



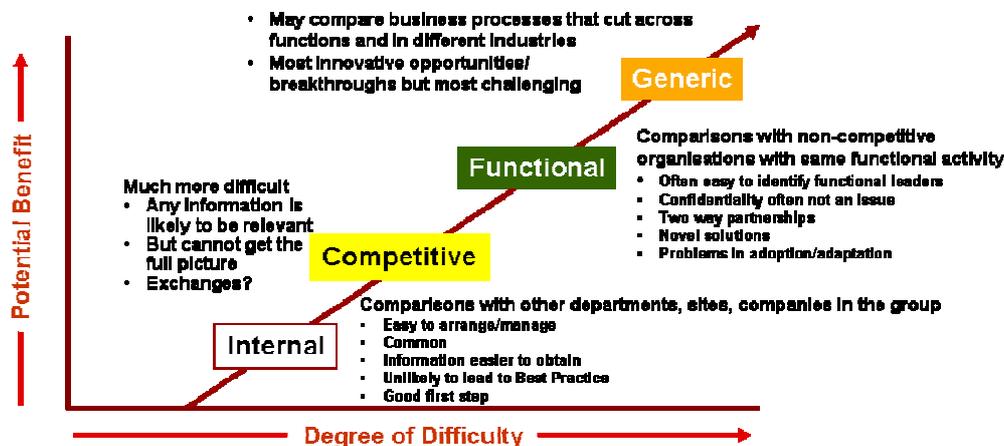
Benchmarking

Why

- To deliver improved economy, efficiency and/or effectiveness
- To enhance knowledge of your performance through comparison with others
- To identify where you need to make improvements

What

Benchmarking, a systematic comparison of the processes and practices of two or more companies or two or more units of a company, gauges the performance of an organization or unit relative to a peer. When executed well, benchmarking prominently reveals gaps between the performance of the benchmarker and the performance of a benchmarked "best practices" leader, and often suggests the means by which the benchmarker might close those gaps. Think laterally about who to compare with:



How

1. **Identify the problem areas** - Benchmarking can be applied to any business process or activity using a range of research techniques such as:
 - Informal conversations with customers, employees, or suppliers
 - Exploratory research techniques such as focus groups
 - Market research, quantitative research, surveys, questionnaires, process mapping
2. **Identify other industries that have similar processes.** For instance if one were interested in improving asset failures one would try to identify other organisations which have asset failures challenges. One thing to watch that the data should be normalised when doing comparisons.
3. **Identify organisations that are leaders in these areas** - Look for the very best in any industry and in any country.
4. **Survey companies for measures and practices** - Companies target specific business processes using detailed surveys of measures and practices used to identify business process alternatives and leading companies. Surveys are typically masked to protect confidential data by neutral associations and consultants.
5. **Implement new and improved business practices** - Take the leading edge practices and develop implementation plans which include identification of specific opportunities, funding the project and selling the ideas to the organization for the purpose of gaining demonstrated value from the process.