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The Characteristics of Successful Benchmarking Implementation

Guidelines for a national strategy for promoting benchmarking

**A thesis presented in partial fulfilment of the
requirements for the degree in Master of Philosophy in Science and
Advanced Technology
at Massey University, Manawatu, New Zealand**

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Abstract

The MPhil research project presented in this thesis forms the first part of an intended PhD research project. The purpose of the PhD will be to develop a framework to increase the uptake of benchmarking on a national level whilst the aim of the MPhil is to examine the state of benchmarking globally. More specifically, the study objective is to measure and understand the perceived effectiveness, awareness, current and future uptake of benchmarking. The study also explores best practice benchmarking characteristics such as duration of the projects, motivations of benchmarking projects and main benefits of benchmarking.

An on-line questionnaire was used to collect data. The questionnaire was translated into five languages and promoted mainly by the Global Benchmarking Network, (GBN) a network of benchmarking centres representing 21 countries. The data was then analysed using SPSS statistical package.

The questionnaire consists of seven sections: (1) Organisation's profile, (2) Use of improvement technique, (3) General questions on benchmarking, (4) Best practice benchmarking projects planning phase, (5) Best practice benchmarking projects research and analysis phase, (6) Best practice benchmarking projects implementation phase, and finally (7) Best practice benchmarking projects evaluation phase.

The analysis suggests that informal and performance benchmarking is being used by a majority of organisations while best practice benchmarking is lagging behind them. Benchmarking awareness, effectiveness and future uptake compares favourably with other popular improvement techniques.

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Chapter 1: Introduction to the Research

1.1 Introduction to the chapter

This chapter explains the research background, aim and objectives, scope, and outline of the thesis.

1.2 Background to the research

Benchmarking has become an area of interest in the past three decades for quality developers. It has been recognised as one of the tools for improving performance and increasing productivity. Any organisation wanting to adopt best practices for their processes or strategies can use benchmarking. To date, benchmarking exercises have been initiated by organisations that have identified the importance and capability of benchmarking in improving their performance. Other organisations that are unaware of benchmarking and its benefits are either not implementing benchmarking correctly or are far from starting any benchmarking project.

There are national programmes sponsored by government departments and non-profit organisations to implement different programmes to enhance national productivity, innovation and competitiveness. Benchmarking, as a powerful learning tool, can play an important role in boosting the results of these programmes. Therefore, this research mainly aims to develop a national strategy or a framework to promote the use of benchmarking on a national level.

In spite of the increasing number of published works in benchmarking, the majority of the publications are a result of a practitioners' efforts, which call for a need for a theoretical development in many areas of benchmarking (Dattakumar & Jagadeesh, 2003; Yasin, 2002); in particular, in developing a strategy to promote benchmarking on a national level. Therefore, research in this field is

significant, in terms of bridging one of the gaps between theoretical work and implementation.

A combination of qualitative and quantitative methods will be used to achieve the aim of this research, by using a questionnaire and interviews targeting the custodians of benchmarking programmes and questionnaires targeting organisations that participate in benchmarking programmes. Supporting statistical data and records as secondary data are presented in the methodology section.

Upon completion of this research it is expected that this research will contribute to both academic and practitioner communities.

1.3 Aim and objectives of the research

The main aim of the research is to develop a set of guidelines to help organisations that are responsible for national benchmarking programmes to increase the use of benchmarking within their country. In order to achieve this aim of the research, it is required that the following specific objectives are met:

1. Evaluate the current status of benchmarking in terms of awareness, use, perception, effectiveness of benchmarking, and identify possible change in benchmarking uptake.
2. Identify the characteristics of current best practice benchmarking deployment.
3. To identify the benefits of developing a national benchmarking strategy. Since benchmarking is a learning tool, a national programme will have an impact on other programmes such as the Business Excellence Programme, and identifying the benefit/effect will help in integrating the national strategy with other national programmes.
4. To identify the key components of a national benchmarking strategy. A national strategy could be the number of initiative designed for different organisations; for example for the public sector, or large organisations or SMEs. It could be in form of technical assistance such as offering a benchmarking database, training programme or other types of assistance. Therefore, it is essential to identify the required components for a successful strategy.

5. To identify best practices in the design and deployment of a national benchmarking strategy. It is important to take into consideration the different factors that influence the design and deployment of the strategy during design and deployment; this is to ensure the maximum efficiency and effectiveness.

Due to the large scope of this research project, which is beyond the M.Phil timeframe, it is unlikely all the objectives will be achieved. Therefore, the M.Phil research will cover the first four objectives only (Figure 1).

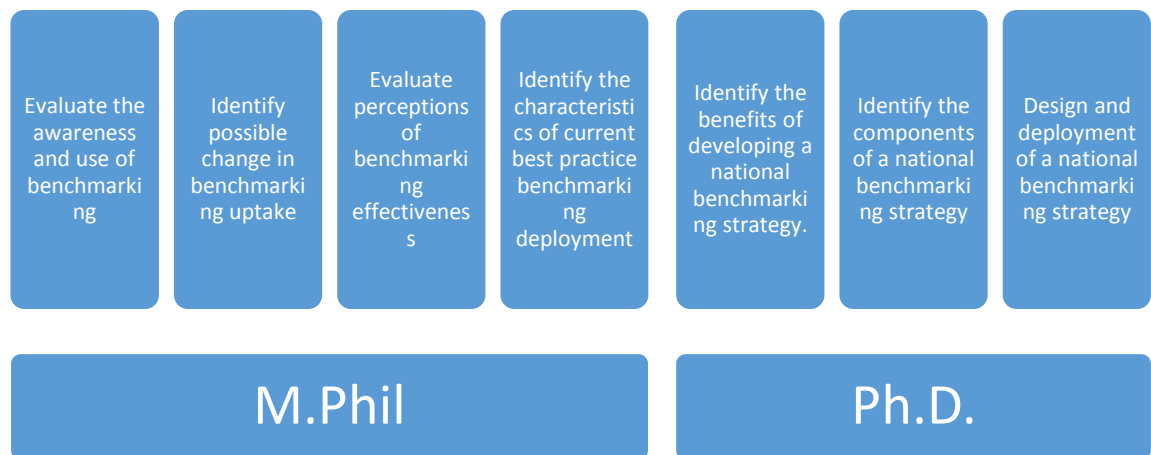


Figure 1. Research Plan

1.4 Scope of the research

The scope of the research is described as follows:

- a. This research focuses on identifying the current status of benchmarking and the characteristics of a successful benchmarking.
- b. This research is intended for researchers and academics who are interested in quality and performance improvement, practitioners and consultants who advise and help organisations to improve their performance, and national custodian responsible for such programmes.

1.5 Importance of the research and outcomes

For this research project, there are three key motivations:

- Lack of rigorous research on the international use and benefits of benchmarking and its role in stimulating economic development.
- Lack of the theoretical development of promotion strategy of benchmarking within a nation.
- The need for a theoretical study that combines the different types of benchmarking in one model or framework.

There are at least three potential outcomes for this research. First is the contribution to the research community by the theoretical examination of the practitioners' work. Second, for practitioners in general and benchmarking clubs in particular, the results of the research will help them to understand the process of promoting benchmarking. Third, the results could be implemented, at least in New Zealand.

1.6 Outline of the thesis

The following is the preliminary chapter outline of the thesis and the key content of each chapter.

Chapter 1: Introduction, aims, objectives and scope. In this chapter, background of the research area will be presented.

- Chapter 2: Literature review of the previous work. In this chapter, a review of related literature will be presented to build a theoretical framework for the research.
- Chapter 3: Research methodology. In this chapter, a description of the research method will be presented and why the selected methodology was found to be the most suitable, beside validity and reliability of the used instruments.
- Chapter 4: Data analysis and results. In this chapter, analysis of gathered data and its relationship with the theory will be presented.
- Chapter 5: Discussion and Conclusions. In this chapter, discussion of the findings will be presented, along with author's opinions and areas of further research.

Chapter 2: Literature Review

2.1 Introduction

This chapter defines benchmarking in terms of its modern origin, basic concept, the establishment of best practice benchmarking and nation-wide benchmarking initiatives.

2.2 The raise of benchmarking

During the 20th century, organisations around the world adopted different tools, techniques and strategies in order to compete and survive. At present, the competition is greater than ever, primarily because of the accelerated growth in information technology, logistics and free trade agreements. For this reason, it is imperative that benchmarking becomes a fundamental part of the national quality culture of any country that intends to compete and survive in the globalisation era.

The notions of benchmarking and best practice are not new. In 1911, Frederick Taylor highlighted the need to identify the maximum possible performance for each activity (Walgenbach & Hegele, 2001). However, the concept of benchmarking as currently understood is relatively new. The first systematic benchmarking exercise was conducted by Xerox in the late 1970s when it sent a team to learn good practices from Fuji-Xerox in Japan (Bogan & English, 1994; Boxwell, 1994; Mann, 2006). The reason for such trip was the belief that one organisation can learn from another, even from its competitors.

The next stage of benchmarking development occurred in the late 1980s when the concept of “learning from outside the industry” was introduced through the sharing of information to another organisation from a different sector (Yasin, 2002). Further, in the 1990s, the focus of benchmarking expanded through the benchmarking of organisational strategies and acquiring knowledge globally.

Between 1980s and 1990s, benchmarking became a popular tool among organisations. In the early 1990s, around 65% of the Fortune 1000 organisations chose benchmarking as the preferred management tool to gain competitive

advantage (Hong, Hong, Roh, & Park, 2012; and Park, 2012). In France, 50% of 1000 French companies studied indicated that they had implemented benchmarking; furthermore, 80% of organisations considered benchmarking as an effective tool (Maire, Bronet, & Pillet, 2005).

A study in the UK revealed that around 45% of 559 organisations studied were using benchmarking. The study also revealed other issues with benchmarking in the UK; for example, benchmarking implementation was found to be low in small organisations and the larger the organisation was, the more likely it would be using benchmarking. Furthermore, the benchmarking uptake was low in retailing and services and high in utilities and health (Hinton, Francis, & Holloway, 2000).

2.3 Description of benchmarking

The term “benchmarking” refers to a type of management approach characterised by implementing the “best practices found in similar industries or even in different industries in order to improve the performance of an organization” (Joo, Nixon, & Stoeberl, 2011). There are many other definitions of benchmarking, developed by benchmarking experts (see Appendix I), but all have roots in the definition of Robert Camp definition. Benchmarking, according to Camp (1989), who is regarded as the founder of best practice benchmarking, is the “search for industry best practices that will lead to superior performance”. This is the definition that the paper will use for this particular study.

According to Joo et al., (2011), benchmarking has at least four main goals, and these are the following:

- a. Identify key performance measures for each function of a business operation;
- b. Measure one’s own internal performance levels as well as those of the leading competitors;
- c. Compare performance levels and identify areas of comparative advantages and disadvantages; and
- d. Implement programmes to close a performance gap between internal operations and the leading competitors.

Benchmarking is a very popular tool in business. In a global study carried out by Bain & Company [famous consultancy firm], about the usage trends of 25 management tools worldwide, benchmarking came out the fourth most popular tool in the world and was placed as second most used tool in North America, Europe, the Middle East and Africa (Rigby & Bilodeau, 2013). This particular study also found out that in the past 13 years, the benchmarking approach was always among the top five most used management tools. Since this tool is the only approach that offers learning from the best using a systematic approach, benchmarking is recognised by business organisations as effective in improving business performance (Jarrar & Zairi, 2001). The application of benchmarking extends across different industries, these include the green operations of the automotive industry (Nunes & Bennett, 2010), the service quality in the utility industry (Chau, 2009), and even the sustainable processes in the pharmaceutical industry (Schneider, Wilson, & Rosenbeck, 2010).

There are at least three reasons why companies make use of the benchmarking approach. First, it enables the company to see where it stands among the competition. As Min and Galle (1996) have mentioned, benchmarking is used to analyse the company's own strengths and weaknesses and at the same time the comparative advantage of the competitors in the industry are likewise evaluated. The results of the analysis are then used by the company to develop its own strategic plan to achieve a far better position than its rivals.

Second, benchmarking is recognised as effective in improving the performance of the company. A well-exercised benchmarking programme can bring major changes to the organisation at different levels, from optimising tasks and processes to enhancing the organisational strategy. Furthermore, benchmarking is a proven tool for attaining competitive and comparative positions by identifying the critical process and upgrading it to a world-class level through continuous search for best practice. It also has other potential advantages such as the efficient utilisation of resources, identifying effective goals and objectives, and setting measures of productivity.

Finally, benchmarking is also strongly correlated with business excellence models; for example, out of 1000 points of Malcolm Baldrige National Quality Award (MBNQA) 550 points are influenced by benchmarking. In terms of

categories of assessment criteria, benchmarking affects all the categories (Spendolini, 1992), and such a heavy influence accelerated the global use of benchmarking because the MBNQA and similar models such as the EFQM are used as a foundation for excellence awards for more than 80 awards around the world including New Zealand and Australia (BPIR, 2013).

However, despite being one of the best tools to gain a national competitive position in the global market through acquiring, sharing and applying knowledge, there is still a lack of studies on the effectiveness of benchmarking in the field of national strategies or programmes. A research gap exists in the aspect of promoting the different types of benchmarking and exploiting its potential for increasing national competitiveness.

2.4 Types and Pitfalls of Benchmarking

Attempts to classify benchmarking into different categories have been made by various scholars and practitioners, but until now, there has been no single classification system of benchmarking. The absence of such a system will result in confusion over which type to select. It would be difficult, especially for inexperienced organisations, to identify which benchmarking type will give the maximum results at the lowest cost and effort. The succeeding sections present at least three ways in which benchmarking has been classified. Each scholar provides three categories for benchmarking. According to Codling (1995) there are three types of benchmarking: internal, external, and best practices. The definition of each is as follows:

- a. Internal: defined as benchmarking with partner within the same organisation;
- b. External: defined as benchmarking with partner from different organisation; and
- c. Best Practices: defined as benchmarking with the best-in-class, the main difficulty associated with this type is the identification of the best-in-class partner. The availability of best practices databases help organisations to overcome this problem.

- d. Alternatively, Bogan & English (1994) classified benchmarking into three groups. These are performance, process, and strategic. The description is as follows:
- e. Performance: is benchmarking the performance measures and product characteristics such as reliability, durability and cost.
- f. Process: the main focus of process benchmarking is benchmarking specific work processes such as recruitment process and shipping process.
- g. Strategic: is benchmarking the strategic direction of an organisation in comparison with a competitor.

The third classification comes from Boxwell (1994) who subdivided benchmarking into competitive, cooperative or collaborative. Below are the descriptions for each category.

- Competitive: defined as benchmarking with competitor. This type of benchmarking is the most difficult type to conduct because competitors usually will not release any information for the benefit of a competitor.
- Cooperative: a widely practised method of benchmarking due to the confidentiality of information both parties can keep. In cooperative benchmarking, both organisations can be from different sectors.
- Collaborative: a group of organisations share information about a specific task. With the availability of best practices exchange databases this is the most popular type, and it is also used as a tool to raise the national competitiveness of an industry by implementing best-in-class practices.

The preceding sections have shown that each author classified benchmarking based on a certain viewpoint. Presented above are the existing three main groups of benchmarking. The first one classifies benchmarking based on the type of referenced partner (internal, external, best practice/global). The second group uses categories based on the level of implementation (performance, process, strategy). Lastly, the third group is comprised of categories based on the relationship between benchmarking parties (competitive, cooperative and collaborative).

Some of these types are complex and in order to implement them, the help of an expert is needed; otherwise the benchmarking exercise will fail to accomplish its objectives. Therefore, clear identification and classification of benchmarking types can improve the quality of decisions taken to select certain benchmarking types. Furthermore, this gap has to be addressed at the development phase of the strategy because organisations are different in terms of benchmarking experience.

Benchmarking as a method is relatively new and it has known pitfalls and drawbacks in terms of concept and implementation. Thus, there is a need for further theoretical studies as well as practical implementation to gauge its outcomes.

Yasin (2002) attributes the majority of developments and literatures being provided by practitioners. Therefore the pitfalls of benchmarking must also be considered during the development of the strategy, because the failure of benchmarking at the organisational level will have a negative impact on promoting benchmarking at the national level.

The major pitfalls for benchmarking are:

- a. Before starting any benchmarking project, organisation should form a working group of experts to make employees well aware of what is to be benchmarked and to solve any problems, as absence of this team may lead to a wrong implementation.
- b. Similar to other quality initiatives, one of the main barriers of implementation is top management commitment.
- c. Misconception about benchmarking and focusing on benchmarking as measurement “how much” rather than “how to”.
- d. Feasibility of conducting benchmarking exercise including cost, resources and involved against the outcomes.
- e. Identification of best practices can obstruct the benchmarking exercise, in particular where to find best practice, how to make sure that the identified best practice is the “best”.
- f. Benchmarking is not helpful if used to evaluate fundamentally different customer requirements, even for similar processes For

example, the cost of serving customers in a first class restaurant is much more than in a fast-food restaurant, and due to the different requirements of customers it is likely that the first class restaurant will not gain significant benefit from a fast-food restaurant.

2.5 Best Practice Benchmarking

The main idea behind benchmarking is to identify better practices that could be of use if implemented in order to improve the performance. The best practices are normally obtained by comparing a practice or performance of an organisation with another one that is assumed to be performing well. Therefore, benchmarking teams obtain data from the benchmarking 'partner' and then use it in identifying changes required for improving the performance of their own organisation. This way, the organisation is able to achieve better practice or performance by identifying best practices and then adapting them.

There are different definitions for best practice benchmarking from different scholars, researchers and practitioners. It is also worth noting that although different scholars have defined benchmarking differently, all the definitions have captured the essential characteristics of best practice benchmarking. All the definitions have captured the most important aspect of benchmarking, which is to examine the processes or practices from the benchmarking partner that can be used to improve the organisation performance. Studies also reveal that most publicised management 'text books' on how to conduct benchmarking peaked in the late 1990s (Francis & Holloway, 2007). These include (Camp, 1995; Spendolini, 1992; Watson, 1993; Zairi, 1998), and for the non-profit sector, (Letts, Grossman, & Ryan, 1999). However, such books did establish a broad consensus in terms of what they believed best-practice benchmarking should involve in practice.

Studies also indicate that benchmarking originated in the manufacturing sector, but soon found applications in other sectors. It is also worth noting that benchmarking was first implemented in the private sector and then found its way to the public sector. This is reasonable, bearing in mind that private sectors are

obviously much derived by competitiveness than public sectors. Consequently, organisations in the private sector were the first to implement benchmarking practices in order to remain competitive. During the early days of best practice benchmarking, it was practiced as inter-firm comparisons. The comparison information was normally obtained by local groups of employers. For instance, Profit Impact of Marketing Strategies (PIMS) has been offering 'benchmark' data for member organisations within their own industries since the early 1990s (Merrifield, 1994). The first actual labelling of a performance-enhancing activity as 'benchmarking' in the Western industry is attributed to Xerox in 1983 (Jacobson & Hillkirk, 1986). Their portrayal of Xerox as an "American Samurai" reflects the escalation of interest in Japanese management techniques in the 1980s such as Kaizen (continuous performance improvement).

Studies also indicate that benchmarking in the early days was implemented by large organisations that were normally referred to as "blue collar" service organisations; these included engineering maintenance and transport, and laboratory-based activities such as pathology. Also, best practice benchmarking was adopted at a slower rate in 'white collar' service organisations such as retail organisations and financial services among others (Francis & Holloway, 2007). The idea behind benchmarking was to improve their services and reduce their costs at the same time (Mathaisel, Cathcart, & Comm, 2004).

2.6 Large Scale Benchmarking Initiatives

Unfortunately, the literature that directly addresses national initiatives of benchmarking is lacking, which is one of the motivators for this study. Hence, this literature review focuses on lower levels of benchmarking adoption, such as sector-wide or industry programmes.

According to Panwar, Nepal, Jain, and Yadav (2013) researching the implementation of benchmarking concepts in the Indian automobile industry showed that good performance could be achieved rapidly and successfully if Indian auto companies significantly invested their time and efforts in adopting benchmarking. It is also worth noting that several empirical studies have been

carried out in developed as well as developing nations regarding the implementation of benchmarking concepts in various industrial sectors (Asrofah, Zailani, & Fernando, 2010; Mamata, Atul, & Upadhyay, 2011; Nemec, Merickova, & Ochmana, 2008; Vermeulen, 2003).

The Asrofah et al., (2010) study suggested that governments should intervene and sponsor benchmarking initiatives in order to improve national productivity, and governments could also utilise benchmarking as a tool to monitor and control quality. The study also found a positive link between government intervention and benchmarking effectiveness. Therefore, governments can play an important role in boosting the uptake and effectiveness of benchmarking by providing support to organisations wishing to apply benchmarking.

In Singapore, the government started number of initiatives to help Singapore organisations in undertaking benchmarking projects. For example, in 1993 the Productivity and Standards Board (PSB), in collaboration with Fuji-Xerox, established Fuji-Xerox-PSB Benchmarking Centre. The primary role for the centre was to offer workshops, seminars and consulting services to Singapore business. In 1996, the PSB took the Fuji-Xerox-PSB initiative to the next level and started a new programme; the PSB launched the National Best Practice Programme (NBPP), which aimed to help local organisations to achieve business excellence level through benchmarking against world class performance levels.

The Brah, Ong, and Rao study (2000) on benchmarking in Singapore, which was conducted on Singapore Quality Class (SQC) Certified Organisation, shows that there is a strong positive correlation between effective implementation of benchmarking and training programmes and seminars organised by the NBPP. In addition, the study revealed that 92.3% of respondents who have used benchmarking for more than one year are showing a rising interest in adopting benchmarking management technique; this interest is even higher among SQC companies. Further analysis of organisations that are willing to do benchmarking projects but have not done so, shows that the main reason for not conducting

benchmarking projects was lack of awareness and understanding of benchmarking concept.

In the UK, recently there was a new benchmarking initiative in construction sector called UK Benchmarking Construction Policy. The main reason behind UK Benchmarking Construction Policy is to address the industry's perceived problems of high cost, poor performance and client dissatisfaction (Rigby et al., 2013). Although the initiative was primarily data collection and sharing initiative, it was expected that there would be a performance improvement through identifying strengths and weaknesses, and the exchange of information between customers and suppliers. The results of the initiative were excellent: some contractors reported 77% reduction in defects, 15% reduction on housing costs, 40% improved productivity, and 90% average client satisfaction.

Chapter 3: Research Methodology

3.1 Introduction

This chapter describes the different stages of research design and methodology used to achieve the research aim and objectives. It starts with research questions data, and then discusses data sources, collection methods, and validity and reliability of research tools.

3.2 Research Questions

In order to accomplish the stated objectives (Objectives 1 to 4 which shown in section 1.3) there are three research questions:

- a. To what extent are the organisations using different types of benchmarking compared to other performance improvement techniques?
- b. What are the difficulties facing organisations that prevent adoption and implementation of benchmarking?
- c. What are the benefits of implementing benchmarking for organisations?

The above-stated research questions are based on an initial literature review and discussions with experts.

In order to answer the research questions, a combination of qualitative and quantitative methods were used. Also, there are two data sources for the research, primary and secondary sources.

3.3 Data Sources

There were three data sources used to accomplish the objectives of this part of the research:

1. Literature review of benchmarking literatures.

2. Survey study for organisations to complete and to be distributed by benchmarking clubs and national quality organisations. The objective of this questionnaire is to answer the research questions.
3. In addition to the above, structured interviews with representatives from benchmarking clubs and benchmarking experts were conducted in order to gain a deeper understanding about benchmarking and national benchmarking strategies in their countries. The data from the interviews will not be shown within this thesis; the analysis and results of this will be carried out in the Ph.D. research. At this stage it was conducted primarily to utilise the face-to-face meeting with benchmarking experts overseas.

The primary aim of combining two research methodologies qualitative/quantitative is to minimise the shortcomings of each approach. The quantitative (survey) method was used because it can collect data from large samples. The construction of the survey was done carefully in terms of selecting the scaling method such as Thurstone, Likert and Guttman, questions that were asked and the wording of questions, and ensuring validity and reliability of the survey. Whereas qualitative (Interviews) was used because the quantitative method is more of a summarising than an exploring tool (Trochim, 2006), another tool had to be used to gain deeper answers for both the research questions. The most suitable tool for our sample was found to be interviews, but there was an extra cost associated with such benefits, in terms of funds and time need to conduct the interviews.

The research scope is the national benchmarking clubs and networks around the world. Initially, this was the Global Benchmarking Network (GBN) whose members agreed to participate in the research. The Global Benchmarking Network is an organisation consisting of 28 members from 21 countries (23 members at time of data collection) sharing an interest in promoting benchmarking. The full list of GBN members is listed in Appendix-II.

Excluding Japan and France, representatives from all G8 countries are members in the GBN. Within the members there are developed countries such

as the United States, United Kingdom and Germany, and developing countries such India, Malaysia and United Arab Emirates.

Although GBN members constitute 55.6% of the world's GDP and 33.1% of the world's population, in addition to the diversity of the group that offers the opportunity to examine the effect of different factors, there are some shortcomings for this selection. For example, Japan, which is a pioneer nation in benchmarking and best practices, is not a GBN member. Also, in some countries English language is not popular, this had an impact on survey distribution and completion rates.

Another disadvantage of scope is the geographical location of the participants, which makes data gathering more difficult in terms of cost and time needed for follow-up. To overcome these disadvantages, a web-based smart survey was developed in order to increase the response rate because there is no need for the respondents to fill a form and submit it by mail, so relatively, answering the survey will not cost respondents anything. For the follow-up interview, GBN members could be interviewed during the annual GBN meeting. The author has obtained the permission to attend a meeting which was held in Dubai on 3rd and 4th of December 2007 and has been attending their annual meetings since then.

3.4 Questionnaire Development

In order to collect as much data as possible, the research tool used in this research was a questionnaire. The first draft of the questionnaire was presented in the annual general meeting (AGM) of the Global Benchmarking Network (GBN). There were eight country representatives attending the meeting, including Dr. Robert Camp, the honorary president of the GBN and who wrote one of the earliest books on benchmarking. At least four of the members are Ph.D. holders and the rest are benchmarking professionals with long experience in benchmarking. The purpose behind presenting the questionnaire to the GBN members was to obtain their feedback and suggestions.

The questionnaire was reviewed in a workshop during the AGM. The reviewers provided improvement suggestions and new questions. The suggested changes and additions were made and the final draft sent again to all GBN

members for any other comments. Another batch of comments was received and implemented.

After incorporating all suggestions, the final questionnaire was issued and sent again for all GBN members in order to obtain their support for distribution of the questionnaire to their contacts database. Furthermore, the questionnaire was translated into German, Chinese, Russian, Hungarian and Arabic in order to make it easier to answer and to ensure wider coverage. The GBN members helped in translating the questionnaire.

3.5 Questionnaire Structure and Questions

The questionnaire was designed to cover different types of benchmarking experience, whether the organisation is a beginners or advanced. Even if the organisation does not do any benchmarking, there will be questions relevant to them.

The first part of the questionnaire aims to explore the position of best practice benchmarking, performance benchmarking and informal benchmarking among 20 popular improvement tools. Definitions were provided for all the techniques to ensure that the respondents had the same understanding of each technique.

The second part of the questionnaire (section two) aims to explore performance benchmarking in more detail, such as frequency of benchmarking training and services supplied by a third party.

The third part of the questionnaire (sections three to seven) aims to explore the status of best practice benchmarking and how organisations are performing in each stage of their benchmarking projects.

To make it easier for respondents to answer the questions, the questionnaire was divided into seven sections. Each section covers a main topic:

- Section 1 - Organisation's Profile: The purpose of this section is to collect demographic data about the organisation, such as sector, size, business activity and number of years in operation.
- Section 2 - Use of Improvement Techniques: The purpose of this section is to collect data about level of awareness, level of usage,

effectiveness and future usage for 20 popular improvement techniques.

- Section 3 - General Questions on Benchmarking: The purpose of this section is to collect data about performance benchmarking projects in general. Only organisations using performance benchmarking or best practice benchmarking are required to answer this section.
- Section 4 - Best Practice Benchmarking Projects - Planning: The purpose of this section is to collect data about the planning phase of best practice benchmarking such as involvement of employees in benchmarking projects and area/process of benchmarking. Only organisations conducting best practice benchmarking are required to answer this section and the following section.
- Section 5 - Best Practice Benchmarking Projects - Research and Analysis: The purpose of this section is to collect data about research, data collection, and analysis phase. In particular, it collects data about benchmarking data sources.
- Section 6 - Best Practice Benchmarking Projects - Implementation: The purpose of this section is to collect data about the different aspects of implementation phase, such as time taken to implement the project.
- Section 7 - Best Practice Benchmarking Projects - Evaluation: the purpose of this section is to collect data about the benchmarking project evaluation phase and how organisations measure success of the project.

3.6 Validity and Reliability

Due to the rigorous process used to develop and review the questionnaire, the data is considered to be valid and reliable. The following are the main steps of the questionnaire development that enabled validity and reliability:

- Clear definitions for each type of benchmarking and the 20 improvement techniques were provided to ensure clarity for understanding the questions.
- The final draft of the questionnaire, which was developed by the researcher, was presented at the GBN's annual meeting for review. A

team with extensive benchmarking knowledge reviewed the questionnaire in a workshop and provided input on its design.

- The questionnaire version that incorporated suggestions of the review team at GBN's annual meeting was sent to the 21 GBN's members for further review. The final version was issued after three months of several enhancement and tweaking inputs from GBN members and academics.
- The non-English versions of the questionnaire were translated by native speakers with experience in benchmarking. The translated versions were translated back into English by an electronic solution to make sure that the translation is correct.

3.7 Questionnaire Delivery Methods and Distribution Channels

After nearly three months of revising the final draft with GBN members, the final questionnaire was published in six languages using two methods of delivery. The first and main method was the use of an online survey solution (SurveyMonkey). A set of automatic rules was used in the electronic copy to guide responders in answering the questions that were relevant to them only and to prevent misunderstanding. The second method was by using MS Word versions were provided for respondents with limited access to the Internet.

There were two main distribution channels for the questionnaire. The first was through Business Performance Improvement Resource (BPIR.com) members, which is a membership-based website for users interested in benchmarking and business improvements. The website has members around the world from different sectors and sizes. The second method was through GBN members; each member sent the questionnaire to his or her contacts database.

In order to increase response rate, periodical reminders were sent to contacts to encourage them to answer and complete the questionnaire. Collectively, the questionnaire invitation went to thousands of contacts from around the world through BPIR.com and the GBN members. It is not possible to calculate precisely the number of invitations sent due to the multiple channels of distributions.

Chapter 4: Results

4.1 Introduction

Although it was not possible to conduct the study in each and every country globally, data was collected from all regions globally. Therefore the study qualifies to be a representative study of global survey on business improvement from an international point of view. In other words, the data collection process was well distributed in obtaining findings that represent a global picture on benchmarking and business improvement. The global map shown on figure 2 indicates that the study is conducted on an international perspective.

4.2 Survey Results

The results of more than 450 responses received from 44 countries around the world revealed many interesting findings about improvements techniques, benchmarking in general and phases of Best Practice Benchmarking in particular.

Due to the lack of GBN members in South America and Africa, the researcher relied on other sources to get responses, such as the international contacts of GBN members, members of BPIR.com, and posting blogs about the study.

4.3 Survey Results Analysis

This section is the results of survey results analysis; the analysis was done using SPSS and MS Excel.

4.3.1 Questionnaire Section 1 Organisation Profile

4.3.1.1 *Question 1.1 Responses Distribution.*

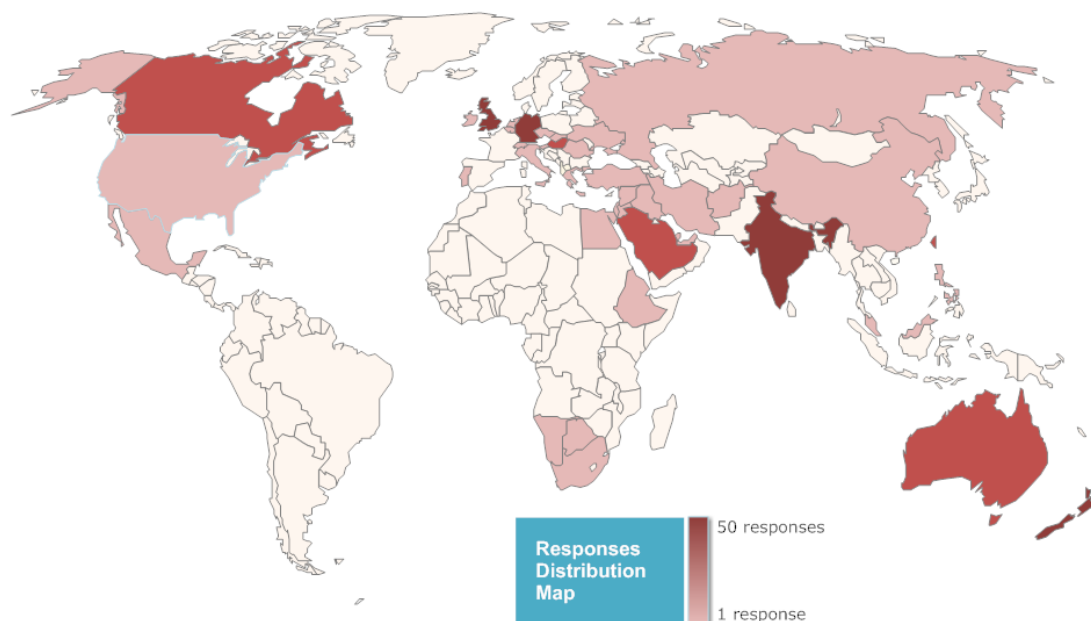


Figure 2. World responses distribution

The Figure above represents a diagrammatic presentation of how responses were obtained from various respondents from different parts of the world. The global map shows the different countries where responses were obtained. The respondents' countries are shaded with varied colour intensities to show the concentration of the responses. The countries shaded with more intense colours gave more responses than those with light colour intensities. The distribution of responses ranges from 1 to 50, depending on the colour intensity. Countries that are not shaded produced no responses for the study.

The map indicates that most of the responses came from UK, New Zealand, Australia, Germany, Canada, India and the Middle East. Other countries from different parts of the world did not give many responses, as indicated by the light colour. In summary, there is a reasonable distribution of respondents from all regions globally. This gives the study good coverage for the developed and emerging countries.

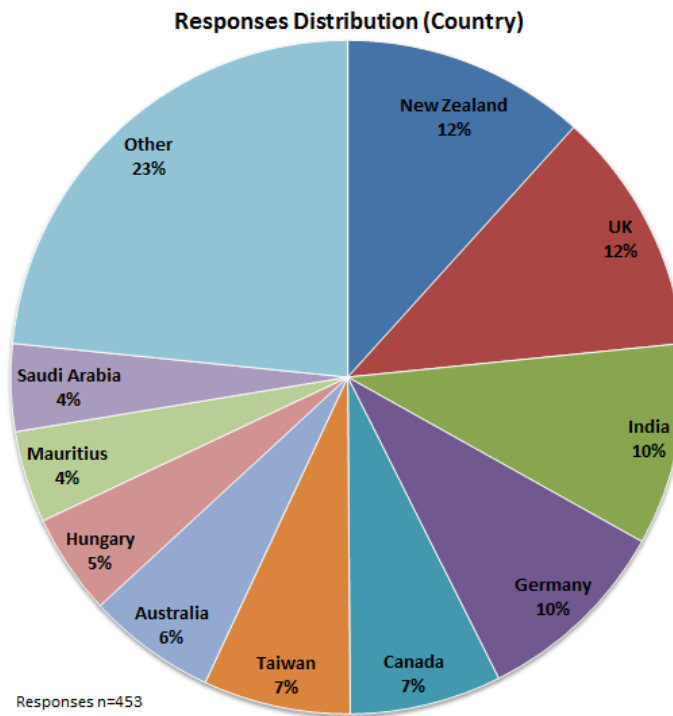


Figure 3. Responses distribution by country

As indicated in the chart above, most of the responses came from New Zealand and UK with 12% each, then India and Germany with 10% each, Taiwan and Canada with 7% each, Australia 6%, Hungary 5%, and Saudi Arabia and Mauritius with 4% each. Other countries produced 23% of the total responses of the study, this include US, Singapore, UAE, China and other. The total responses were 453 valid responses.

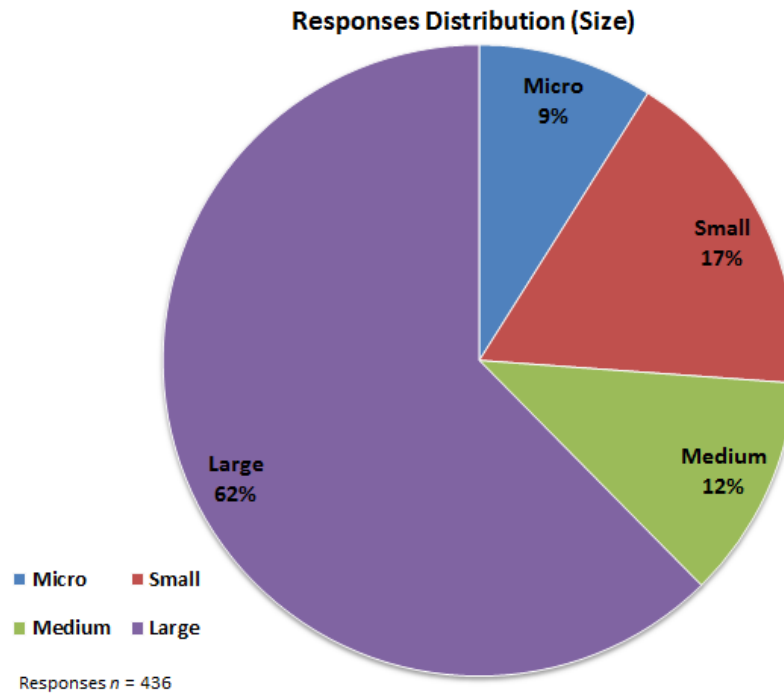


Figure 4. Responses distribution by organisation size

Out of the 453 responses there were 436 responses with organisations' data. Of these, 9% were completed by micro-sized organisations (one to nine employees), 17% were completed by small-sized organisations (10 to 49 employees), 12% were completed by medium-sized organisations (50 to 250 employees), and 62% were completed by large organisations (more than 250 employees).

4.3.1.2 Question 1.2. What is your organisation's major business activity?

In order to know if there is a co-relation between the benchmarking performance of sectors, it was important to ensure that respondents have mentioned the major business activities of their organisation. This will show which organisations have better implementation for benchmarking as a tool to improve their performances. Around 65% of responses were from five sectors (manufacturing organisations, personal and other services, government administration and defence, education, and health and community services) (Figure 5).

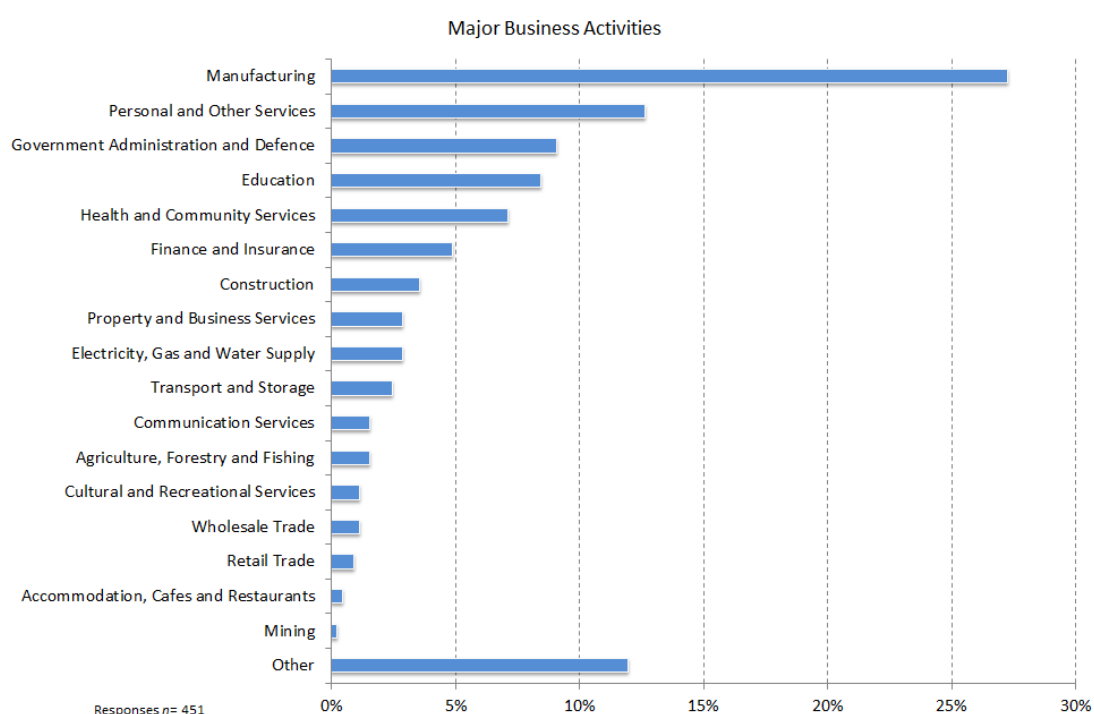


Figure 5. Response distribution by business activity

4.3.1.3 Question 1.3. Within which sector does your organisation operate?

Another important factor to consider when looking for high benchmarking uptake is if there are any differences between sectors. The majority of responses we obtained were from private sectors with 63%, followed by public sector with 27% and finally, non-profit with 10% of total responses (Figure 6).

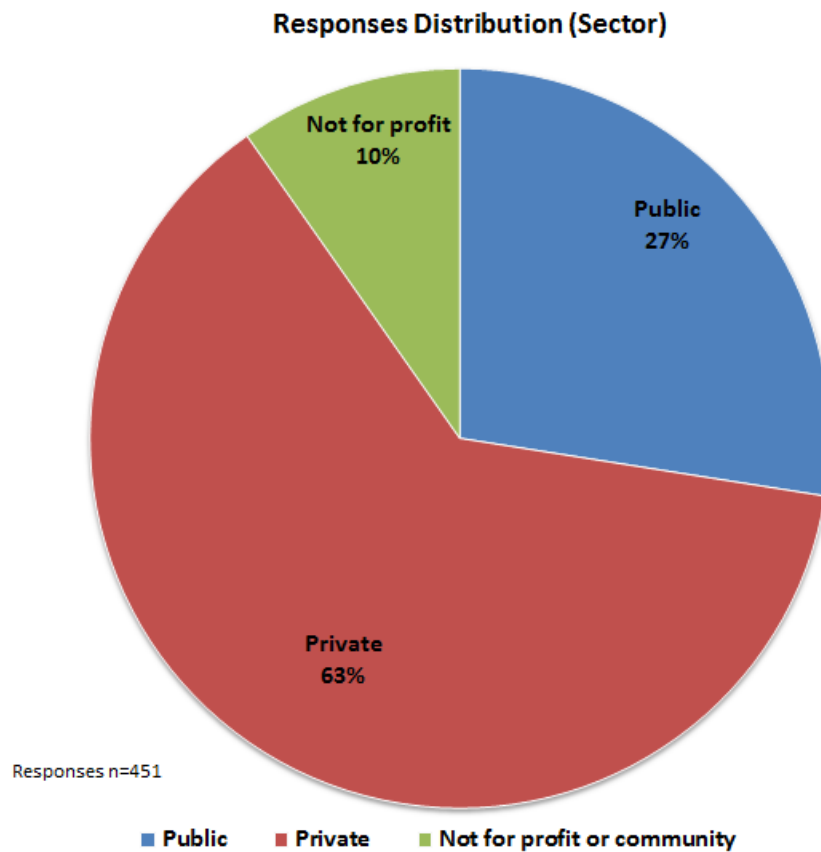


Figure 6. Responses distribution by sector

4.3.1.4 Question 1.4. For how many years has your organisation been operating?

It was also essential to consider how long the organisations participating in the study have been in business. This was important in order to determine if there is any correlation between the number of years in operation and other findings, such as the preferred business improvement technique, benchmarking uptake and results.

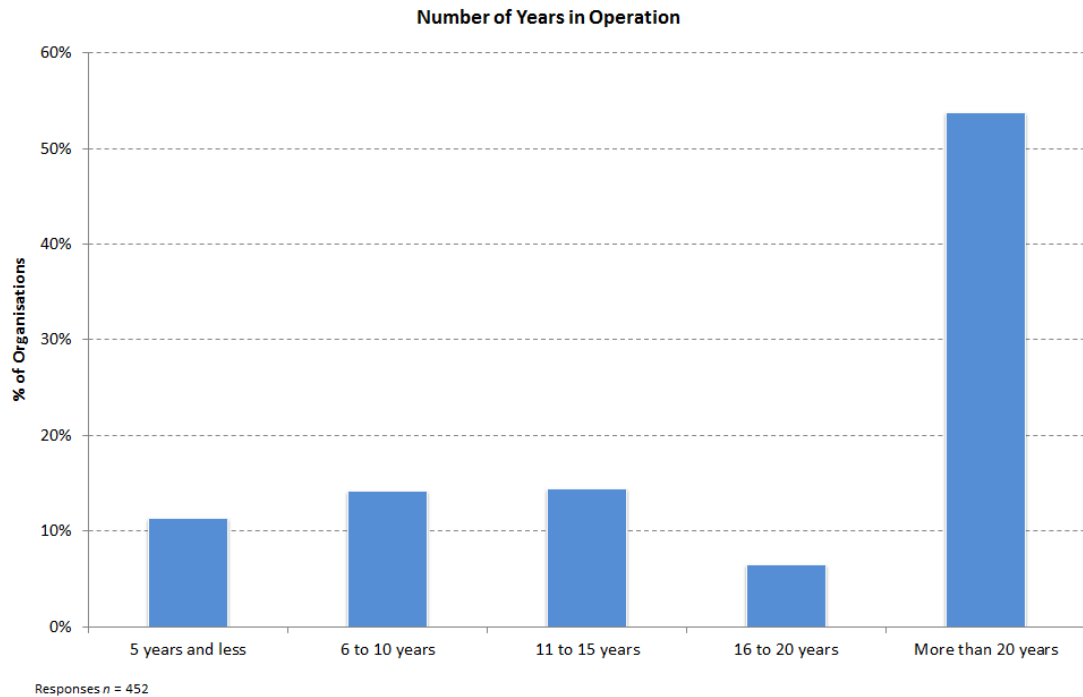


Figure 7. Number of years in operation

The largest category was 54% of responses which came from organisations that have been operational for more than 20 years. The average number of years in operation for the other categories less than 20 years is around 11%. It is therefore true that most of the responses were from organisations that have good experience and are well established (Figure 7).

4.3.2 Questionnaire section 2. Use of Improvement Techniques

4.3.2.1 Question 2.1. Improvement techniques implemented in your organisation.

Level of awareness for moderate and high use of improvement techniques.

Figure 8 shows the popularity of different improvement techniques in terms of knowledge or awareness. Respondents were asked to rate their level of

awareness for each one of the 20 improvement techniques. Eighty-six percent of respondents said that they have moderate or high levels of knowledge about customer (client) surveys, followed by 83% for SWOT analysis, and 82% for mission and vision statement. Informal benchmarking was sixth with 75%, the performance benchmarking was just above the 65% Mean, and Best practice benchmarking was just below the mean with 60%.

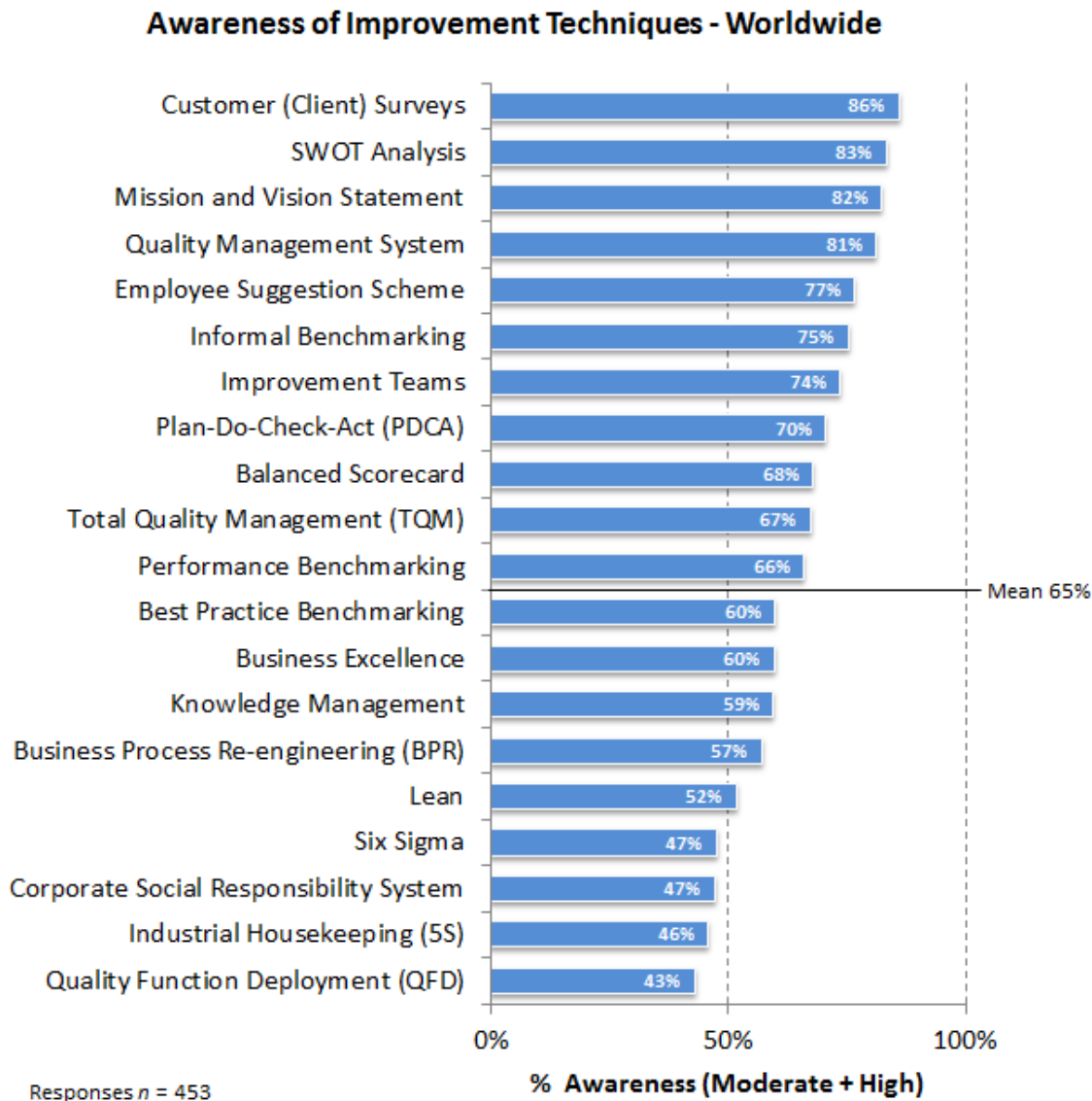


Figure 8. Awareness of business improvement techniques

Level of usage of improvement techniques.

In this question, respondents were required to highlight the improvement techniques currently in use in their organisations during the time of the study. It is worth noting that some of the highly rated improvement techniques in awareness in the previous question were not widely used. Also, the informal benchmark (which is the sixth in awareness) came fourth in usage. On the other hand, best practice benchmarking, which came in at number 12 in awareness, is number 15 in usage and below the mean by 10%. This means that there are other factors hindering organisations from implementing the best practice benchmarking other than knowledge or expertise (Figure 9).

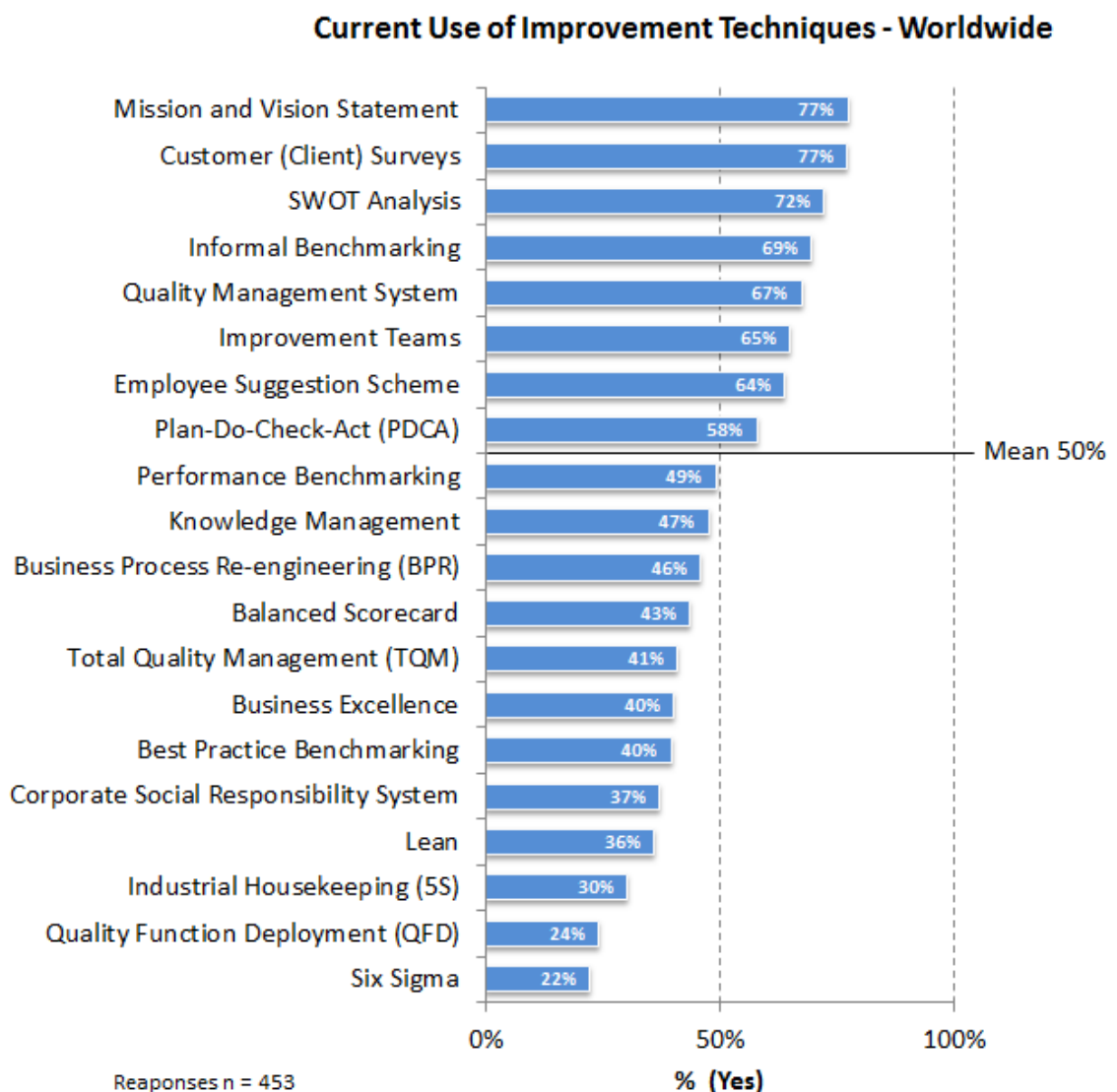


Figure 9. Current use of business improvement techniques

Since we have measured the level of awareness and usage, it is important to know how effective benchmarking is. The chart below shows the average for “moderate” and “major” level of effectiveness. It was evident from the findings that Quality Management System, Improvement Teams and Customer Client surveys are perceived as the most effective improvement techniques, which is shown by high percentage (80%, 77% and 77% respectively) among the responses. Informal benchmarking, performance benchmarking and best practice benchmarking scored lower results (Figure 10).

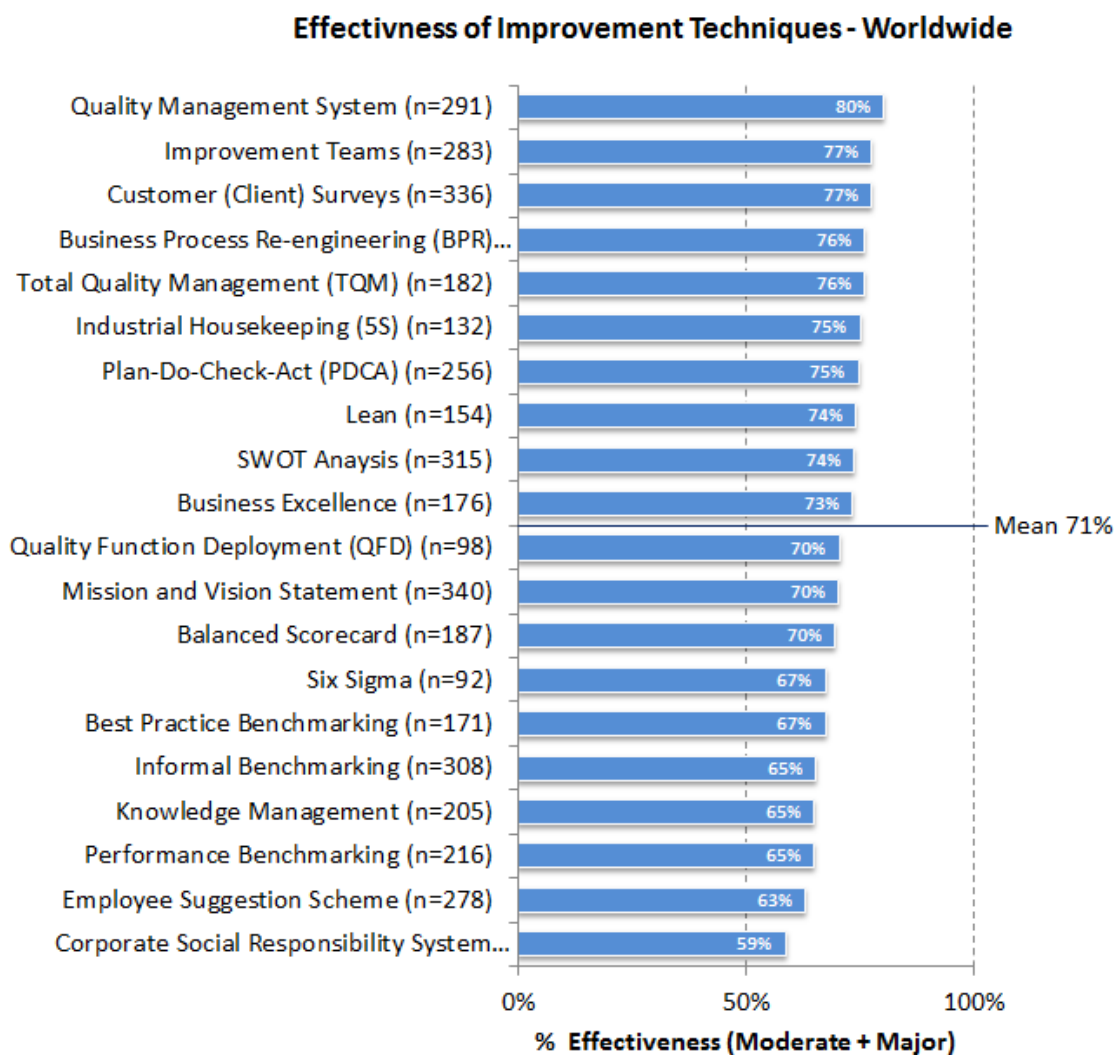


Figure 10. Effectiveness of business improvement techniques

Respondents were also required to state if they expect to use any of the 20 improvement techniques in the coming three years from when the responses were collected. The idea here was to understand what would be the

benchmarking uptake compared to the other major improvement techniques in the next three years.

From the chart below, it is evident that though many of the business improvement techniques were used in most of the organisations, most of them will not be in use in the coming three years. Regarding benchmarking, Performance benchmarking and informal benchmarking were first and second, and best practice benchmarking came fourth.

A mean of 48% future use of different business improvement techniques which was below average, shows that most of the organisations that were involved in the study were not willing to continue implementing improvement techniques that they were using in their business organisations (Figure 11).

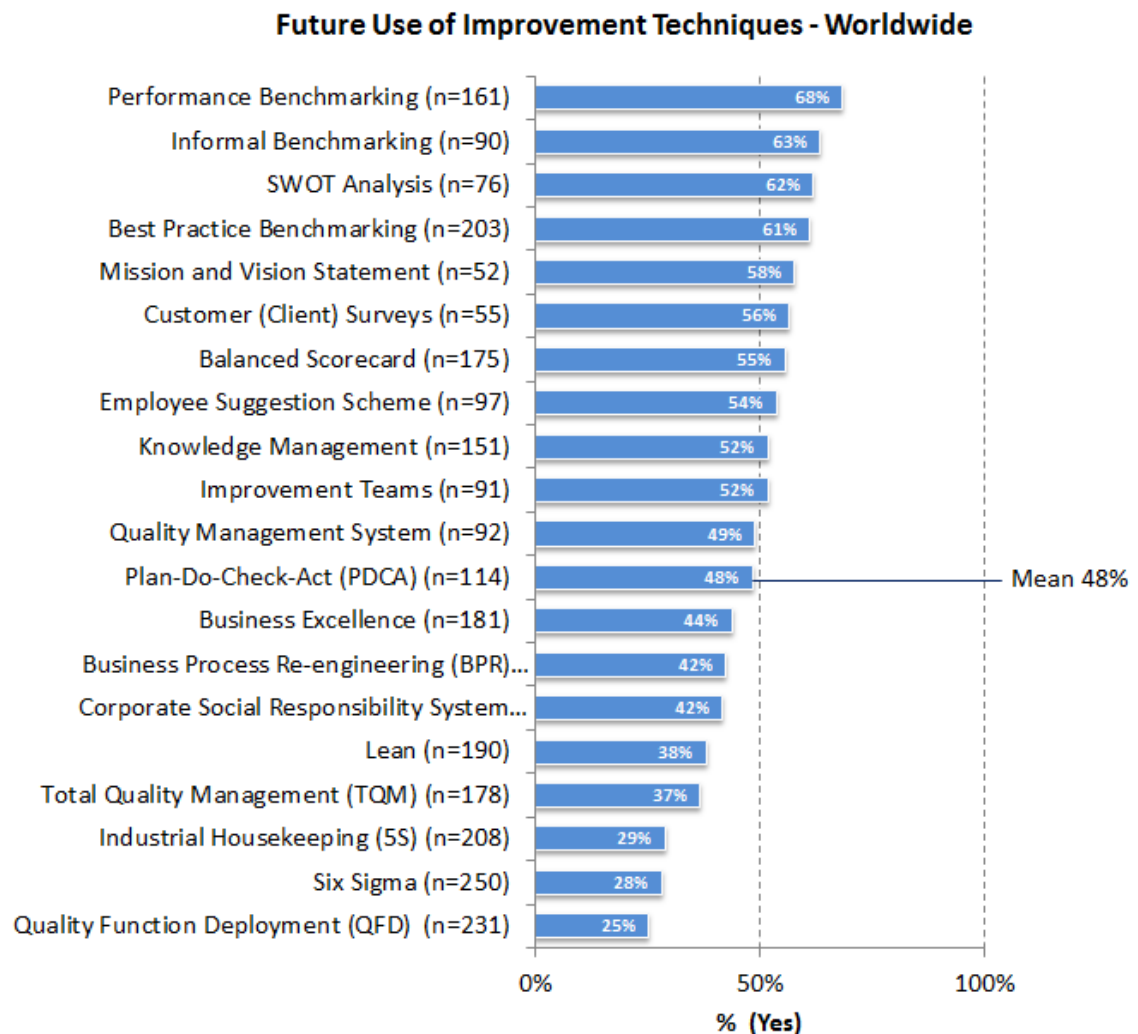


Figure 11. Future use of improvement techniques

4.3.2.2 Question 2.2. What are the main reasons for not using performance benchmarking or best practice benchmarking within your organisation?

At the end of section one the respondents were asked to state the top three reasons for not using benchmarking. In this question we asked respondents to rate three reasons for not using performance benchmarking or best practice benchmarking in descending order according to their importance. In the analysis of this question, the reasons selected as number one were given three points, two points for reasons selected as number two, and one point for reasons selected as number three. Figure 12 below shows the average points for each reason. It is evident from the responses collected that organisations that participated in the study had technical reasons in the top reasons as to why they never used benchmarking. The most important three reasons were lack of resources, lack of benchmarking partners, and lack of technical knowledge on how to do benchmarking.

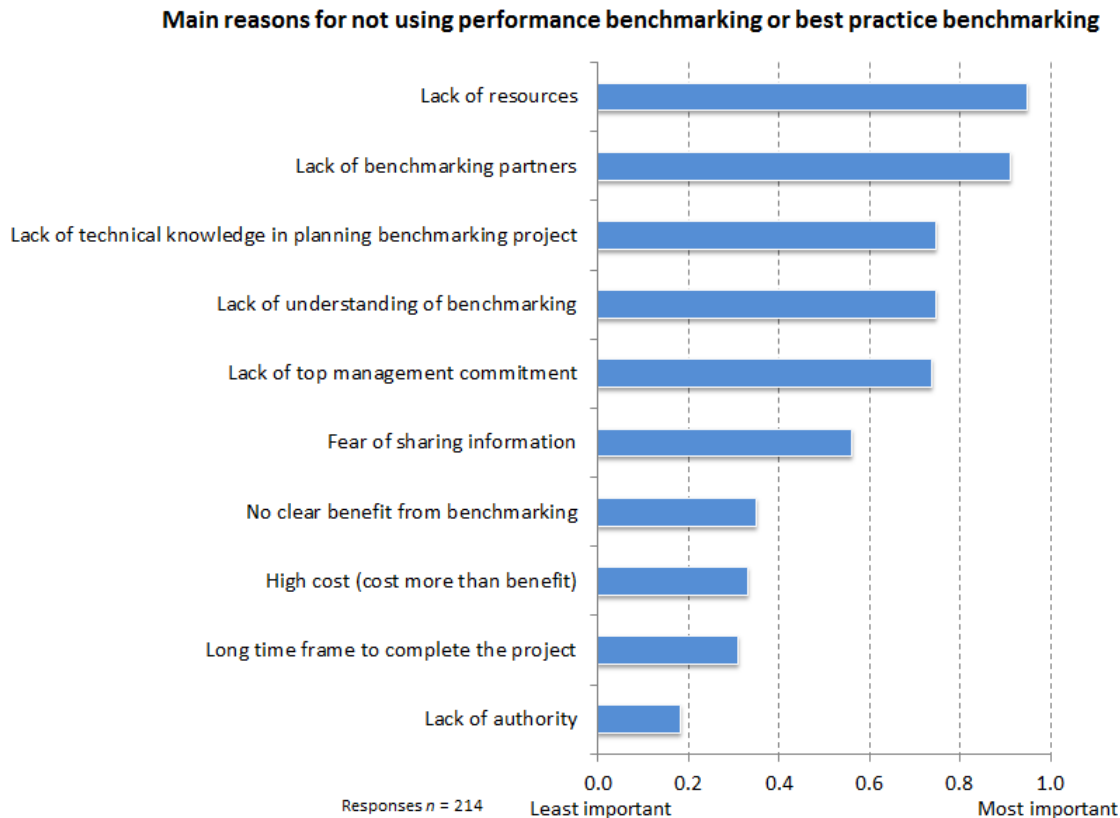


Figure 12. Reasons for not using benchmarking or best practice benchmarking

4.3.3 Questionnaire Section 3 General Questions on Benchmarking

In order to understand more about benchmarking and how it is implemented, which is the key issue in the study, respondents were required to state how benchmarking was used in their respective organisations. Questions about use of benchmarking were introduced to respondents and they were required to give their opinion by marking different options provided in the survey.

4.3.3.1 Question 3.1. Benchmarking Training, Data Collection and Dissemination of Results.

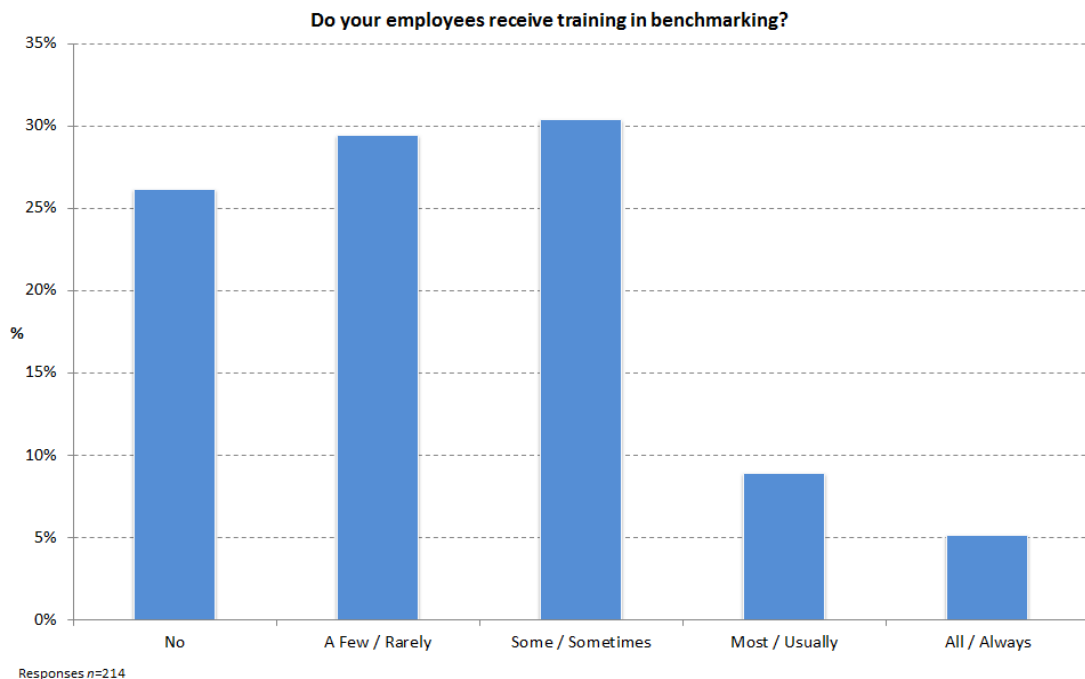


Figure 13. Benchmarking training for employees

The above graph shows responses from different employees who participated in the study on how employees were trained in benchmarking. The graph shows that on average, some organisations do not train their employees on benchmarking; this constituted about 26% of the response collected. Twenty-nine percent of respondents pointed out that training in benchmarking is rare, while only 14% of organisations “usually” and “always” train their employee in

benchmarking. Therefore, without proper training in benchmarking, it is most likely that the benchmarking projects will not be effective.

There was also need to find out what employees do on their own about benchmarking as they carry out their day-to-day responsibilities. The graph in Figure 13 has clearly shown that most of the employees who participated in the study had not received any training about benchmarking. It was therefore important to find out what employees do about benchmarking. Respondents were asked to state if employees collect and use benchmarking information. The findings of the study were recorded in a graphical form, as shown below.

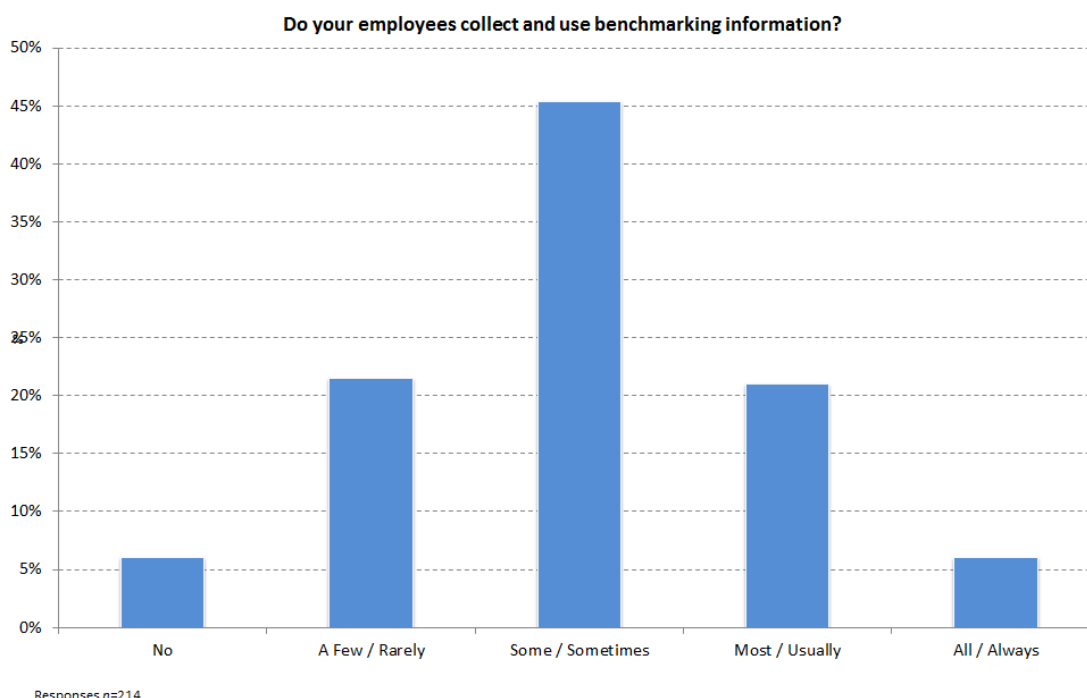


Figure 14. Collection and use of benchmarking data

It is evident from the above graph that employees sometimes collect and use data on benchmarking. About 45% of the employees who participated in the study agreed to have collected and used benchmarking information. Only 6% indicated that they have never collected any benchmarking information. About 21% indicated that they do it “rarely”. This shows that employees do collect and use information on benchmarking on their own, regardless of the fact that they receive little training on the same from their organisations.

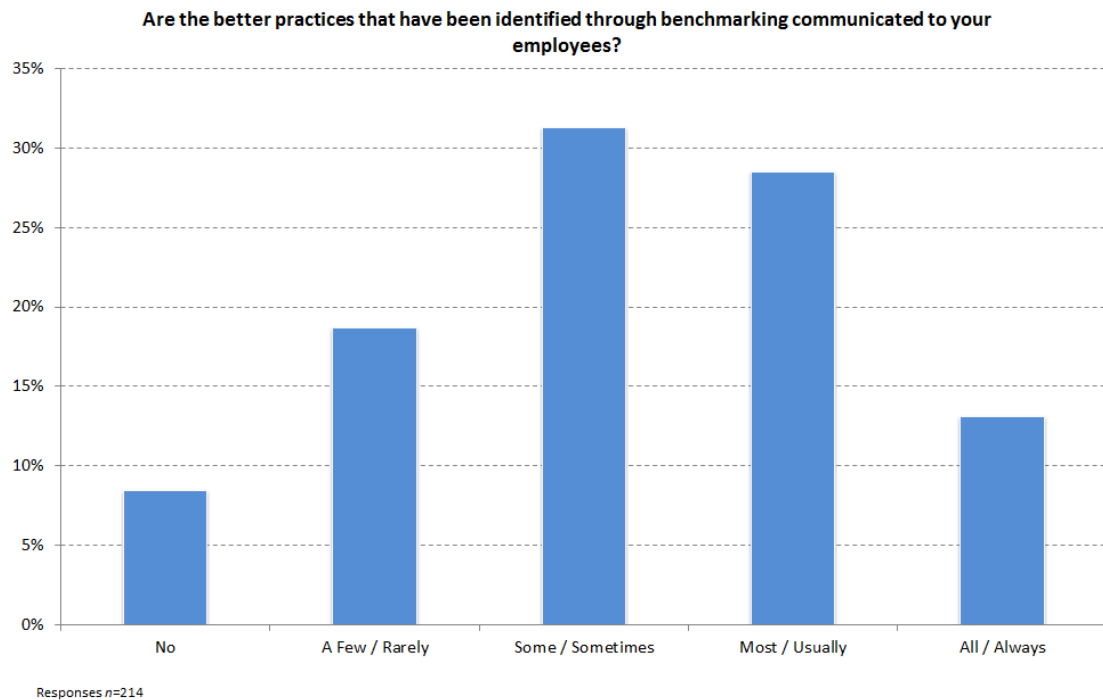


Figure 15. Disseminations of best practices

Figure 15 shows what organisations are doing regarding dissemination of best practices that resulted from the benchmarking projects. Approximately 42% of organisations do “always” and “usually” communicate the best practice that has been identified to their employees, 17% do not communicate it or do it “rarely”, while 31% of organisations communicate the best practices sometimes.

4.3.3.2 Question 3.2. For each of the following performance areas, does your organisation collect benchmarks (performance comparison data on other companies)?

We also wanted to know what area is the most important for organisations in collecting benchmarks data from. Therefore, respondents were required to state if their collected data on areas is related to employees, financial processes, services and products.

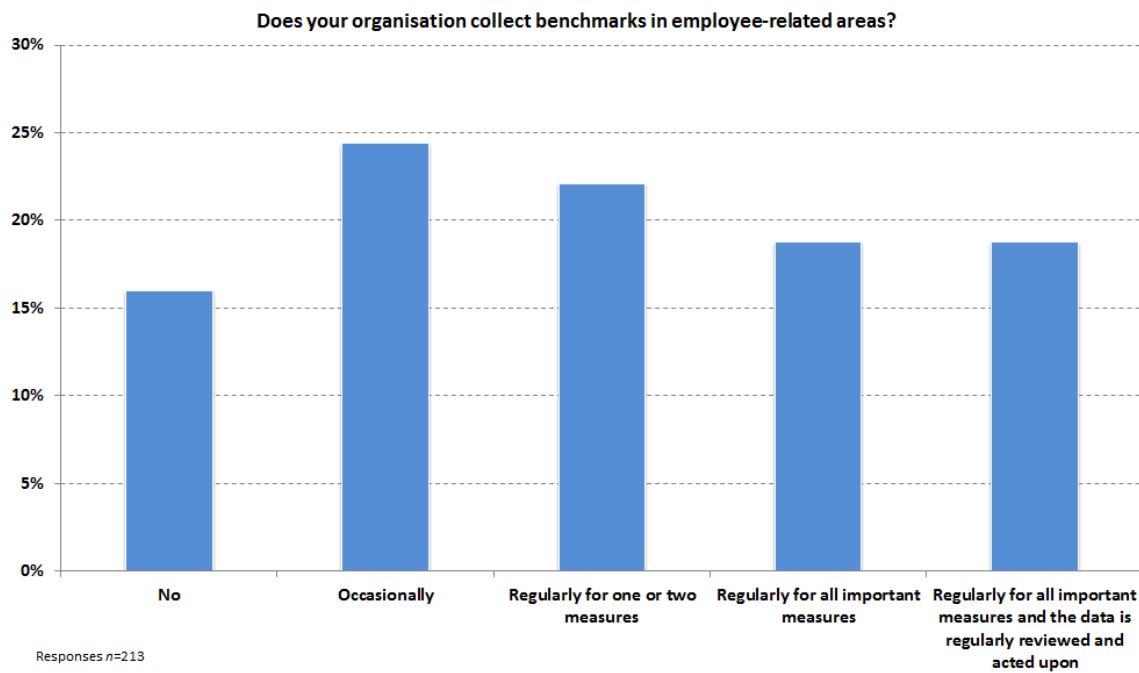


Figure 16. Collection of benchmarking data in employee-related area

The above graph shows the responses on whether the organisations collected any benchmarks related to employees. The graph shows relatively equal distributed responses on how much organisations collected benchmarks on issues related to employees. Most of the respondents pointed out that their organisations collect benchmarks on matters related to employees. In fact, only about 16% of the respondents said that their organisations do not collect any benchmarks related to employees.

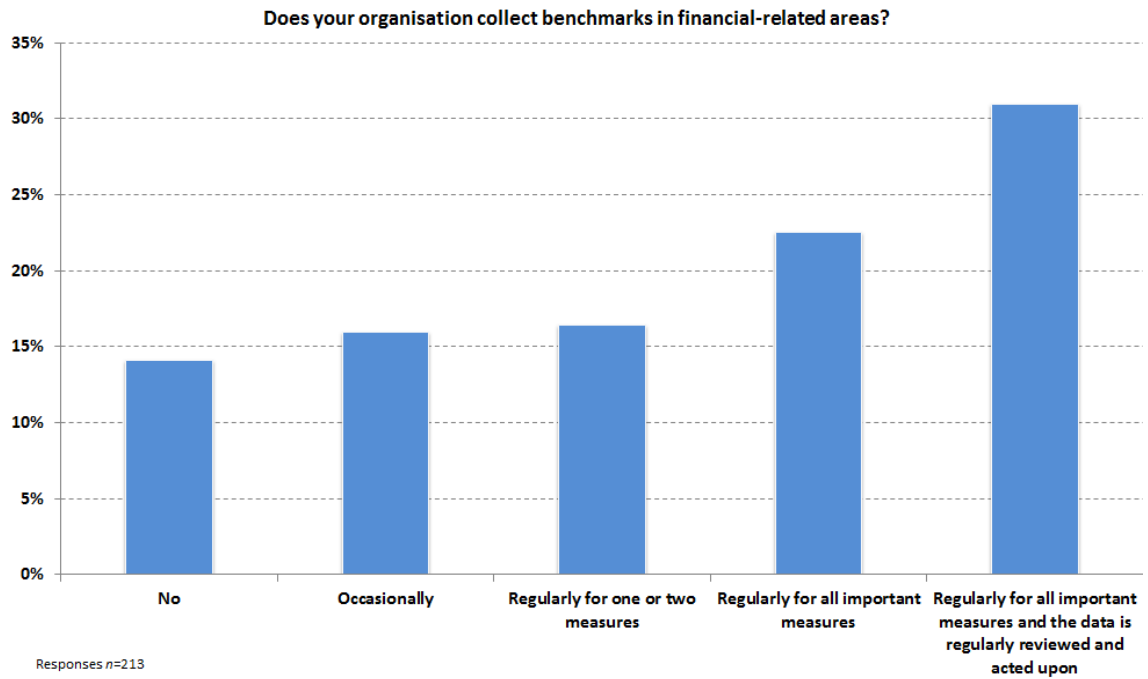


Figure 17. Collection of benchmarking data in financial-related areas

For benchmarks related to financial issues, respondents indicated that their organisations collect benchmarks from other businesses for comparison purposes. The graph shows an increasing trend for financial area benchmarks; over 85% of the respondents agreed that their organisations collected benchmarks on financial matters and only about 14% of the respondents stated that their organisations do not collect any benchmarks on financial-related areas. Thirty-one percent of the organisations collect benchmarks regularly for all important measures and the data is regularly reviewed and acted upon (Figure 17).

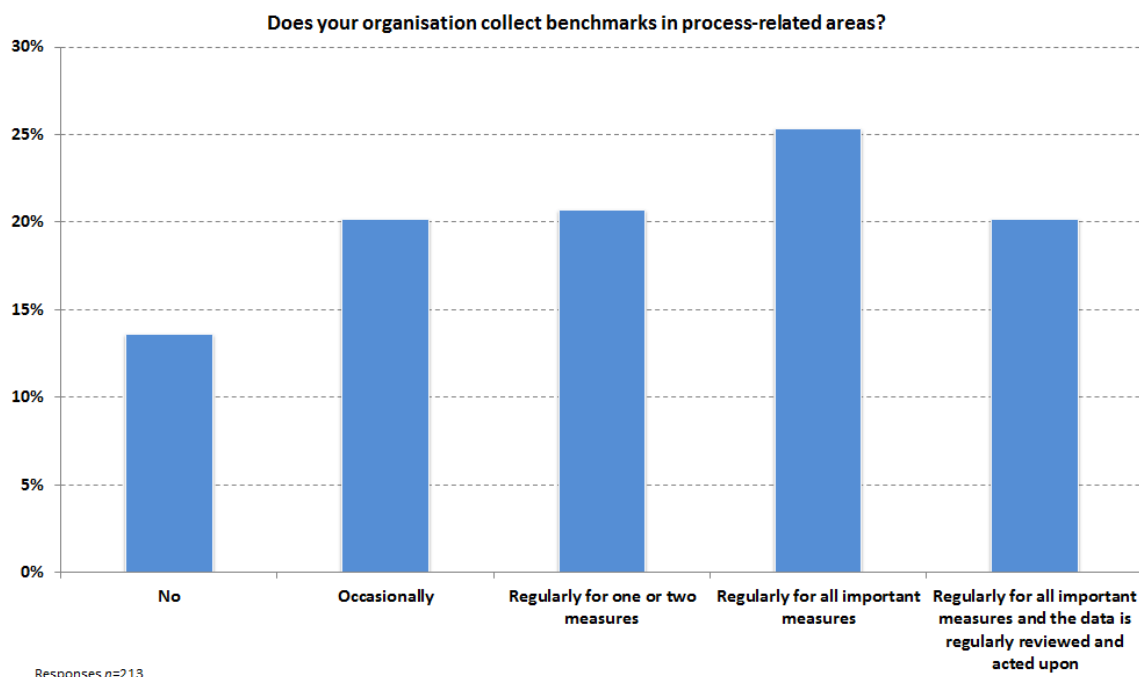


Figure 18. Collection of benchmarking data in process-related areas

Respondents were also required to give their views on the collection and usage of benchmarks in their organisations for process-related areas. The graph above shows that the majority of respondents indicated that their organisations collect process-related benchmarks. Twenty percent said that they collect benchmarks regularly for all important measures and the data is regularly reviewed and acted upon, while 25% said that they collect the process-related benchmarks regularly. Fourteen percent said they do not collect benchmarks in process-related areas. (Figure 18)

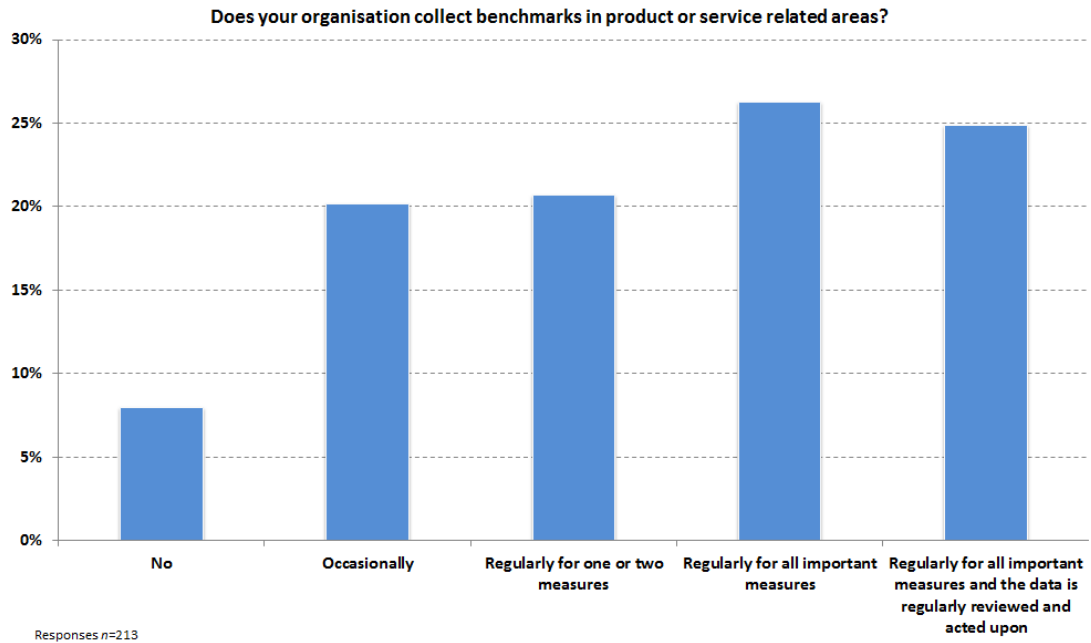


Figure 19. Collection of benchmarking data in product or services related areas

The fourth area to ask the respondents about was benchmarks related to product or services. Only 8% said that they do not collect any benchmarks related to product or service, while more than 50% said that they do collect benchmarks regularly for all important measures, and 25% regularly review and act upon the benchmarks they have collected (Figure 19).

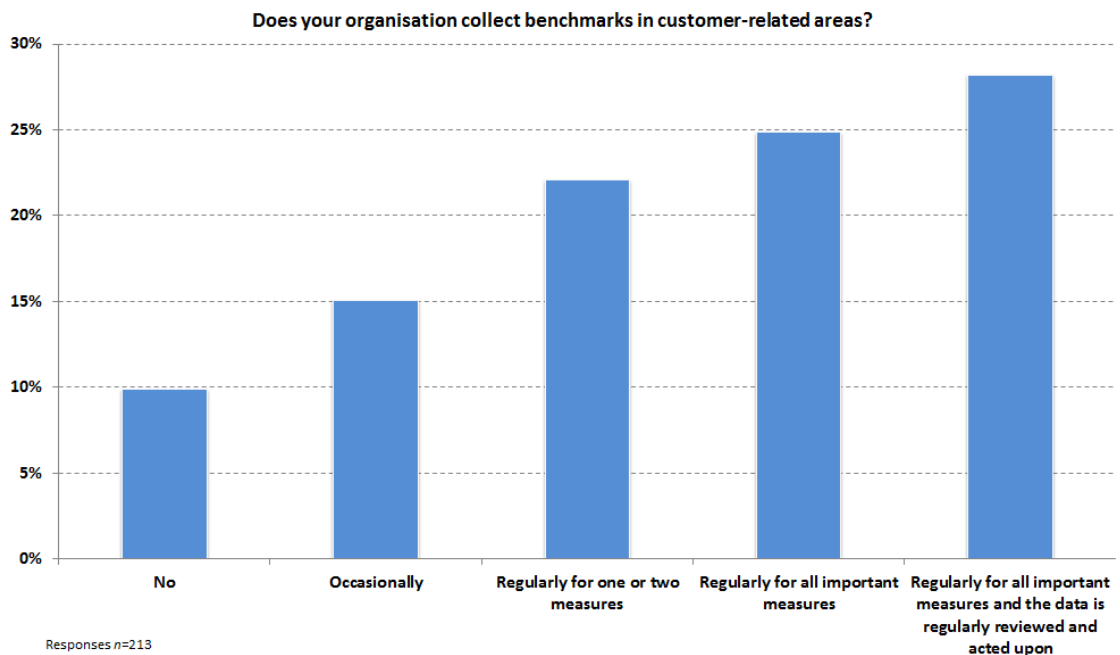


Figure 20. Collection of benchmarking data in customer-related areas

Lastly, respondents were also asked to state if they collect benchmarks related to customers. The trend of the chart above is similar to financial area benchmarks, where the responses are increasing. This is an indicator that the customer-related benchmarks are so important; in fact, 53% said that they do collect the benchmarks regularly for all important measures and 22% for one or two measures. Only 10% of the organisations do not collect any benchmarks related to customers. Among the five areas the customer benchmarks came first in regard to collecting measures regularly; around 75% of organisations collect benchmarking data in customer-related area on regular basis (Figure 20).

4.3.3.3 Question 3.3. Which of the following services in benchmarking, if supplied by a third party (an external organisation), would your organisation potentially use?

In order to determine how business organisations consider seeking benchmarks from other organisations, respondents were asked to mention which benchmarking services they would use if provided by a third party or an external organisation.

In this question we asked the respondents to rate three potential services provided by an external organisation in descending order according to its importance. In the analysis of this question, services selected as number one were given three points, two points for services selected as number two, and one point for services selected as number three; the chart is showing the average points for each service. It is clear from the chart that most of the organisations are willing to use a best practice database provided by a third party on the above areas. The best practice database is the most popular while online discussion forum is the least popular. This shows that the organisations are willing to benchmark on matters that they feel are important to their organisations and are reluctant to use benchmarking services that are less likely to improve their performance.

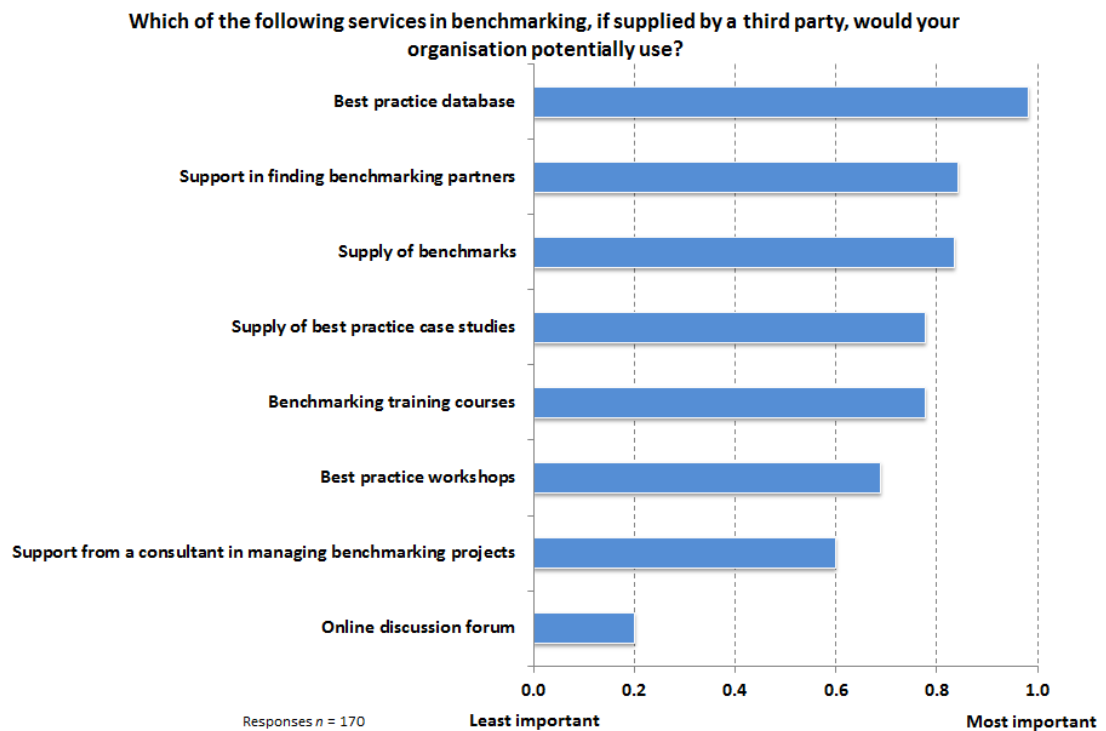


Figure 21. Most important services supplied by third party

4.3.3.4 Question 3.4 Does your organisation currently use benchmarking services provided by a third party?

Approximately 72% of the respondents stated that their organisations did not use benchmarking services provided by a third party. Only about 28% of respondents said that they are using a benchmarking service provided by a third party in their organisation. In Question 3.3 almost all participants said that they would use a best practice database service if available. This shows that there is a lack of best practice databases.

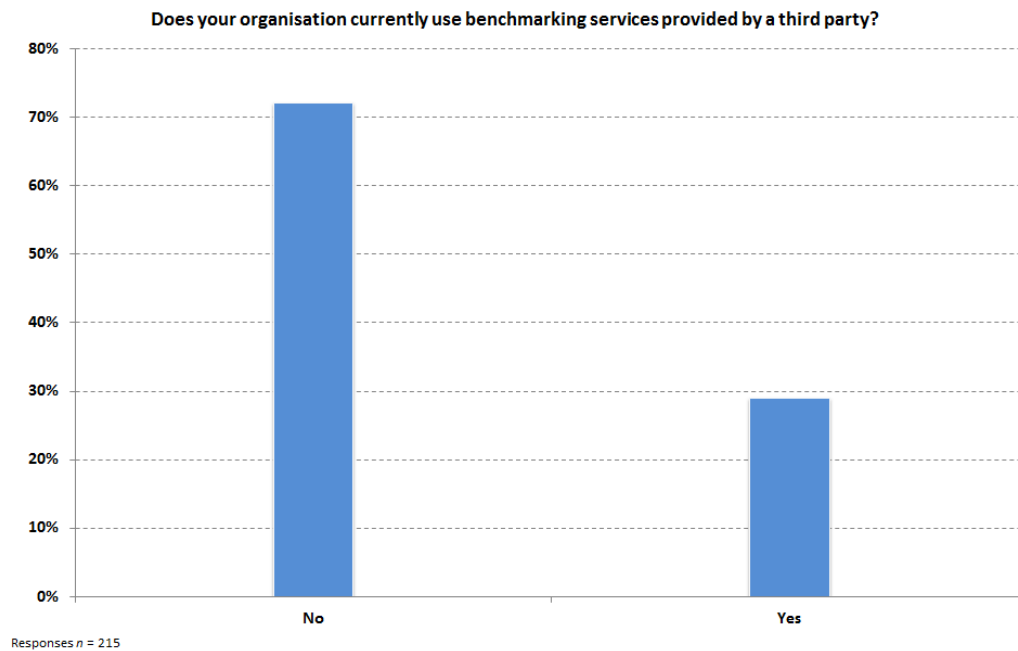


Figure 22. Current use of benchmarking service by third party provider

4.3.3.5 Question 3.5. *If there was a national or regional benchmarking award to encourage organisations to undertake benchmarking projects, would your organisation be interested in applying or finding out more information about it?*

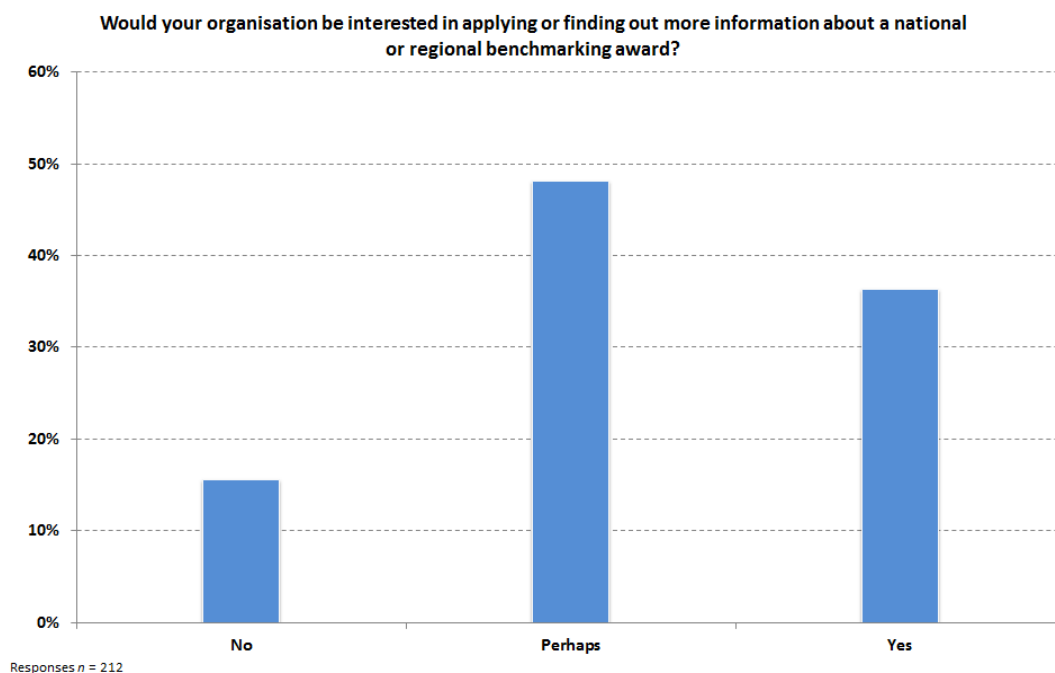


Figure 23. Level of interest in a benchmarking award

Figure 23 shows the responses on whether the organisations would be interested in applying for a national or regional benchmarking award. Respondents were required to respond with no, yes or perhaps to the question. Approximately 48% of the total participants were not sure that their organisations would participate in a national or regional benchmarking award. Approximately 36% said yes and 16% said no. In regard to most of the employees not sure about their organisation's willingness to participate in regional or national benchmarking awards, the reasons could be that they need to see a direct benefit for them to participate.

The main reason behind a benchmarking award is to encourage information sharing between organisations. Therefore, the award will be an excellent learning platform for organisations.

4.3.4 Survey Section 4: Best Practice Benchmarking Projects - Planning

This section is dedicated to planning. Planning is the first phase of a typical benchmarking project and the most important. We need to know how the organisations are performing in planning phase in terms of duration, team size, methodology used, area of benchmarking, number of projects per year, and other characteristics of the planning phase.

4.3.4.1 Question 4.1. How many benchmarking projects do you conduct per year (typically)?

Respondents were required to state the number of benchmarking projects they conduct annually. The options were one project, 2-5 projects, 6-9 projects, 10-20 projects and more than 20 projects. The result shows that 54% of the organisations conduct two to five projects per year, and only 6% conduct more than 20 projects (Figure 24).

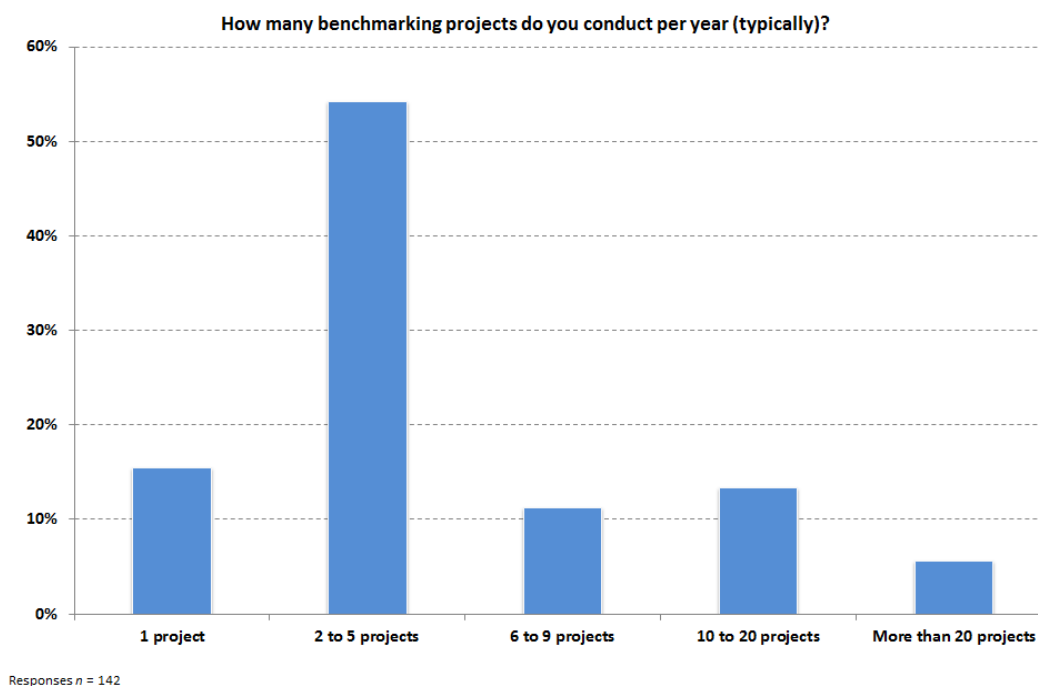


Figure 24. Number of benchmarking project per year

4.3.4.2 Question 4.2. What is the size of a typical benchmarking team within your organisation?

In order to determine reasons for the different number of benchmarking projects conducted by organisations annually, it was essential to determine the size of a typical benchmarking team. The participants were required to mark the size of the benchmarking team in their organisations from the options provided in the questionnaire.

Around 61% of organisations conduct benchmarking project with four employees or less. In fact, 31% benchmarking teams are made up of 3-4 people, followed by 30% for 1-2 people and then 22% for 5-6 people. Only 19% of the organisations employ seven people or more in a typical benchmarking team (Figure 25).

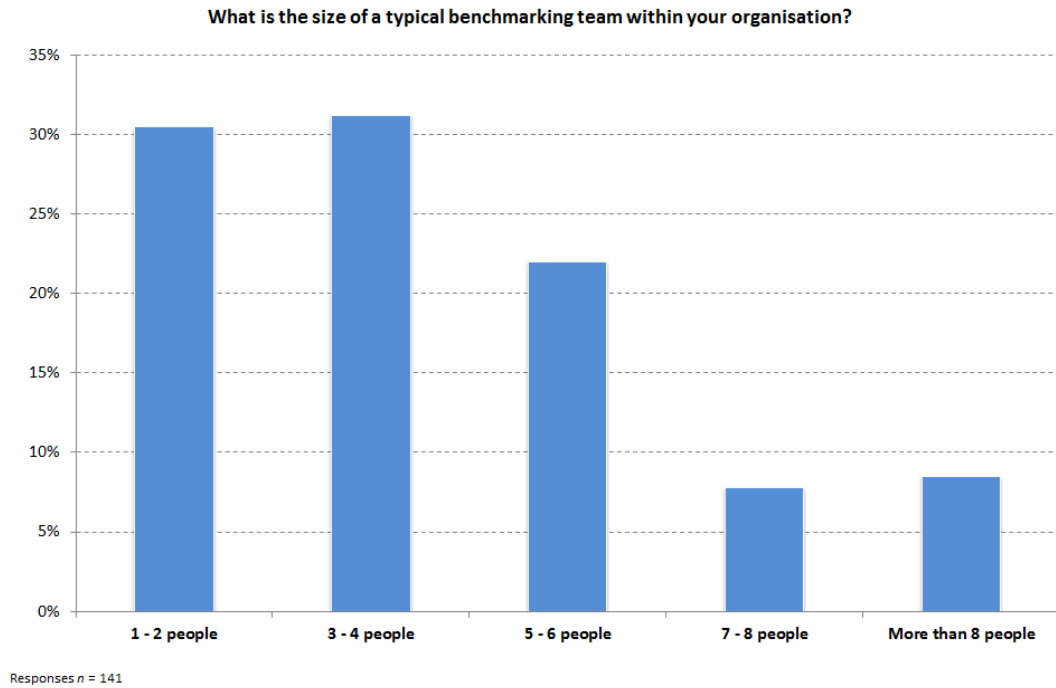


Figure 25. Size of typical benchmarking team

4.3.4.3 Question 4.3. Does your organisation use a particular methodology for undertaking benchmarking projects?

There are number of proven benchmarking methodologies, it is important that the organisations conduct their benchmarking projects based on one of the proven benchmarking methodology. The idea was to establish the relationship between different methodologies used and the success of the benchmarking projects in improving organisational performance.

Figure 26 shows that most of the organisations developed their own methodology in benchmarking projects and they do not necessarily use one of the popular methodologies. Approximately 51% of the total respondents stated that they are using developed-own methodology when implementing benchmarking projects and 21% stated that they using a particular methodology. Approximately 28% pointed out that their organisations never used any method at all, which is the wrong thing to do, because without a methodology the projects most likely will fail or at least will not be efficient and effective.

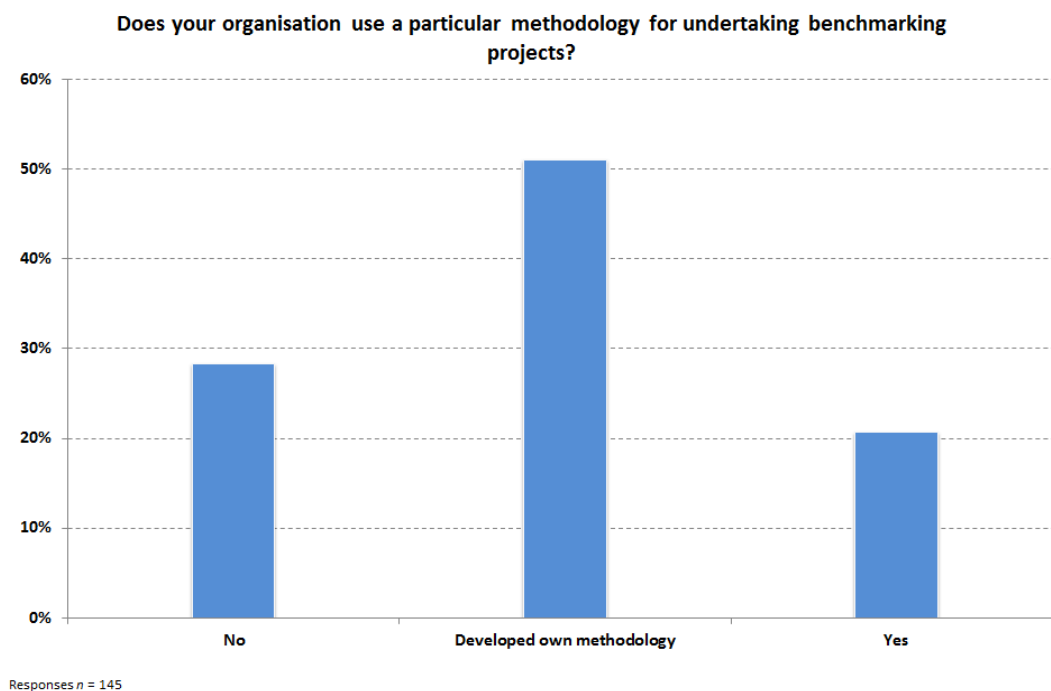


Figure 26. Methodology used in benchmarking projects

4.3.4.4 Question 4.4. How long does a benchmarking project normally take?

In this question, respondents were required to describe how long it takes to conduct a benchmarking project and achieve a best practice, excluding the implementation phase therefore excluding the implementation of achieved best practices. The idea was to determine the relationship between the sizes of the benchmarking teams, the number of projects conducted annually, and the success of benchmarking project.

Around 83% of benchmarking projects took six months or less to complete while 40% of the benchmarking projects took less than two months. This means that only 7% of the projects are long term projects that took more than 10 months to complete (Figure 27).

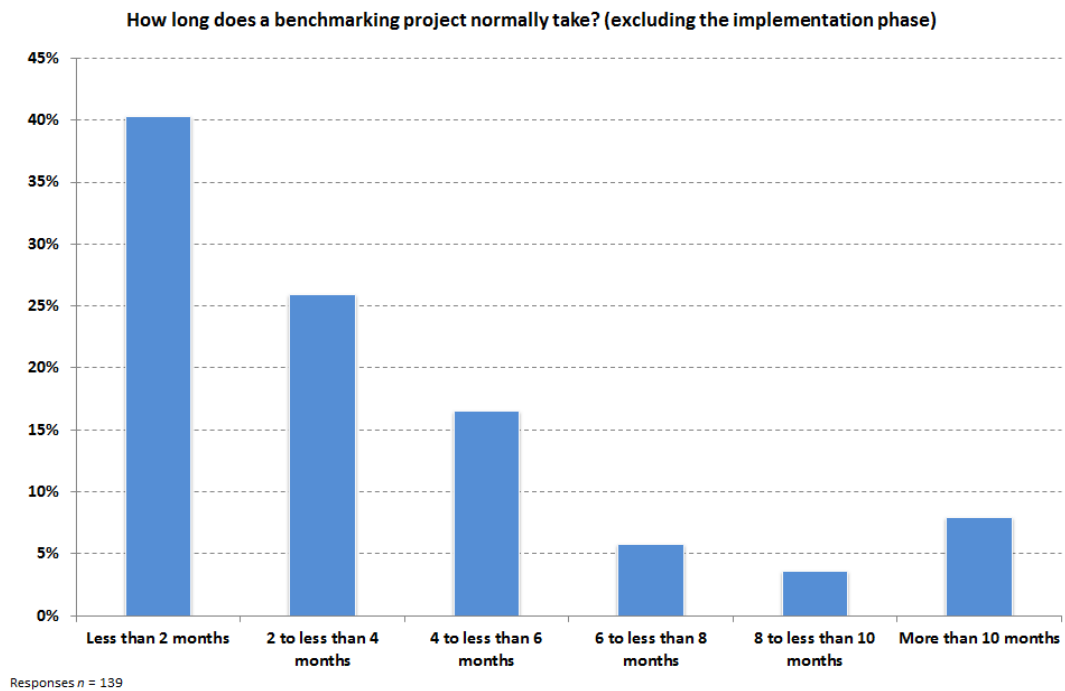


Figure 27. Duration of benchmarking projects

4.3.4.5 Question 4.5. What are the main reasons for undertaking benchmarking projects?

In this question, we asked the respondents to rate three main reasons for undertaking benchmarking projects in descending order according to their importance, knowing the main reason for undertaking benchmarking projects will help in determining the requirements for the organisations, such as type of best practice case studies. In the analysis of this question, reasons selected as number one were given three points, two points for reasons selected as number two, and one point for reasons selected as number three. Figure 28 shows the average points for each reason.

It is evident from the graph below that the main reason for conducting a benchmarking project is to improve process performances, followed by addressing major strategic issues, and then to learn what other organisations are doing. It is worth to mention that the reason the number one score is double score of reason two, which means that majority of organisations rated this reason as number one and two.

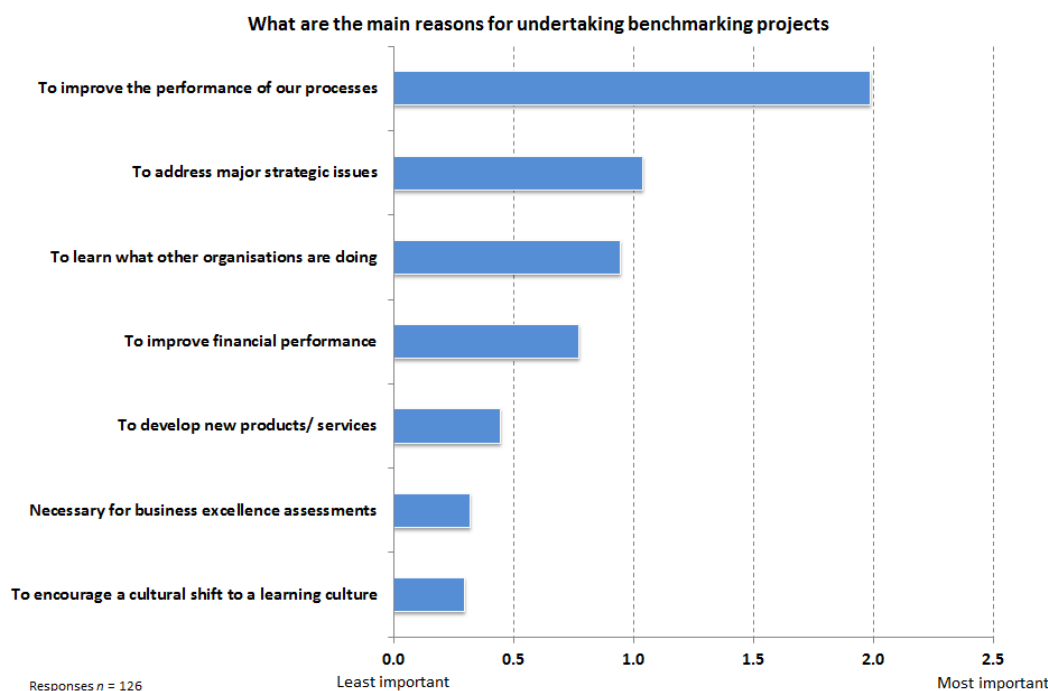


Figure 28. Main reasons for undertaking benchmarking

4.3.4.6 Question 4.6. In the last three years which areas of your organisation have conducted benchmarking projects?

In this question, we asked the respondents to state that areas in their organisations that conducted benchmarking projects. Figure 29 shows the percentage for each area out of the total number of selections. Most of the areas where organisations conducted benchmarking projects are 15% for customer service, 14% for administration, training and human resource, and 12% for corporate strategy and planning. The areas with the least benchmarking projects were 3% for public relations, and 5% for maintenance and 5% for warehouse, logistics and purchasing.

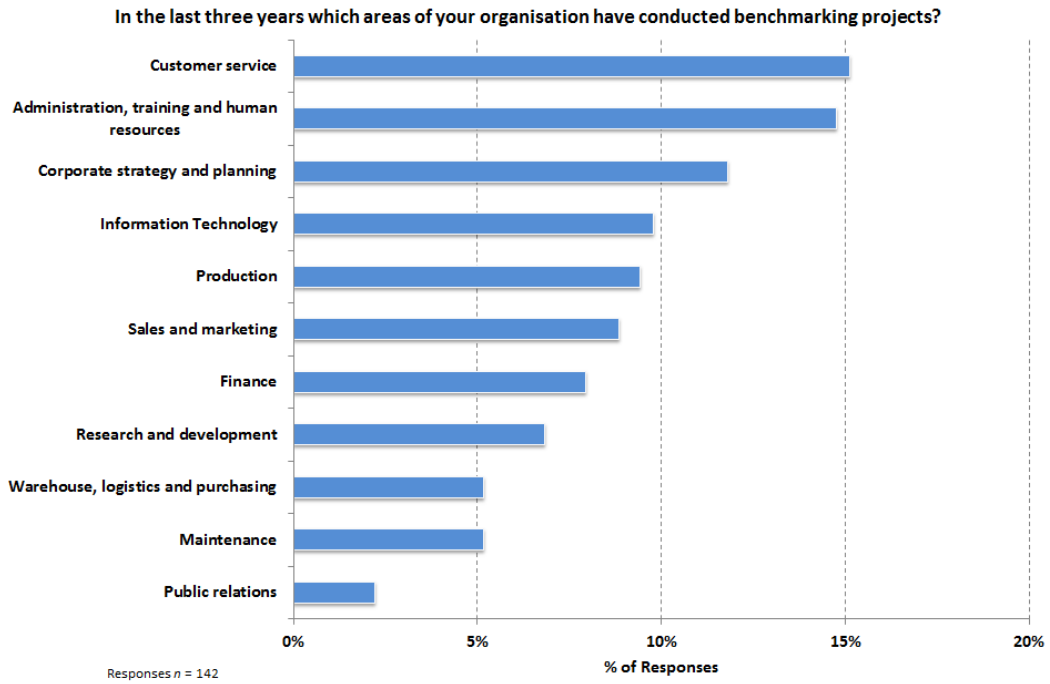


Figure 29. Benchmarking in organisation areas

4.3.4.7 Question 4.7. Our benchmarking project teams usually consist of people from the following areas.

In order to link the results of benchmarking projects and characteristics of benchmarking teams, we asked the respondents to specify which area the benchmarking team belongs to. Figure 30 shows an average score for each area selected by respondents. Most of the benchmarking teams consist of people from middle management with 20%, followed by 19% for selected employees, and 16% each for senior management and process owners. The top four areas are 72% of total selections. The areas with least number of selections were external benchmarking experts, external suppliers, and internal suppliers. This shows that most organisations rely on their own employees to conduct benchmarking projects and they are mostly in the middle to high organisational hierarchy.

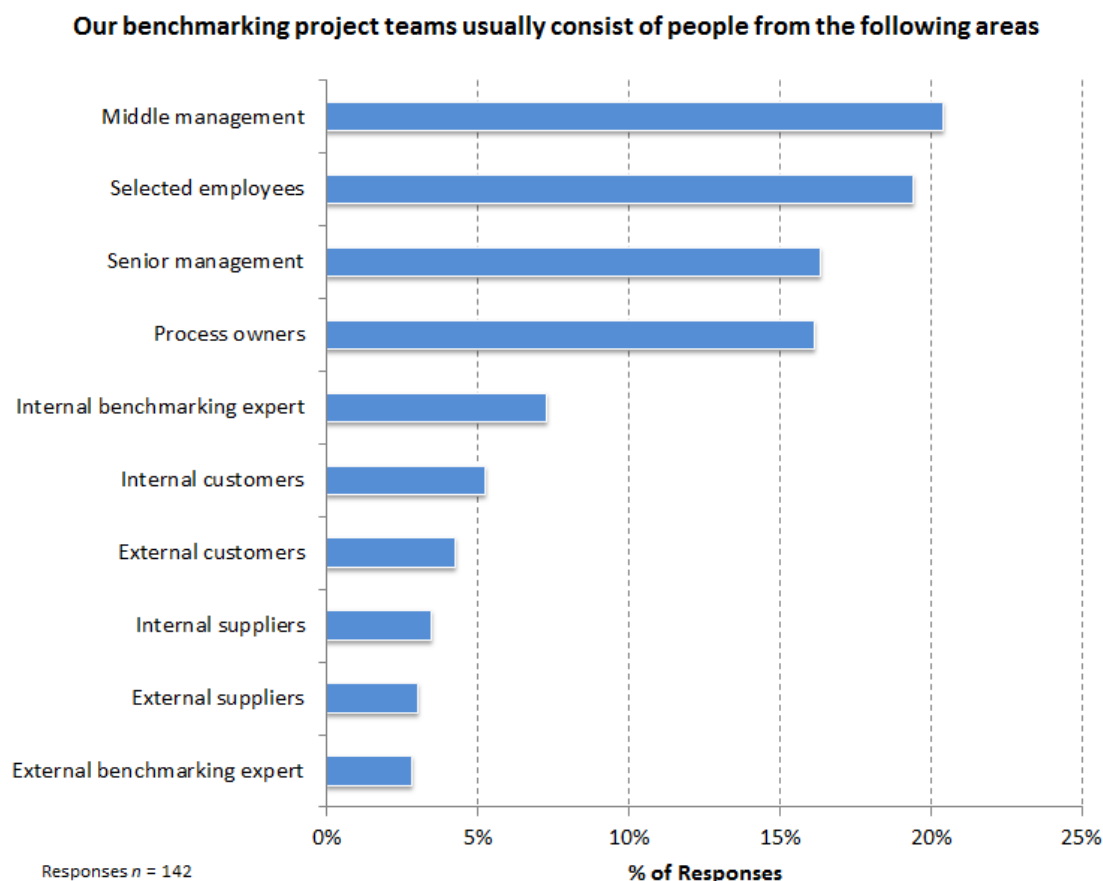


Figure 30. Benchmarking team structure

4.3.4.8 Question 4.8. What types of benchmarking projects do you usually conduct?

There are various levels of benchmarking projects in terms of benchmarking partners; they could be an internal department, national organisation, or an organisation in another country. In this question, respondents were asked to specify the percentage of each type of partner in their benchmarking projects. Around 43% said they are conducting the benchmarking projects internally (with an internal partner), around 38% conducted their benchmarking project nationally; were only 19% implemented their benchmarking projects internationally. This means that more than 80% of projects were conducted nationally, so a national centre for benchmarking could play a vital role in improving the quality of benchmarking projects (Figure 31).

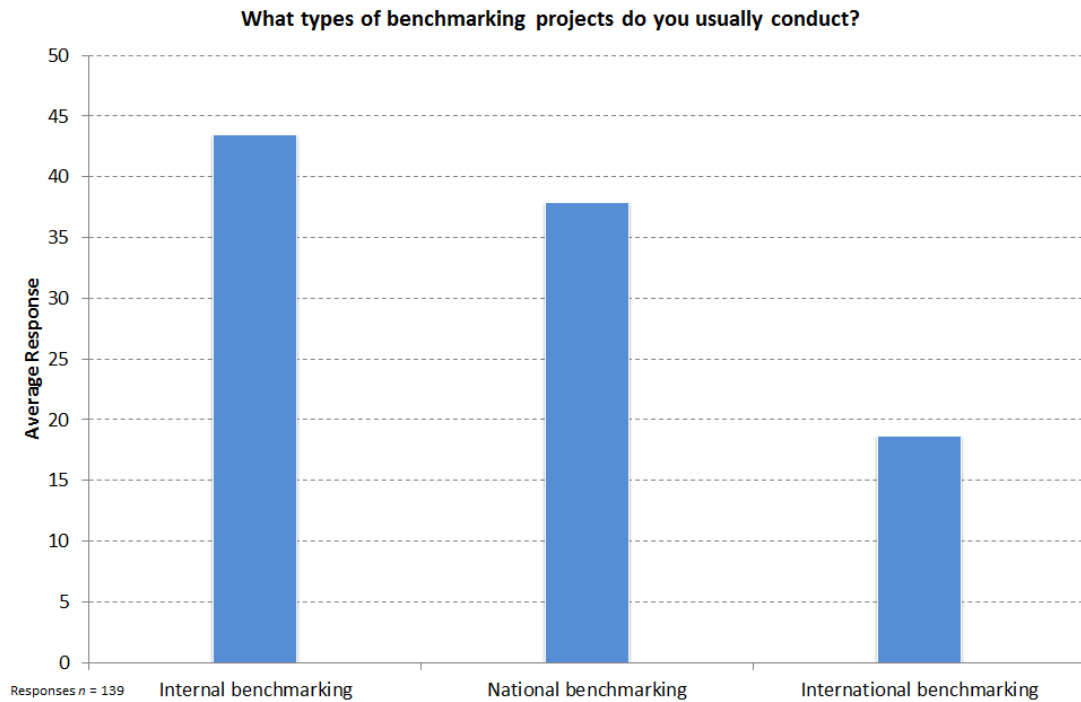


Figure 31. Types of benchmarking projects

4.3.4.9 Question 4.9. When planning a benchmarking project.

A benchmarking project without a proper planning that include a project brief stating the aim, scope, sponsor and members of project team will most likely lead to project failure or an inefficient project. Respondents were asked to state how their respective organisations planned benchmarking projects in terms of project brief, financial aspects and code of conduct.

Respondents were asked to state if a project brief was developed during planning which includes aim, scope, sponsor and members of the benchmarking team. Around 67% of organisations “usually” and “always” do develop a project brief while 14% said they “do not” develop or “rarely” develop a project brief for the benchmarking projects (Figure 32).

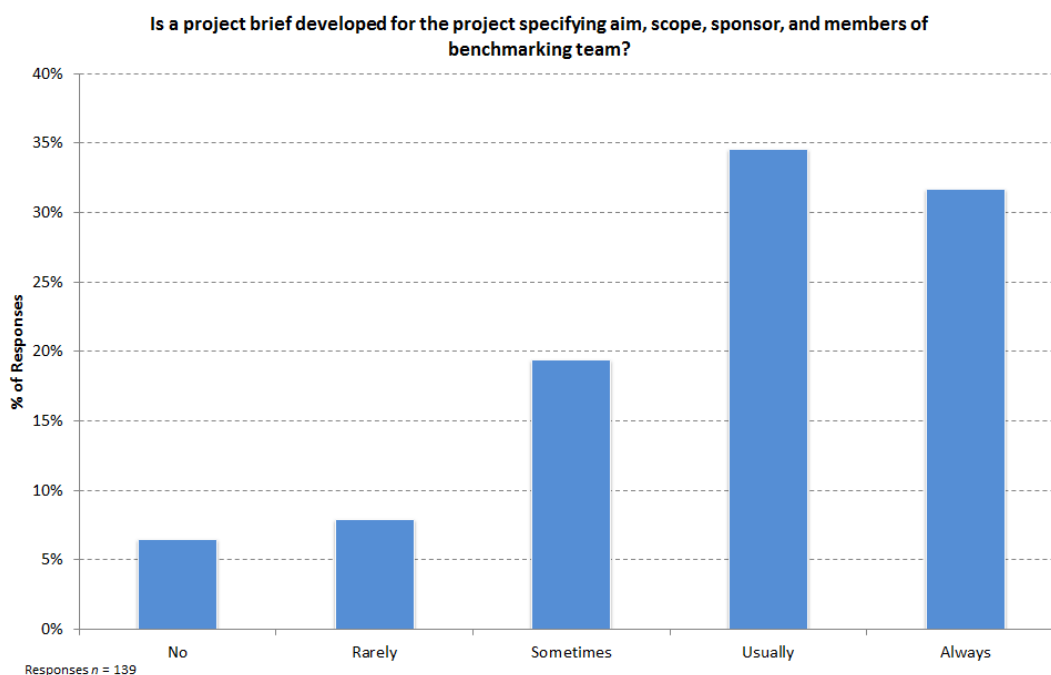


Figure 32. Project brief development

The core goal for conducting benchmarking is to improve organisational performance and ensure that it remains competitive. If the project does not bring any improvements in the organisation, it is not worth being conducted. It is therefore important for a business organisation to calculate the expense and benefits associated with a benchmarking project before implementing it. Relatively, respondents were required to state whether their organisations calculate the expected cost and benefits of the benchmarking project before it was implemented. Respondents were required to state the likelihood of calculating financial aspects of the project.

Figure 33 shows the average responses on whether organisations calculate the expected cost and benefit associated with a benchmarking project before implementing it. It is evident from the graph that not many organisations calculate the costs and benefits associated with a project before implementing it. Approximately 29% of the respondents stated that their organisations “do not” or “rarely” calculate the expected costs and benefits, about 32% do it “usually”, and 22% do it “always”.

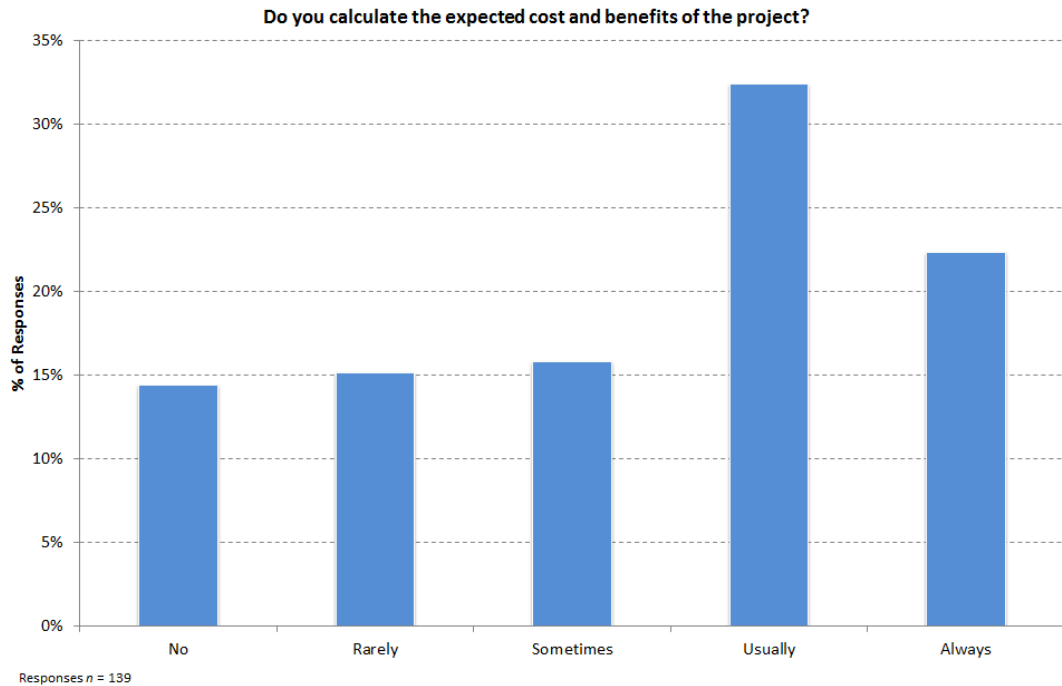


Figure 33. Calculating the financial aspects of the project

Different business organisations use different benchmarking code of conduct. However, the code of conduct is not well understood and followed as expected, so the outcomes cannot be achieved. During the study respondents were asked to state whether their organisations understand and follow a certain benchmarking code of conduct.

Figure 34 presents the average responses regarding the organisation's understanding of the code of conduct. It is evident from the responses that business organisations ensure that the benchmarking code of conduct is understood and followed as stipulated. Around 58% of organisations "usually" and "always" ensure that the benchmarking code of conduct is understood and followed, while 27% of organisations said either "no" or "rarely".

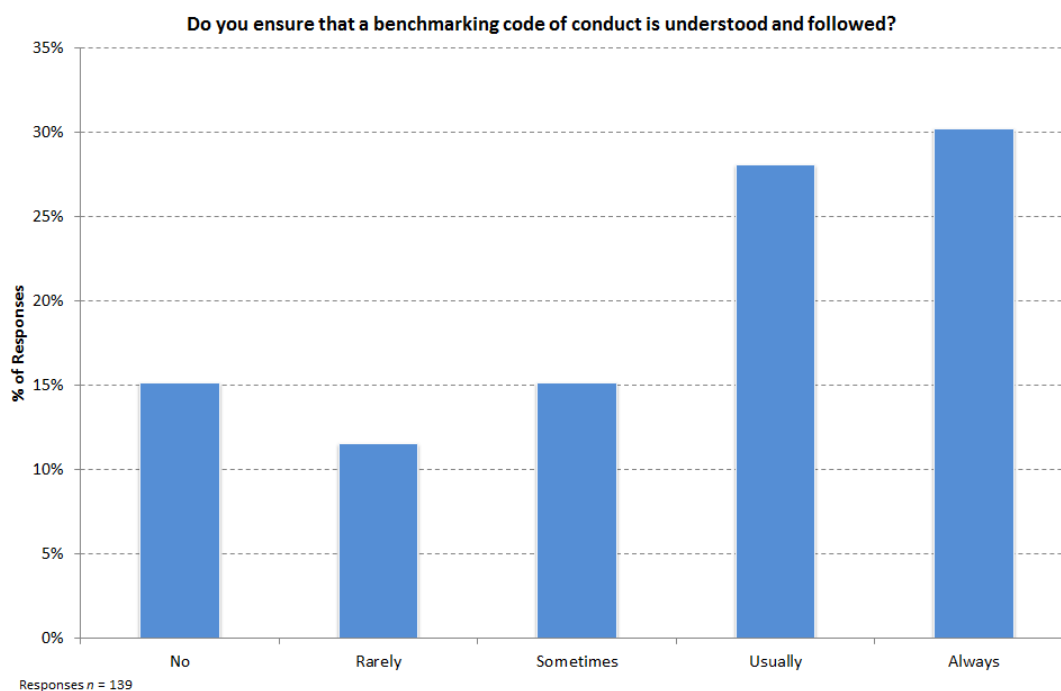


Figure 34. Adherence to code of conduct

4.3.5 Section 5: Best Practice Benchmarking Projects - Research and Analysis

4.3.5.1 Question 5.1. Which of the following methods does your organisation use to collect benchmarking data and best practice information?

The next step after planning the benchmarking process is research and analysis, which means finding the best practice and analysing the reasons behind it that make it a best practice. Research and analysis are probably the most difficult part in the project, especially for an inexperienced organisation. In this question, respondents were asked to select data collection methods used in their organisations from 10 methods. The chart below presents the average responses on different methods used by organisations to collect benchmarking data.

Figure 35 presents the average of responses for “usually” and “always”. The most used method is Searching websites with about 59%, followed by Literature search with 52%, then Site visits with 51%. The least used methods were Contacting trade association with 26%, followed by Benchmarking networks with 33%, and then Conferences with 34%.

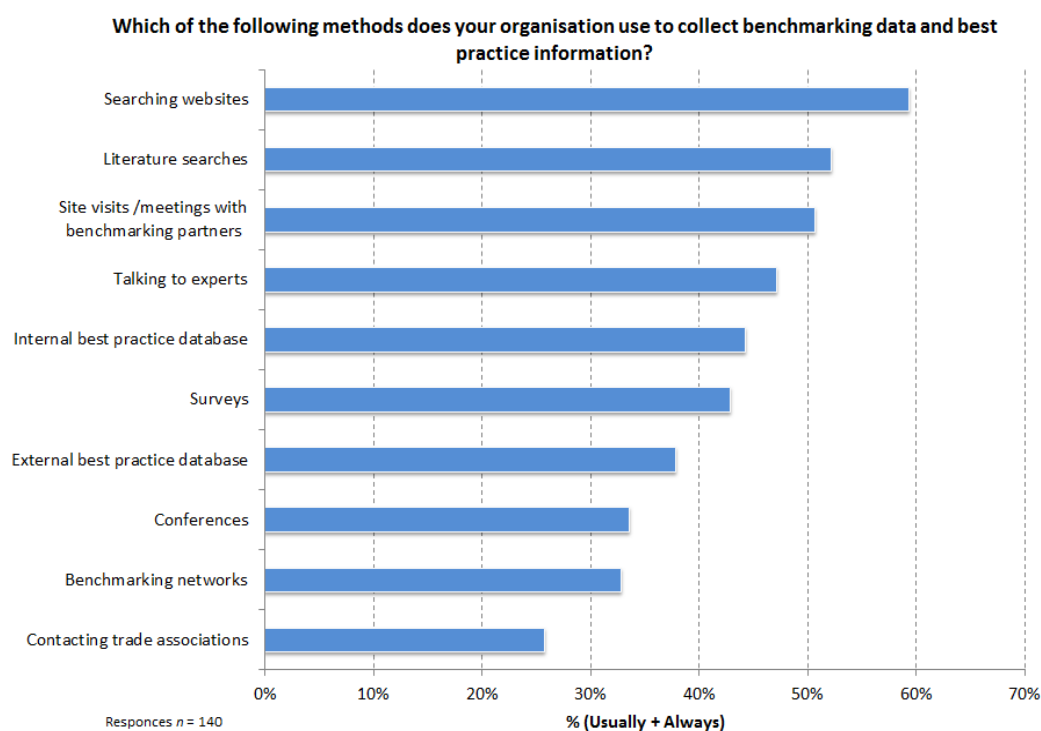


Figure 35. Most popular data collection methods

4.3.6 Section 6: Best Practice Benchmarking Projects - Implementation

Once the research and analysis stage for benchmarking project is finished, organisations normally start to commence implementing the findings, depending on project size, scope and resources available. Some projects might take long time while and others take a shorter time to implement. It is therefore important to ask respondents how benchmarking projects were managed during implementation.

4.3.6.1 *Question 6.1. How long does the implementation phase typically take?*

In this question, respondents were asked state how long the implementation phase took in their organisations. Respondents were required to choose from the time options provided in the questionnaire that ranged from less than two months to more than 10 months. The averages responses are presented in Figure 36. Around 70% of organisations finish implementing the outcomes of

the project in six months and less, while 30% of organisations take more than six months for implementation. Therefore most projects are short-term projects.

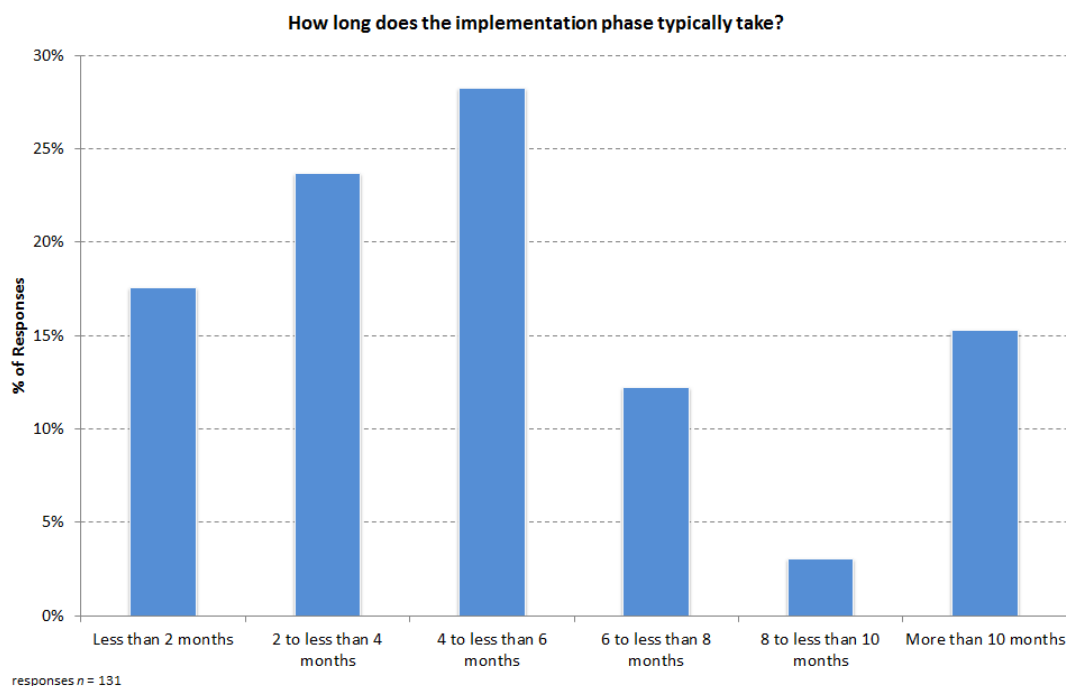


Figure 36. Implementation phase duration

4.3.6.2 Question 6.2. What percentage of benchmarking projects result in implementation?

It is worth noting that not all benchmarking projects proceed to implementation stage; there are those that are dropped before implementation due to several reasons such as lack of resources, failing to find a benchmarking partner, or even that the projected improvement is not worth the effort to implement it. In this question, respondents were required to state the percentage of projects that result in implementation.

The results take the normal distribution shape, the majority 30% of organisations said that 41-60% of benchmarking projects result in implementation, only 6% said that more than 91% of projects result in implementation, while 10% said that the implemented projects were less than 10% (Figure 37).

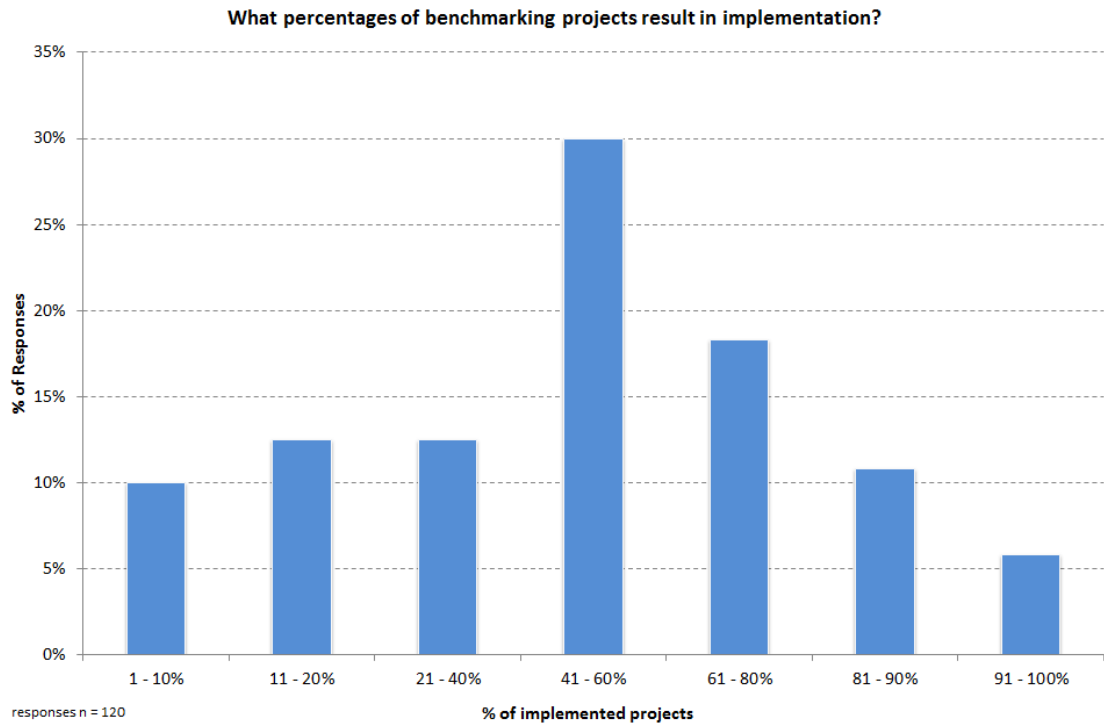


Figure 37. Percentage of benchmarking projects ending with implementation

4.3.7 Section 7: Evaluation

4.3.7.1 Question 7.1 At the end of a benchmarking project, do you measure the improvements that have occurred?

Evaluation is the last stage in benchmarking projects. It is important for organisations to evaluate the improvements that have occurred as result of implementing a benchmarking project. In this question, respondents were asked to state whether their organisations conduct an evaluation in order to determine the improvements that have occurred.

From figure 38, it is evident that business organisations normally measure the improvements incurred by the benchmarking projects. Only about 3% of organisations stated that their organisations do not conduct any improvement measurements after implementing benchmarking projects, while 68% of organisations said they “usually” and “always” measure improvements.

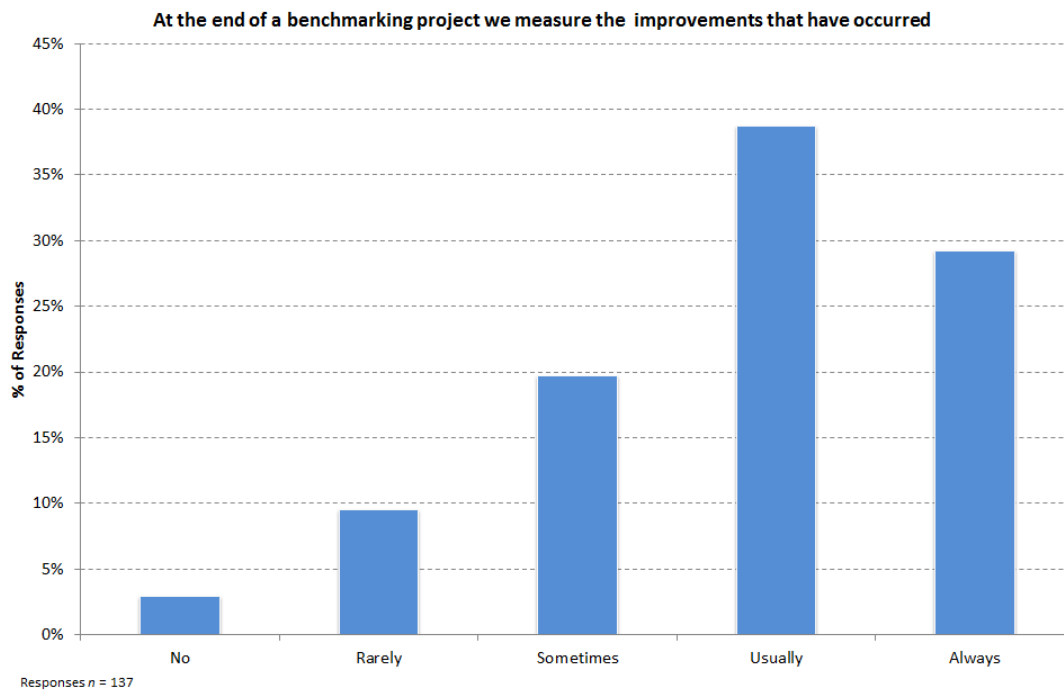


Figure 38. Evaluating improvements

Following to the evaluating improvement, organisations need to measure cost and benefit in order to evaluate the success of the project. Respondents were asked to mention likelihood of undertaking cost and benefit analysis. About 41% said that they “usually” and “always” undertake cost and benefit analysis of the project, 15% said they “do not” undertake cost and benefit analysis, while 21% do it “rarely”. There could be several reasons why approximately 36% of organisations either “do not” undertake or “rarely” undertake cost and benefit analysis (Figure 39). One reason might be that the main reason for conducting the project is not related to financial improvement. Therefore, the organisation might want to improve the performance of a process at any cost.

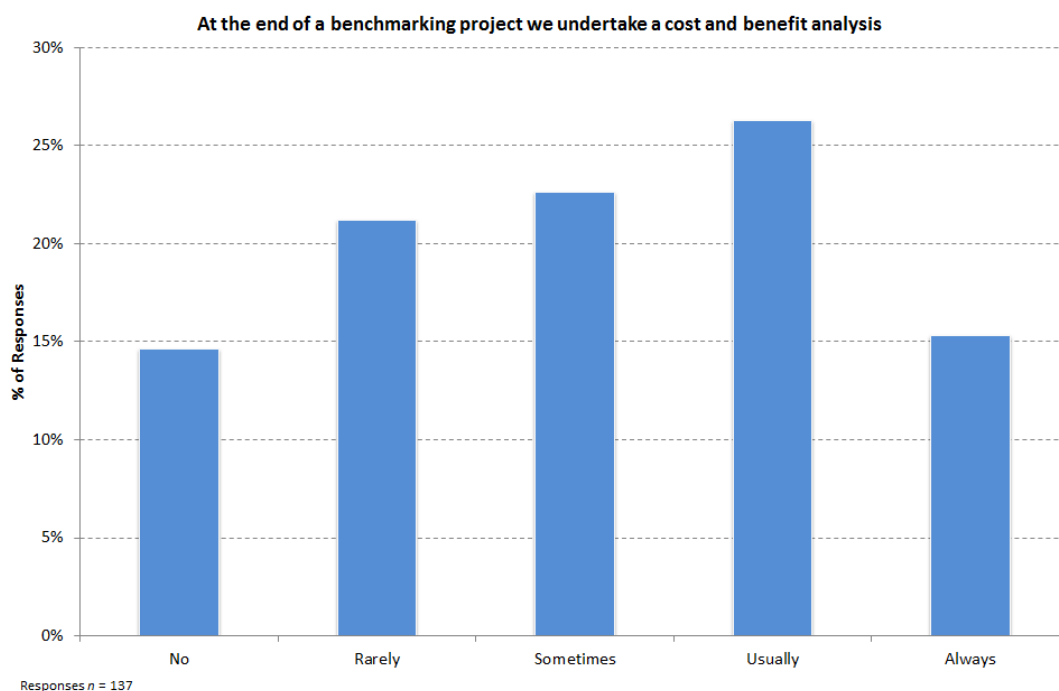


Figure 39. Financial analysis at the end of benchmarking projects

In any project, some unexpected difficulties might make the project harder to be managed and completed. Therefore, organisations should evaluate how successful they are in managing the project from start until the end as part of project evaluation process.

The respondents were asked about the likelihood of evaluating managing the project. Approximately 63% said they “usually” or “always” evaluate how successful the project was managed, only 4% said that they “do not” conduct project success evaluation, while 14% said they “rarely” evaluate (Figure 40).

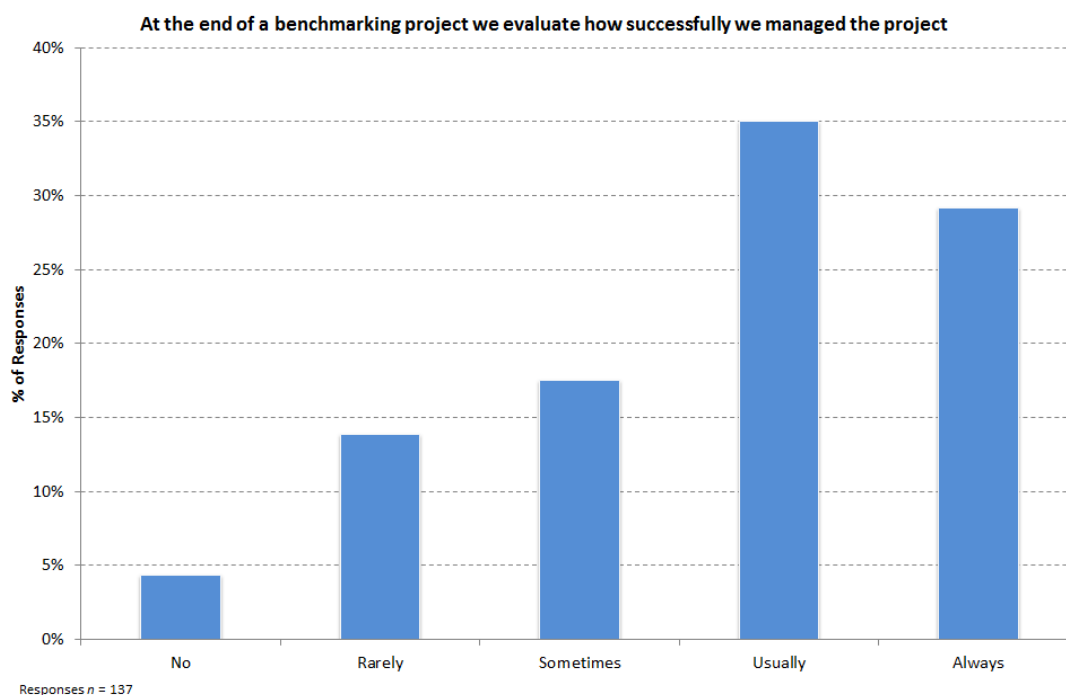


Figure 40. Evaluating benchmarking project process

4.3.7.2 Question 7.2. The outcomes (best practices and/or results achieved) from benchmarking projects are typically communicated by:

Communication of the outcomes or results achieved after a benchmarking process is very important in every organisation; otherwise staff members might not be aware about the changes in the process. Clear communication of changes is essential to avoid misunderstandings between different parties.

Depending on the size, type and resources of the organisation, different types of communication medium are used to communicate outcomes of benchmarking projects.

For this question, the respondents were asked to rate three communication methods of benchmarking outcomes in descending order according to their importance. In the analysis of this question, methods selected as number one were given three points, two points for methods selected as number two, and one point for methods selected as number three. The average responses for this question are represented in Figure 41.

It is evident from the graph that presentations, reports and formal meeting are the most preferred methods to communication outcomes of benchmarking projects, while memos, notice boards and newsletters were the least preferred methods with score of 0.1 and below (Figure 41).

The outcomes from benchmarking projects are typically communicated by

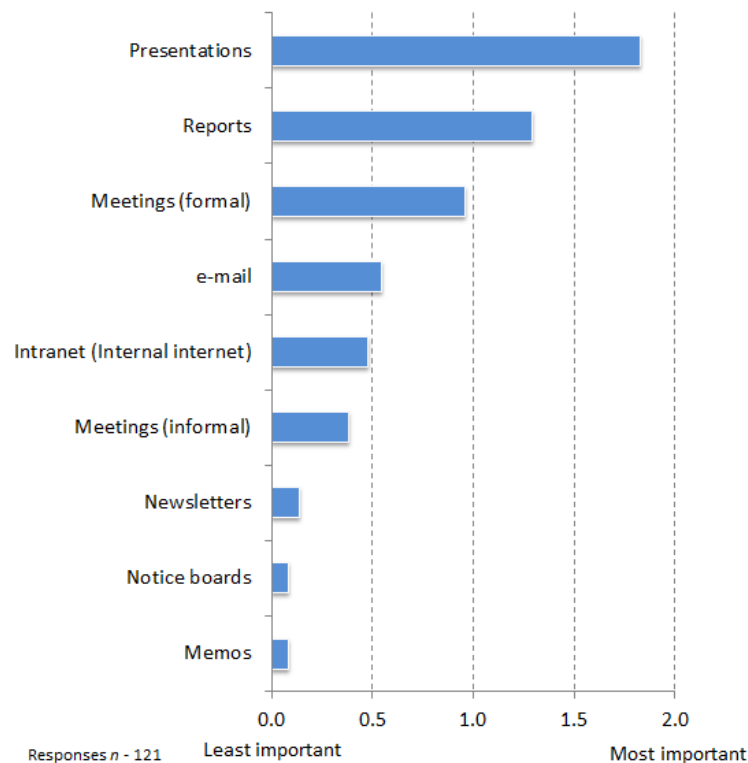


Figure 41. Methods of project outcomes communication

4.3.7.3 Question 7.3. The main benefits of benchmarking projects have been:

For this question, respondents were asked to rate three benefits gained from benchmarking projects in descending order according to their importance. In the analysis of this question, benefits selected as number one were given three points, two points for benefits selected as number two, and one point for benefits selected as number three. The chart below shows the average points for each benefit. The main benefit of benchmarking projects was “Improved performance of our processes” with 2.1 points, the second benefit was “Learnt what other

organisations are doing” with 0.8 points, which is half score of benefit number, followed by “Major strategic issues addressed”. The least benefit was “Assisted in business excellence assessments”, followed by “Encouraged a cultural shift to a learning culture” and then “Developed new products/services” (Figure 42). Obviously, organisations are conducting benchmarking projects primarily for improving performance more than any other reason.

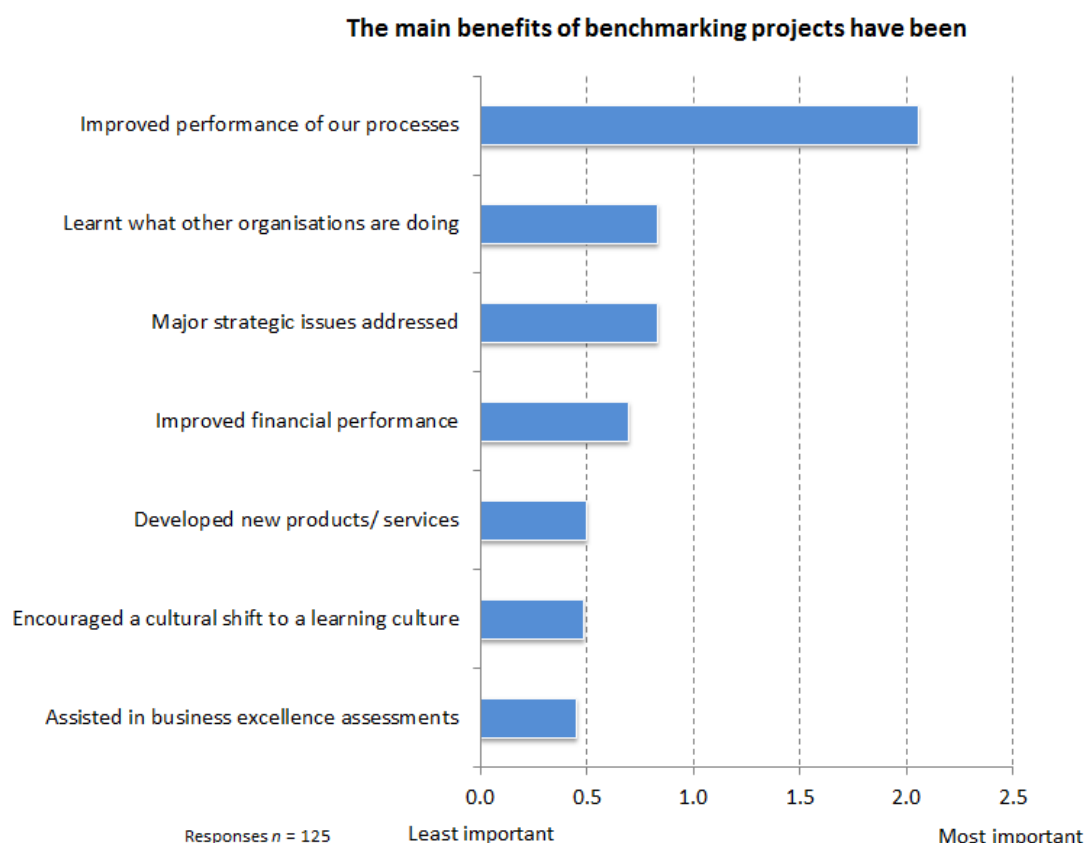


Figure 42. Main benefits of benchmarking projects

4.3.7.4 Question 7.4. On average, what is the financial return (US\$) from a typical benchmarking project after one year of implementation?

Respondents were asked to state the average financial returns that their organisations gained from benchmarking after one year of implementing the benchmarking project. In this question, respondents were required to choose an average figure from those provided in the questionnaire.

It is evident from the graph below that 56% the benchmarking projects have a financial return of less than US\$50000 per annum. Approximately 28% of

organisations said the average financial return of benchmarking projects was less than US\$10,000, and 28% US\$11,000 to US\$50,000, while Approximately 25% of organisations gained more US\$101,000. This is an indicator that most benchmarking projects are relatively small projects (Figure 43).

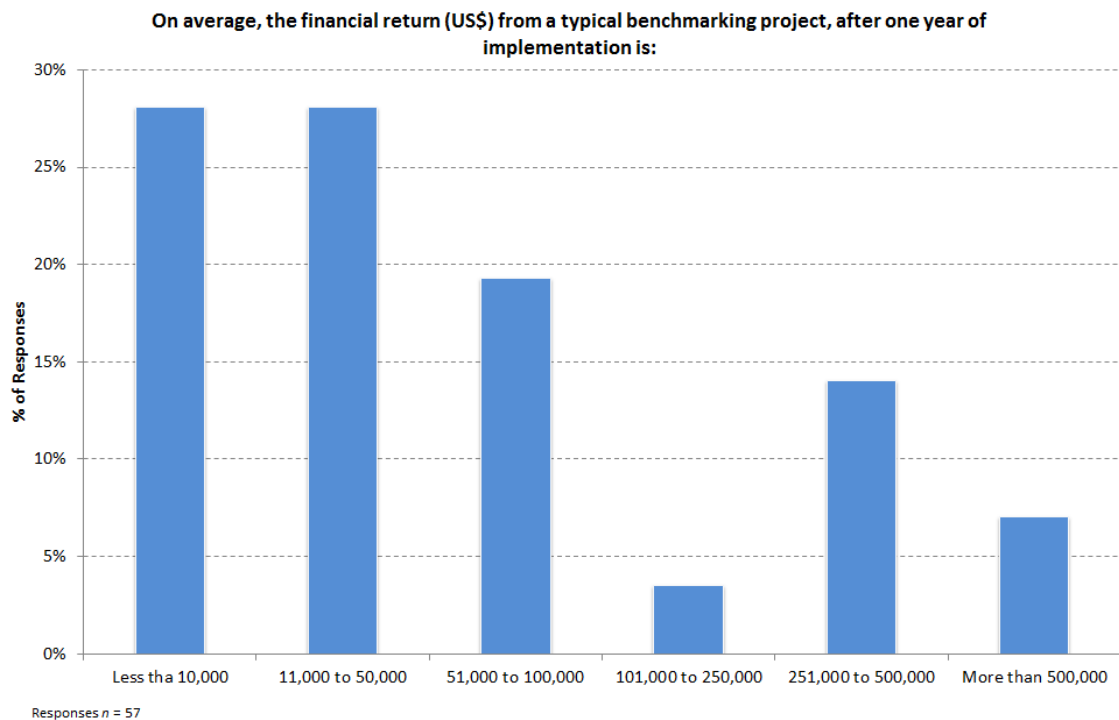


Figure 43. Financial return of benchmarking projects

4.3.7.5 Question 7.5. Approximately, what percentage of time is spent by your organisation on each phase of the benchmarking process out of total time spent?

Different phases of benchmarking take different periods from start to finish. There are stages that are shorter than others. Respondents were asked to state the amount of time spent on each phase of the benchmarking project. For this question respondents were required to indicate the percentage of time spent on each phases of benchmarking out of total project time from planning to evaluation.

From figure 44, organisations spend 34% of the benchmarking time on research and analysis phase followed by 33% for implementation phase, then 20% on planning phase and finally, 13% of time was spent on evaluation phase.

These figures are logical; the research and analysis phase involves many tasks that take time and are related to benchmarking partners such as site visits and meetings, which can take time more than expected. This is the same for the implementation phase; physical changes in the process might be required to implement the findings, or changes in regard to other departments or customers. The evaluation phase is more on reviewing the results of benchmarking project in terms of the changes and the project itself, therefore it is expected that the evaluation phase will take the least time.

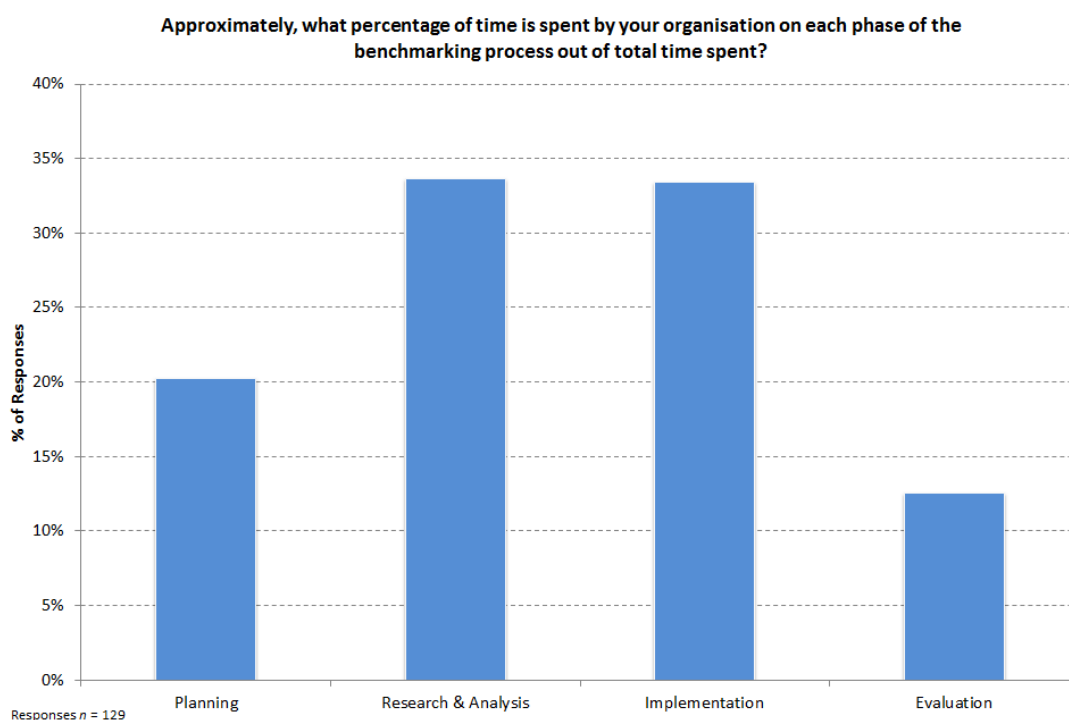


Figure 44. Time allocation for each phase of benchmarking project

4.3.7.6 Question 7.6. According to your experience, how do the following factors contribute to the success of a benchmarking project?

In order for the benchmarking process to be successful, several supportive factors should be provided. Respondents were therefore required to rate the importance of factors to the success of the benchmarking project.

In this question, we asked the respondents to rate how each factor out of 15 factors contributes to the success of benchmarking projects. The average

responses for this question are presented in a graphical form as shown below. The results shown are the percentage of respondents who answered with “High” and “Very High” contributions to the success of the project.

Obviously, the most important factor is “Support of top management” with a score of 99%; without top management support, performance improvement programmes in general and benchmarking projects in particular will most likely fail. The second most important factor was “Understanding of own process” with 90%, followed by “Clear project objectives” with 88%. The least important factor was “Access to external/consultancy support for facilitating benchmarking projects” with a score of 31% followed by 57% for “Research skills for conducting surveys and site visits”, and then 70% for “Skills in process analysis” (Figure 45).

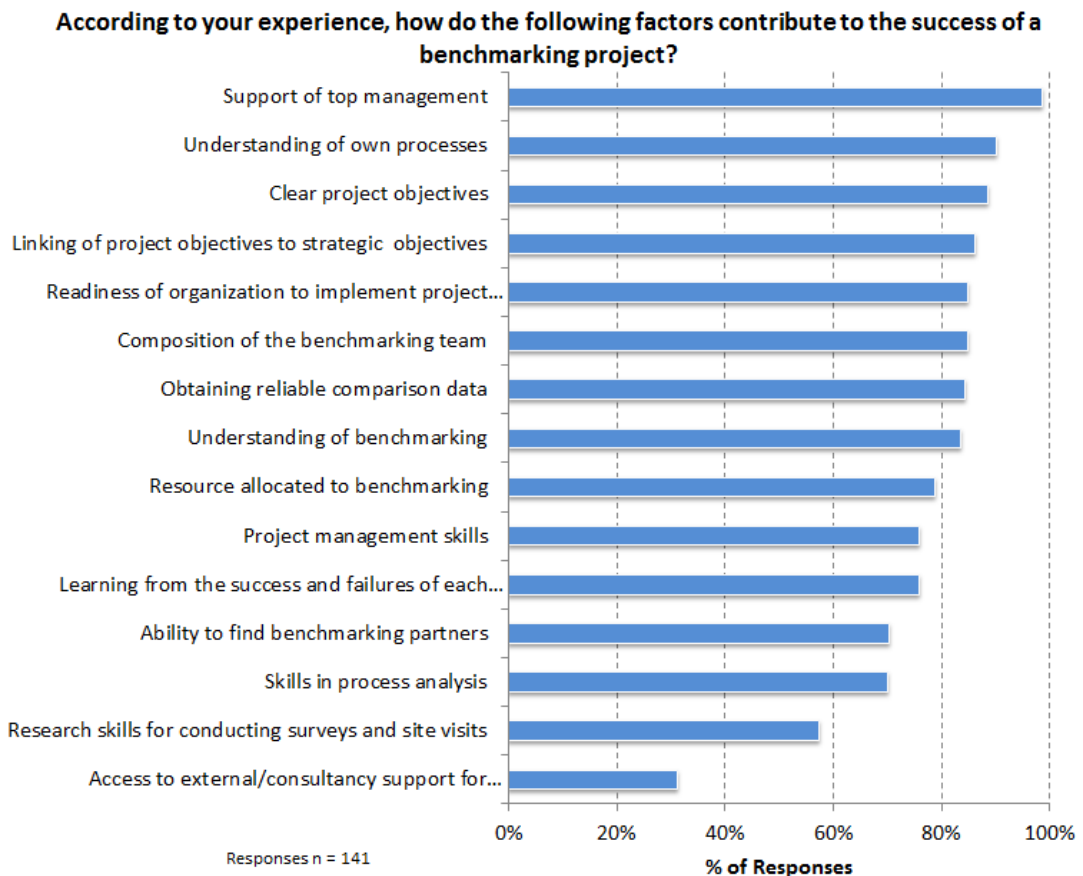


Figure 45. Most important requirements for a successful benchmarking project

4.3.8 Cross Tabulation Results

In order to know how some characteristics of benchmarking project setups affect the results of benchmarking projects, the results were cross-tabulated for further understanding.

4.3.8.1 *Typical benchmarking team size in major effectiveness benefit organisations*

The cross-tabulating of typical benchmarking team size and major effectiveness in how effective the benchmarking project was shows that effectiveness increases with an increase of team size up to six people, and the effectiveness of benchmarking project declines if team size exceeds six people. Therefore, the maximum effectiveness is at 5-6 people team size, where 28% of organisations achieved major effectiveness (Figure 46).

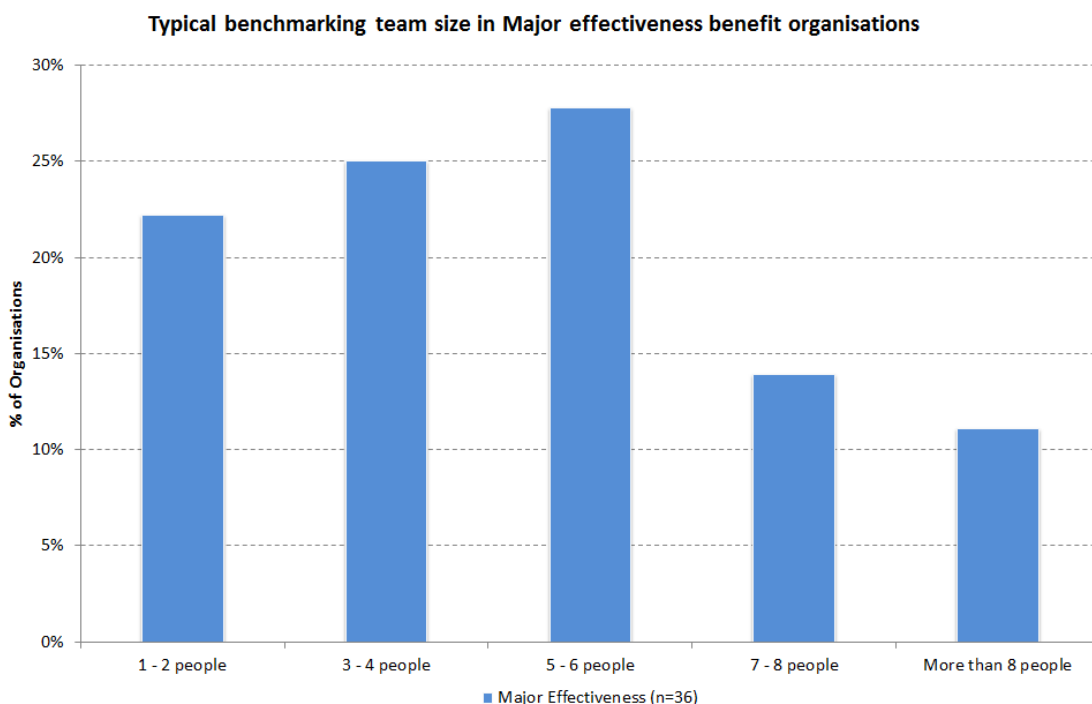


Figure 46. Typical benchmarking team size and benchmarking project benefit

4.3.8.2 *Frequency of providing best practice benchmarking training to the employees in each sector*

One of the important issues in any performance improvement is employee training, for best practice benchmarking in the private sector is the most active sector in offering benchmarking training for its employees. Around 16% of private sector organisations either “usually” or “always” offer benchmarking training for their employees (Figure 47).



Figure 47. Frequency of providing best practice training in each sector

4.3.8.3 *Benchmarking methodology used in each sector*

The results of benchmarking methodology used in each sector show that most organisations used a developed-own methodology to conduct benchmarking projects instead of using one of the existing methodologies. The gap between developed-own and benchmarking methodologies is wider in smaller organisations. In large organisations, 50% of organisations are using developed-own methodology and 21% use a benchmarking methodology. In micro organisations, 72% use a developed-own methodology while 18% use a benchmarking methodology (Figure 50). One of the reasons for not using a

benchmarking methodology could be lack of resources in smaller organisations; they tend to develop a methodology from one of the popular benchmarking methodologies with main parts of a developed methodology.

Another issue with benchmarking methodologies in sectors is that the majority of medium organisations do not follow any benchmarking methodology. Conducting a benchmarking project without a methodology will affect the success rate of benchmarking projects and their effectiveness.

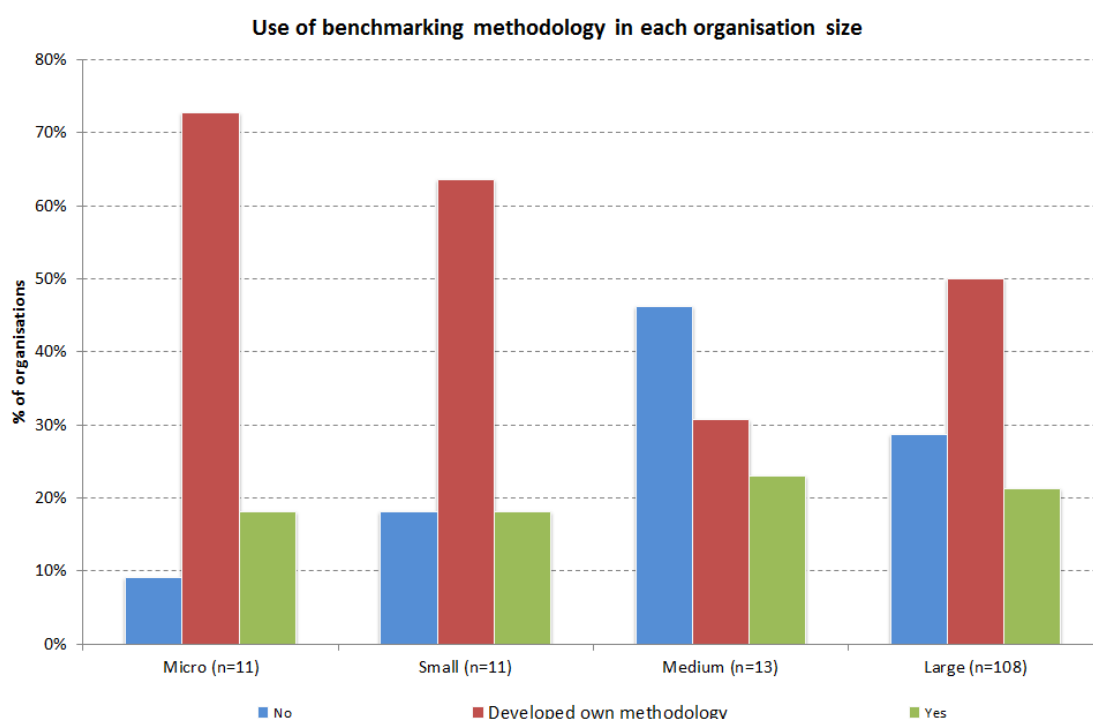


Figure 48. Use of benchmarking methodology in each organisation size

4.3.8.4 Future use of benchmarking for each organisation size

Future use of benchmarking is one way of measuring uptake of benchmarking and how popular it is. One of misconceptions about benchmarking is that benchmarking is suitable for large organisations only, but these results show that almost half of micro and small organisations are planning to use benchmarking, while around 57% of micro organisations and 47% of small organisations are planning to use benchmarking. The highest sector is the large

organisations with 69% and the lowest is medium organisations with 46% (Figure 49).

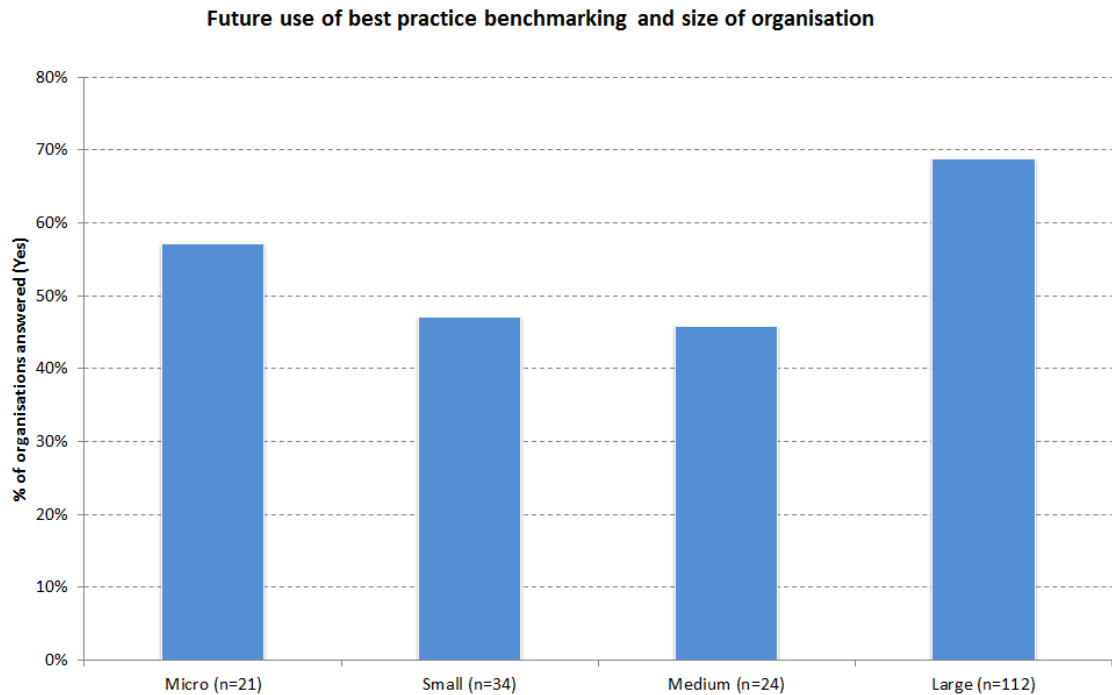


Figure 49. Future use of best practice benchmarking in different organisation sizes

4.3.8.5 Types of best practice benchmarking projects in each organisation size

Due to several reasons, organisations prefer to implement one type of best practice benchmarking over another. For example, international best practice benchmarking projects are normally more expensive than national best practice benchmarking, which is also more expensive than the internal projects.

Among the three types of best practice benchmarking, the lowest type is international best practice benchmarking, with 15% in micro and medium organisations, 18% in large organisations and 31% in small organisations (Figure 50). Except for medium organisations, internal benchmarking is the most preferred best practice benchmarking method followed by national best practice benchmarking and then international best practice benchmarking.

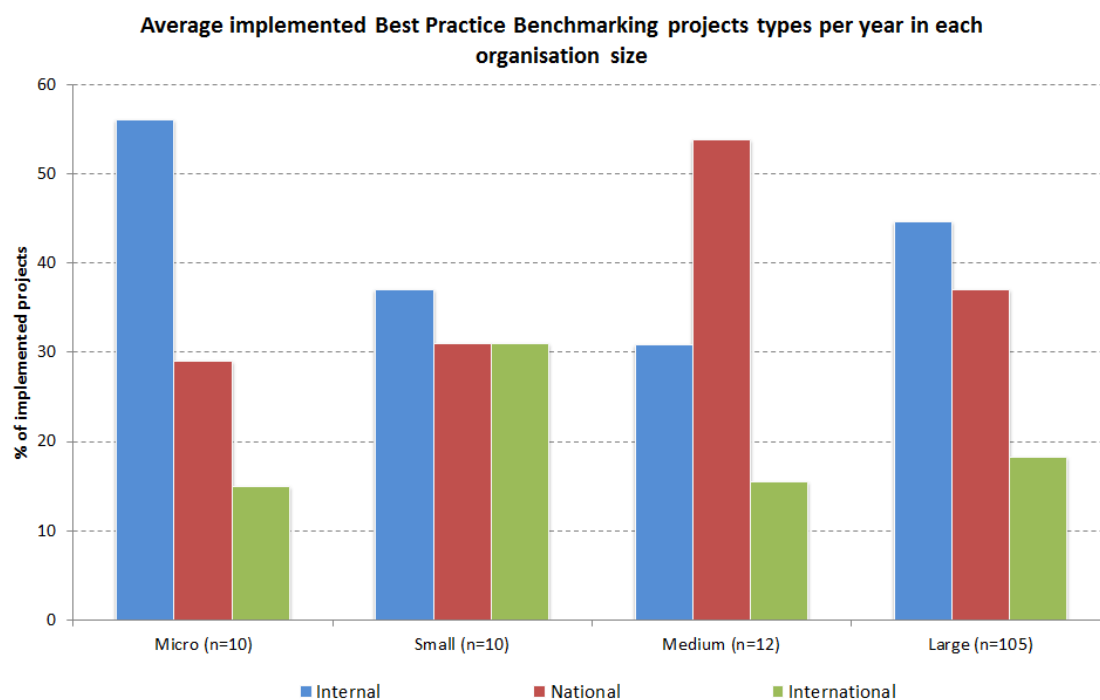


Figure 50. Types of implemented benchmarking projects in different organisation sizes

4.3.8.6 Employee-related data collection in each sector

In each organisation there were some priorities in collecting benchmark data. In the following five charts the benchmark data area was cross-tabulated with organisations sectors. For employee-related areas, the public sector was the highest sector; 44% of public sector regularly collect benchmark data and act upon them, followed by not-for-profit sectors with 40% and finally, private sectors with 34% (Figure 51).

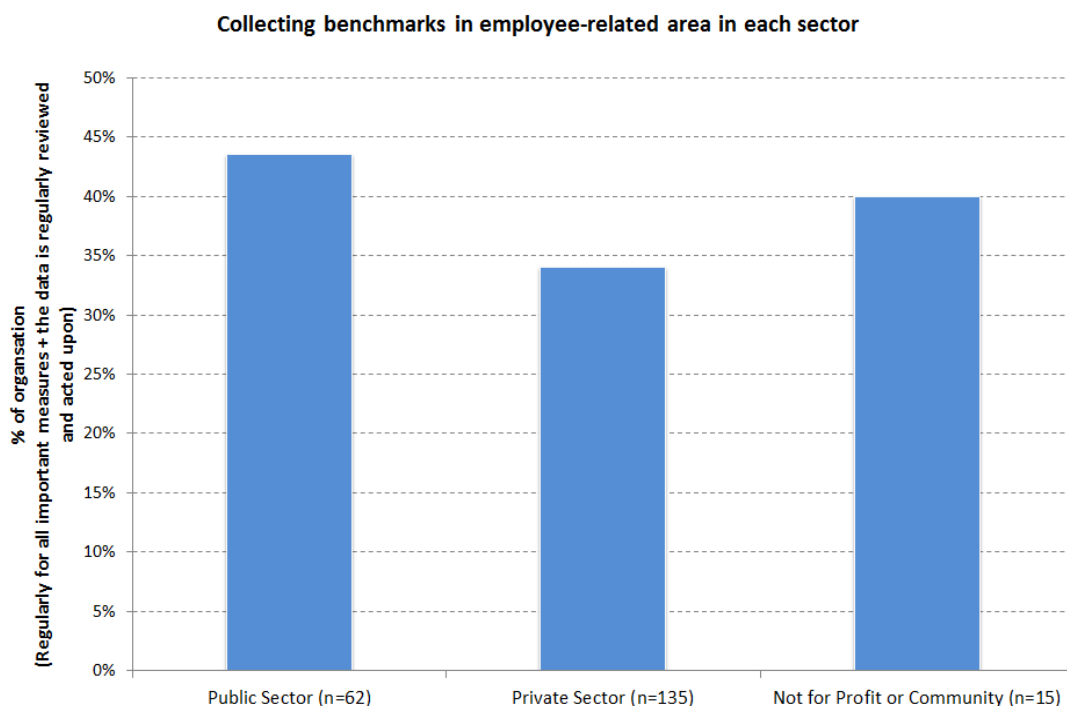


Figure 51. Percentage of collecting employee-related benchmarks in each sector

4.3.8.7 Customer-related data collection in each sector

For customer-related benchmarks data, the public sector was the highest sector that regularly collected, reviewed and acted upon collected data with 65%, followed by the private sector with 50% and finally, 40% for the not-for-profit sector (Figure 52).

The main job of the public sector normally is to serve the public and therefore a customer-related benchmark is an essential requirement to enhance quality of services.

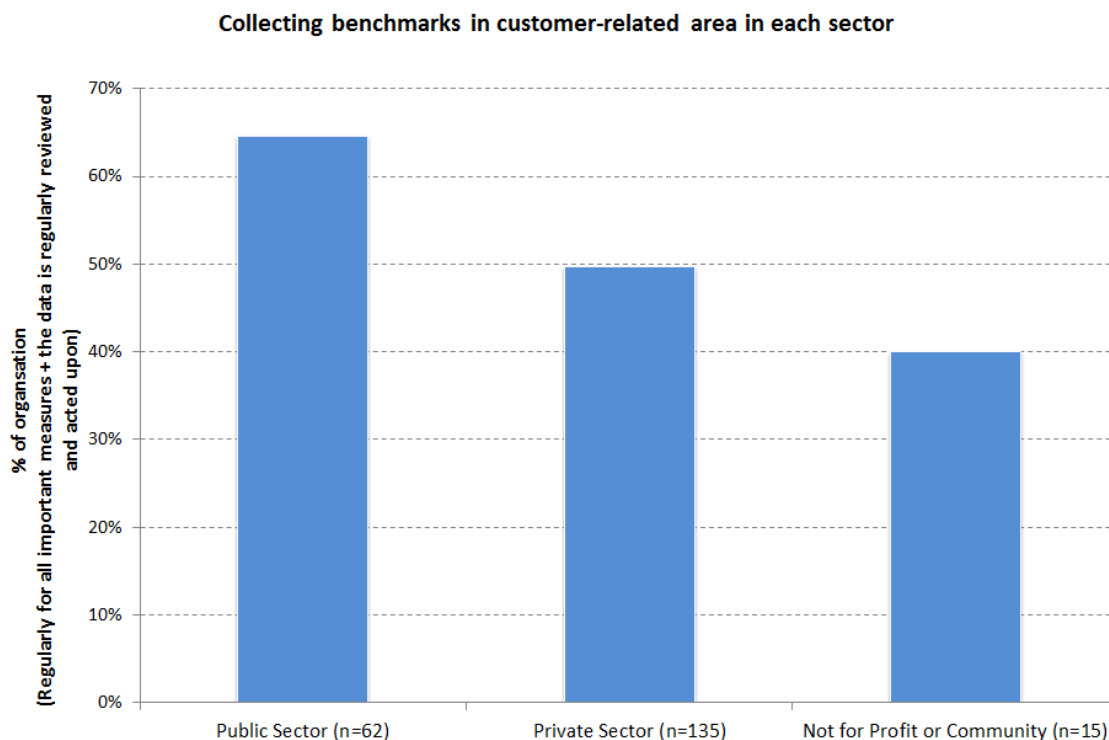


Figure 52. Percentage of collecting customer-related benchmarks in each sector

4.3.8.8 Financial-related data collection in each sector

The main driver for the private sector is profitability and therefore improving the financial figures are what private sector is trying to do with different performance improvement programmes. For the collection of financial-related benchmarks the private sector came first, with 56% of organisations do collect and act upon data regularly, followed by 52% for the public sector and finally, 33% for the not-for-profit sector (Figure 53).

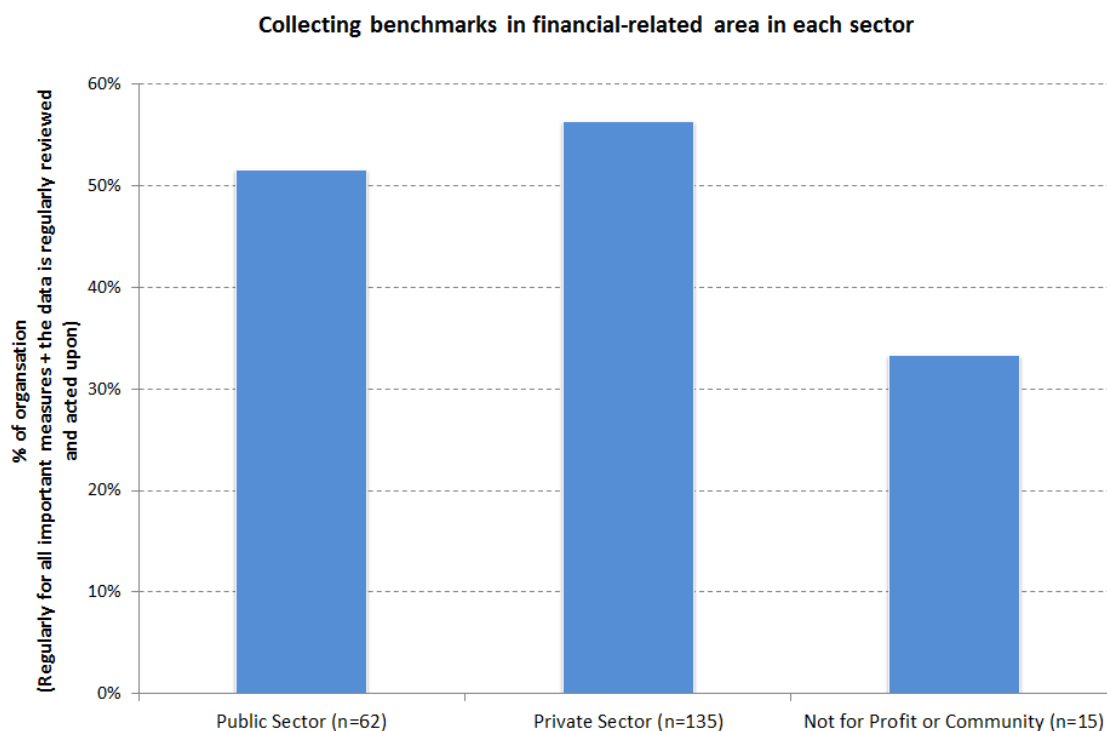


Figure 53. Percentage of collecting financial-related benchmarks in each sector

4.3.8.9 Process-related data collection in each sector

The results of process-related benchmarks data collection in the public sector and private sector were very close. Managing processes efficiently and effectively is a prerequisite for product and service continuity. Approximately 48% of public sector organisations collect and act upon process-related benchmarks regularly, followed by 46% for the private sector and finally, 33% for not-for-profit organisations (Figure 54).

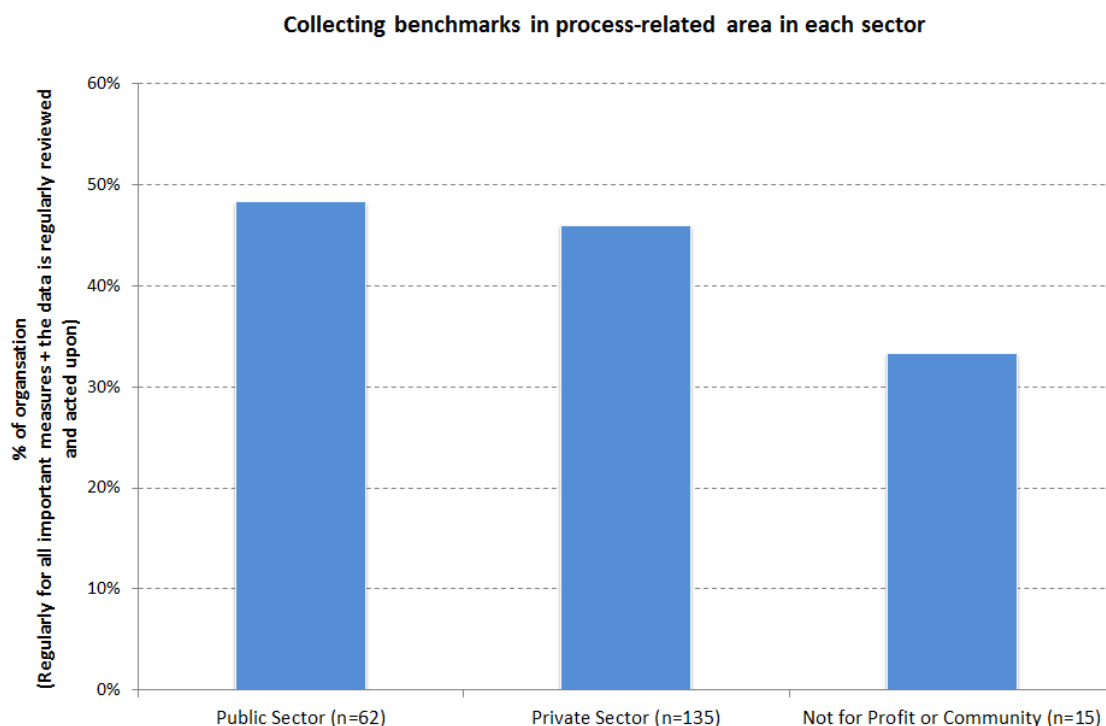


Figure 54. Percentage of collecting process-related benchmarks in each sector

4.3.8.10 Product-related data collection in each sector

For product-related benchmarks, the highest sector to collect, review and act upon them was the private sector with 55%, followed by the public sector with 47%, and finally the not-for-profit sector with 40% (Figure 55). From the area-related data collection charts, the private sector seems to concentrate on technical areas such as processes, financial and product while the public sector is more concerned about soft issues such as human resource and customers.

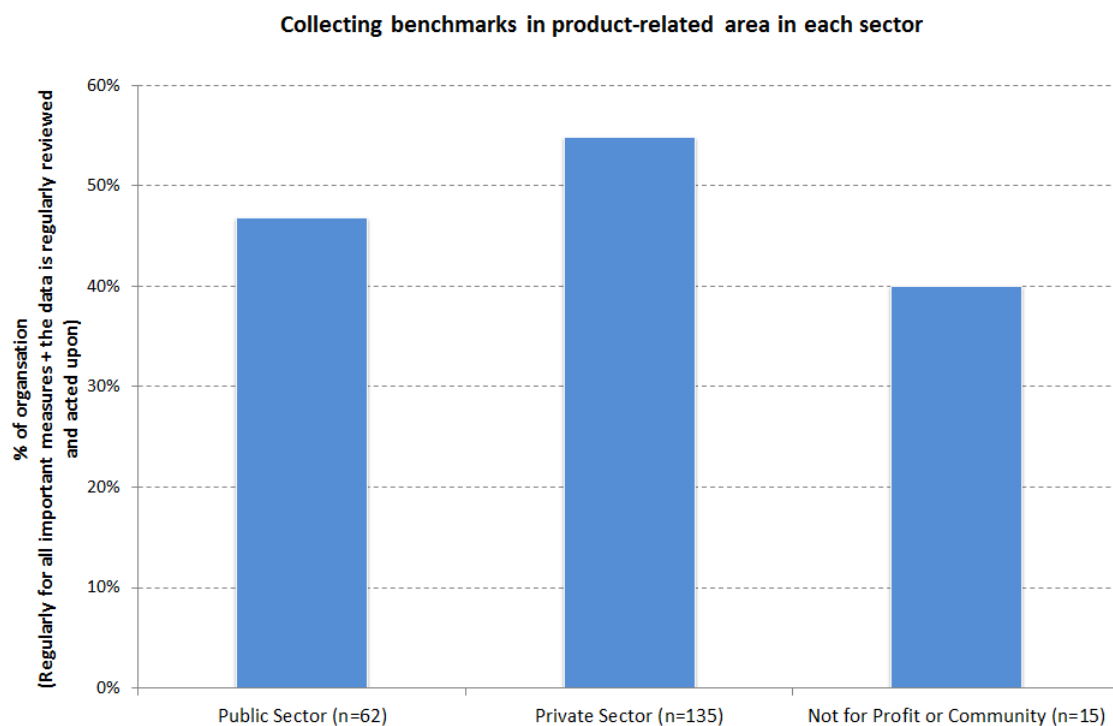


Figure 55. Percentage of collecting product-related benchmarks in each sector

4.3.8.11 Main reasons for not using benchmarking in large organisations

In order to help organisations to conduct effective and efficient benchmarking projects, it is important to know the reasons for not using benchmarking. For large organisations, lack of resources, lack of technical knowledge in planning benchmarking projects and lack of benchmarking partners were the top three reasons for not using benchmarking. Among the top three reasons, the are two reasons could be overcome by providing awareness sessions and training courses (Figure 56).

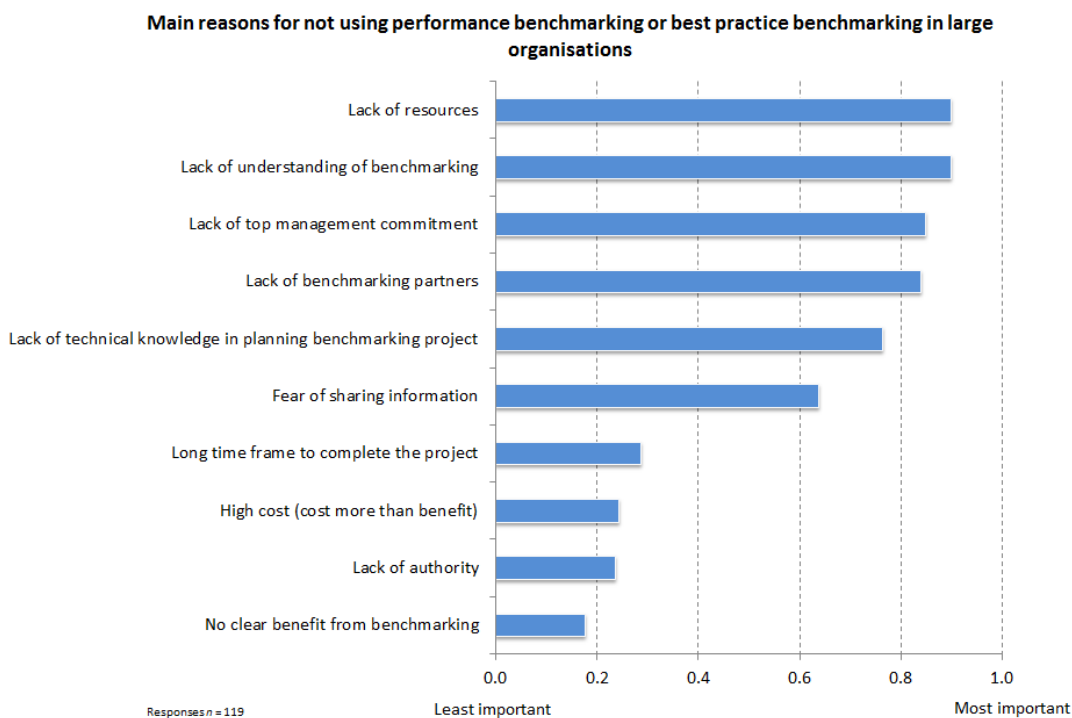


Figure 56. Main reasons for not using benchmarking in large organisations

4.3.8.12 Main reasons for not using benchmarking in medium organisations

For medium organisations, the top three reasons for not using benchmarking were the same reasons for large organisations but in different order: the first reason was the lack of technical knowledge in planning benchmarking projects, while the second was lack of resources. The score of the first reason is relatively high and it could be resolved by supporting the medium organisations with the right training (Figure 57).



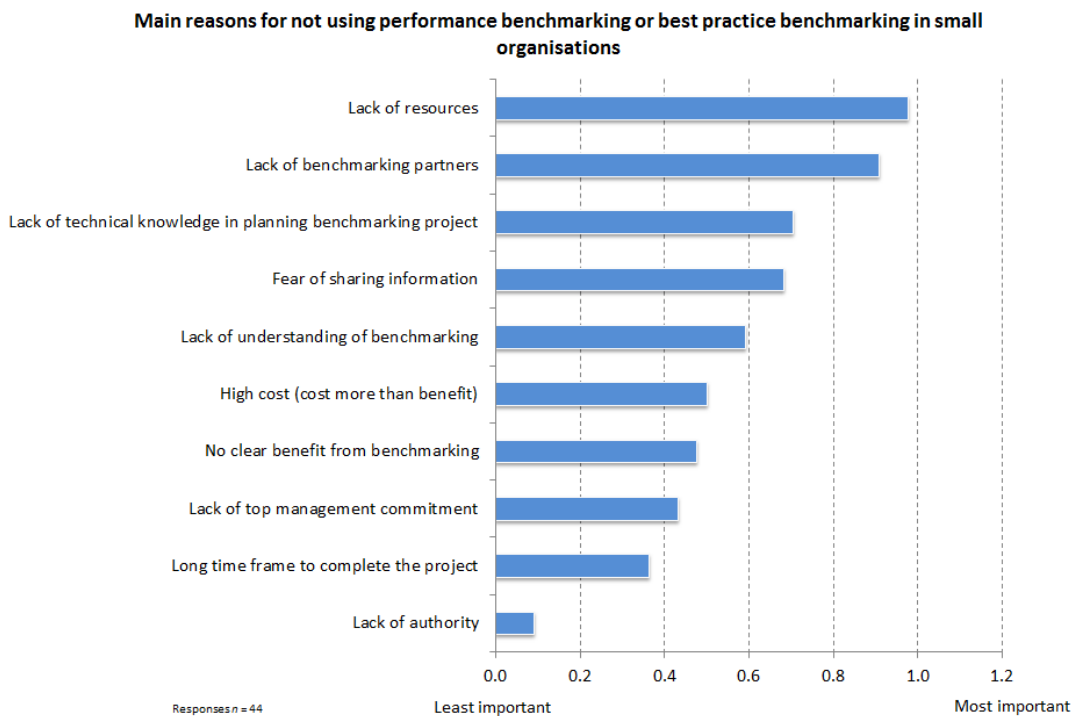


Figure 58. Main reasons for not using benchmarking in small organisations

4.3.8.14 Main reasons for not using benchmarking in micro organisations

In micro organisations the situation is different in regard to how the reasons are ranked. Apart from the first reason which lack of resources, the reasons were in different order. Another point to note is that the score of the first three reasons is almost three times the score of the rest of the reasons (Figure 59). This is an indicator that the majority of organisations selected the first three as the most important three reasons.

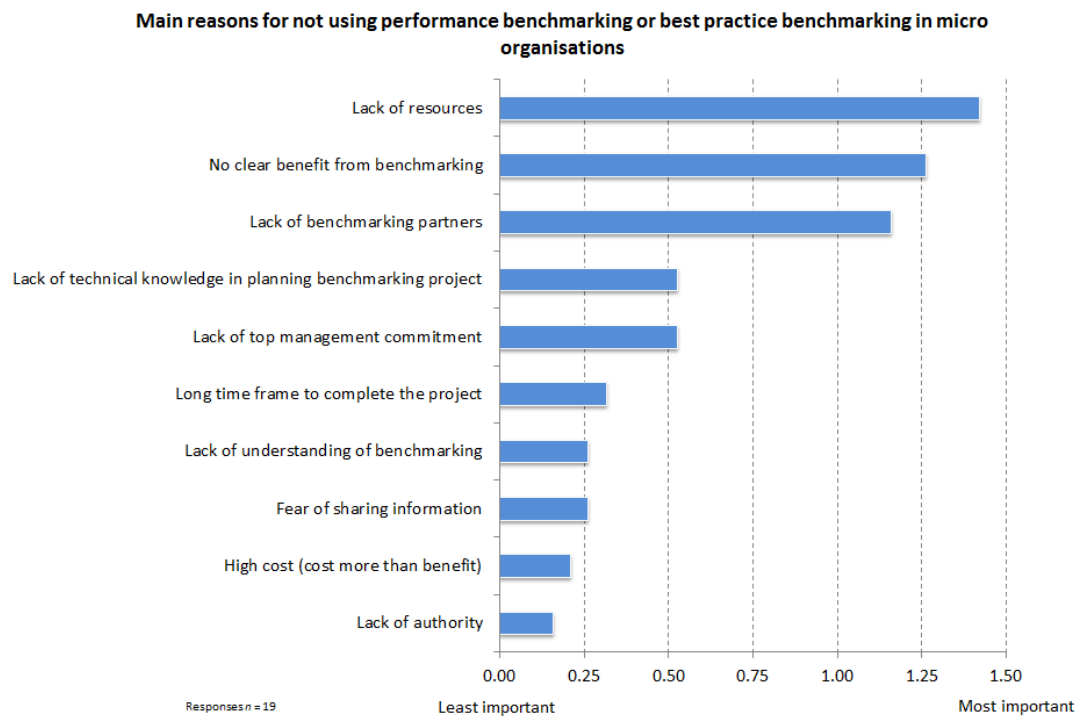


Figure 59. Main reasons for not using benchmarking in micro organisations

4.3.8.15 Main reasons for using benchmarking in each sector.

Understanding what motivates organisations to conduct a benchmarking project will help in understanding how a benchmarking project is initiated.

For all sectors, the first reason to conduct a benchmarking project was to improve performance of processes. For the public sector, the second reason was to address major strategic issues and third reason was to learn what other organisations are doing. In the private sector, learning what other organisations doing was more important than addressing strategic issues (Figure 60).

The least important reason was to encourage a cultural shift to a learning culture.

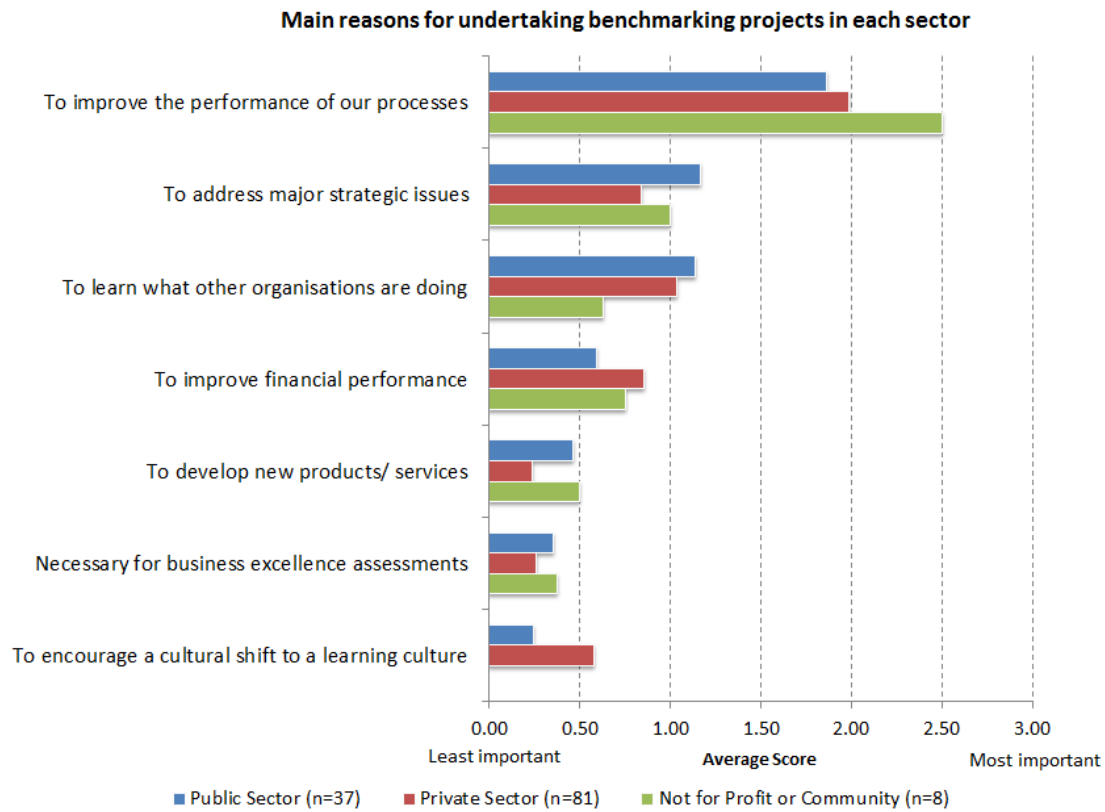


Figure 60. Main reasons for undertaking benchmarking projects in each sector

Chapter 5: Discussion and Conclusion

5.1 Introduction to the Chapter

This chapter concludes the research project by discussing the summary of the main research findings, limitations of the research, and the next step to complete the research.

5.2 Awareness and Uptake of Benchmarking

The results from organisations that replied to awareness of performance improvement techniques question with moderate and high awareness indicate that organisations are aware of the three types of benchmarking. Usage figures show that there is a small gap between awareness and usage for formal benchmarking. This gap is wider in performance benchmarking and then best practice benchmarking. This might be due the fact that best practice benchmarking is more complex and needs investments in training and resources to apply it. Additionally, the recent developments in social media and knowledge sharing websites make the exchange of ideas much easier and cheaper. Therefore, informal benchmarking could be done without leaving the workplace.

Another interesting finding is that awareness and usage of the three types of benchmarking is more than other well-known improvement techniques such as six-sigma, 5S and lean.

Several published studies have presented similar findings about the uptake of benchmarking. A study by Voss et al. (1997) on European organisations suggests that 88% of organisations are using benchmarking and 7% are using best practice benchmarking. Longbottom (2000) referred to a 1995 study by Coopers & Lybrand Consultancy Company on Time's top 100 companies; the study found that 78% of organisations are involved in benchmarking. A survey in 1993 in Australia found that the uptake of benchmarking among Australia's top 500 organisations was 70% (Tyler, 2005).

Today, after two decades of several studies about benchmarking usage, benchmarking has been found to still be a popular tool. More importantly, the uptake of best practice benchmarking has increased.

5.3 Effectiveness of Benchmarking

Among the three types of benchmarking, best practice benchmarking is more effective than informal benchmarking and performance benchmarking. This is due to that best practice benchmarking is more planned and structured than other two benchmarking types.

When the effectiveness of best practice benchmarking was compared with other improvement techniques such as six-sigma, lean and 5S, it was ranked lower. Therefore, usage is higher and effectiveness is lower. The reasons for this could be:

- Training issues: Training is a crucial part of any improvement programme. Yet, around 55% of organisations do not provide any benchmarking training or provide it “rarely”. Furthermore, 30% provide training only “sometimes” (Figure 13).
- Planning issues: In the planning phase there are number of issues organisations need to address if they want to achieve good results in benchmarking. For example, 29% of organisations “do not” do or “rarely” calculate expected cost and benefit (Figure 33). Another issue in the planning phase is the methodology used; around 21% of organisations do not follow any formal benchmarking methodology while 51% use developed-own methodology, which might be not as effective as the known methodologies (Figure 26).
Project brief is another area that might lead to a low effectiveness perception. Thirty-three percent of organisations “do not”, “rarely” or just “sometimes” develop a project brief. Without a project brief that outlines aim, scope, and sponsors it will be unlikely the project will result good outcomes (Figure 31).
- Implementation issues: Around 36% of organisations implement the findings from less than 40% of their benchmarking projects (Figure 36). Ideally, all benchmarking should end with successful implementation;

therefore organisations need to target 100% successful implementation.

Comparing these figures with previous research, a study by Kumar and Chandra (2001) on US manufacturing organisations pointed out that 40% of organisations are “completely successful” or “very successful” in terms of benchmarking effectiveness. In Singapore, Brah, Ong, and Rao (2000) reported that approximately 58% of organisations rated their benchmarking process as successful. This is an indicator that benchmarking success varies between countries, and some countries seem to be better in terms of awareness and effectiveness. This is one of the major points that to be explored in later phases of the research.

5.4 Future Use of Benchmarking

Although perception of best practice benchmarking effectiveness is lagging behind other less popular techniques, the planned use of the three types of benchmarking remains in the top four. The main reasons behind that could be due to the types of reasons for not conducting benchmarking, referring to Figure 12, the top three reasons for not using benchmarking are mainly resources-related issues such providing resources to conduct benchmarking, finding benchmarking partners, or providing suitable training for conducting benchmarking projects efficiently. This is in line with previous research such as Majd (2011), who studied Egyptian organisations. The second most important reason for not using benchmarking was lack of resources (time and money), also, Hinton et al., (2000) research in the UK suggested that resource constraints are one of the main reasons for UK organisations do not conduct any benchmarking projects. Therefore, organisations are aware of the potential benefit of benchmarking but they cannot apply it, mainly due to lack of resources. Once this issue is resolved, then it is likely that organisations will start applying benchmarking.

5.5 Benchmarking and the Other Performance Improvement Tools

A closer look at the improvement techniques that are compared with benchmarking shows that they differ in terms of complexity; for example, six sigma and BPR are complex tools compared with customer (client) surveys and employee suggestion schemes. Furthermore, some tools were found to be more popular in certain sectors and organisation size, such as customer (client) surveys being more popular in service organisations whereas 5S is more popular in manufacturing organisations.

In Figures 8, 9 and 10, the results of awareness and uptake of benchmarking show better results than technical techniques such as quality function deployment (QFD) and six sigma, whereas technical tools are perceived to be more effective than benchmarking. This difference in awareness, uptake and effectiveness could be due to several reasons:

- 1- Organisations might be well aware about the tools but they do not apply it for technical or resources-related issues such as time and cost.
- 2- Organisations might apply the technical tools (such as six sigma and QFD) with the help of third party consultancy companies. This is something especially common in large organisations; therefore, this can lead to a gap between awareness and usage.
- 3- The respondents of the questionnaire were from different countries, sectors and organisation sizes. This will have an effect on results; for example, 5S originated from Japan and it is more popular in Asian industrial organisations whereas six sigma is more popular in the UK, Germany and Canada.

5.6 Best Practice Benchmarking

Research results shows that the majority of organisations take less than four months to complete a benchmarking project, and the main reason for conducting benchmarking project is to improve process performance in areas of customer service and human resources (Figures 27, 28 and 29 respectively).

Previous research shows different findings. For example, Kumar and Chandra (2001) reported that increasing profitability is the main reason for conducting benchmarking for more than half of the organisations they studied,

while Cassell, Nadin, and Gray (2001) found that 42% of organisations were conducting benchmarking to improve financial performance. This shows a shift in what motivates organisations to conduct benchmarking projects.

Financial performance and profitability were the main reasons for an organisation implementing improvement techniques (or at least benchmarking), today and, after more than 10 years since the Cassell, Nadin, and Gray (2001) study, improving process performance seems to be the main concern of organisations, rather than profitability of financial performance.

In terms of time taken to complete benchmarking projects, there appears to be a significant decrease in benchmarking project time. For example, the Longbottom (2000) study of benchmarking in the UK shows that the average time for the planning phase was 3 to 6 months and the analysis phase was 3 to 6 months. This means that on average, benchmarking projects take from 6 to 12 months to complete, excluding the implementations phase, while our findings suggest that approximately 82% of organisations take 6 months or less to complete their benchmarking projects, excluding the implementation phase.

Obviously, the main reason behind this decrease was the advancements in web technologies and social media; in 2000 the Internet was in its early stages and only a few organisations shared information publicly, while today it is the norm for organisations to be present on the Internet and publish frequent reports about their performance. Furthermore, the social media has made communication much easier than before; for example, business meetings could be done online using web-conferencing.

The questionnaire also showed that the majority of organisations (84%) conduct two or more benchmarking projects annually; this is further evidence that benchmarking is used regularly and organisations implement it to gain improvements, not just as something to try as “one-off” or onetime project.

Characteristics of benchmarking teams (Figures 25 and 30) show that the majority of benchmarking teams (61%) consist of four people or fewer while, in 71% of organisations, the benchmarking team consists of employees from middle management, selected employees, senior management and process owners, Bhutta and Huq’s (1999) research suggests that organisations’ employees have not always been involved in process of benchmarking. This shows a shift in the way organisations are conducting benchmarking – from a project initiated and

implemented by a separate team to an integrated process in the organisation as an ongoing process.

In terms of difficulties that obstruct organisations from implementing benchmarking, the research suggests that lack of resources, lack of benchmarking partners and lack of technical knowledge are the top three reasons. Lack of resources were found to be the number one reason in a number of studies such as the Zeinalnezhad, Mokhtar, and Sahran (2013) study on Malaysian organisations. Their study suggests that lack of resources, which include limited time, skilled manpower, and money, are the first barriers to benchmarking adoption, followed by low levels of knowledge sharing between partners. Cassell, Nadin, and Gray (2001) suggested that time and resources are the main reasons for organisations for not undertaking benchmarking. The results show that resources in terms of time to complete the benchmarking project are no longer one of the top reasons for obstructing benchmarking uptake; the results show that the majority of organisations take less than six months to complete their benchmarking projects (Figure 27). Consequently, the new web technologies have made the exchange of information much easier than before, which was reflected in benchmarking project duration.

“Improved performance of processes” is the most important benefits of benchmarking projects. In fact, the second main benefit, “learnt what other organisations are doing”, scores less than half of the first benefit. This is an indicator that benchmarking is an effective performance improvement tool. A number of research studies suggest that the main benefit obtained from benchmarking is process improvement (Magd, 2011; Panwar, Nepal, Jain, & Yadav, 2013). This agrees with earlier researchers, such as Clarke and Stan Manton, (1997); Coopers and Lybrand, (1995); and Jarrar and Zairi, (2001). Other researchers have suggested other major benefits besides performance improvement, such as improved customer satisfaction; improved quality conformance and productivity improvement (Brah, Ong, & Rao, 2000; Chapman & Sloan, 1999). Therefore, the majority of benchmarking benefits are on the technical and operational level of the organisation.

5.7 Conclusion

Findings of this research were the result of a comprehensive study on benchmarking adoption and implementation. The results show that, 30 years after the inception of formal benchmarking, it remains one of the top used improvement techniques. However, the uptake of best practice benchmarking is lagging behind performance benchmarking and informal benchmarking. One of the main reasons is that performance benchmarking and informal benchmarking are easier and require fewer resources than best practice benchmarking. In terms of future use, projections show that the percentage of organisation planning to apply benchmarking is greater than many other popular improvement techniques, which is an indicator that benchmarking is perceived as an effective improvement tool.

The research has also shown that awareness and effectiveness of benchmarking is comparable to a number of improvement techniques. Specifically, the awareness of benchmarking is higher than a number of improvement techniques that are normally used to solve technical issues such as business process re-engineering and six sigma. This means that benchmarking is perceived as an effective tool to solve complex issues.

In terms of difficulties that hinder benchmarking adopting, which is the most important issues that needs to be addressed in order to go further in this research, the difficulties can be classified in two groups. The first one is a group of barriers that are related to knowledge such as understanding of benchmarking, technical knowledge in planning benchmarking projects, and lack of benchmarking partners. These barriers could be addressed by offering support services such as benchmarking clubs/networks, online benchmarking databases, and consultancy services. The second group of barriers are issues related to management such as lack of top management commitment and fear of sharing information. These barriers could be addressed by providing professional benchmarking training services to increase the awareness of benchmarking and correct the misconceptions. The training issue is not just a management staff issue; a considerable percentage of organisations said that they have not received any training on benchmarking. Therefore, providing benchmarking

training to will help organisations to conduct more efficient and effective benchmarking projects.

Although different researchers have suggested different benefits of benchmarking, improving process performance is one of the most common benefits of benchmarking. Therefore, organisations tend to use benchmarking to solve process performance issues more than addressing strategic issues and encouraging cultural shifts. Apart from the different benefits brought to organisations, there is something unique with benchmarking, and that is that benchmarking enables organisations to see the world outside their own organisation, thereby giving them the opportunity to have an aerial view of their organisation and compare it with different organisations.

Finally, benchmarking, in its different forms, has been proven to establish improvement techniques that will continue to deliver results for organisations of different sizes, sectors and industries around the world. This will primarily be through utilisations of best practice benchmarking, as it is the most effective type of benchmarking.

5.8 Research Limitations

As in any research, there are some limitations in this research. Although there were 453 responses from 44 countries, making this study one of the most comprehensive studies on benchmarking adoption to date, from the researcher's point of view, the number of responses from some counties was few compared to population, economy size and the number of responses from other countries. It is preferable to have more responses from developed countries to gain deeper information about the status of benchmarking. Another issue is that there is one response per organisation, but this was mainly due to the questionnaire being sent to the person responsible for performance improvement activities and therefore his/her answer may not be representative of the organisation. Moreover, at this part of the final research (developing a national strategy for promoting benchmarking), only descriptive statistics were used. Also, no country or sector level analysis was reported, although it was reported in Mann, Abbas, Kohl, Orth, and Görmer (2010). The reason is that the primary aim of this research

is to look at the benchmarking and understand it globally rather than identify the relationships between variables.

5.9 Future research

The research was one of few global studies about benchmarking in general and best practice benchmarking in particular. The main aim of this part of the research was to examine the state of benchmarking globally in terms of benchmarking effectiveness, awareness, future use and how the organisations manage their projects from planning to implementation.

The next step for this research is to build on this thesis and achieve the remaining objectives shown in section 1.3 by:

- Identifying the benefits of developing a national benchmarking strategy.
 - Identifying the key components of a national benchmarking strategy.
- And finally,
- Identifying the best practices in the design and deployment of a national benchmarking strategy.

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Appendix-I: Benchmarking Definitions

Benchmarking definitions, it is worth to note that all of these definitions are derived from Camp's definition. Therefore, the core concept remains the same in all of them.

- (GBN, 2010) "Best Practice Benchmarking describes the comparison of performance data obtained by studying similar processes or activities and identifying, adapting, as well as implementing the practices that revealed the best performance results."
- (Razmi, Zairi, & Jarrar, 2000) "a continuous process of evaluation of production process, products, and services with reference to those of the strongest competitors, known as best practice."
- American Productivity & Quality Center APQC cited in (Jarrar & Zairi, 2001) "the process of improving performance by continuously identifying, understanding (studying and analyzing), and adapting outstanding practices and process found inside and outside the organization and implementing the results"
- (Fong, Cheng, & Ho, 1998) "a systematic and continuous measurement process; a process of continuously measuring and comparing an organization's business process against business leaders anywhere in the world to gain information which will help the organization to take action to improve its performance"

Appendix-II: Global Benchmarking Network (GBN) members

Australia	Benchmarking Partnerships
Bahrain	Bahrain Quality Society
Canada	Organizational Excellence Specialists
China	Beijing Research Center for Science of Science
	Productivity Centre of Jiangsu Province (JSPC)
Germany	Informationszentrum Benchmarking
	Lexta Consultants Group
Hungary	Hungarian Quality Development Centre (HQDC)
India	India Benchmarking Centre – IBC
Iran	Intelligent Persian Corporations (IPC)
Ireland	Excellence Ireland
Kuwait	Gulf Lead Consultants
Malaysia	Malaysia Productivity Corporation (MPC)
	SDI Centre
New Zealand	Centre for Organisational Excellence, Research (COER)
Oman	Ideas Management Consulting
Pakistan	Mirza Associates Engineering Services
Saudi Arabia	TeamOne Consulting
Singapore	SPRING Singapore
Sweden	Swedish Institute for Quality (SIQ)
Switzerland	TECTEM Benchmarking Center, University of St. Gallen
UAE	Abu Dhabi International Centre for Organisational Excellence
	Dubai Quality Group

	Ethos Integrated Solutions LLc
U.K.	BCS Management Services
	Winning Moves Ltd.
USA	Best Practice Institute
	Global Leadership and Benchmarking Associates

Appendix-III: Questionnaire

Global survey on business improvement and benchmarking

In today's world of fierce competition customers continually demand higher quality at lower prices and in shorter time. To meet this demand organisations have adopted different tools, techniques and strategies in order to improve their operational performance and strategic position.

We are conducting a research to identify the current status of business improvement tool use worldwide. To establish a clear view of the use of business improvement tools we encourage you or a representative from your organisation to complete this survey. It will take between 10 to 45 minutes of your time dependent on your use of benchmarking. **Those that do not use benchmarking only complete Sections 1 and 2 of the survey – this will only take 10 minutes of your time.**

The person completing the survey should have a good understanding of the business improvement tools being used within your organisation.

Thank you for your participation.

This survey consists of seven sections and a glossary of terms (at the end of the survey):

For all to complete:

- 1. Organisation Profile**
- 2. Use of Improvement Techniques**

For only those using benchmarking to complete:

- 3. General Questions on Benchmarking**

For only those undertaking benchmarking projects to complete:

- 4. Best Practice Benchmarking Projects - Planning**
- 5. Best Practice Benchmarking Projects - Research and Analysis**
- 6. Best Practice Benchmarking Projects - Implementation**
- 7. Best Practice Benchmarking Projects - Evaluation**

All the data collected from this survey will remain confidential and anonymous.
Published work will only show aggregated data across all organisations surveyed.

Please provide your contact details:

Name: _____

Position: _____

Organisation: _____

Address: _____

Country: _____

Telephone: _____

E-Mail _____



! Email address must be provided to receive a copy of the results of this study

IMPORTANT

Can we share your contact details with the Global Benchmarking Network representative in your country?

☐ **Yes** (This will enable you to keep up-to-date with activities happening in your country)

☐ **No**

1: ORGANISATION PROFILE

(Answer the questions below on behalf of the organisation's site or business unit you work in. We define a 'site or business unit' as each company, plant, or division of an organisation that is financially and operationally autonomous or independent).

1.1 Please provide the following data in your last financial year.

Number of employees: _____

Revenue in **US Dollar**: _____

1.2 What is your organisation's major business activity? (Tick the one that applies)

<input type="checkbox"/> Agriculture, Forestry and Fishing	<input type="checkbox"/> Communication Services
<input type="checkbox"/> Mining	<input type="checkbox"/> Finance and Insurance
<input type="checkbox"/> Manufacturing	<input type="checkbox"/> Property and Business Services
<input type="checkbox"/> Electricity, Gas and Water Supply	<input type="checkbox"/> Government Administration and Defence
<input type="checkbox"/> Construction	<input type="checkbox"/> Education
<input type="checkbox"/> Wholesale Trade	<input type="checkbox"/> Health and Community Services
<input type="checkbox"/> Retail Trade	<input type="checkbox"/> Cultural and Recreational Services
<input type="checkbox"/> Accommodation, Cafes and Restaurants	<input type="checkbox"/> Personal and Other Services
<input type="checkbox"/> Transport and Storage	<input type="checkbox"/> Other (specify below)

Other:

1.3 Within which sector does your organisation operate? (Tick the one that applies)

- ☐ Public Sector
- ☐ Private Sector
- ☐ Not for Profit or Community

1.4 For how many years has your organisation been operating?

- ☐ 5 years and less
- ☐ 6 to 10 year
- ☐ 11 to 15 years
- ☐ 16 to 20 years
- ☐ More than 20

2: USE OF IMPROVEMENT TECHNIQUES

2.1 Improvement techniques implemented in your organisation. (Please tick those that are applicable)

1: Improvement Technique		2: Level of awareness Rate your understanding of this technique as	3: Currently, is this technique used in your organisation?	4: How effective has this technique been in improving performance in your organisation? (Only answer if you've ticked a 'yes' in column 3)	5: Do you expect to use this technique in the next 3 years?
		Zero Minor Moderate	Yes No	Don't Know No effect Minor Moderate	Yes No
Informal Benchmarking	Actively encouraging employees to learn from the experience and expertise of other colleagues and organisations through comparing practices and processes e.g. through best practice tours, conferences, best practice websites, networking	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Performance Benchmarking	Comparing performance levels of a process/activity with other organisations – therefore comparing against benchmarks	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

1: Improvement Technique		2: Level of awareness	3: Currently, is this technique used in your organisation?	4: How effective has this technique been in improving performance in your organisation? (Only answer if you've ticked a 'yes' in column 3)	5: Do you expect to use this technique in the next 3 years?
		Rate your understanding of this technique as			
		Zero Minor Moderate	Yes No	Don't Know No effect Minor Moderate	Yes No
Best Practice Benchmarking	Following a structured process for comparing performance levels and learning why better performers have higher levels of performance and adapting/implementing those better practices	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Balanced Scorecard	Used for measuring whether the activities of a company are meeting its objectives in terms of vision and strategy by focusing on a balanced set of outcomes	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Business Excellence	Such as EFQM, Baldrige, or any other national excellence model	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Business Process Re-engineering (BPR)	Involves significant changes in the design and production of an organisation's products/services by focusing on processes rather than traditional functions	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

1: Improvement Technique		2: Level of awareness Rate your understanding of this technique as	3: Currently, is this technique used in your organisation?	4: How effective has this technique been in improving performance in your organisation? (Only answer if you've ticked a 'yes' in column 3)	5: Do you expect to use this technique in the next 3 years?
		Zero Minor Moderate	Yes No	Don't Know No effect Minor Moderate	Yes No
Corporate Social Responsibility System	System designed to measure, apply, assess, and report organisational efforts to integrate CSR, particularly environmental and social concerns, into all operations	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Customer (Client) Surveys	Surveys to obtain customer feedback	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Employee Suggestion Scheme	A formal mechanism by which employees can offer their ideas	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Improvement Teams	A team established to address a specific improvement issue	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

1: Improvement Technique		2: Level of awareness	3: Currently, is this technique used in your organisation?	4: How effective has this technique been in improving performance in your organisation? (Only answer if you've ticked a 'yes' in column 3)	5: Do you expect to use this technique in the next 3 years?
		Rate your understanding of this technique as			
		Zero Minor Moderate	Yes No	Don't Know No effect Minor Moderate	Yes No
Knowledge Management	A range of practices used by organisations to identify, create, represent, and distribute knowledge	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Lean	A process of improvement that focuses on practices aimed at reducing inventory levels and waste from the organisation's key processes	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Mission and Vision Statement	Brief statements of the purpose and vision of an organisation, with the intention of keeping employees aware of the organisation's direction	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Plan-Do-Check-Act (PDCA)	A four step process for continuous improvement	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Quality Function Deployment (QFD)	A structured team approach in which customer requirements are translated into appropriate	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

1: Improvement Technique		2: Level of awareness	3: Currently, is this technique used in your organisation?	4: How effective has this technique been in improving performance in your organisation? (Only answer if you've ticked a 'yes' in column 3)	5: Do you expect to use this technique in the next 3 years?
		Rate your understanding of this technique as			
		Zero Minor Moderate	Yes No	Don't Know No effect Minor Moderate	Yes No
	technical requirements for each stage of product development and production				
Quality Management System	Such as ISO 9001, following procedures, quality manual and auditing	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Six Sigma	A measured and fact-based approach to reducing process variation and improving performance	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Strengths, Weaknesses, Opportunities, and	A strategy development tool used to identify the strengths, weaknesses, opportunities and threats facing an organisation	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>

1: Improvement Technique		2: Level of awareness	3: Currently, is this technique used in your organisation?	4: How effective has this technique been in improving performance in your organisation? (Only answer if you've ticked a 'yes' in column 3)	5: Do you expect to use this technique in the next 3 years?
		Rate your understanding of this technique as			
		Zero Minor Moderate	Yes No	Don't Know No effect Minor Moderate	Yes No
Threats (SWOT) Analysis.					
TQM	A management approach for long-term success through improving customer satisfaction, processes, products, services and culture	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
5S	A housekeeping method for organizing a workplace, especially a shared workplace (like a shop floor or an office space and keeping it organized)	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>
Other (please specify):		<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/> <input type="checkbox"/>



If you indicated in question 2.1 that your organisation does not use performance or best practice benchmarking please complete the question below and return the survey.

THANK YOU.

For all others, please go to Section 3.

2.2 What are the main reasons for not using performance benchmarking or best practice benchmarking within your organisation? (Indicate up to three only and rank them from 1 to 3 with “1” indicating the most important)

	No clear benefit from benchmarking
	Lack of understanding of benchmarking
	Lack of technical knowledge in planning benchmarking projects
	Lack of resources
	Lack of benchmarking partners
	Lack of authority
	Fear of sharing information
	High cost (cost more than benefit)
	Long time frame to complete the project
	Lack of top management commitment
	Other, _____

3: GENERAL QUESTIONS ON BENCHMARKING

3.1 For the following, select one response to each question.

	No	A Few / Rarely	Some / Sometimes	Most / Usually	All / Always
Do your employees receive training in benchmarking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do your employees collect and use benchmarking information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are the better practices that have been identified through benchmarking communicated to your employees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.2 For each of the following performance areas does your organisation collect benchmarks (performance comparison data on other companies)? (Select one response for each area).

	No	Occasionally	Regularly for one or two measures	Regularly for all important measures	Regularly for all important measures and the data is regularly reviewed and acted upon.
Employee related area (e.g. employee satisfaction, skills development, health and safety, etc)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer related area (e.g. customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

satisfaction, complaints, etc.)					
Financial related area (e.g. profits, return on investment, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Process related area (e.g. resources utilisation, delivery time, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product or service area (e.g. quality, cost)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3.3 Which of the following services in benchmarking, if supplied by a third party (an external organisation), would your organisation potentially use? (Indicate up to three only and rank them from 1 to 3 with “1” indicating the most important)

	Support from a consultant in managing benchmarking projects
	Benchmarking training courses
	Best practice workshops
	Best practice database
	Support in finding benchmarking partners
	Online discussion forum
	Supply of best practice case studies
	Supply of benchmarks
	Other, _____

3.4 Does your organisation currently use benchmarking services provided by a third party?

☐

No

☐

Yes, (please give organisation's name)

3.5 If there was a national or regional benchmarking award to encourage organisations to undertake benchmarking projects would your organisation be interested in applying or finding out more information about it?

☐

No

☐

Perhaps

☐

Yes

3.6 If your organisation has a definition for benchmarking what is it?



If you indicated in question 2.1 that your organisation does not use best practice benchmarking you have finished the survey.

THANK YOU and please return the survey as shown on page 1.

For all others, please go to Section 4.

The remaining sections of the survey should only be completed if your organisation undertakes best practice benchmarking projects.

4: BEST PRACTICE BENCHMARKING PROJECTS - PLANNING

4.1 How many benchmarking projects do you conduct per year (typically)?

- ☐ 1
- ☐ 2-5
- ☐ 6-9
- ☐ 10-20
- ☐ More than 20

4.2 What is the size of a typical benchmarking team within your organisation?

- ☐ 1-2 people
- ☐ 3-4 people
- ☐ 5-6 people
- ☐ 7-8 people
- ☐ More than 8 people

4.3 Does your organisation use a particular methodology for undertaking benchmarking projects?

- ☐ No
- ☐ Developed own methodology
- ☐ The model/methodology is _____

4.4 How long does a benchmarking project normally take? (excluding the implementation phase - therefore excluding the implementation of best practices)

- ☐ Less than 2 months
- ☐ 2 to less than 4 months
- ☐ 4 to less than 6 months
- ☐ 6 to less than 8 months
- ☐ 8 to less than 10 months
- ☐ More than 10 months

4.5 What are the main reasons for undertaking benchmarking projects? (Indicate up to three only and rank them from 1 to 3 with “1” indicating the most important)

	To address major strategic issues
	To improve the performance of our processes
	To improve financial performance
	To develop new products/ services
	Necessary for business excellence assessments
	To learn what other organisations are doing
	To encourage a cultural shift to a learning culture.
	Other, _____

4.6 In the last three years which areas of your organisation have conducted benchmarking projects? (Please tick those that are applicable)

<input type="checkbox"/> Administration, training and human resources	<input type="checkbox"/> Production
<input type="checkbox"/> Corporate strategy and planning	<input type="checkbox"/> Research and development
<input type="checkbox"/> Customer service	<input type="checkbox"/> Public relations
<input type="checkbox"/> Finance	<input type="checkbox"/> Sales and marketing
<input type="checkbox"/> IT	<input type="checkbox"/> Warehouse, logistics and purchasing
<input type="checkbox"/> Maintenance	<input type="checkbox"/> Other, _____

4.7 Our benchmarking project teams usually consist of people from the following areas. (Please tick those that are applicable)

<input type="checkbox"/> Senior management	<input type="checkbox"/> Process owners
<input type="checkbox"/> Middle management	<input type="checkbox"/> Internal suppliers
<input type="checkbox"/> Selected employees	<input type="checkbox"/> Internal customers
<input type="checkbox"/> Internal benchmarking expert	<input type="checkbox"/> External suppliers
<input type="checkbox"/> External benchmarking expert	<input type="checkbox"/> External customers

4.8 What types of benchmarking projects do you usually conduct? (please ensure the total adds to 100%)

Internal benchmarking projects (benchmarking internally within the organisation)	%
National benchmarking projects (benchmarking with other companies in the country)	%
International benchmarking projects (benchmarking with companies overseas)	%
Total	100%

4.9 When planning a benchmarking project. (select one response for each question)

	No	Rarely	Sometimes	Usually	Always
Is a project brief developed for the project specifying aim, scope, sponsor, and members of benchmarking team?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you calculate the expected cost and benefits of the project?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Do you ensure that a benchmarking code of conduct is understood and followed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5: BEST PRACTICE BENCHMARKING PROJECTS - RESEARCH AND ANALYSIS

5.1 Which of the following methods does your organisation use to collect benchmarking data and best practice information? (select one response for each method)

	No	Rarely	Sometimes	Usually	Always
Benchmarking networks	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Conferences	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Contacting trade associations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Talking to experts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Literature searches	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Internal best practice database	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External best practice database	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Searching websites	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Surveys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Site visits /meetings with benchmarking partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (please specify below)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Other: _____

6: BEST PRACTICE BENCHMARKING PROJECTS - IMPLEMENTATION

6.1 How long does the implementation phase typically take? (e.g. the adaption and implementation of best practices identified through benchmarking)

- ☐ Less than 2 months
- ☐ 2 to less than 4 months
- ☐ 4 to less than 6 months
- ☐ 6 to less than 8 months
- ☐ 8 to less than 10 months
- ☐ More than 10 months

6.2 What percentage of benchmarking projects result in implementation?

- ☐ 1-10%
- ☐ 11-20%
- ☐ 21-40%
- ☐ 41-60%
- ☐ 61-80%
- ☐ 81-90%
- ☐ 91-100%
- ☐ Don't know

7: EVALUATION

7.1 At the end of a benchmarking project we. (tick one response for each statement)

	No	Rarely	Sometimes	Usually	Always
Measure the improvements that have occurred	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Undertake a cost and benefit analysis.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Evaluate how successfully we managed the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7.2 The outcomes (best practices and/or results achieved) from benchmarking projects are typically communicated by: (Indicate up to three only and rank them from 1 to 3 with “1” indicating the most important)

	Presentations		Meetings (informal)
	Reports		Memos
	E-mails		Newsletters
	Intranet (Internal internet)		Notice boards
	Meetings (formal)		Other: _____

7.3 The main benefits of benchmarking projects have been: (Indicate up to three only and rank them from 1 to 3 with “1” indicating the most important)

	Major strategic issues addressed		Assisted in business excellence assessments
	Improved performance of our processes		Learnt what other organisations are doing

	Improved financial performance		Encouraged a cultural shift to a learning culture.
	Developed new products/services		Other: _____

7.4 On average, what is the financial return (US\$) from a typical benchmarking project, after one year of implementation?

- ☐ <US\$10,000
- ☐ 11,000 to 50,000
- ☐ 51,000 to 100,000
- ☐ 101,000 to 150,000
- ☐ 250,000 to 500,000
- ☐ >500,000
- ☐ Don't know

7.5 Approximately, what percentage of time is spent by your organisation on each phase of the benchmarking process out of total time spent?

	Percentage of time spent on each phase
Planning	%
Research and analysis (learning from others)	%
Implementation	%
Evaluation	%
Total	100%

7.6 According to your experience, how do the following factors contribute to the success of a benchmarking project?

	Very High	High	Medium	Low	Very Low
Support of top management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resource allocated to benchmarking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding of benchmarking	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Composition of the benchmarking team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Access to external/consultancy support for facilitating benchmarking projects	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Clear project objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linking of project objectives to strategic objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Understanding of own processes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Obtaining reliable comparison data	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Research skills for conducting surveys and site visits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Skills in process analysis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ability to find benchmarking partners	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Readiness of organisation to implement project findings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Learning from the success and failures of each benchmarking project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Project management skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Thank you for completing the survey!

Details on how to return the survey are on the front page.

GLOSSARY OF BENCHMARKING TERMS

Benchmark

A measured, "best-in class" achievement; a reference or measurement standard for comparison; this performance recognized as the standard of excellence for a specific business process.

Best practice

There is no single "best practice" because best is not best for everyone. Every organization is different in some way, different missions, cultures, environments, and technologies. What is meant by "best" are those practices that have been shown to produce superior results; selected by a systematic process; and judged as exemplary, good, or successfully demonstrated. Best practices are then adapted to fit a particular organisation.

Best Practice Benchmarking

Following a structured process for comparing performance levels and learning why better performers have higher levels of performance and adapting/implementing those better practices

Code of conduct

A behavioural convention that describes the protocol of behaviours – the set of conventions prescribing correct etiquette and procedures to be used in benchmarking.

Informal Benchmarking

Actively encouraging employees to learn from the experience and expertise of other colleagues and organisations through comparing practices and processes e.g. through best practice tours, conferences, best practice websites, networking)

Benchmarking Partners

Benchmarking Partners are the comparative companies considered in the Benchmarking project, who are willing to exchange information openly and thus to enter a mutual learning process.

Performance Benchmarking

Comparing performance levels of a process/activity with other organisations – therefore comparing against benchmarks.