Benchmarking Processes

Definitions¹:

*Benchmark:* A measured, “best-in-class” achievement recognized as a standard of excellence for a specific business process.

*Benchmarking:* An improvement process used to discover and incorporate measurable best practices into your organization; the process of identifying, learning and adapting outstanding practices and processes globally to improve organizational performance.

*Benchmarking system:* The infrastructure and resources needed to support and implement a benchmarking process. This may include a library, designation of a point person, an industry network, training and coaching, and designated financial resources.

*Best practices:* Processes that maximize stakeholder satisfaction; those practices and efficiencies that have been shown to produce superior results selected by a systematic process and adapted to fit an organization’s needs.

*Metrics:* A measure of process performance.

*Enabler:* A condition or practice that influences the effectiveness of a practice.

*Benchmarking Consortia:* A group of organizations working together to assist each other in benchmarking.

**Top Ten questions to ask:**

1. What is the goal of benchmarking?
2. What external resources are available to assist?
3. How committed are we to the process?
4. How will the results relate to other current practices and indispensable business partners in our organization?
5. Who is accountable?
6. Do we need an official policy?
7. What infrastructure and financial resources are needed?
8. What is our implementation strategy?
9. How will we measure our success?
10. How will we use, share and store the information?

**The Basic Process**

1. Planning
   
   a. Identify what process(es) you want to benchmark
   b. Identify organizations you can compare yourself to
   c. Determine your methodology

2. Analysis
   
   a. Determine your performance gap
   b. Project future performance levels

3. Integration

¹ Definitions adapted from *The Basics of Benchmarking*, copyright 1995 by Robert Damelio and the Glossary of Terms published by the APQC. None of the definitions are present in the Apex Glossary.
Communicate your findings
b. Get buy-in from internal business partners
c. Establish goals

4. Action
a. Develop action plans
b. Implement plans
c. Adjust as needed

What Benchmarking is NOT
- Competitor analysis
- Espionage
- A quick fix

Identifying Best Practices
What makes a best practice good for your organization will depend on the criteria you are measuring. All practices do not necessarily translate into a best practice, although they may be a "best practice" for some and not for others, depending on your organization's unique culture and goals. It has worth for you if it translates into increased customer satisfaction, whether your customer as a strategic meeting manager is procurement, the CFO, or other departments within your organization. Therefore, the metrics you choose to measure the success of any best practice should reflect the needs of your customer. It is also advisable to take into consideration your organization's strategic plan, mission and vision.

Benchmarking Code of Conduct
There is a benchmarking code of conduct. This includes principles around the issues of exchange of information, confidentiality, legality, and competition. For the code of conduct from the International Benchmarking Clearinghouse and the American Productivity and Quality Center (APQC), please click here.

For more information on benchmarking, please investigate these resources:

APQC
Public Sector Benchmarking Service, UK
What is Benchmarking?
Benchmarking Methodology
Benchmarking Glossary of Terms
Other Benchmarking Resources (White papers, articles)