

Introduction to Benchmarking

Julia Pet-Armacost

Robert Armacost

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Outline

- What is benchmarking?
- Types of benchmarking
- Our purpose for benchmarking
- What is next?

What is Benchmarking?

- Not about performance measurement or rankings
 - Although measures are used
- Process for identifying gaps so that you can improve

Approaches to Benchmarking

- Problem-based
 - When a problem comes up, you focus a benchmarking effort on the problem
- Process-based
 - Focuses on the vital (few) business processes
 - Survey support
 - Process analysis support
 - Assessment support

Types of Benchmarking

- Competitive Benchmarking
 - Benchmarking against competitors
 - Typically requires customer input
 - Requires identification of competitors
- Functional Benchmarking
 - Benchmark against “best in class” in the operation or process of interest
 - Requires identification of “best in class”

Types of Benchmarking Continued

- Performance Benchmarking
 - Process for identifying benchmarks and identifying stretch targets
 - Requires identification of key competitors or best in class
- Strategic Benchmarking
 - Process used for identifying world class standards, determining gaps in competitiveness, developing strategies, and remaining focused and aware of developments

Another Classification

- External Benchmarking
 - Focuses on identifying other institutions
- Internal Benchmarking
 - Focuses on similar processes inside the institution

Related, But Not Benchmarking

- Comparative Analysis
 - Requires identification of comparables for whatever objective one has in mind, but not generally for improvement purposes
- Key Performance Indicators
- Accountability Measures
- Institutional Characteristics

What Is the Purpose of OEAS Benchmarking?

- Use in setting targets
- Use in identifying best practices

Identifying Benchmarks

- Comparables
 - Similar-sized operations in similar-sized institutions
- Best-in class
 - Strong reputation

Getting Benchmark Data

- Published data
 - Reports
 - Websites
- Information sharing
 - Establish relationship with benchmarks