

MANAGING BENCHMARKING IN A CORPORATE ENVIRONMENT

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ABSTRACT

Most new generation organisations have management models and processes for measuring and managing organisational performance. However, the application of these models and the direction the company needs to take are not always clearly established. Benchmarking can be defined as the search for industry best practices that lead to superior performance. The emphasis is on “best” and “superior”. There are no limitations on the search; the more creative the thinking, the greater the potential reward. Unlike traditional competitive analysis that focuses on outputs, benchmarking is applied to key operational processes within the business. Processes are compared and the best process is adapted into the organisation. Benchmarking is not guaranteed to be successful though, it needs to be managed and nurtured in the organisation and allowed to grow throughout the organisation to finally become a way of life. It also needs to be integrated into key business processes in order to ensure that the benefits can be reaped into the distant future. This paper provide guidelines for creating, managing and sustaining a benchmarking capability in a corporation.

OPSOMMING

Die nuwe generasie van ondernemings beskik oor bestuursmodelle en –prosesse wat meting en die bestuur van ondernemingsvertoning in die hand werk. Die wyse waarop die modelle toegepas word en hoe die onderneming sy besluite moet vorm is nog nie deeglik uitgetrap nie. Praktykvergelykings ("Benchmarking") word beskryf as die soeke na beste bedryfspraktyke wat lei tot uitstekende vertoning. Die klem word geplaas op die woorde "beste" en "uitstekende". Die soektog word geensins beperk nie; hoe meer kreatief die benadering, des te beter is die potensiële beloning. Waar tradisionele mededingingsanalise ondernemingsuitsette onder die loep neem word praktykvergelyking toegepas op sleutelprosesse in die bedryf van die onderneming. Prosesse word met mekaar vergelyk om die beste praktyk te kan volg. So 'n gestruktureerde leerproses lei die onderneming langs 'n kontinue weg van verbetering tot by die "beste" praktyk. Praktykvergelyking moet bestuur en vertroetel word om pos te vat as 'n bestaanswyse van die onderneming. Dit moet veral deel vorm van die onderneming se sleutelprosesse sodat voordele daarvan in die toekoms verseker kan word. Hierdie navorsing voorsien riglyne vir die daarstelling, bestuur en handhawing van praktykvergelyking as 'n vaste komponent van die onderneming se kultuur.

1. THE ISSUE

With businesses expanding across the world, and competition becoming more intense, managers are increasingly caught up in a struggle to survive. Terms such as *transformation*, *business re-engineering*, *business process redesign*, *learning organisation* and *restructuring* are at the order of the day. There are increased pressures on companies to improve, but it is not always clear what, where and how to improve.

Benchmarking is one of the most popular topics in business and industry today¹. As a management tool, benchmarking is a means to improve operations by measuring a company against the most successful companies, both inside and outside its own industry. It provides a base from which to evaluate and improve a company and continually seeks best practices to enable the company to produce superior performance.

Benchmarking is such a powerful renewal concept that it should be part of each and every manager's suite of competencies. One of the reasons why benchmarking is regarded as such a powerful concept is because it can be used at every level and in every facet of an organisation. The worrying fact is that it is not. Often organisations regard benchmarking as just another buzzword. In other instances, managers tend to be interested in the figures and not in the processes by which these figures were achieved. It seems as if benchmarking is not managed properly.

The focal point of this paper is to explore ways of deploying and managing benchmarking in a corporate environment in order to utilise it in a more fruitful manner.

2. WHAT IS BENCHMARKING?

The term *benchmarking* is used to describe a process of hunting for the best practices and comparing one's own operation with those.

2.1 Benchmarks

Benchmarking's linguistic roots lie in the land surveyor's term, where a benchmark was a distinctive mark made on a rock, wall or a building. In this context, a benchmark served as a reference point in determining one's current position or altitude. In today's business world, the term "*Benchmarks*" refers to the numbers used to describe the performance of a specific process. This is then used to compare performance to other companies or divisions of the same companies employing the same process. The term *metrics* is a synonym that is frequently used.

In a more formal manner Robert Camp² defines a benchmark *an industry standard*. This implies the standard against which everyone measures performance.

2.2 Benchmarking

During the 1980s, the definition of benchmarking grew in scope and focus. No longer were the metrical objects or benchmarks of primary concern. Benchmarking referred, and still

refers, to the process of comparing yourself against others. Various practitioners offer the following definitions:³

- A process for rigorously measuring your performance versus the best-in-class companies and for using the analysis to meet and surpass the best in class. (Kaiser Associates, a management consulting firm that has actively promoted benchmarking)
- A standard of excellence or achievement against which other similar things must be measured or judged. (Sam Bookhart, former manager of benchmarking at DuPont Fibres.)
- Benchmarking is the search for industry best practices that lead to superior performance. (Robert C Camp, a Xerox Corporation manager and one of the foremost benchmarking experts in the world.)

3. BENCHMARKING: A USER PROCESS AND A MANAGEMENT PROCESS

Robert Camp maintains that the overall benchmarking task can be broken down into two major processes.⁴ There is the user process and the management process. The user process is a multi-step process that is used to complete a benchmarking investigation – a step-by-step "recipe for completing benchmarking exercises". Several companies have customised this process to suit their particular environment and their corporate language. Examples are IBM's five-phase process and AT&T's 12-step process. Although this may seem confusing, these processes are all basically the same and the differences lie in semantics. A summary of a few of these processes is given in Table 1.

While the user process is the process followed by the benchmarking team to complete the benchmarking project, the management process is everything else that has to be done in order to ensure that benchmarking is effectively pursued. It includes those actions that management does to ensure that the benchmarking team's operation is successful and that benchmarking has some permanence. This includes creating the environment for the pursuit of new ideas to improve business processes; providing training and support; prioritising the direction of benchmarking studies; and encouraging the implementation of the benchmarking findings. There are before, during and after activities that enhance the user process and, in fact, ensure its success, whereas the user process may be seen to be necessary but not sufficient.

In order to ensure that benchmarking becomes a valuable tool that is regularly utilised, benchmarking studies first of all need to be successful. The next section discusses ways to ensure the success of these studies. The broader management process is discussed later.

	4-step	6-step	7-step	8-step	10-step
Planning the study	Prepare to benchmark	Plan	Determine functions or process to benchmark Identify key performance variables Identify best-in-class companies	Define business issue Define what to benchmark Define benchmark measures Determine who to benchmark	Identify process Identify partner
Collecting process data	Research process	Research Observe	Measure performance	Acquire data	Collect data
Analysing data for results	Document best practices	Analyse	Compare performance and estimate gaps	Compare performance Identify actions to close the gap	Determine gap Project future performance
Adapting for improvement	Report and implement	Adapt Improve	Specify improvement programs and actions Implement and monitor results	Implement improvements and monitor results	Gain support Set goals Develop plans Implement plans Recalibrate benchmarks
Number of companies	6	7	8	4	8
Percentage of companies	14%	17%	19%	10%	19%

Table 1: Benchmarking process models

(Adapted from *Comparing Process Models for Benchmarking*, American Productivity and Quality Centre⁵.)

4. ENSURING SUCCESSFUL BENCHMARKING EXERCISES

In order to ensure the success of benchmarking exercises, there are firstly some misconceptions to be clarified. Once this has been done, there are four critical success factors that need to be present in every benchmarking exercise.

4.1 Misconceptions about benchmarking

Spendolini⁶ asked benchmarking specialists in over twenty companies to describe the misconceptions that still exist in their organisations, even though each organisation has had considerable experience with the process. An interesting outcome was the convergence on a limited number of misconceptions. The following is a summary of the most common misconceptions identified by Spendolini in his research.

4.1.1 *Benchmarking is a one-time event*

Benchmarking has not been successfully integrated into the way people think about their work or the way they solve problems. For these people benchmarking was an event.

4.1.2 Benchmarking provides solutions (copying or imitating)

The business practices of the world-class company are adopted without questioning the context in which these practices are deemed to be world-class. Blindly substituting another company's business practices in place of one's own is not the intent of benchmarking. What is good for one company is not necessarily good for another. The context of the best practice must be understood and it must be adopted (not copied) into one's company in a manner that will improve the current situation. Benchmarking is a learning process where one company learns from another what it can, and then adapts this information to ensure improvement in its own context.

4.1.3 Benchmarking is quick and easy

The fact that well-documented benchmarking processes exist could lead people to believe that following a simple recipe will lead to the desired result being achieved. Benchmarking is not difficult, but it does require a sufficient amount of project planning, process support, instruction and commitment of resources (e.g. time, money and people). Of all these requirements, time is probably the most important factor to consider.

In a recent study done by The Benchmarking Exchange (TBE) 47% of the respondents said that typical benchmarking studies take more than two months to complete.⁷ These results are illustrated in Figure 1.

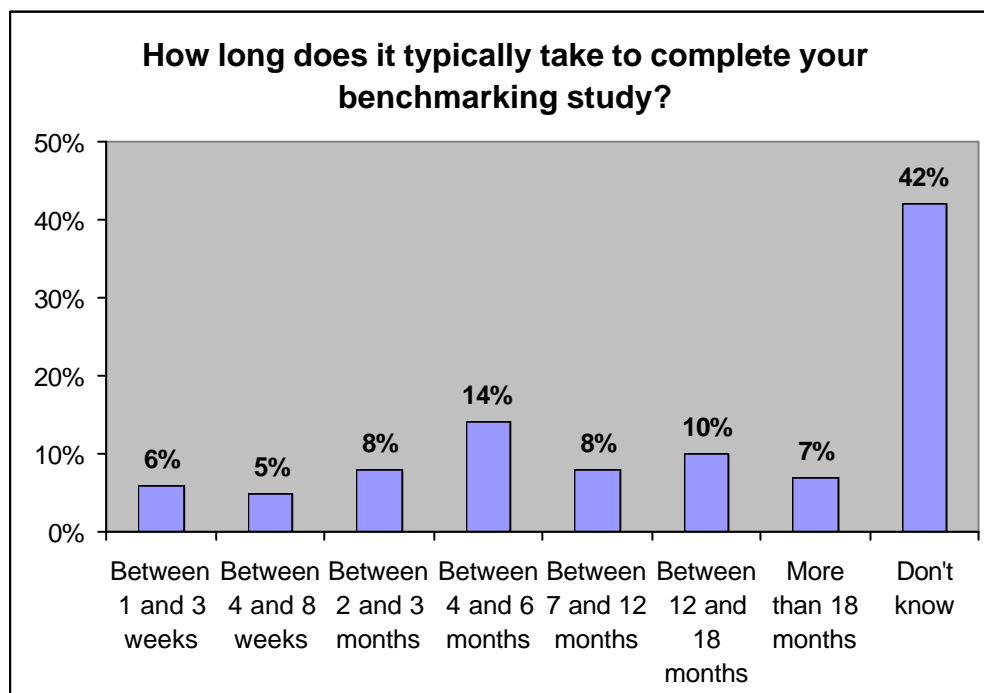


Figure 1: Duration of benchmarking studies

4.1.4 Benchmarking is a fad

It is the author's own experience that, when not managed properly, benchmarking has a lot of fad potential. Insufficient attention, training, support and funding may result in lacklustre

benchmarking results and cause benchmarking to eventually fade away in companies. One only needs to talk to people from Xerox Corporation, Motorola, IBM, AT&T and other companies who are using benchmarking to great success, to realise that benchmarking is not a fad.

A summary of the misconceptions of benchmarking is shown in Table 2.

Benchmarking is	Benchmarking is not
<ul style="list-style-type: none"> • A continuous process • A process of investigation that provides valuable information • A process of learning from others; a pragmatic search for ideas • A time-consuming, labour-intensive process requiring discipline • A viable tool that provides useful information for improving virtually any business activity 	<ul style="list-style-type: none"> • A one-time event • A process of investigation that provides simple answers • Copying or imitating • Quick and easy • A buzzword or a fad

Table 2: Benchmarking: what it is and what it isn't

4.2 Critical success factors in a benchmarking study

Keki⁸ claims that there is a series of critical success factors that are needed for benchmarking studies to be successful.

4.2.1 Management support

One of the principal reasons for benchmarking as a non-starter, or its fading after initiation, is the lack of top management commitment or even involvement⁹. Management must believe in the effectiveness and usefulness of benchmarking as a driver to improve the business. Benchmarking should not only be endorsed and supported by top management; they should be committed to using the technique to its utmost.

4.2.2 Necessary support services

Benchmarking cannot be done in isolation. No matter how competent a benchmarking team may be, it needs support from all over the company and sometimes even outside their own company. These support functions include legal services, a benchmarking specialist or specialists, and information centres or libraries.

4.2.3 Resources

For a successful benchmarking exercise, the resources needed are of three primary types: skilled people, time and funding. Training is of utmost importance, not only for the people

participating in the benchmarking study, but also for the managers driving the process in order for them to understand the context, pitfalls and results that can be expected from a benchmarking study.

4.2.4 Culture of learning

Robert Hiebeler, partner-in-charge, Global Best Practice at Arthur Andersen did research on knowledge management. He placed a great deal of emphasis on creating a knowledge-sharing culture in an organisation. He summarised it by saying, “If people get ahead in their organisations by keeping knowledge to themselves, the organisation is going to have a hard time convincing them of a new imperative to share”.¹⁰ Benchmarking is per definition the sharing of information. Without the culture of learning and sharing of information, benchmarking has a very limited probability of being successful.

5. MANAGING BENCHMARKING

The benchmarking management process can be categorised into establishing, and supporting and sustaining a benchmarking program. In addition to understanding the process of managing benchmarking in an organisation, there needs to be an understanding of the business environment in which this process will be used. The environment can be in different stages of maturity towards benchmarking.

5.1 Establishing a benchmarking program

Before the establishment of any program or drive in an organisation, a clear strategy is needed. Thereafter expectations should be defined, management as well as everyone else in the organisation should be sensitised, a group of experts should be empowered, policies and guidelines should be developed and a medium for optimal operation should be established. Each of these facets is discussed in the following sections.

5.1.1 Strategy

In today’s business environment each organisation has many drives and initiatives underway simultaneously. These are all competing for the employee’s time and attention. With each new drive it is necessary to understand where it fits into the bigger picture and what the ultimate goal is in order to prioritise. This is all entailed in the strategy statement. If an organisation has an overall goal of improving customer satisfaction, one strategy the organisation could pursue with its benchmarking drive is to improve customer satisfaction by continuously improving its business processes to the extent that they are deemed world-class. A formal strategy statement could be as follows:

Benchmarking goal: To improve the bottom line results of the company by continuously searching for and implementing world best practices in a cost-effective manner.

Benchmarking strategy: To continuously improve work processes by

- Focusing benchmarking projects on critical performance areas to find and implement the best practices; and

- Identifying, compiling and revising benchmarks to be used as standards from which improvement targets are derived.

This strategy statement and the rationale for the benchmarking drive is thus a direct derivative of the organisations main strategy of improving customer satisfaction. This statement then effectively informs the whole organisation that the benchmarking drive is a key activity in the attainment of its final goal. It also states the way in which benchmarking will contribute to the higher goal.

5.1.2 Define expectations

Management and employees should know exactly what is expected and how resources should be focussed¹¹.

After setting the direction in the strategy statement, it is necessary to have some stated expectations for the benchmarking drive. An example of a direction-setting statement or statement of expectations is given in Figure 2.

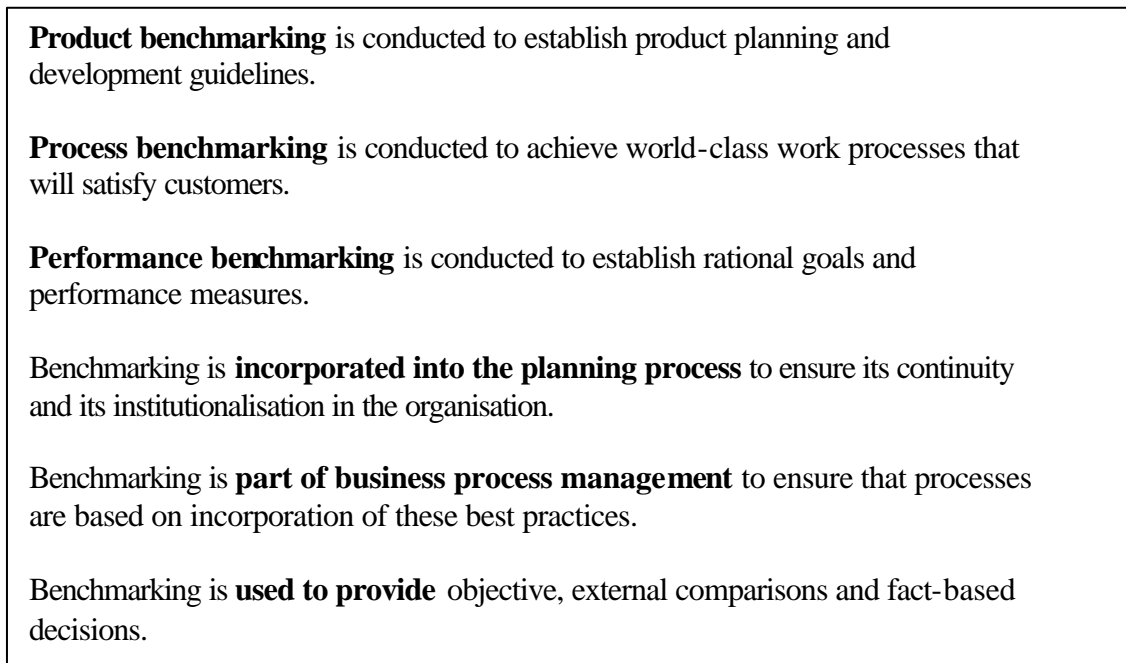


Figure 2: Direction-setting statement⁴

5.1.3 Sensitise the organisation

In order for any new drive in an organisation to be successful, there needs to be an awareness of and focus on the drive. People throughout the organisation need to know what benchmarking is. When this understanding is achieved, it sets up a common basis on which to take decisions about starting benchmarking activities.

After a drive to sensitise the organisation, the following questions need to be answered:

- *Does everyone have a good understanding of what benchmarking is?*
- *Is there sufficient support and involvement from senior management?*

- *Are the necessary skills, competencies and resources available to support the benchmarking drive?*
- *Is there an air of expectation regarding this new drive?*

If there is a positive response to each of these questions, the next phase of the process to establish benchmarking can be started.

5.1.4 Empower experts

Benchmarking teams need assistance⁴. This assistance can be in the form of facilitators, trainers, consultants, or a benchmarking co-ordinator. The common characteristic of these players is that they all need to be experts on the subject of benchmarking.

Most organisations do not have a dedicated benchmarking expert or team of experts when first embarking on benchmarking. This means that there is no pool of qualified individuals who can play the above-mentioned roles. There are a variety of solutions to this problem, with the most obvious to either grow the experts from inside the company or to outsource this capability. In most cases a hybrid of these two options are followed. A person who, through his current job or skills, will fit the role of a benchmarking advisor is identified and then trained extensively. A benchmarking expert from outside the company is then used to guide this individual through the first couple of benchmarking exercises and related processes. Once this person and his team are able to operate effectively, the outside expert's services are no longer required. The benefit of "grooming" the benchmarking expert(s) via this route is that the knowledge and skills is transferred to a person or team who is already part of the company.

In order for the benchmarking expert to be successful, he should have a background in some, if not all, of the following skills: analysis, library research, quality process, problem solving, process mapping and documentation, facilitation, training, and project management. Operational knowledge is also important as the expert is expected to relate to operational problems and to anticipate where benchmarking will be successful in providing solutions. The capability to convince managers to devote resources to pursue benchmarking, is also of critical importance.

5.1.5 Develop guidelines

There can be a lot of confusion when commencing on a new initiative. In order to alleviate some of this confusion a clear set of guidelines is needed.

This benchmarking reference guide, will be different for different companies, depending on their benchmarking maturity. A list of topics that should be covered by this guide is summarised in Figure 3.

- *Reason for the guide – to place it into context with all the information on benchmarking and also guides on other topics within the company.*
- *The unit or organisation's benchmarking strategy.*
- *Roles and responsibilities of all participants.*
- *Essentials of getting started on a benchmarking study.*
- *The benchmarking process.*
- *Guidelines for setting up a site visit and the referral process.*
- *Conduct of a site visit.*
- *Information-sharing guidelines and legal considerations – including the benchmarking code of conduct.*
- *Identification and documentation of key processes and measures.*
- *Use of technical libraries.*
- *How to archive benchmarking documents – building the database.*
- *Training and resource materials.*
- *Contact information and operation of benchmarking networks.*
- *Benchmarking terms and definitions.*
- *Frequently asked questions.*
- *Appendix with sample forms, letters and methodologies.*

Figure 3: Topics to be covered in a benchmarking reference guide (adapted from Camp⁴)

5.1.6 Establish a network

There are two benchmarking networks that need to be built if an organisation embarks on a benchmarking effort – an internal network and an external network.

The internal benchmarking network is a group of people who understands the concept of benchmarking and who are representative of certain functional areas in the organisation. In practice the benchmarking manager (or similar position) will receive a request to benchmark a certain area or process. He will then contact the contact person for that specific area and together they will manage the process. This internal network not only source and take part in benchmarking efforts, but they also help to disseminate benchmarking information and requirements throughout the organisation.

The external network serves as an entry point into a much bigger database of best practices.

5.2 Sustaining a benchmarking program

After establishing the benchmarking program, the expectations are set, the necessary awareness is created and guidelines and networks are in place. One of the tasks of the organisation is to ensure the necessary support for this new drive in order to achieve the desired results in a sustainable fashion. Another key element in sustaining the program is to eliminate potential dangers that might cause the drive to lose momentum. A last key element is to recognise and communicate the successes achieved.

5.2.1 Benchmarking champion

Organisations need champions for major change programs. The role of the champion is to actively advocate the use of benchmarking in all appropriate situations. This entails challenging the organisations as to why benchmarking was not considered in major decisions and showcasing success stories as a basis for motivating the organisation to aggressively pursue benchmarking.

5.2.2 Re-utilising a skilled benchmarking team

Given that benchmarking activities have been prioritised to the vital few business processes that will give the highest return, the teams that will conduct the actual benchmarking need to be commissioned. In order to support and sustain a benchmarking program successfully, the skills developed by the benchmarking team in one study should be utilised in and transferred to future studies. This is done by assigning one or more members of the first study's team to following studies. By utilising the experience gained in prior studies in all future studies, a learning network is formed and skills and experience are multiplied.

5.2.3 Utilising third party experts

If benchmarking partners are not willing to share information it is impossible to do benchmarking. When benchmarking was started in the USA, outside consultants were used to provide the needed confidentiality – making it possible for benchmarking partners to share data while keeping sensitive data anonymous or masked.

Outside experts are used more frequently these days for facilitating consortiums of partners who regularly benchmark with one another over an extended period of time. In these activities it is necessary to have an impartial third party who arranges all the exchanges, facilitates the agenda and discussions and bring the partners to closure on best practices.

5.2.4 Communication of successes

Communicating successes and case histories is an important activity in intensifying the attention that benchmarking receives. It is a powerful means to give recognition and serves to stimulate the benchmarking activities of others. The communication effort includes cataloguing benchmarking documents for others' reference; actively promoting the results achieved to the total company; reporting the results at internal seminars and external presentations; and reporting benchmarking results in business plans, operating plans and at operational reviews.

A second, more informal way of effectively showcasing the successes achieved with a benchmarking study is through the internal network of benchmarking representatives and their activities. Once the successes have been communicated, it is important to keep an open channel of communication for anyone who may be interested in finding out more about the specific exercise or benchmarking in general. The benchmarking representatives can again play an important role in this by either answering the questions themselves, or referring it to the most appropriate person. A log of typical questions and the answers to those can be a very powerful means of communicating – in the form of a Frequently Asked Questions (FAQ) log.

This FAQ log can be distributed via all the communication channels of the organisation to serve as another means of stimulating the interest in benchmarking.

A third, also informal, way of communicating the successes and focussing attention on the benchmarking drive is through all managers in the organisation. Managers should take every opportunity to cite best practices derived from benchmarking. This emphasises that benchmarking is an important and effective way of improving practices and processes. It also sensitises the organisation to the pool of knowledge in the organization and the use of these pools of knowledge to improve organizational performance.

5.2.5 Recognition

Achieving excellence in benchmarking requires that managers use the array of recognition options and rewards that most organisations have. Recognising and rewarding the performance of benchmarking teams will once again confirm the importance of the benchmarking drive and will instil an enthusiasm in the benchmarking teams for improving their own performance.

Glasscock and Gram¹² are of the opinion that positive reinforcement works and that it does not require a major investment. Managers take great pains to show customers how much they are appreciated by wining and dining them, working holidays and weekends if necessary and by doing everything possible to keep the customer happy. But, one more customer service practice is essential – to never miss the opportunity to tell employees and fellow work associates how much they and their efforts are appreciated. Recognition should not be confused with rewards. When giving recognition, the focus should be on the thought behind the recognition and not the actual gift. Recognition should never be subjective; it should recognise all effort that contributed to the successes achieved¹³ – in this case the success of the benchmarking study.

5.3 The benchmarking environment

Ultimately, benchmarking is continuous learning; the more it is practised, the better it can be applied. Therefore, the level of benchmarking experience needs to be managed to ensure it is continuously recycled to complement the development of the company. Sustainable continuous improvement can only be achieved if the status quo is constantly challenged and excellence standards reset.

The specific process of managing benchmarking in an organisation is reliant on the benchmarking environment that exists within that organisation. This environment can be in different stages of maturity towards benchmarking. Sylvia Codling¹⁴ suggests that the development of benchmarking is split into four distinct “ages.” These phases overlap as shown in Figure 4.

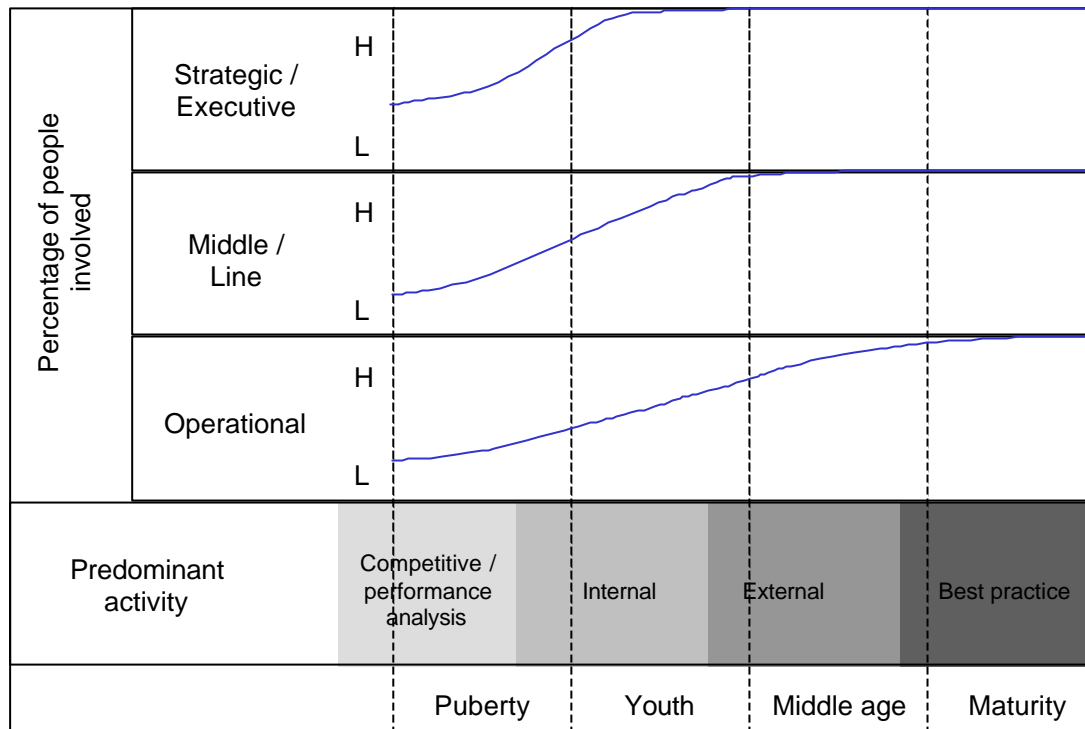


Figure 4: Predominant activity and management involvement during the four phases of benchmarking development

5.3.1 Phase 1: Puberty

At the start of any new drive there generally is confusion as to what it is the company wants to achieve, who is responsible for what, and how this drive will affect each individual. This phase of benchmarking maturity is appropriately called the Puberty phase.

According to Codling¹⁴, this phase is characterised by:

- *Confusion about the difference between competitive analysis and benchmarking.*
- *A lack of commitment to the need for change and uncertainty about the efficacy of benchmarking to instigate it.*
- *A belief that, despite all evidence to the contrary, a quick fix will still be possible.*
- *A feeling of just wanting to “check out how good / bad we are.”*
- *A lack of conviction that the company will have the stamina to sustain a long-term initiative.*
- *A lack of appreciation of the everyday consequences of adopting a benchmarking culture, e.g. openness and sharing.*
- *Fear that it may involve considerable effort and resources but not provide the right solution.*
- *Concern about the strategic consequences of a benchmarking exercise.*

Firm, positive leadership and good, clear communication can overcome all of these. The general rule is to keep all signals clear, concise, and comprehensible. With the necessary guidance and the proper approach to benchmarking, all the fears and lack of commitment can be overcome and the organisation can start the benchmarking journey.

5.3.2 Phase 2: Youth

In the initial stages of a benchmarking drive a lot of exploratory visits and internal benchmarking takes place. This should be encouraged in order to grow a critical mass for benchmarking. However, with all these activities and the changes they bring about in the organisation, the drive could easily fall into chaos if not managed and directed properly. The most important management activity in this phase is to co-ordinate all the islands of benchmarking activities towards a singular purpose. It is also necessary to set up all the support structures that will secure the long-term continuity of the benchmarking drive.

The more decentralised the organisation, the greater the need for clear management and co-ordination. The following are typical characteristics of the benchmarking drive in the Youth stage:

- *Lack of priority.*
- *Conflicting demands on resources.*
- *Growing conflict between the desire for instant success and longer-term improvements.*
- *Differing levels of awareness and commitment to benchmarking, ranging from resistance and rejection to acceptance and commitment.*
- *Different groups and interests involved.*
- *Conflict between the team's personal and benchmarking objectives.*
- *Varying levels of training needs.*
- *Confusion over findings and their implication for operations or strategy.*
- *Uncertainty about the degree of internal support, recognition, and reward for activities.*
- *Uncertainty about the level of external acceptance.*

It is quite obvious from these typical characteristics that there is a need for co-ordination and support in this phase. A proven way of providing continuous backup and support for any new drive is to establish a centre of excellence (COE). This centre will include the internal facilitator and/or mentor which could be a team of people or even one individual. The COE should keep up to date with all the internal activities, any formal events (such as conferences and seminars), and should gather and distribute all information available on the subject of benchmarking. Moreover it should also be linked to external networks of other centres of excellence (i.e. the South African benchmarking clearinghouse, Benchmarking South Africa or Bensa) with the purpose of providing the internal benchmarking teams with the most up to date advice and information. It should also communicate to the external environment as a means of information sharing. Another important task of the COE is to record all relevant information on the benchmarking studies the organisation embarks upon. The feedback from these studies should be utilised to update the reference guide and training material.

In the Youth phase the emphasis is on co-ordinating the efforts and establishing the necessary support structures to standardise and further enhance the benchmarking activities that are taking place. It is necessary to communicate wider into the organisation and therefore a standard way of purveying the information is needed. The on-hand availability of experts or an open channel to these experts can help people in the organisation embarking on a first benchmarking study.

5.3.3 Phase 3: Middle age

Benchmarking, especially internal benchmarking, is now part of the organisation's normal activities. In this phase the focus moves increasingly toward concentration on external benchmarking and the following characteristics tend to predominate:

- *Growing concern for the impact of findings on strategic planning.*
- *Corporate "self-consciousness" arising from opening up to the outside world and letting others look in.*
- *Greater need for clarity of mission and purpose.*
- *Unwavering senior level commitment and support.*
- *Increasing emphasis on establishing a common purpose and corporate cohesiveness.*

In this phase the focus should be on making proper use of the information and findings that become available. At this stage it is vital that benchmarking is fully absorbed into the strategic planning process of the company. While it may be feasible to sustain numerous internal benchmarking activities, constraints on resources and the need to keep operations running make it unreasonable to focus on many external studies. There now is sufficient knowledge and expertise in the organisation to be able to concentrate on a few key critical success factors and to aim for significant improvement over the long term.

With the benchmarking drive incorporated into the company's strategic planning process and with everybody on board and aligned, the organisation will inevitably reach some level of excellence with regard to benchmarking. Internal benchmarking will flourish and focussed external benchmarking will provide the ability to fundamentally change the direction and bottom-line of the organisation.

5.3.4 Phase 4: Maturity

According to Codling¹⁴, not many companies have been benchmarking long enough to reach this phase. The predominant characteristics of this phase are:

- *The need to sustain motivation and energy for benchmarking, while maintaining the humility to recognise that improvement is still possible and desirable.*
- *Developing the flexibility to provide positive assistance to other organisations with the least possible interruption or disruption to the business.*

Rotating the roles of team leaders, team members and facilitators can help reduce the risk of people becoming desensitised to the approach or even bored by it.

Once a company is known as having world best practices, benchmarking becomes increasingly difficult as employees deem their processes to be the best and therefore no improvement is necessary. Regular meetings with suppliers, customers or even the competition as well as other recognised proponents of best practices can present useful sharing and learning opportunities from which a new focussed improvement drive can be developed.

Although very few companies are at the maturity level, it is important to note that in this phase, the focus should be on maintaining the momentum without placing a burden on resources.

6. CONCLUSION

In starting a company on the road to benchmarking, the first phase is to establish benchmarking as a capability within the organisation. This entails the definition of what the benchmarking drive is supposed to achieve, a set of expectations from management, making everyone in the organisation aware of these expectations and goals, and providing the necessary expertise and guidelines for the development of such a program. With this established, the necessary support structure should be set up. A champion who drives the initiative is needed. Experienced gained by teams doing benchmarking studies should be re-utilised in future studies. The results of successful studies need to be communicated and the teams recognised and rewarded for their efforts. With all of this, the organisation goes through four stages of maturity in benchmarking and for each stage there are specific factors that need to be managed in order to ensure the sustainability of the benchmarking drive.

A summary of the management process and the maturity phases is given in Figure 5.

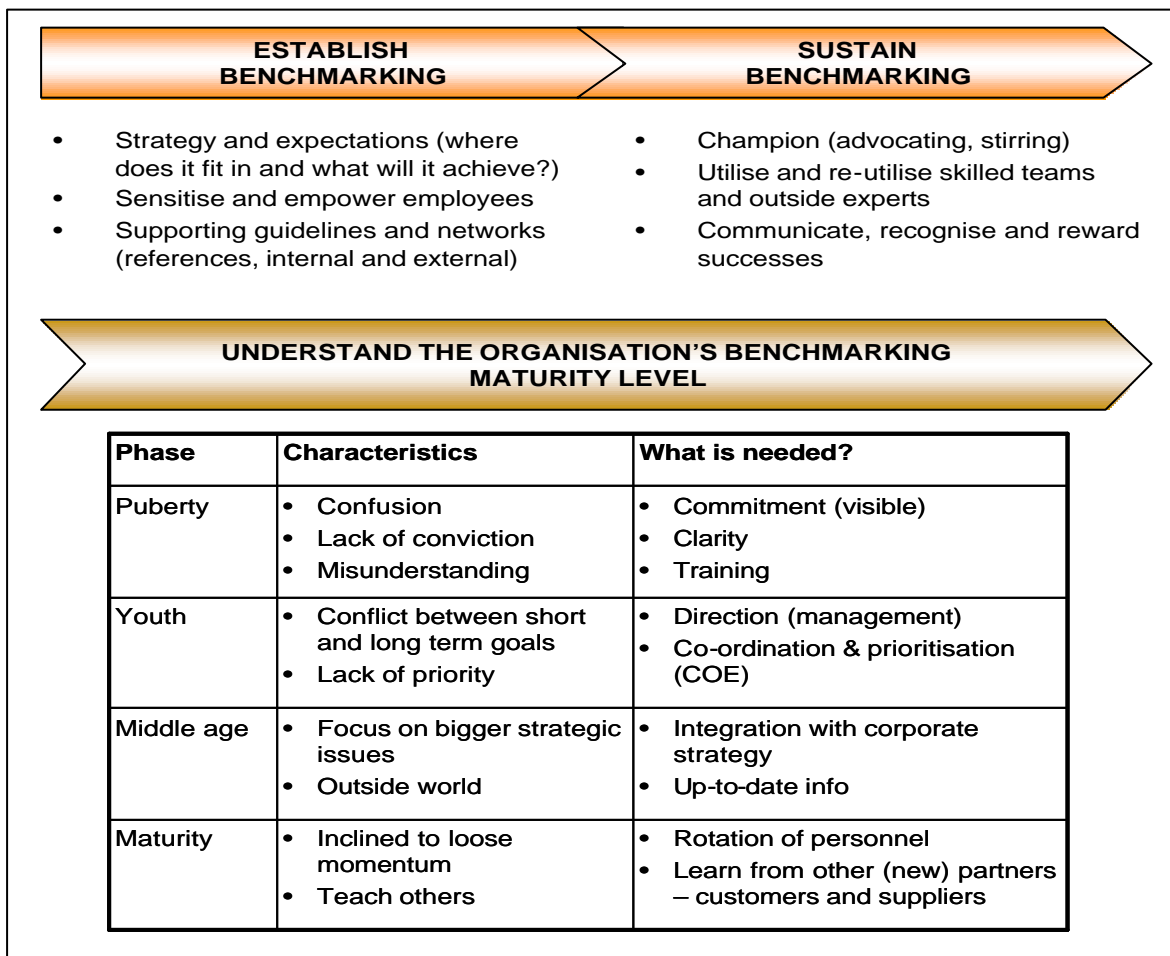


Figure 5: Managing benchmarking through all the phases of maturity

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