

Benchmarking & Diagnostics

A glass globe with a world map is placed on a laptop keyboard. A stethoscope is also visible on the keyboard. The background is a dark teal color with a diagonal light blue stripe.

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Introduction to
Benchmarking &
Diagnostics
Research

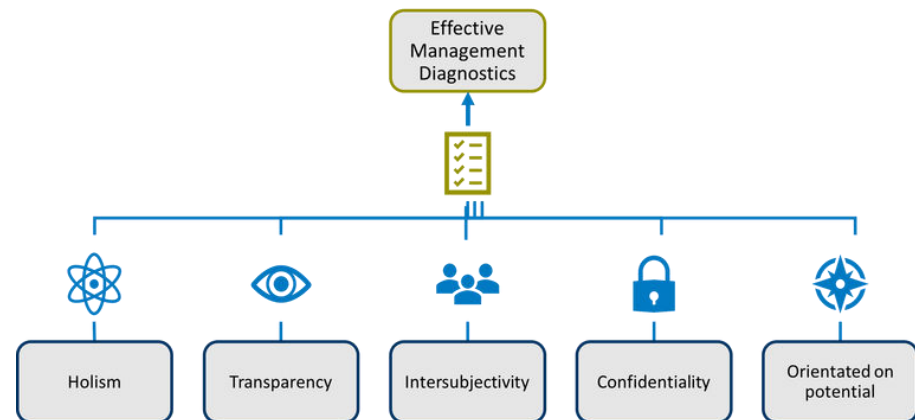
Business Diagnostics

In today's competitive business environment, organisations face challenges that require continuous assessment and adjustment to remain successful.

Business diagnostics is a systematic approach used to analyse and evaluate various aspects of a company's operations, gaining valuable operational insights, identifying areas for improvement, and developing strategies for sustainable growth.

Benefits of Winmark diagnostics include:

- Enhanced decision-making
- Increased efficiency and productivity
- Improved financial performance
- Enhanced customer satisfaction
- Effective strategic planning
- Organisational alignment



Embracing business diagnostics as a continuous improvement tool enables organisations to adapt to changing market conditions, seize opportunities, and stay ahead of competitors.

Winmark Diagnostics Suite (“The D-Suite”)

Organisation & Department Diagnostic

Thorough assessment of a Department’s performance. Benchmarks the perspective of internal clients and provides evidence-based analysis on performance

Diversity & Social Mobility (EPIC) Diagnostics

Uniquely looks at the full breadth of diversity, addressing the biggest career blocker – social economic background (SEB)

Regulatory Diagnostics

Provides independent assurance that regulatory obligations are being met, identifying risks and opportunities.

Financial Benchmarking

Enables organisations to benchmark their financial (costs and spend) and resourcing plans.

Contents

- **Diagnostics**

- Organisation & Department Diagnostics
- Diversity & Social Mobility (EPIC) Diagnostics
- Regulatory Diagnostics

- **Benchmarking**

- Financial Benchmarking

Benefits of Organisation & Department Diagnostics

The diagnostic can be deployed for a single department or across the organisation. It has five fundamental benefits, as it enables the leadership team to:

- Set a **Business Standard** across the entire department
- **Benchmark Performance** both internally and externally
- Identify issues and **Set Priorities** aligned to the business need
- Commence internal planning and enables **Optimal Resource Allocation**
- Build a **High Performance Team** with the right skills and behaviours

“The HR Department Diagnostic is well structured and gives business leaders a real opportunity to comment on what they want from HR and how they are performing.”



Sue Boxall
Managing Partner at
Global HR Consulting
Former CHRO at Lundin,
De Beers & Element Six

Department Report & Awards

The Department Diagnostic enables department leaders to measure the performance of their departments against a Global Standard and when successful to be awarded the prestigious World Class, Global Star or National Star Department award. Responses are anonymised in line with the MRS codes of conduct, ensuring a true, rigorous and independent viewpoint and report.



How Departments use Diagnostics

*“We initially used the Winmark diagnostic tool to help us understand **how we were performing** and whether or not the Department’s **priorities were aligned with the business**.*

*This formed part of a strategic **plan to reframe the relationship** between the Department and the business. Two years later we re-ran the Winmark diagnostic tool and saw a **demonstrable positive shift in the alignment** between the Department and the business.*

*Having reliable data from the Winmark diagnostic tool has been a **valuable part of measuring improvement** in the Department’s service delivery, as well as **validating the approach and strategic direction** of the Department.”*



Nick Hartigan, Kier Group plc



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Benefits of the EPIC Diversity Diagnostic

Diagnostic Benefits

- Holistic and transparent view of the organisation
- Knowledge of areas of strength and weakness
- Understanding what people want and the challenges faced
- Knowing where you are on the journey to belonging
- Knowing whether your organisation does enable social mobility
- FCA Reporting Compliance

Impact of Diagnostic

- Knowing where to focus attention across the breadth of diversity
- Ability to lead on diversity and close social mobility gaps
- A better performing organisation

“Social class is a better determinant of your success in an organisation than ethnicity or disability.”



Mushtaq Khan
Chief Executive Officer
Housing Diversity Network (HDN)

Winmark EPIC Diversity Model



Compliance with FCA D&I reporting standards

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Utilises insights from world leading C-Suite and CHRO Winmark Members



HM Government

Utilises standard Government identity options



Focuses on the main barrier to Progression & Social Mobility = SEB

Thinking Ahead Institute

An innovation network founded by WTW

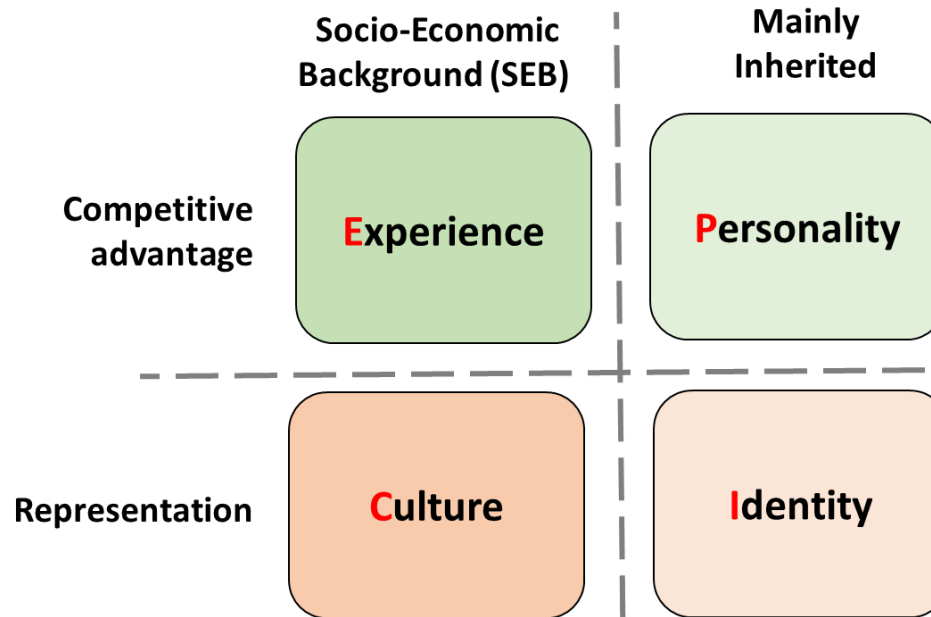
Builds on thought leadership research conducted by think tanks



HARVARD UNIVERSITY

Utilises the Big Five personality traits, known as **OCEAN**:

- **O** Openness to experience
- **C** Conscientiousness
- **E** Extraversion
- **A** Agreeableness
- **N** Neuroticism



E

Experience

Education, roles, level, reward, experience

P

Personality

O Openness
C Conscientiousness
E Extraversion
A Agreeableness
N Neuroticism

I

Identity

Gender, ethnicity, age, disability, sexuality, health

C

Culture

Home, family, partnership, caring, belief

EPIC Sample Report

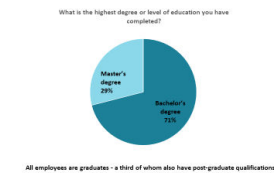
Socio-economic background (SEB) has the strongest effect on progression, compared to any other characteristic. (KPMG) EPIC is the only Diagnostic addressing this.

Executive Summary

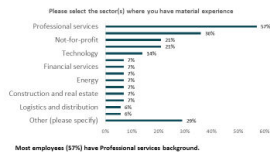
	Score out of 10	Areas to consider and address
Personality	9.2	Excellent Score - Congratulations
Identity	8.6	There are currently no employees aged over 60 and males are in a minority.
Culture	8.6	The proportions of employees educated at state school and from a non-university family background are below the UK average.
Experience	7.5	The proportion of non-graduates is below the UK average global average, and individuals from a Professional Services background dominate.
SEB	7.7	Can recruiting efforts include candidates whose culture and experience are state-school and/or non-university?
Belonging	7.2	Employees generally agree that teams are sufficiently diverse and that the firm promotes diversity in the business. However, it would be useful to increase visibility of recruiting efforts that promote diversity and to ensure staff feel they can talk about their background without being judged.

Experience

Education, function and sector background



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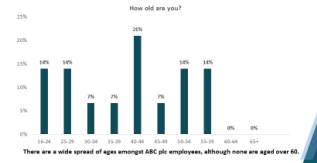
Identity

Age, gender, ethnicity

Ethnicity	% of employees
English / Welsh / Scottish / Northern Irish / British	29%
Chinese	7%
European	7%
Indian	7%
Irish descent	7%
Middle European	7%
Romanian	7%
Vietnamese	7%
White	7%
White and Caribbean	7%
White and Turkish Cypriot	7%

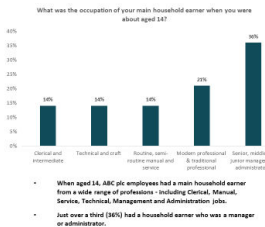
- 29% of employees are of English/Welsh/Scottish/Northern Irish/British ethnicity.
- A range of other ethnicities record each 7%.

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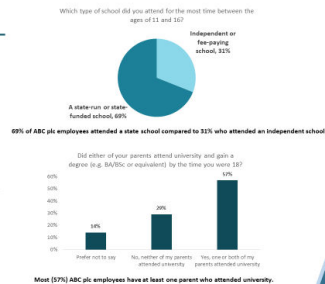


Culture

School, household earner level, parent's education

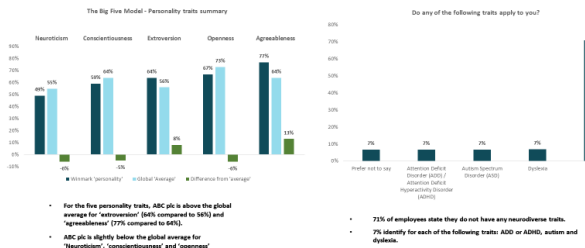


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Personality

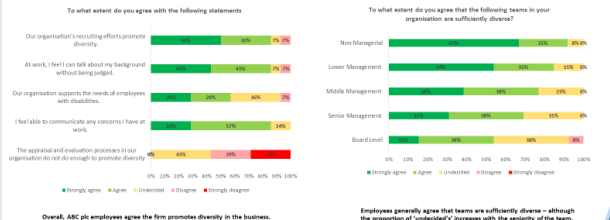
The 'big five' and neurodiversity



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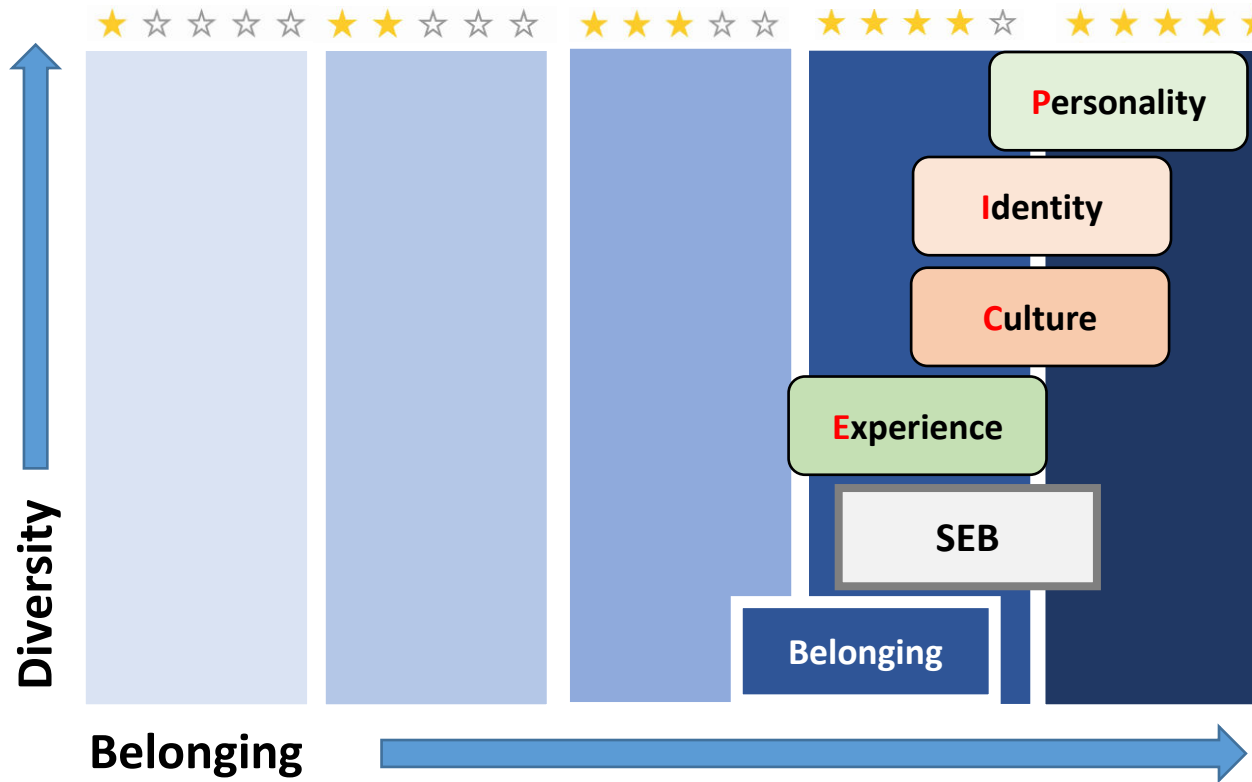
Belonging

Diversity by seniority and promoting diversity



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Social Mobility Progress & Awards



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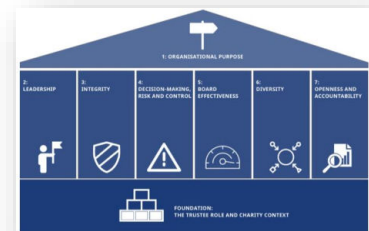
Why a Regulatory Diagnostic?

They demonstrate to the Board, Regulators & Stakeholders that issues are being addressed:

1. They ensure awareness within Executives, Non-Executives & Trustee teams
2. They identify gaps, that may be high risk, and provide an external benchmark
3. They help the leadership set future priorities and Board agendas

“We used this questionnaire and the results were pretty good apart from three areas where we were not doing well. One of which we were dodging (diversity) and it is now fortunately a top priority.”

Chair of Trustees, £3m Rev Charity



UK Organisation Governance Code 2018 (FRC)

The Financial Reporting Council's (FRC) updated UK Organisation Governance Code (July 2018) took effect from 1 January 2019.

Supporting the Code is the “Guidance on Board Effectiveness” and the diagnostic focuses on the Questions for Boards:

1. Questions for Nomination Committees
2. Questions for Audit Committees
3. Questions for Remuneration Committees

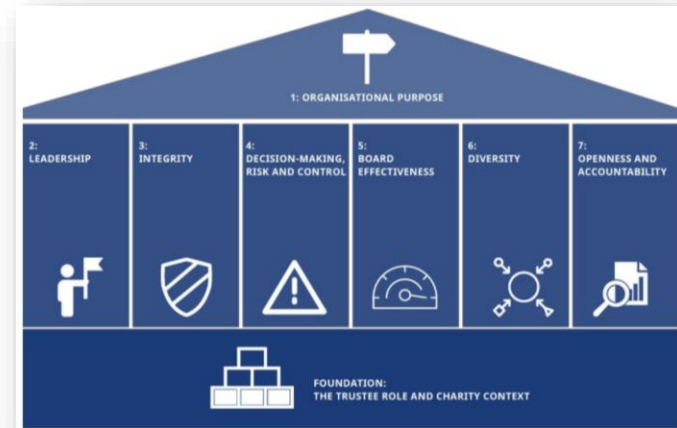
The FRC questions are all open questions and require extensive answers which the online questionnaire can do. However, a closed question approach is faster and provides the oversight required. This approach ranks the ability of the “PLC” or equivalent organisation to answer the questions satisfactorily.



Charity Governance Code 2017

The charity Governance Code is in its 12th year, is designed for charities with revenues of over £1m but in reality applies to all not-for-profit organisations. The Code is designed as a tool to support continuous improvement and covers:

1. Organisational Purpose
2. Leadership
3. Integrity
4. Decision making, risk and control
5. Board Effectiveness
6. Diversity
7. Openness & Accountability



The Winmark Charity Governance Code online questionnaire allows you to survey the executive and trustees in an independent confidential environment and to measure how you are doing against the code. The results create transparency and focus and have the advantage of an external benchmark.

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Financial Diagnostics

Bespoke Benchmarking

For organisation looking to benchmark performance, embarking on resource reviews or bidding for more resource, external benchmarking can be very powerful.

Benchmarking can answer questions like, is your department in a general insurance business under resourced when compared to your competitors.

Benchmark Data

Winmark annually conducts a C-Suite Department benchmarking looking at running costs and key trends, the maturity and structure of department teams, how they are evolving and the split between internal and external costs. This benchmark data can also be used to inform Bespoke benchmarking.



Example Financial Benchmark

	Your data	Global Benchmark	UK Benchmark	Your sector Benchmark	Your Organisation Size Benchmark
CORE BENCHMARKS					
Total Function Spend % Revenue	0.58%	0.37%	0.54%	0.78%	0.32%
Total Function Staff % Total Organisation Staff	0.58%	0.37%	0.54%	0.78%	0.32%
STAFF ANALYSIS					
Professional Staff per £1B Rev.	19.41	7.16	15.26	14.84	4.89
Total Staff per £1B Rev.	26.75	14.04	32.29	31.50	8.73
Internal Spend per member of Staff (£000s)	£82	£103	£83	£85	£116
SPEND					
Internal Spend as % Total Function Spend	38%	42%	38%	42%	40%
External Spend % Total Function Spend	62%	58%	62%	58%	-

“Excellent questionnaire, that will deliver material insights for Chief Legal Officers”.



Mathieu Savaris
General Counsel Western Europe, GE Power



CEO Questions

- How much do your service functions cost to run?
- Is this more or less than our competitors? Why?
- What should our resourcing targets be?

Diagnostic Considerations

Before considering business diagnostics, it's important to ask yourself several key questions to ensure you have a clear understanding of your goals and objectives. Here are some questions to consider:

- ☐ What are the specific challenges or issues you are facing in your business?
- ☐ What are your goals and objectives for conducting a business diagnostic?
- ☐ What areas of your business do you want to assess and evaluate?
- ☐ Do you have access to relevant data and information about your business performance?
- ☐ Are you open to receiving feedback and implementing changes based on the diagnostic findings?
- ☐ Do you have a clear understanding of the potential benefits and outcomes of the diagnostics?
- ☐ Are you prepared to involve key stakeholders and employees in the diagnostic process?
- ☐ Do you have a trusted advisor (Winmark) who can guide you through the diagnostic process?

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