

# FTPI Establishes Center of Excellence on Benchmarking

*Benchmarking has been accepted by corporations worldwide as one of the most effective tools for enhancing their competitiveness through improving productivity and quality. It is a systematic process for a company to evaluate its products, services and processes against those of other companies, either in the same or other industry, with the reputation of having the best practice in the same areas for the purpose of further improving them. According to some users of this tool, benchmarking often results in breakthrough innovations that enhance competitiveness within a short time. Because of its merits, some national productivity organizations (NPOs) of APO member countries have included benchmarking as one of the major areas for providing training and consultancy services. The Thailand Productivity Institute (FTPI) is one such NPO.*



Mr. Chong Chee Leong, Resource Speaker from Singapore, making a presentation

In October 1999, the FTPI established a benchmarking program to: 1) promote the concept of benchmarking and equip organizations with benchmarking capability, 2) provide best practice information, and 3) facilitate information-sharing among organizations through partnerships and networking.

As a first step in launching its program, the FTPI wanted to know the status of benchmarking practices in Thailand and to gauge the industry response to the idea. It mounted a series of public seminars conducted by specialists from the Singapore Productivity and Standards Board. From the feedback received, it became quite clear that benchmarking was new to Thai industries, and most were hesitant to share information on their work processes with others for fear of losing their competitiveness. This led to the realization that the creation of a database of local and international best practices was necessary to serve as a basis for information sharing.

To build its own in-house capability to provide consultancy and training services in benchmarking, the FTPI enlisted the assistance of the APO in deputing experts to train its staff as well as undertake the following tasks: 1) develop

casebooks of successful best practice programs of leading companies in Thailand, 2) do a benchmarking study on strategic planning, and 3) design self-assessment tools for Thai industries based on the Malcolm Baldrige National Quality Award criteria. The APO responded by dispatching three experts to the FTPI, under its Development of NPOs (DON) program, over the period October 1999 to December 2001.

The APO also sponsored a study mission for senior management members of FTPI to visit the National Productivity Corporation of Malaysia and the Singapore Productivity and Standards Board to gain insights into institutionalizing benchmarking program in NPOs.

Since its establishment about two years ago, how much has the FTPI benchmarking program achieved? Apparently, much has been done. For instance, six casebooks on the best practices of leading organizations in Thailand, both local and foreign-owned, were developed and published as part of knowledge transfer. This series of publications is ongoing. About 35 companies are participating in the self-assessment project. The first benchmarking study on strategic planning had eight companies taking part. And

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the FTPI staff have on their own initiated benchmarking projects in the following industries: automobile, sugar, drug manufacturing, food canning, and parawood furniture. Each industry group has about 8-10 companies participating. A book, *Benchmarking: A Shortcut to Business Excellence*, written by two FTPI staff, Dr. Boondee Bunyagidj and Ms.

Kamolwan Siripanich, was released in January this year.

A significant outcome of the FTPI benchmarking program was the establishment of the Center of Excellence on Benchmarking in October 2000. The center has the mission of: 1) promoting and facilitating information sharing among organizations, 2) assisting organiza-

tions to implement benchmarking programs, and 3) developing and providing access to a best practice database. The center is expected to play a leading role in establishing benchmarking networks with key organizations, associations, and educational institutions, both within and outside the country, to facilitate the implementation of benchmarking in Thailand. 