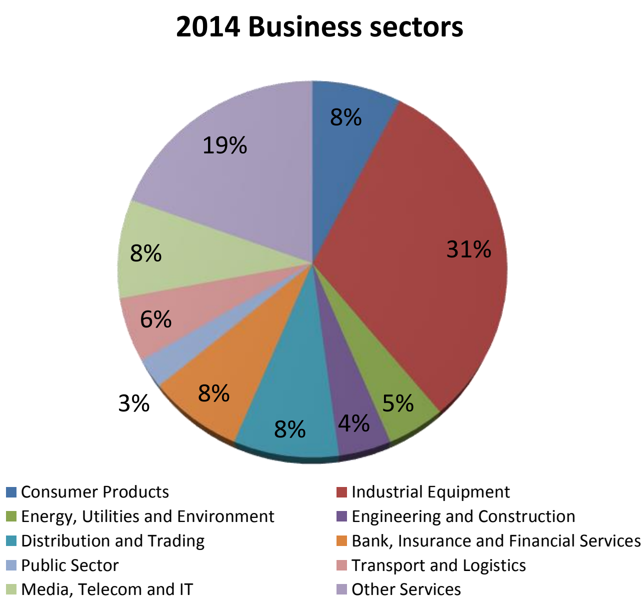
Sizes by head count (2014)



In terms of staff strength, 56% of the respondents, in 2014 similar to 2013, are counting less than 1000 employees.

The representation of companies regarding their staff strength remain consistent too. All sizes are represented.

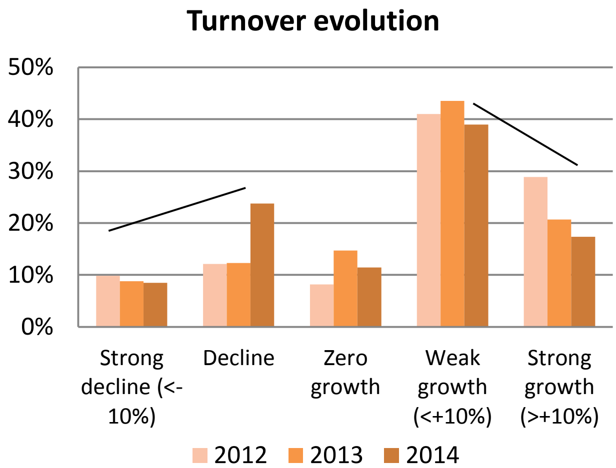
The panel of companies is also well represented in all business sectors



AN INCREASING IMPACT OF THE ECONOMICAL CRISIS

Even if a majority of the respondents have still been in a growing period, their percentage highly decreased compared to the previous years. From 70% in 2012 decreasing to 56 % in 2014.

Moreover the part of declining companies is increasing with about 10 points between 2012 and 2014 (from 22% to 32%).



A MORE EXPERIMENTED CONTROLLERS' PANEL INCLUDING YOUNG PEOPLE AND WOMEN

The respondents are better experimented (64%of the panel have got more than 10 years of experience in their job in 2014 compared to 60% in 2011). The controllers population becomes nevertheless younger (5% of less than 30 years old in 2011 compared to 9% in 2014). Women are better represented: + 8 points during the same period (from 22% to 30% of the respondents).

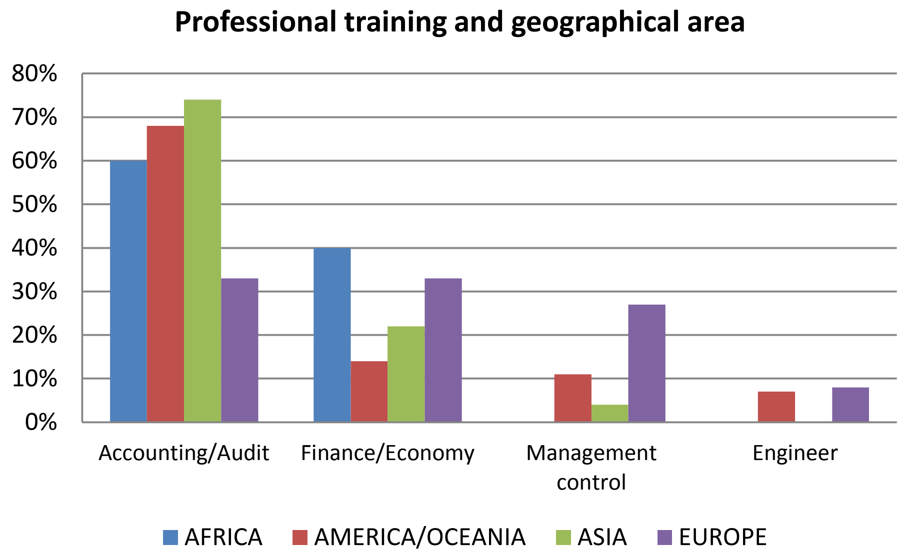
A REPRESENTATIVE PART OF YOUNG CONTROLLERS (LESS THAN 30 YEARS OLD) +4 % POINTS BETWEEN 2011 AND

30% of respondents are **WOMEN**

TWO MAIN MODELS OF PROFESSIONAL TRAINING APPEAR LINKED TO THE GEOGRAPHICAL AREA AND THE RECRUITMENT IS GLOBALIZED

The analysis of the first-degree training of the respondents shows that two main models exist according their geographical area:

- A western training model (Europe and America/Oceania) which is based upon a financial and accounting training in a majority but which allows a true diversity of the first-degree diploma (engineers can become controllers) and specialization (the role of a first-degree course specialized in management control is particularly clear in Europe).
- The model of the emerging countries which today allows the access to the management control function only to the people who have a diploma in accounting/audit or finance/economics.



A more detailed analysis of the recruitment flows at the international level (by crossing the respondent's nationality and his(her) firm nationality) allows to understand the strength of the gobalization process for the Management Control Function.

European societies hire Europeans in 95% of the cases. Asian firms also mainly recruit Asian people (75% of the cases), but are opened up to professionals from all other continents (among the remaining 25%, 10% come from Africa, 10% from Europe and 5% from America/Oceania). Firms from the America/ Oceania and Africa areas have a deversified recruitment: 35% of their controllers come from Asia – 6%- or Europe-29%. African firms hire the half of their controllers from Europe-17% or Asia – 33%.

Nevertherless Africa and America may be unsimilar: the variety of the controllers' origins can be the result of a strategy (international implementation with a local hiring) or the result of the scarcity of the local competencies in both areas.

3 Activities

Coordination of business activities hardly increased: **23%** of spent time

Reporting, planning, budgeting and forecasting are still the main activities

Close coordination with the general manager

More coordination with business functions in period of growth

Activities covered by our multi-national panel include: reporting, planning, budgeting, variance analyses, forecasting, business reviews, coordination with operational functions, information systems and internal control.

The international observatory of management control has also been analyzing whether the results change between activity sectors, the profile of the controller or the size of the company.

In addition to the usual controller's scope of activities, this panel explains the expectations in terms of management, added value and support to the management.

REPORTING, PLANNING, BUDGETING AND FORECASTING ARE STILL THE MAIN ACTIVITIES

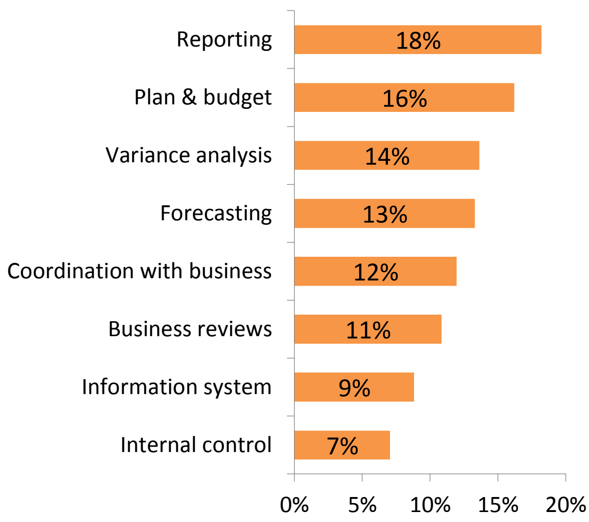
As in previous years, reporting, planning, budgeting, forecasting and variance analysis are the core business. They represent more than 60% of controller's working time.

After many years of evolution, the separation of activities remains stable.

Time spent remains stable by activities compared to previous years, with a slight increase in variance analysis and reporting.

There are nevertheless differences by regions: more time spent on operations coordination and reporting in Europe, more business reviews in Asia.

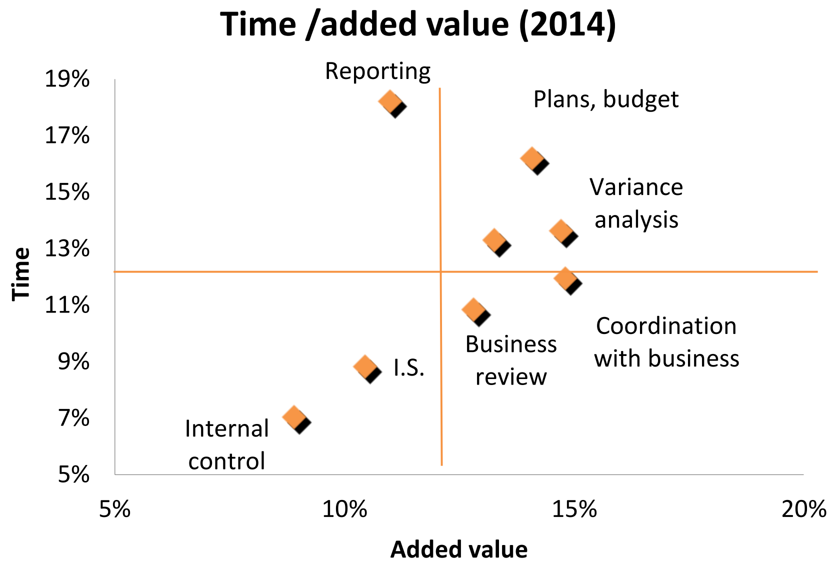
Time spent on activities (2014)



COORDINATION WITH BUSINESS ACTIVITIES HARDLY IMPROVES: 23% OF SPENT TIME

At the top of added value, we find coordination with operations, thereby linking to business and strategy.

However, time spent on coordination and business reviews hardly progresses (23% in 2014 compared to 21% in 2013)…



Links between time spent and added value have been studied for each activity:

- Plan & budget, variance analysis and forecasting ratios are well balanced. A lot of time for a high added value.
- Coordination with operations and to a lower extent business review have a high added value for a shorter time spent.
- On the contrary, reporting is time consuming for a weak added value.
- Finally, internal control and information system are neglected by controllers.

Time has been better correlated to added value than in 2013, especially on business review and reporting.

Controller's activities are better balanced every year. Concentration on core business is developing well even if too much time is spent on reporting, plan & budget.

Activities repartition is the same according to the experience level and area of activity of the controller. Directors are concentrated on budget and forecasting, supporting strategy elaboration.

"We shift from a centralized controlling to an organization modeled on the group governance, meaning one team by executive committee member, physically located by them: I want controllers to be their business partners"

Sébastien Martineau, CFO, Haulotte group

MORE COORDINATION WITH BUSINESS FUNCTIONS IN PERIOD OF GROWTH

When studying respondents activities some differences arise with the growth of the business and status (listed or not).

Controllers activities according to the growth
Important discrepancies appear when we compare activities against economic situations. In a period of economic development, internal control and information system become significant roles in their day to day tasks and vice versa when declining. Based on this evidence, we can wonder if the health of a company is a good basis for internal control and information system, or if it is a source of development.

Turnover development		Turnover decrease	
Internal control **+42%**	⬆	Forecasting **+27%**	⬆
Information system **+ 26%**	⬆	Information system **-26%**	⬇
Reporting **+14**% as average	⬆	Internal control **-42%**	⬇
Coordination with business **+ 5%**	⬆		
Forecasting **-5%**	⬇		

"Controllers, who must be a good communicator, able to explain finance messages, is instrumental in helping operational staff to adapt themselves"

Sébastien Martineau, CFO, Haulotte group

Is internal control different from other functions? Even if the time spent on internal control is limited in comparison to other tasks, the time still varies in relation with turnover trends. Are we looking to better manage growth and trying to prepare the company's future by understanding its fundamentals?

Controllers' activities depend on the operating environment. We always request more than an explanation from the controller within a context of decreasing margin and turnover.

To a smaller extent, reporting and coordination with operations appears to only concern companies which show an increasing activity. We also understand the importance of reforecasting within a difficult economic context to anticipate the results and correct management decisions.

"Our reporting is produced by our Consolidation Team. This allows us to only spend 10 to 15% of our time in Reporting and concentrate on increasing our performance in the company"

Caroline BLAISE, Group Controlling Director, Addisseo

These facts lead us to think that in addition to the main activities, controllers in periods of growth are able to spend more time on coordination, internal control and information system. However, in situations of decreasing turnover and margin, controllers prioritize reporting and forecasting to support management business reviews.

Controllers activities against company status (listed or not)

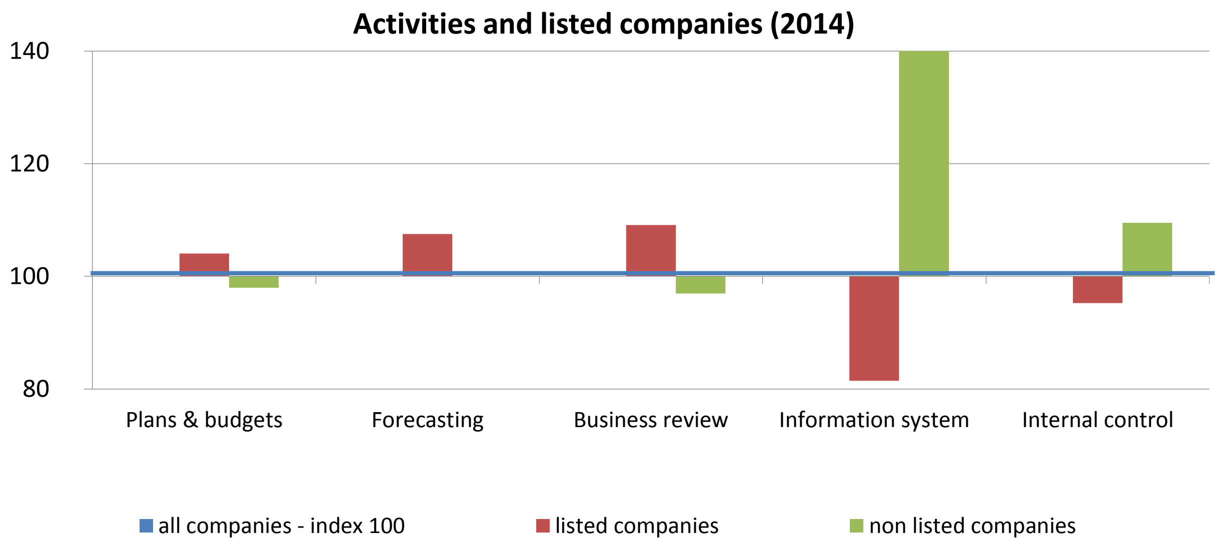
Time spent on reporting is the same for all companies. But planning, budget, variance analysis forecasting and business review are dominant.

These facts are explained by a legal mandatory reporting and financial communication.

Within listed companies, controllers spend less time on information system and internal control, often assumed by dedicated services.

Within non listed companies, they work closer to the average panel. Only information system is more important.

Time dedicated to coordination with operations is the same for all companies, increasing compared to previous year.



A FUNCTION CLOSE TO TOP MANAGERS

One aim of the analysis is to observe which functions controller interacts.

First of all, the closest functions are general management, accounting and finance. Then come information system, commerce and production.

Interactions are less significant with logistics and marketing. Quality, security, environment, R&D and legal department are far from controller's scope.

Controller collaborates with all departments within finance and operations.

> *"The management controller must provide the board a representation of reality. Like a mirror, this representation of reality must be stable so that managers make it their own. In addition, he also have to check occasionally blind spots where no one is looking"*

Edward PORTET, Head of Management Control, EURAZEO

4 PROCESSES

79% of the companies are using strategic and operational plans

Quick and steady increase of the use of rolling forecasts (**+19%** compared to 2012)

Forecast processes are shortened and faster for all the companies and more frequent in the USA compared to the European zone.

The deletion of indicators in the reporting has increased from **3%** to **41%** in 2014

Over **60%** of the companies are using Working Capital Requirement and Cash-Flow indicators in their forecast processes (+20% compared to 2011)

The analysis of processes highlights the evolution of how companies deal with their different forecast processes (strategic and operational plans, budget, rolling forecast) using, amongst others, the following criteria: frequency, allocated time, planning window, transparency, implication of the operational staff. Moreover, it gives an analysis of the evolution of the indicators used by the companies in their forecasting and reporting processes: income statement, working capital requirement, cash-flow, HR, environmental and social...

There is a relative stability in 2014 regarding the use of strategic and operational plans with a relatively high average utilization rate of 79%.

Nevertheless, this year's edition confirms the increasing use of rolling forecasts which is much more widespread in the United States (+20%) than in the European zone, with a higher frequency (monthly rather than quarterly).

A striking point of this study is the observation of a certain commitment of the companies towards the simplification of their forecast processes, through the reduction of indicators in their reporting for example, showing a focus on enhanced performances.

Finally, there is a noteworthy inversion of trends compared to 2013 concerning the transparency of processes with a better communication towards the operational teams, especially regarding strategic and operational plan data.

79% OF THE COMPANIES ARE USING STRATEGIC AND OPERATIONAL PLANS

Concerning the use of Strategic and Operational plans, there is no major change, 81% of the companies (88% in 2013) are producing a Strategic plan, of which 69% do it annually, and 78% are producing an Operational Plan (84% in 2013) of which 90% annually.

A BUDGET PROCESS TAKES LESS THAN 3 MONTHS IN 73% OF THE CASES

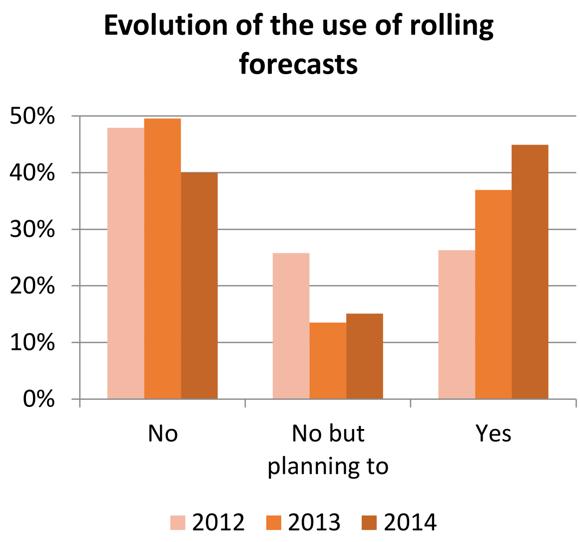
Strategic plans are used in the medium-term; in fact 60% of them cover a period of 3 to 5 years and 29% of less than 3 years. On the other hand, Operational Plans are used in the short-term, only 18% of them covering a period of 3 to 5 years and 79% of less than 3 years. These plans are produced in average in less than 3 months: 74% for the Strategic plans, 84% for the Operational Plans.

The budget becomes faster to produce: 73% of them in less than 3 months. We also notice that their level of detail is decreasing. Additionally, 78% of them are integrated in long-term processes and the decreasing number of monthly budgets (54%) is noteworthy.

QUICK AND STEADY INCREASE OF THE USE OF ROLLING FORECASTS

Since 2012, there is a steady increase of the number of companies using a rolling forecast (+19% compared to 2012).

This process is equally used by large companies (Turnover>1 billion EUR) and small companies (Turnover<250M EUR), even though small companies are the most willing to use it when they currently do not (67%). From a geographic point of view, over 60% of the North American companies use it against only 39% of the European companies. From a business point of view: banking and transportation sectors do not use rolling forecasts as much as industrial and services sectors

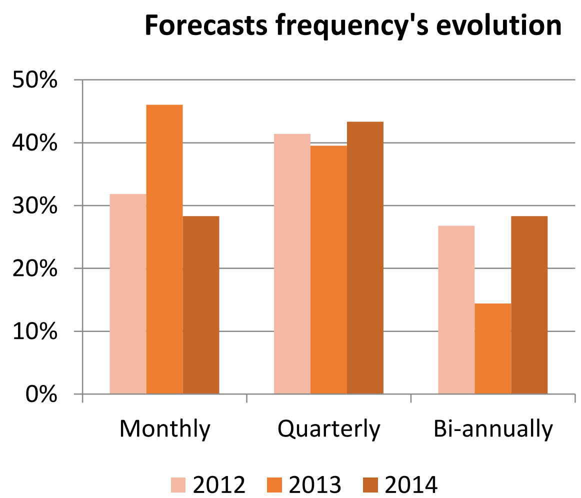


FORECAST PROCESSES ARE FASTER

For 64% of the respondents, the main quality and added-value of a forecast is its capacity to quickly generate alerts in order to implement a corrective action plan.

The results of this 2014 study are finally rather similar to those of the 2012 study. Compared to 2013, we notice a decrease of 17% of the number of companies producing a monthly reforecast, with a shift towards biannual reforecasts (+14% compared to 2013)

From a geographic point of view, about 50 % of North America companies are producing



monthly reforecasts, while European companies rather reforecast on a quarterly (42%) or even biannual frequency (29%).

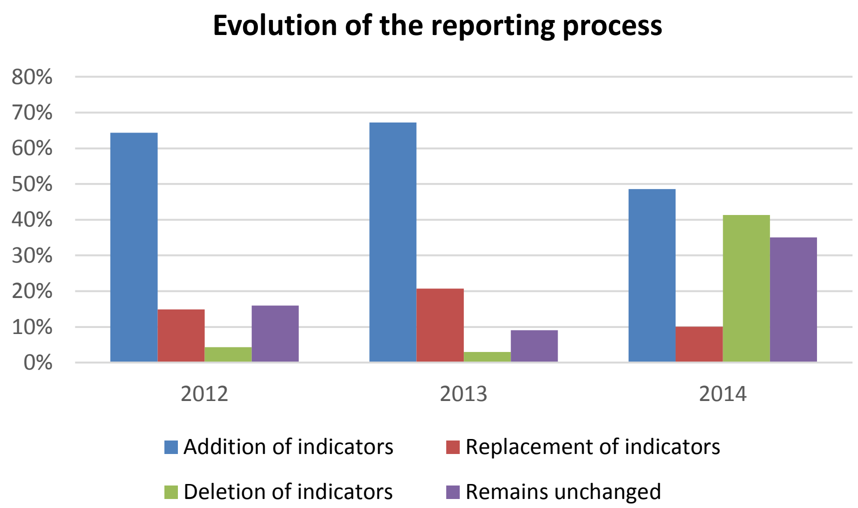
In 70% of the cases, a forecast process takes no more than 2 weeks. The length of the process is not related to the size of the company neither to its turnover's evolution. Interestingly enough, North American companies spend less time on a forecast (61% less than one week) than European companies (only 38% less than one week).

"In fact, our system was over-detailed and we were losing the helicopter view"

Peter LLEWELLYN-DAVIES, CFO, Medigene

THE DELETION OF INDICATORS IN THE REPORTING HAS INCREASED FROM 3% TO 41%

Regarding the analysis of the processes' evolution, there are two striking points: the simplification and focus on enhanced performances. The evolution of the indicators used in the reporting is reflective of these two observations: while since 2012, almost 70% of the companies were adding indicators to their reporting, nowadays they are less than 50%. In fact, they are now over 40% (3% in 2013 and 4% in 2012) to delete indicators from their reporting and 35% to keep them unchanged. Also, 88% of the reporting is published beyond 5 days.



There is a link between the evolution of the turnover and the utilization of indicators: companies with weak growth tend to add indicators to their reporting whereas those entering a decline phase or with no growth, tend to delete indicators. These observations are valid regardless of the sector or the nationality of the company.

There is a downward trend regarding the implication of the operational staff concerning the strategic plan and the forecast processes, which could be due to the financial aspect of the process.

70% OF THE FORECASTS ARE PRODUCED IN THE FORTNIGHT

In 2013, the trends as to the transparency were downwards on the majority of the processes. In 2014 however, a better communication is observed and reflected by the fact that 65% of the respondents consider to have a clear visibility of the Strategic plan and 70% on the Operational Plan. The average perceived transparency rate of forecast processes shows at 70% (+5%).

The budget continues to be the most transparent process for over 75% of the companies compared to the forecast processes (75% for the Operational Plan and 65% for the Strategic plan).

The transparency gap between the operational plan and the budget, developed in the 2013 study, had been associated to a decreasing implication of the operational staff in the monitoring of the company performance. However, in this 2014 study, the decrease of this gap noticed illustrates a commitment of the companies to better raise awareness among each operational team. The average operational staff's implication rate is at 83% (-6%).

OVER 60% OF THE COMPANIES ARE USING WCR AND CASH-FLOW INDICATORS

In 2014, the trends are stable: 91% of the companies are using the income statements (IS) for their budget (90% in 2013). There is a really slight decrease of the use of WCR and CF indicators going down from 68% in 2013 to 62%. This decrease is to be regarded compared to the overall increase of 14% since 2011 (48%). The Strategic plan and Operational Plan show similar trends.

Regarding the frequency of publication of these indicators, 76% of the IS are monthly whereas 54% of the CF and 34% of the WCR are published annually.

There is no relevant difference in the use of indicators between the reporting and the forecast. The financial, operational and HR indicators remain the most used, in majority on a monthly basis. Strategic and market indicators are less used, and at different frequencies. Sustainable development and social indicators remain the less used indicators, with an annual frequency.

> *"Risk assessment is a key component of these planning exercises. External factors (environmental rules, political stability, social regulations) are assessed and factored in the plans"*

Lolot Manigsaca, Finance Director, Greenstone Resources Corporation – Phillipines

5 METHODOLOGIES

Increasing usage of our observed methodologies : from 68% in 2013 to 75% in 2014

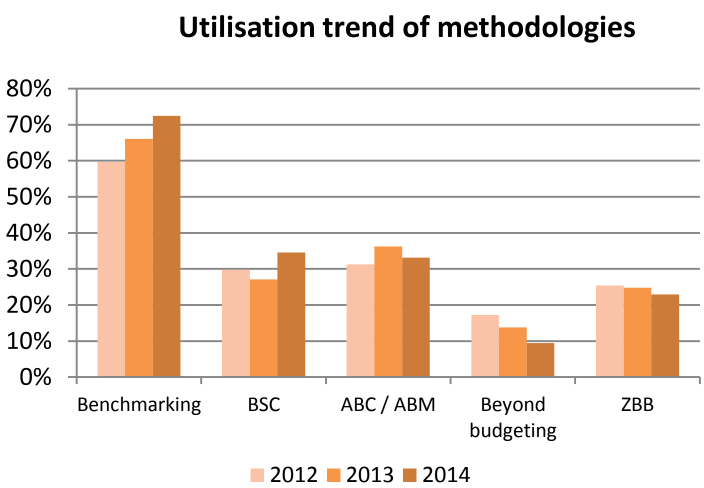
Benchmarking remains the most utilized and popular methodology

Zero Based Budgeting (ZBB) is greatly solicited by companies without growth or in decline.

Our usual dashboards, analytical methodologies or classical reporting principles, taking into consideration mainly financial or cost elements, are no longer adapted to the needs of our companies today. Companies need to be able to react quicker to competitors, keep a global and strategic vision and focus on efficient decision making tools.
We offer a definition of the different types of methodologies used and an analysis of their usage in function of the sector, size and growth of the company.
We observed that most companies increasingly use these methodologies, while Benchmarking remains the most frequently used by our respondents.
Companies performing at a weak growth rate seem to have a preference for the methodologies *Beyond Budgeting* and *Zero Based Budgeting* (ZBB). In times of crisis and economic downturn, these methodologies effectively allow to forget the past and focus on value creating items.

INCREASING USAGE OF OUR OBSERVED METHODOLOGIES: FROM 68% IN 2013 TO 75% IN 2014.

2014 confirms the increasing usage of our observed methodologies. 75% in 2014 compared to 68% in 2013.

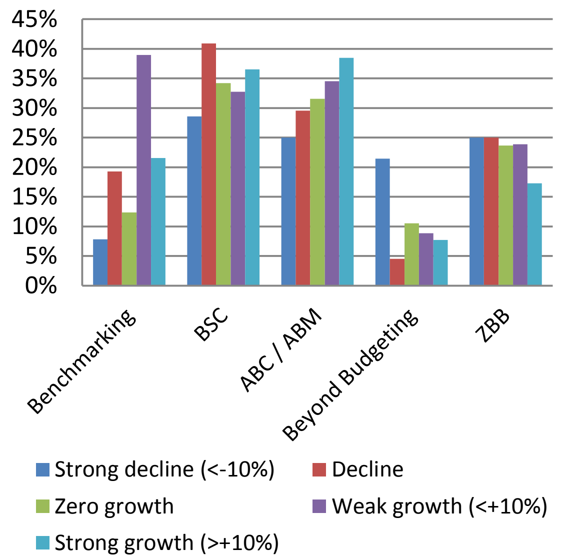


Benchmarking remains the most utilized methodology, at a rate of 72%, in constant progress since 2011.
The methodologies *Balanced Scorecard* (BSC) and *Activity Based Costing / Activity Based Management* (ABC/ABM) are at a comparable level: 33 and 35 %. The methodology *Zero Base Budgeting* (ZBB) is considered to be the most utilized methodology in times of economic crisis, and remains a stable usage level of 25% since 2012. However, *Beyond Budgeting* loses 5 points of usage compared to 2013 and now shows its lowest level at 9% of utilization.

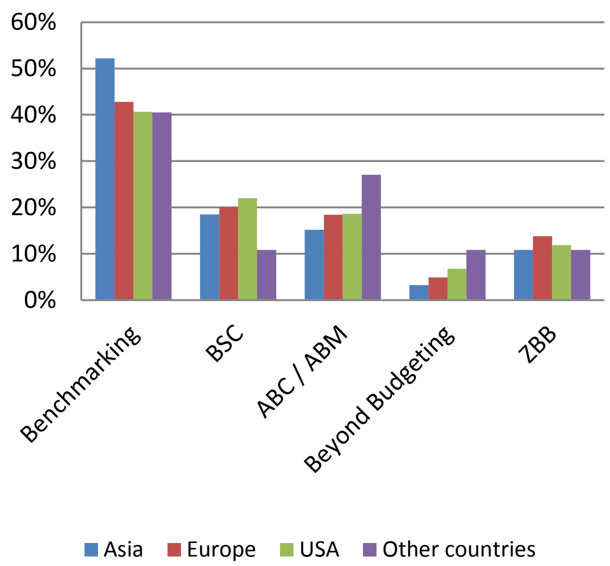
There is a certain level of homogeneity in the use of the different methodologies in function of the turnover level. Benchmarking is used by 40% of our respondents, regardless of the size of the company. The same applies to the methodologies BSC or ABC/ABM which average a 20% utilization rate. We observe however a slight disparity for *Beyond Budgeting*, which is the less utilized method by our respondents. Mainly the smaller companies of less than 50 million USD turnover seem to capitalize most on this methodology.

Some differences are to be reported depending on the economic situation of the company. Growing companies have a clear preference for the methodologies Benchmarking, BSC and ABC/ABM. The methodologies *Beyond Budgeting* and ZBB are used more frequently by companies with a stagnating or declining evolution.

Utilization of the methodologies following the company's growth pattern



Geographic utilization levels



With regards to geographic utilization levels, the results remain quite comparable. It should be noted that the preferred methodology in Asia is Benchmarking, rated at 52%. The same applies to the Middle East (Other countries) for the utilization level of Benchmarking, and this region also has an important preference for ABC/ABM at a 50% usage level. The methodology Beyond Budgeting remains at a low utilization level.
Europe and the USA are at a comparable level with regards to the utilization of the different methodologies.

BENCHMARKING REMAINS THE MOST UTILIZED AND POPULAR METHODOLOGY

Benchmarking is a method which consists of a relative measure of performance by comparison with a group of actors of the same economic sector (external benchmark) or with a functional or operational division that is either identical or similar (internal benchmark).

It allows a company to compare itself to the "leaders" of the market, to build on their ideas, practices, operations and experience in such a way that the internal practices are improving.

"We are the apostles of benchmarking: we compare all stores per region, while correcting for seasonal or market fluctuations"

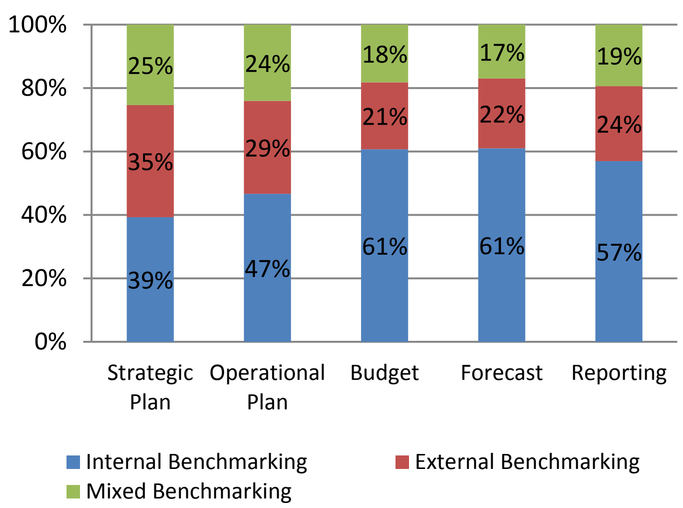
François Surbled, CFO of Jeff De Bruges

The use of benchmarking in general (external, internal or mixed) is steadily increasing: 53% in 2011, 66% in 2012, 66% in 2013 and 72% in 2014. The utilization rate remains high in all areas of activity between 50 and 80%

Disparities in use by industry have increased. The difference between the minimum and maximum utilization rate is 40 points (90% Media-Telecom / Energy & Water 50%) while it was only 21 points in 2013 (Energy &Water 50% / Industry 71%)

The use of benchmarking remains mainly mixed, meaning a combination between internal and external benchmarking.

Benchmarking type per process



Internal benchmarking is clearly leading and showing a strong growth: 52% in 2014 against 44% in 2013. It is particularly used during the budget process (61%) and reporting (57%). Conversely, external benchmarking is widely used in the process of strategic plan or operational planning.

THE BALANCED SCORECARD (BSC)

The BSC method: "I do not use it in an orthodox manner: it is mainly a way to "demystify" the monthly financial information"

David Soulat, CFO of ORECA

The BSC methodology allows to measure the operational efficiency of the company in terms of its strategic goals set in 4 areas: Finance, Customer, internal processes, organizational learning. It is also a control instrument. It is a suitable tool to improve change management within companies through the introduction of "physical indicators, indicators not produced by the company, environmental indicators or transverse indicators".

The utilization of the BSC methodology has increased compared to 2013 (+5 points), in the majority of the observed sectors. Its use appears to be predominant in the construction sector (40%). It decreases in the industry sector from 41% in 2013 to 32% in 2014.

The users of BSC in 2014 mostly opted for a simple version of the method with a limited number of indicators (1 through 5) (67% in 2014 against 57% in 2013). Users of over 20 indicators are rare (less than 5%). We see that the greatest number of indicators is used on the Finance axis.

"The indicators of our Balanced Scorecard are the outcome of our ISO certification process, led by the executive committee: they cover a much wider scope than the financial performance"

Matthieu Givelet, CFO of Ensto Novexia

ACTIVITY BASED COSTING / ACTIVITY BASED MANAGEMENT (ABC/ABM)

The ABC/ABM method is a performance management methodology to understand the cost structure and the causes of their variations. It aims to improve the principle of cost allocation, in order to improve the definition and calculation of the cost of final products and services. A conventional analytical approach considers that a product or service is made up of components; in a systemic approach of the ABC method, the product or service is considered as the result of a process (aggregation of activities).

The needs in terms of analysis and responsiveness, and therefore real time reporting, become strategic. This is why the new management methods, mainly the ABC/ABM method (Activity Based Costing/Activity Based Management), are fully adapted to those new approaches and as such allow an analysis of 4 components: process, cost control, identification of malfunctions, improvement of the overall efficiency.
The ABC/ABM methodology loses 3 points and moves from 36% in 2013 to 33% in 2014. Howevern this method shows progress in the industry sector (+ 4 points), construction sector (9 points) and other services (22 points).

"We have developed an ABC model on the costs of our information systems. It is used for the rebilling of these costs to user's departments"

Jean Sanlaville – FP&A Director - Air France – KLM

BEYOND BUDGETING = DELETE YOUR BUDGET!!

Since several years, the concept of a budget is quite widely criticized. Some view it as a brake on innovation, other consider it to be an uncorrelated tool or contrary to the company’s strategy...
This concept of a budget has not completely disappeared though. Rather, it was reformulated "Beyond Budgeting - Beyond the Budget"! The resources that were initially allocated exclusively to the latter, were redistributed to the development of performance measurement tools and new dashboards: Balanced Scorecard, steering indicators based on management variables, "related" indicators (benchmark with the competition), strategic scoring of investments within a portfolio...

This complex method does not seem to find its followers. Its utilization rate continues to decline (- 5 points) and moves to 9% in total.

ZERO BASED BUDGETING (ZBB)

The procedure of the "Zero Based Budgeting" methodology is based on the principle that nothing is ever acquired. The renewal of a budget from one year to another is excluded in principle. Each expense must be justified. We cut out the different functions in decision-making units, each headed by a manager who should establish its own budget proposals, taking their forecasts into account. The projects can be alternative (choose in this case a project among several) or complementary (different projects that can all be put in place). The use of this method remains broadly stable at around 25%.

Its evolution is very heterogeneous in terms of business sectors. It is a preferred methodology in sectors that experience temporary difficulties. This methodology allows questioning the assumptions of budget calculation that were previously chosen, and works on new bases that should improve the value creation of each approached project.

The utilization of the ZBB methodology as a recurring method is clearly confirmed this year. In 2014, 56% of our respondents claim to use it, against only 28% in 2013.

The application scope of the method globally spreads to the overall business of the company (48%), or specifically to a particular activity (40%). A small proportion of users of ZBB only apply it to the corporate headquarters (12%).

6 Management Information System

Excel remains the main tool for 56% of the respondents

The Corporate Headquarter chooses the MIS in **69%** of the companies

Only 1 out of 2 companies has MIS projects scheduled

48% of the respondents are unsatisfied with their MIS (+4 points since 2013)

Management Information Systems play a key role in companies' decision-making processes. Facing the challenges of globalization, new technologies, more competitive business environments, Finance Directors and Controllers need to be able to count on reliable predictive indicators and data, within shorter terms.

Management information systems represent a real opportunity for value creation, to optimize processes and organizations. Market players and new digital technologies provide companies with more powerful, flexible and complexe solutions.

Today, in a sluggish economy, investments in this area are scarce. The Group and the operational players fall back on more flexible and less expensive tools for simple activities; ERP is then preferred for other more complex activities.

After automation of the main treatments, they manage with the tools available to them and, in 50% of the cases, do not plan to change within the next two years.

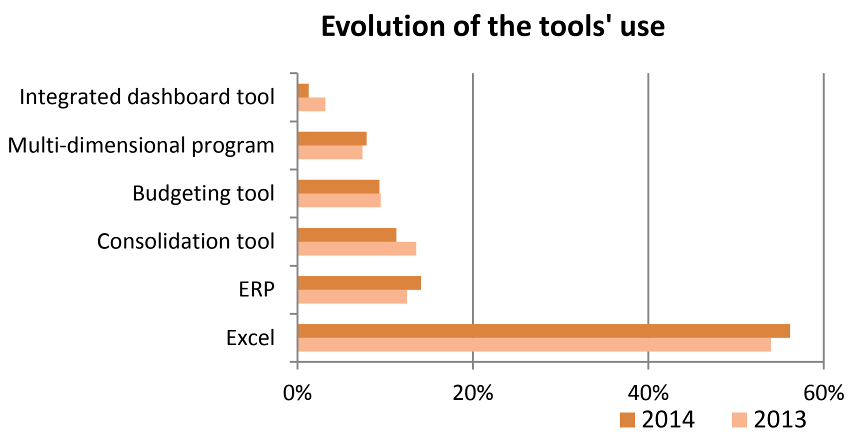
EXCEL REMAINS THE MAIN TOOL FOR 56% OF THE RESPONDENTS

The distribution of the use of MIS tools doesn't significantly move in 2014. Excel remains widely used by CFOs and Controllers, and even shows a slight progress.

"Finding a way to recover the data to aggregate and analyze in a spreadsheet has become an old habit around the company"

Philippe Saramito, CFO of HEXAGON, Swedish group of industrial metrology

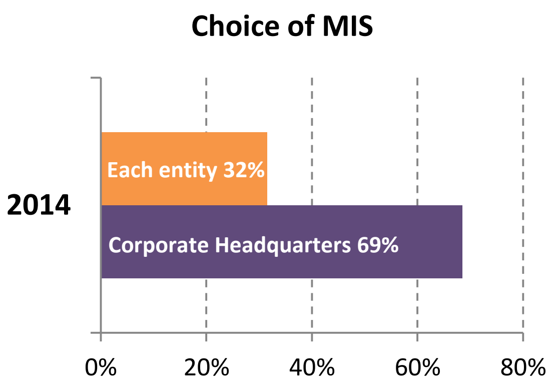
71% of the respondents used it for at least one of their activities; and 56% of the companies confirm that they are using Excel in all activities. It seems that Excel remains THE tool for building plans, budgets or forecasts. No geographic difference can be noted with regards of the usage of this tool



Although far behind Excel, ERP is second of the tools used by the management controllers and CFOs. Businesses use ERP mainly for reporting, budgeting and forecasting.

THE CORPORATE HEADQUARTER CHOOSES THE MIS IN 69% OF THE COMPANIES

The choice of MIS remains the privilege of the group's corporate headquarters, steady around 70% since 2012. North American countries are however more directive (92%) than European ones (66%), confirming a stronger corporate culture in these countries.
Listed companies grant a higher importance to the company's choices in Information Systems.



DISSATISFACTION TOWARDS MIS IS INCREASING AND APPROACHES 50%

48% of the respondents are unsatisfied with their MIS (+4 points since 2013)

Beyond the economic environment which could have an influence on MIS quality, companies are rather satisfied with the efficiency of their tools, their investigation capabilities and their upstream interconnections with other systems. One company out of 2 has automated at least 75% of the data integration.

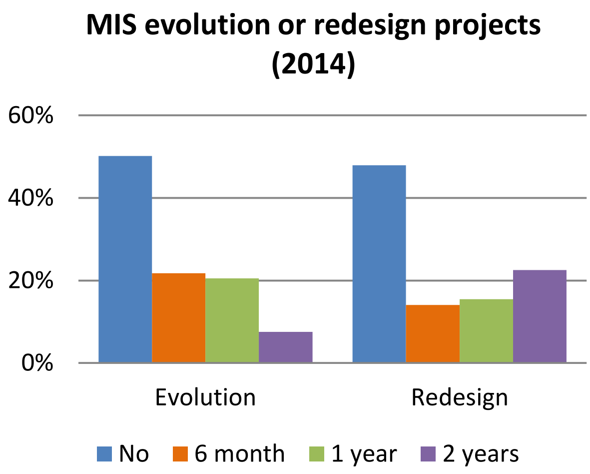
The past year's trend has acknowledged a slight breakage, despite a strong improvement of North American companies (75%) counterbalanced by a strong dissatisfaction in Asia (68%), especially in Japan.

ONLY 1 OUT OF 2 COMPANIES HAS MIS PROJECTS SCHEDULED

One would have expected to see more MIS projects, which could have increased MIS satisfaction. The graph below confirms that a majority of the respondents has not scheduled any evolution or redesign of existing systems.

This tendency appears since several years. Only 1 out of 4 companies consider a redesign. The launch of such a project is conditioned not only by budgets but also human and organizational constraints.

Mainly listed companies, who evolve in more frequent difficult economic contexts, decide not to redesign. They postpone their project by 6 months or 1 year, or give up on them.



"To face the challenge of a crisis, we had to review and adapt our MIS tools, with reactivity as a first priority. The MIS has been chosen in this context, prioritizing the simplicity, usage frequency (Excel) and the quick adoption rate of our users"

Sébastien Martineau, CFO of Haulotte.

7 EFFICIENCY

Innovation is back and **strategic vision** is strengthening

Asia remains the geography of best practices

Consumer goods represent the most efficient industry sector.

This year we found relevant to reduce to six the number of axes meant to assess the level of financial organizations' efficiency: agility/adaptability, innovation/strategic vision, transparency/participation.

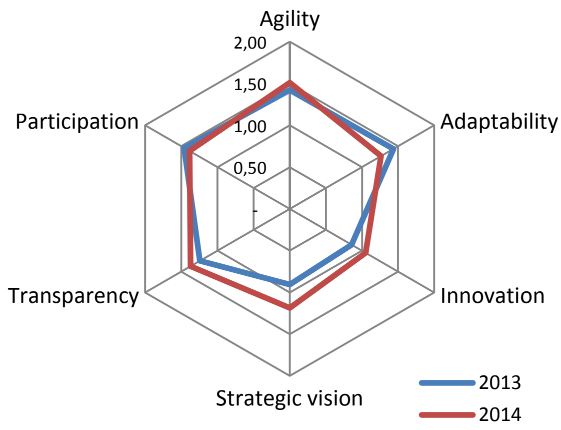
- **Agility**: make the relevant information available in a timely manner. Looking at the duration of the process, the frequency and the nature of the forecasting cycle, the reporting timelines and the flexibility of the current information systems should allow us to measure the level of agility of any organization.
- **Adaptability**: referring to controlling practices which, while limiting internal constraints, could lead to optimal efficacy using appropriate tools. This is measured through the implementation of a system of key performance indicators, the presence of an integrated management controlling system and of a certain level of autonomy in the day-to-day management of controlling tools.
- **Innovation**: challenging the status quo of existing controlling practices and tools. The level of innovation is assessed by looking at the implementation of new methodologies (e.g. Zero Based Budgeting) and the constant evaluation of existing and future information systems.
- **Strategic vision**: going beyond the budgeting exercise and proactively anticipating safeguarding of the company's future. This is measured through the level of intensity and the frequency of the forecasting and strategic planning processes along with the nature of the selected indicators.
- **Transparency**: guaranteeing a broader access to financial information within the company to share more efficiently what is at stake. Ensuring increased visibility on both budgets and pairs' forecasting assumptions is a key component when following that goal. The interaction of the controlling function with other functional departments of the company is also creating more transparency.
- **Participation**: walking away from centralized and hierarchical practices to include all stakeholders contributing to the company's performance. The strength of the participative model is determined by the level of inclusion of operational teams in the forecasting process as well as their involvement in the planning cycle.

These 6 axes are regrouped in 3 sub-groups allowing us to analyze controlling practices while defining their efficiency profiles.

2014 VERSUS 2013: INNOVATION IS BACK AND STRATEGIC VISION IS STRENGTHENING

Both strategic vision and innovation profiles are significantly growing compared to the 2013 inquiry (respectively +30.7 % and +22.8 % vs. 2013). However, these two axes are still scoring below the other ones (1.18 for Strategic Vision and 1.05 for Innovation vs. 1.29 on average in 2014). Controlling practices remain as agile and participative but don't evolve significantly. The adaptability criteria is the only one showing a significant year-on-year decrease (-11.8% vs.2013).

Compared to last year, efficiency profiles are very similar across companies regardless of their respective economic situation or their equity structure (listed/non listed). Nevertheless, in 2014 the efficiency profile of middle-sized companies did strongly converge with those of big companies. Could this mean that middle-sized companies assimilate big companies' methods and tools in order to drive change and growth?



EFFICIENCY PROFILES PER GEOGRAPHY

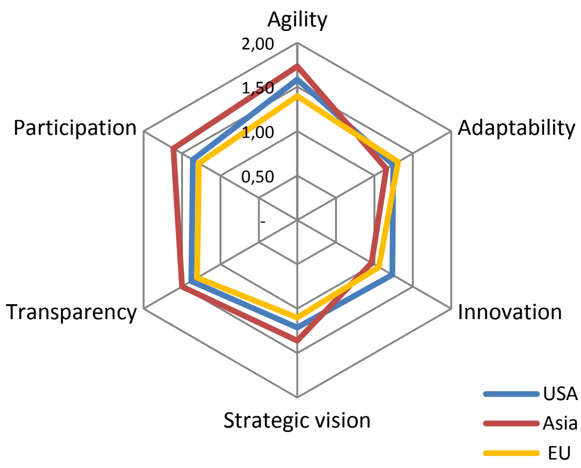
The most efficient practices are different across geographies/continents. Europe seems to lag behind on the majority of the axes except on adaptability. Conversely, Asia is taking the lead on most of them. The only weakness of Asia is innovation.

Asian companies are relatively more agile than others. The main drivers are shorter reporting deadlines, more systematic use of ISR indicators and the willingness to deploy shared service centers more systematically.

Also, their practices are more transparent because the controlling function is interacting with more supporting functions (especially Legal) and is using more intensively benchmarking methodologies.

Finally, Asian companies are more participative as the operational teams are much more included in the strategic planning process than in other geographies.

Focusing on Europe and more particularly on France and Germany, we notice that efficiency profiles are very similar to each other with the exception of the Innovation criteria. In fact, German controllers are working with more advanced tools than their French counterparts. ERP systems are more intensively used to develop budgets and plans (more than 50% of the German companies are equipped with advanced budgeting tools vs. around 30% in France).



EFFICIENCY OF CONTROLLING PRACTICES PER INDUSTRY SECTOR

Two industry sectors have been chosen to highlight the extreme at both ends of the controlling practices: Consumer goods for having the higher efficiency rating and Building & Engineering for scoring at the lowest end. The average representing all industry sectors' contribution is also shown on the graph below.

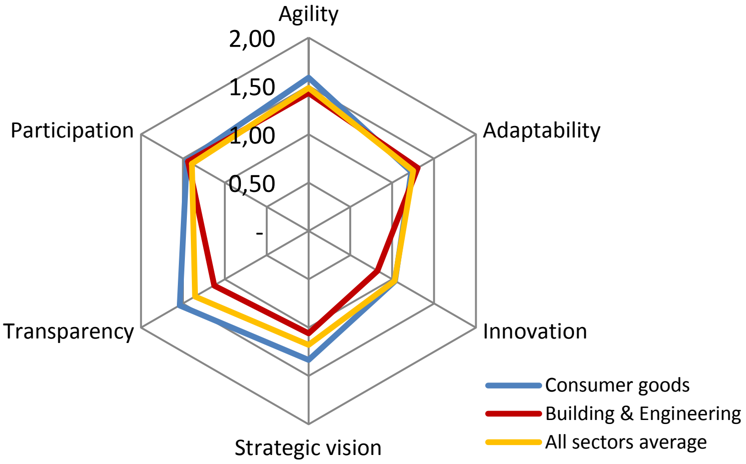
The most significant differences appear on the Transparency, the Innovation and the Strategic Vision profiles.

On the Transparency axis, the high rating of Consumer goods companies is driven by their participative approach of the strategic plan process.

On the Strategic vision axis, more than 85% of the Consumer goods companies are using key strategic indicators in order to develop their reforecasting assumptions. In the Building & Engineering sector this is true for only 50% of the respondents. Furthermore, the first mentioned sector is mobilizing a much greater number of key indicators during the strategic planning process, contributing greatly to the high score on this axis.

When looking at the Innovation axis, the Energy & Utilities sector is at its best. Through the intense implementation and extensive use of decision-making tools this industry sector is in a leading position compared to others.

Finally, on the three other axes, there are only slight and almost inexistent variations between industry sectors.



8 TOWARDS A TYPOLOGY OF CONTROLLING PRACTICES

Companies giving priority to flexibility seem to be more dynamic

To be performant, companies are used to acting on three key factors: organizational flexibility, staff's involvement in management process and strategic vision.

Companies tend to have the same practices all over the world: they strengthen their controlling activities; they try hard to structure their organization; they adopt transverse tools and facilitate staff's mobilization in management process.

As every year, we led a typological analysis on the surveyed population. This analysis allowed us to highlight four typical organization profiles according to the characteristics of the companies we got in touch with, the activities of finance – control function or the processes, methodologies and management systems that are used.

We should note that the 2014 typology is close to previous classifications. Like in 2012 and 2013, the differences do not come from the economic or financial health of the firm, its size, its nationality and its international opening. They concern the practices such as the degree of control of the structure, the level of managers' involvement and the place of the finance – control function in the organization and the propensity of the companies to use new tools. This year, four profiles are clearly identified: "the Controlled firms" (28%), "the Proactive firms" (24%), "the Agile firms" (25%), "the Regulated firms" (23%).

Business sector	1 Controlled companies (28%)	2 Proactive companies (24%)	3 Agile companies (25%)	4 Regulated Companies (23%)
Strength	- Controlling and risk management - Cash management - Transparency - Managers' involvement in operational plan	- Plan and budget - Finance function - sales management interaction - Project management control - Managers' involvement in budget	- Finance function – IS function interaction - Strategic and operational plan process time - Re-forecasts: frequency and process time, managers' involvement	- Plan and budget - Finance function - internal audit interaction - Transparency - Diversity of indicators
Weakness	- Budget process time - Managers' involvement in strategic plan and re-forecasts	- Internal control and risk management	- Managers' involvement in strategic plan	- Working with operational departments - Strategic plan frequency and process time
Size	Small and medium sized companies	Big firms	Medium sized companies and big firms	Medium sized companies and big firms
Growth	Weak growth	Weak decrease => weak growth	Weak decrease => strong growth	Weak decrease => strong growth

CLASS 1 – "THE CONTROLLED FIRMS" (28%)

Main profile: medium-size and domestic companies …

Class 1 is mainly represented by small and medium-size firms that employ between 0 and 999 people and whose turn-over is lower than €249 million. Specialized in manufacturing equipment, media, telecom and IT, these organizations that are located in France or in the USA, are slightly growing even if their turn-over abroad is weak.

Attributes of the finance function: priority to controlling activities…

It is in the class 1 that the finance department by focusing on reporting is the least involved in forecasts and forecasts updates. In the future, the companies that belong to this family will give the priority to internal control and risk management. The other activities in which our respondents are (or might soon be) involved are calculation and updating of accruals in addition to cash forecasts. In this category where control over operations is crucial (which characterizes the members of this class), with an emphasis on cash reporting more than anywhere else, the finance function especially interacts with top management and internal audit function.

Business practices of the class 1 may be considered as traditional and rather less "agile": a strategic plan whose frequency is generally greater than one year; a budget whose process time is three months in average; forecast updates only twice a year; a very low managers' mobilization in the strategic plan but strong in operational plan and budget; a strong visibility on peers' operational activity; a predominance of financial indicators in the overall management process. The companies of this class do use internal benchmarking, balanced scorecard and BBZ; as for the plan, budget, forecasts and reporting, they mainly use the spreadsheet.

CLASS 2 – "THE PROACTIVE FIRMS" (24%)

Main profile: large and internationalized companies…

We find in class 2 very large firms (in comparison with the rest of the sample) with a turn-over topping €5 billion and up to 25,000 employees. Less diversified than the other classes, this family is composed of French or foreign entities specialized in industrial equipment and other services and that seem more impacted by the economic crisis despite a stronger opening to the world.

Attributes of the finance function: priority to strategic planning…

This class 2 dedicates most of its time to budget. In the future, the companies that belong to this family will give the priority to internal control and risk management which is not for the moment the main activity. The other activities in which our respondents are involved in are HR reporting and management control of project (in other terms innovation). In this category, in addition to top management, the finance function especially interacts with sales management.

Business practices of the class 2 may be considered as proactive and forward-looking, which leads to facilitate managers' empowerment: an annual strategic plan; a budget whose process time is one year; quarterly forecast updates; a medium managers' involvement in the strategic planning but strong in operational planning and very strong in budgeting; a strong visibility on peers' strategic and operational activity; a predominance of operational and financial indicators in the overall management. The companies of this class do use internal and external benchmarking (sign of openness) and balanced scorecard; as for the planning, budgeting, forecast updates and reporting, they do not hesitate to use transverse and multidimensional tools.

CLASS 3 – "THE AGILE FIRMS" (25%)

Main profile: diverse companies, big and small and growing…

The class 3 is composed of medium-size to large-size companies whose revenue ranges from €50 million to less than €5 billion and staff between 100 and 24,999 employees. Specialized in industrial equipment and consumer goods, these European firms, open or not very open to the world, are growing.

Attributes of the finance function: flexibility and well-structured organization…

It is in the class 3 that the finance department, by focusing on reporting, is the least involved in information systems (likely because information system managers, who are used to interacting with finance function, have already implemented adapted tools leading to an automation of the tasks). In the future, the companies that belong to this family will give the priority to internal control and risk management (similar to class 1). The other activity in which our respondents are (or might soon be) involved is calculation and updating of accruals. In this category where reactivity and agility characterize the firms, the finance function especially interacts with top management (in addition to the information system managers).

In the class 3, firms are "agile": a strategic plan whose frequency is annual; a budget whose process time is one month; forecast updates every month and that require one week; a strong mobilization of managers in operational plan, budget and forecast updates; a strong visibility on peers' strategic and operational activity; many different types of indicators (financial, operational, HR). The companies of this class do use both internal and external benchmarking and balanced scorecard; as for the planning, budgeting, forecast updates and reporting, they use transverse and multidimensional tools.

CLASS 4 – "THE REGULATED FIRMS" (23%)

Main profile: large companies, diversified and successful…

The class 4 is composed of medium-size to large-size companies whose revenue ranges from €250 million to more than €5 billion and staff between 1,000 and more than 25,000 employees. Specialized in industrial equipment, media, telecom, IT and other services, these firms, among which most come from Asia, more or less open to the world and are showing a slight or a strong increase in business.

Attributes of the finance function: regulation and rules…

It is in the class 4 that the finance department, by focusing on planning and budgeting, is the least involved in managers' mobilization (likely because managers are already educated on management process or are used to following strict procedures). In the future, the companies that belong to this family will give the priority to planning and budgeting. The other activity in which our respondents are (or might soon be) involved is management's control of projects. In this category where rules and procedures are essential, the financial function especially interacts with the internal audit function and legal services.

In the class 4, firms are "transparent" (which likely damages reactivity): a strategic plan whose frequency is annual or less frequent; a budget whose process time is one month; forecast updates every quarter and that require several weeks; a strong mobilization of the managers in strategic and operational plan, budget and forecast updates; a strong visibility in particular on peers' strategic activity; many different types of indicators. The companies of this class do use both internal and external benchmarking; as for the plan, budget, forecast updates and reporting, they use the spreadsheet.

FOCUS ON SIMILAR AND DIVERGING ELEMENTS

The 2014 typology shows common characteristics and diverging elements within the sample:

- All the firms experienced different consequences to the economic downturn even if the gaps tend to be reduced: while the firms from class 1, 3 and 4 ("the Controlled firms", "the Agile firms", "the Regulated firms") seem to resist (small to high revenue increase), big firms from class 2 ("the Proactive firms") tend to suffer more from the crisis. Indeed the latter cannot profit from an increase in international operations. Here is something we had already pointed out in 2012 and 2013: size and export activities are not necessarily synonymous of success.

- If our cluster analysis does not allow to know if the nationality or the business sector, for example, are factors of performance, let us precise that the most dynamic firms of the sample are those whose approach is more proactive (frequency and time dedicated to forecast updates, process time of budget). Furthermore, according to the class, managers' involvement in forecast updates is not the same: weak or medium in class 1 and class 2 ("the Controlled firms" and "the Proactive firms"), this mobilization is strong in class 3 and in class 4 ("the Agile firms" and "the Regulated firms").

- In addition to top management, the functions with which the finance function interacts most vary according to the classes: internal audit function in class 1 and in class 4; sales management in class 2; information systems management in class 3; legal services in class 4.

- In terms of activities, all the firms do not have the same priorities: if some choose to attribute importance to reporting (class 1 and class 3), others keep their focus on planning and budgeting (class 2 and class 4). All the companies do not use the same indicators or the same management tools: some use transverse and multidimensional tools for planning, budgeting, forecasting updates and reporting when others use the spreadsheet.

As the previous years, the 2014 typology highlights families much more homogeneous and discriminatory. Nevertheless, it is interesting to note similar elements regardless of the class, the firm or the geographical area we are studying:

- Overall, the activities in which the finance function-control devotes most of its time are similar to four classes (plans and budgets and internal reporting). The first three families are also heavily involved in internal control and risk management. Uncertainty in the markets likely leads companies to implement or to strengthen their monitoring system and risk coverage.

- Managers' involvement in management process (planning, budgeting) is rather homogeneous according the classes identified: if the managers' mobilization in strategic and operational plan remains medium or weak in most companies, it is medium to strong in budgeting. Visibility on peers' activity is strong in all the families.

- Whatever the class, companies tend to use the same tools (benchmarking, balanced scorecard) which confirm the phenomenon we have already observed during the previous studies: a homogenization in the management practices.

Companies' profile

	Class #1 (28%) "The CONTROLLED firms"	Class #2 (24%) "The PROACTIVE firms"	Class #3 (25%) "The AGILE firms"	Class #4 (23%) "The REGULATED firms"
Turnover	From 0 to 249 million € From small to medium-size companies	More than 5 billion € Big firms	From 50 million € to less than 5 billion € From medium-size companies to big firms	From 250 million € to more than 5 billion € From medium-size companies to big firms
Turnover evolution	Weak growth	From weak decrease* to weak growth	From weak growth to strong growth*	From weak growth to strong growth
Staff	From 0 to 999 employees	From 5,000 to more than 25,000 employees	From 100 to less than 24,999 employees	From 1,000 to more than 25,000 employees
Activity sector	Industrial equipment Media, telecom and IT Other services	Industrial equipment Other services	**Industrial equipment*** Consumer goods	Industrial equipment **Media, telecom and IT*** Other services
Geographical area	France United States	**France*** **United States***	Europe	**Asia***
Turnover evolution abroad (turn-over achieved abroad)	**Weak*** From 0% to 10%	**Strong*** From 21% to 80%	From weak to rather strong From 0% to 80%	From weak to rather strong From 0% to 80%

Activities of finance and management control function

	Class #1 (28%) "The CONTROLLED firms"	Class #2 (24%) "The PROACTIVE firms"	Class #3 (25%) "The AGILE firms"	Class #4 (23%) "The REGULATED firms"
Activities to which management control function devotes most time	Reporting (+) Forecasts and forecast updates (-) Information system (-)	Plan and budget (+) Internal control and risk management (-)	Reporting (+) Information system (-)	Plan and budget (+) Managers' mobilization (-)
Future activities	Internal control and risk management (+) Information system (-)	Internal control and risk management (+) Information system (-)	Internal control and risk management (+) Information system (-)	Plan and budget (+) Forecasts and forecast updates (-) Information system (-)
Other activities in which management control function *is* or *will be* heavily involved	Calculation and updating of accruals Cash forecasts	HR reporting Management of control of project	Calculation and updating of accruals	Management of control of project
Functions with which finance function interacts	Top management Internal audit function - internal control function	Top management Sales management	Top management Information system management	Internal audit function - internal control function Legal services

Processes - methodologies and management systems (1)

	Class #1 (28%) "The CONTROLLED firms"	Class #2 (24%) "The PROACTIVE firms"	Class #3 (25%) "The AGILE firms"	Class #4 (23%) "The REGULATED firms"
Strategic plan: frequency	Annual and less frequent	Annual	Annual	**Annual and less frequent**
Strategic plan: process time	One month	From one month to three months	One month	**Three months**
Operational plan: frequency	Annual	Annual	Annual	Annual
Operational plan: process time	One month	Two months	From one to two months	From two months to three months
Budget: process time	**From one month to three months**	One month	One month	One month
Budget: granularity	Month	Month	Month	**Month** **Year**
Forecast updates: frequency	Twice a year	Every quarter	**Every month**	Every quarter
Time devoted to forecast updates	Less than one week From one to two weeks	From one to two weeks	**Less than one week**	Between one and two weeks More than two weeks
Strategic plan: managers' mobilization	**No mobilization**	Average	Average	**From average to strong**
Operational plan: managers' mobilization	**From average to strong**	Rather strong	Rather strong	Rather strong
Budget: managers' mobilization	Strong	**Very strong**	Strong	**Very strong**
Forecast updates: managers' mobilization	**Weak**	Average	**Strong**	**Strong**

Processes - methodologies and management systems (2)

Visibility on peers' activities	Strategic plan: strong **Operational plan: very strong** **Budget: very strong** **Forecast updates: very strong**	Strategic plan: strong Operational plan: strong Budget: strong Forecast updates: strong	Strategic plan: strong Operational plan: strong Budget: strong Forecast updates: strong	**Strategic plan: very strong** Operational plan: strong Budget: strong Forecast updates: strong
Indicators used (reporting and forecast updates)	Financial indicators	Financial indicators Operational indicators	Financial indicators Operational indicators HR indicators	Strategic / market / competitiveness indicators Financial indicators Operational indicators HR indicators
Benchmarking	**Internal benchmarking** (budget and reporting)	Internal benchmarking (plan, budget, forecast updates, reporting) and external benchmarking (plan)	Internal benchmarking (plan, budget, forecast updates, reporting) and external benchmarking (plan)	Internal benchmarking (plan, budget, forecast updates, reporting) and external benchmarking (plan)
Management tools more used	**BSC and BBZ** In the future: ABC	BSC In the future: ABC	BSC In the future: ABC	**Other tools**
Using of management tools	. **Plan**: spreadsheet . **Budget**: spreadsheet . **Forecast updates**: spreadsheet . **Reporting**: spreadsheet and consolidation tool	. **Plan**: spreadsheet and consolidation tool . **Budget**: spreadsheet, budgeting tool, consolidation tool . **Forecast updates**: spreadsheet and budgeting tool . **Reporting** : outil multidimensionnel et ERP	. **Plan**: spreadsheet and consolidation tool . **Budget**: spreadsheet and ERP . Forecast updates: spreadsheet and ERP . **Reporting**: spreadsheet, consolidation tool and ERP	. **Plan**: spreadsheet . **Budget**: spreadsheet . **Forecast updates**: spreadsheet . **Reporting**: spreadsheet
Main profile	**Agility - flexibility (-)**	**Innovation - strategic vision**	**Agility - flexibility (+)**	**Transparency - participation (+)**

(*) Means that the item especially characterizes the class