

**Benchmarking Your Efforts**  
Becoming A World Class Manger By Establishing  
Mesurable Targets To Improve Your Work

Monday April 7, 2008  
9:00 am

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**Today's Goals**

- Know what benchmarking is and is not
- Appreciate the 3 success factors
- Understand the 7 steps in benchmarking
- Consider one area of your work you should begin benchmarking

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**Benchmarking is not....**

- Outcomes and evaluation
- Just about setting goals for improvement
- Researching who is 'Best In Class'

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## Benchmarking is....

- A process
  - Identify what we need to do better
  - Determine who sets the standard...who does it the very best
  - Change our business practices to perform at the level of the very best

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## Advantages of Benchmarking

- Overcomes "paradigm blindness"
- Challenges the thinking: "The way we do it is the best because this is the way we've always done it"
- Opens our organization to new methods, ideas and tools to improve our effectiveness
- Cracks through resistance to change

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## 3 Keys To Success

- Leadership signals that improvement is critical to the organization
- Workers and management are jointly involved in establishing benchmarks
- Managers received continuous feedback on data and communicates that information to all employees



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## The Process

- No single benchmarking process universally adopted
- Various benchmarking methodologies emerging
- A prominent methodology is the 12 stage methodology by Robert Camp (see note pages)
- Can be Internal or Collaborative

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## Collaborative Benchmarking

- Carried out collaboratively by groups of companies
- Examples
  - Municipally-owned water supply companies have carried out a voluntary collaborative benchmarking process through their industry association
  - Collaborative of Drug Rehabs in California created a joint benchmarking effort for their facilities

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## You Can Benchmark Anything!

- Continuous improvement demands benchmarking
- The Xerox Attitude
  - “Everything we do, someone is doing it better”

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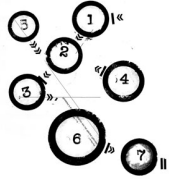
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## 7 Steps To Effective Benchmarking



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### 1. Identify Problem Areas

- Range of research techniques may be required
  - Informal conversations with customers, employees and board members
  - Focus groups
  - Marketing research
  - Financial reports

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### 1. Identify Problem Areas

- Examples
  - Portion of staff meeting dedicated to brainstorming administrative processes that are inefficient or ineffective
  - Focus group of donors to determine issues with community support base
  - Survey of similar programs

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## 2. Document Current Performance

- Creating A Baseline

- A Baseline is a quantitative measurement of an aspect of a process, system or program

- You have to have a starting point



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## Base Lining A Systems Process



Staff

Transaction Cost

**\$29.18**

So a \$35 book costs the organization \$64.18



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## 3. Identify Industries That Have Similar Processes

- Most of our business processes are NOT unique to our industry
- ISO 9001: 2000 standards – Quality Management
- You have companies in your community who are ISO certified
- Use them

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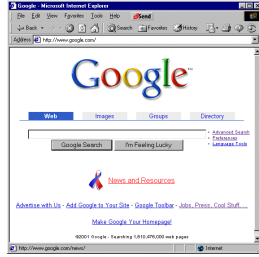
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### 3. Identify Industries That Have Similar Processes

- To Find Companies

Google the phrase:  
*ISO 9001:2000 + your town*



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### 4. Identify Organizations That Are Leaders In This Area

- Research through
  - Professional Associations
  - Local Chamber of Commerce
  - Best Practices Literature

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### 4. Identify Organizations That Are Leaders In This Area

- You deliver in-home parent education
- You want to minimize travel time and mileage
- Which companies might you turn to for leadership in scheduling in-home services?

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**5. Survey Companies For Measures and Practices**

- Interviews
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- Consultation
- Information Exchange

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**5. Survey Companies For Measures and Practices**

- Example
  - You identified 'Monthly Staff Meetings' as a problem area
  - Work with CSC you identify 2-3 organizations that are noted for highly efficient meetings
  - Interview conveners and visit sites

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**6. Create data base to track performance**

- Builds accountability
- Focuses attention on goals
- Allows for mid-course corrections
- Encourages participation of all staff

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## 7. Implement new and improved business practices

- This is another area where an Advisory Board can be of great assistance
- Pull on your business community as well
- SCORE.org



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## 6 Mistakes (and how to avoid them)



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### Mistake #1

- Thinking there are pre-existing "benchmarks" to be found
  - Because a study says something is the "benchmark" does not mean that you must accept that for your work
  - May not be applicable to your markets or customers
  - SOLUTION: Insist on identifying your own benchmarking partners and finding out from them what is achievable

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## Mistake #2

- Forgetting about service delivery and customer satisfaction
  - Fixation on the costs can lead to failure to take the customer into account
  - Careful about service delivery so that you don't lose your customers
  - SOLUTION: Take a "balanced scorecard" approach when developing your benchmarking measurements

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## Mistake #3

- The process is too large and complex to be manageable
  - Desire for change can lead to aggressive goals
  - Bite off more than one can chew
  - Lose momentum, burn out staff
  - SOLUTION: Start small, slowly build capacity to do benchmarking, expand carefully

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## Mistake #4

- Confusing benchmarking with research
  - Research will give you some interesting numbers
  - Benchmarking is the process of finding out what is behind the numbers
  - SOLUTION: Establish quantitative improvement goals in order to drive the process

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## Mistake #5

- Picking a topic that is too intangible and difficult to measure
  - 'Quality', 'Communication', 'Satisfaction' are too nebulous
  - SOLUTION: Dig deeper and define quantitative measures of those larger topics

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## Mistake #6

- Not establishing a baseline
  - Document your own performance levels before researching others
  - Make sure your benchmarking team is very clear about what it wants to learn
  - SOLUTION: After choosing problem area, make baselining the #1 activity of your team

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*Next Month !!!*

Getting The Most From Your Advisory Board



Monday May 5, 2008 - 9:00am

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