

# ALL ABOUT BENCHMARKING

Benchmarking is not new. Since time began, people have been taking ideas from their neighbours and putting them into practice. In the 1950s and 60s, the Japanese visited the USA in droves and obtained a huge amount of information about manufacturing practices and techniques.

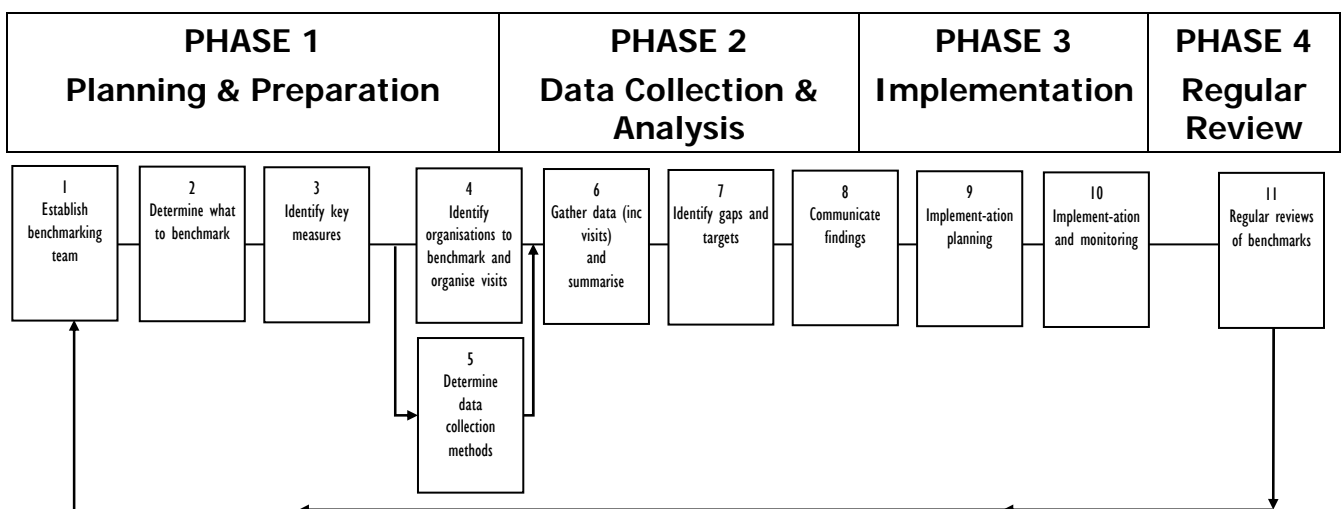
In the early 1980s, the Xerox Corporation was losing sales to its Japanese competitors, due to an outdated product range and relatively costly internal processes. They decided to find out how they could improve and embarked on a programme to study the best companies and determine why they were successful. This process was given the title of 'Benchmarking'.

Benchmarking may be thought of as the continuous process of measuring products, services and practices against the toughest competitors and those organisations regarded as industry leaders.

In order to survive in an increasingly competitive global market place, Australian industry needs to become internationally capable. Benchmarking is a tool that enables organisations to determine world-class standards for the different functions and activities of their business and to develop strategies to reach those standards.

Benchmarking allows factual comparisons to be made, identifying factors which differentiate one organisation from another and showing what makes a world leader. It also identifies the steps needed to close the gaps and provides a strong motivation for change.

Though the concept of benchmarking is not difficult to understand, experience has shown that there are a number of steps that should be followed to achieve a successful outcome. These steps are shown in the chart below.



We have applied the technique of benchmarking to a wide range of organisations across different industry sectors. Here are some of the benefits achieved by our clients.

- A focus on the factors and performance measures critical to the organisation's future success.
- An opportunity for managers and improvement teams to see how leading organisations in the industry (or related industries) perform.
- Identification of performance 'gaps' and opportunities for improvement.
- Implementation of improved techniques, procedures and measures of performance.