

BENCHMARKING: THE KEY TO MANAGING

Background

There isn't a lot that's new in customer management. Effective client management boils down to taking care of the customer's:

- past, so that you have a history of quality and excellence;
- present, so that you're meeting the client need;
- future, so that the customer retains continuing confidence in meeting his/her needs.

Of course, managing the customer well will ensure sales volume, and continuing viability of the business, as long as its people are in a position to build on customer confidence.

Some Definitions

There are a number of processes which help a Service Team build customer confidence. Three of them are:

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| Objectives | These are overall statements of where the business needs to go, in order to increase volume, improve margins, move ahead technologically, etc. |
| Goals | These are specific measurable statements of how people can meet the objectives (as, "The objective is to win the game, and you win the game by scoring goals.") |
| Benchmarks | These are very specific service standards for any given operation, e.g. a print run. |

The Overall Flow

To function most appropriately, a Service Team needs an overall set of planning and operating processes which go from very general, to very specific:



Objectives, goals and benchmarks serve to define where the action is, in response to Senior Management business thrusts. Senior Team members set objectives, and all team members participate in goal setting and benchmarking.

What Benchmarks Do and Don't Do

Benchmarks do:

- clarify the specific standards by which to measure an operation;
- allow for identification of both positive and negative deviations (i.e. whether the operation is going better or worse than the standard);
- helps identify development opportunities for team members;

- provide points of comparison with other like or un-like service providers.

Benchmarks do not:

- serve to drive operations;
- form the basis of reward and punishment;
- replace personal motivation as the means for getting work done
- compel a necessary need to emulate another service provider.

How Benchmarking Works**1. Identify the Operation**

Select a unit of work for which a standard is to be set, i.e. a specific print operation.

2. Identify the Standard

Select the appropriate standard for the operation, e.g. number of pages per minute.

3. Test the Standard

Run the standard for a set period of time to verify its accuracy.

4. Confirm As a Benchmark

Write up the standard as a benchmark. Use a simplified Standard Operating Procedure approach, on line, for ease of changing.

5. Track Performance

Measure how well the Service Team is meeting the benchmark.

6. Extend To Connecting Operations

Meanwhile, identify the standards for operations, which fit in and around the benchmarked unit of work.

7. Improve Continuously

On a ongoing basis, look for human, technical and systems improvements which can raise the bar on the benchmark. Encourage experimentation and breakthrough thinking.

Conditions for Successful Benchmarking

Benchmarking will work if those managing it:

- involve every team member in establishing the benchmarks based on the business goals of the team;
- use the process as a tool for client quality, not as an end to itself;
- make benchmarking a moving target for continuous improvement;
- focus benchmarks on providing quality to customers; and,
- encourage innovation and mentor and coach compliance.

Benchmarking will fail if those managing it:

- impose standards that have no linkage to the reality of the job;
- use benchmarking to punish non-conforming performance;
- don't link benchmarking to the overall business strategy;
- rush benchmarking through on top of all the other work; and,
- don't have the skills to model, mentor and coach.

Benchmarking in an Entrepreneurial Milieu

Those who are in business for themselves eventually find themselves moving towards implementing benchmarks. The corner store owner needs to know how milk jugs to order in, so s/he needs to know the volume of sales, the time of the sale, the means to improve sales, and the most expedient way of restocking. This suggests that benchmarking may benefit all kinds of businesses, but particularly those which are entrepreneurial, shorter innovative team work and thinking and are service driven. However, benchmarking is not for the faint of heart: it needs focus, effort and discipline to sustain. And, by the way, it can be a very motivating and pleasurable way to work.

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