P-Glossary

Benchmarking

Benchmarking is essentially a business excellence tool for finding, adapting, and implementing leading practices to achieve superior performance. It is a powerful performance management tool that can be used to generate both incremental change and wide-ranging strategic reform. Benchmarking is a learning process in which information, knowledge, and experience about leading practices are shared through partnerships between organizations. It allows an organization to compare itself with others and, in the process, step back from itself and reflect. Comparative measurement through benchmarks helps to identify problems and opportunities and also tests hypotheses and "gut" feelings about performance. Benchmarking offers an organization an opportunity to change and to improve.

Benchmarking aims to examine, compare, and improve performance of processes used in business operations (frequently processes are generic); may examine process flow, efficiency, effectiveness, adaptability, cycle time, or cost; is about sharing how things are done; requires a thorough understanding of one's own processes; and results in recommendations for change to improve performance. Benchmarking is not a single event. It is an ongoing process for finding improved ways of doing things linked to the mission, vision, and values of the organization. Once desired benchmark levels are identified and the organization applies learning from partners to adapt and improve the targeted processes, it is important to understand that in time benchmark levels will rise and there will be a need to monitor process outcome performance to determine potential opportunities to improve as compared with partners with better performance.

Benchmarking will tell you how well you are performing, how good you need to be (it will give a practical vision), how to get there (a roadmap), and therefore help you to achieve your mission, vision, and goals. Benchmarking is not a program, cookbook process looking only at ingredients or numbers, fad, mechanism for resource reductions, organizational tourism, adopting or copying, or method for catching up.

See also: Best Practices