

BENCHMARKING

- AN

OVERVIEW

BENCHMARKING DEFINITION

- ***Formal Definition***

Benchmarking is the continuous process of measuring our products, services, and practices against the toughest competitors or those companies recognised as industry leaders.

- ***Webster's Definition***

A surveyor's mark . . . of previously determined position . . . and used as a reference point . . .

A standard by which something can be measured or judged.

- ***Working Definition***

Benchmarking is the search for best industry practices that will lead to superior performance.

TYPES OF BENCHMARKING

- ***Internal Benchmarking***

A comparison of internal operations.

- ***Competitive Benchmarking***

Specific competitor-to-competitor comparisons for the product or function of interest.

- ***Functional Benchmarking***

Comparisons to similar functions within the same broad industry or to industry leaders.

- ***Generic Benchmarking***

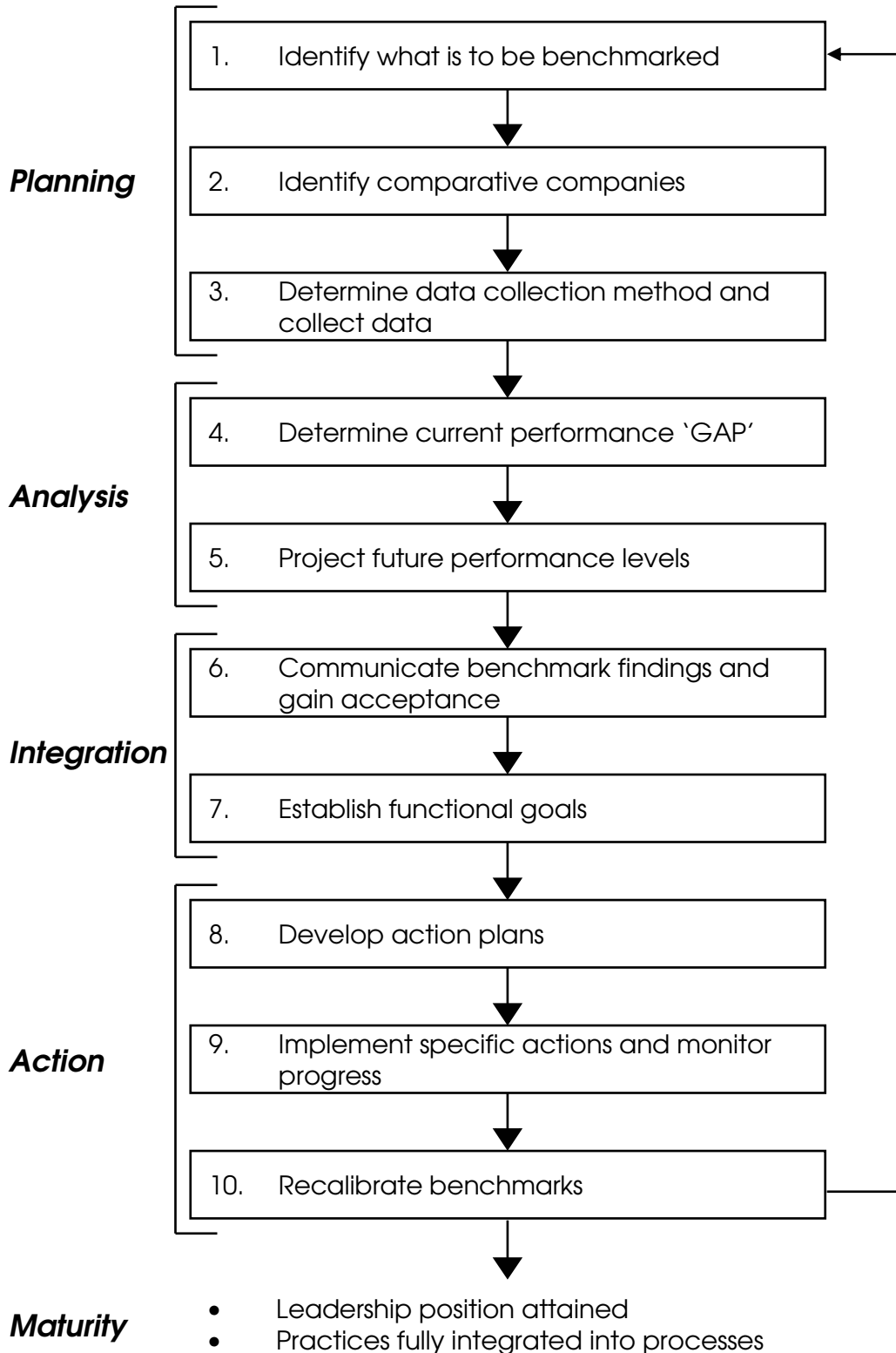
Comparison of business functions or processes that are the same regardless of industry.

WHY BENCHMARK?

Benefits of Benchmarking

- Meeting customer requirements
- Establishing effective goals and objectives
- Establishing a true measure of productivity
- Establishing a strong commitment to change
- Becoming competitive
- Achieving industry best practices

BENCHMARKING PROCESS STEPS



BENCHMARKING

What it is

A mechanism for making strategic comparisons

A mechanism for identifying a more effective use of resources

An ongoing management process

A learning and discovery process

A winning business strategy