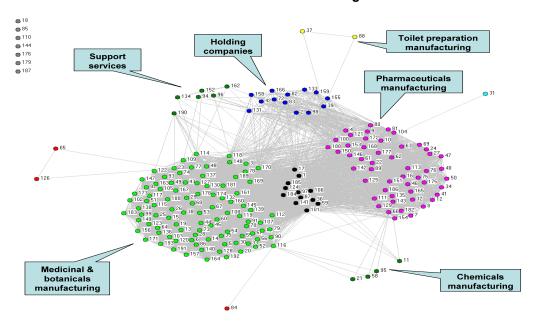# BENCHMARKING ANALYSIS SERVICES

- The BCNED Team offers comprehensive cluster mapping and cluster analysis of sectoral business activities and business performance of strategic business groups.

- We group phenomena that share similar characteristics in bringing the vast data that companies have stored to life.

- Our cluster maps reveal complex patterns and relationships that emerge in large data sets, and allow businesses to conduct benchmarking against other firms in the region, in UK, or in Europe.

- The essence of our benchmarking is to compare performance with firms that are similar to your firm in terms of portfolio of activities, diversification, employment, revenue, profitability, and variability of performance from year-to-year.

- Benchmarking analysis will provide a clear picture of the efficiency of allocation of resources – to achieve high economic results.

- Benchmarking can be conducted using data from the last 5 years which can give you an indication of the stability of your performance results – compared to your competitors.

- Our benchmarking analysis is conducted on the background of the value chain in your sector, which will enable you to judge alternative potential for expansion and growth.

- Lists of best-performing firms will enable you to set criteria for future investment decisions.

- Benchmarking of your peer group will enable you to identify groups of firms as acquisition targets or selected potential partners for building networks and new inter-firm relationships bringing more value-added to your business.

- Performance analysis of your peer group will enable you to reflect on the impact of different strategic choices on profitability and growth.

Sample Work – Benchmarking Analysis for an anonymous firm in the 'Pharmaceutical Manufacturing' sector in the South East of England

Graph 1: The value chain of the Pharmaceutical Manufacturing in the South East.

This is one of the best performing clusters in the region that attract 41% of the regional employment (326 332 employed), and generate in total 55% of the revenue in the regional health technology cluster. It comprises of five interconnected segments which include a group of firms that specialise in pharma manufacturing; another group that specialises in medical and botanical manufacturing; a third group that specialises in both; a fourth goup that specialises in support services; and another one with expertise in chemical manufacturing. The profit margins of the entire cluster group are consistently high (between 8% and 10% for the last three years), and with moderate variance across firms in the group. Comparative analysis of intra-cluster segments confirms that firms that are registered as holding companies exhibit profit margins slightly lower then non-holding companies, but are able to achieve this with less variability in their profitability, which demonstrates reduced risk. The top performers in this cluster group are very large firms that report up to 99503 employees and £21 bln GBP operating revenue for the last year. The average operating revenue of firms in this cluster group is over £14 mln GBP with average employment of 143 people.

Table 1: Peer group data

	Profit margin (t)	Profit margin (t-1)	Profit margin (t-2)
Median profitability per cluster (in thousands GBP)	9,1%	9,9%	8,1%
Coefficient of Variance	2,5	3,5	2,5

Table 2: Sample data for anonymous firm:

	Survey data *(or data from external source)*	Average - median per cluster	Max value in cluster
Revenue (in thousands GBP)	N/A	14 023	21 660 000
Employment	N/A	143	99 503