

## **PURPOSE OF THE TOOL**

Benchmarking goes beyond just looking at other organisations. The choice of organisations to compare is vital, illustrated by the following definition:

*Benchmarking is the continuous process of measuring products, services and practices against the toughest competition or those organisations recognised as industry leaders.*

*Kearns, 1990*

For EoT within the Indian public service perhaps the main purpose of benchmarking can be a continuous process of measuring courses, other professional services and training methodologies against those training institutions recognised as leaders.

Note that this definition refers to the continuous nature of the process. It serves to point out the importance of always being prepared to look outwards to inform practices within.

To be more specific there is at least four purposes/perspectives that benchmarking processes can be focussed on:

1. Establishing the operational and strategic value to an institution of benchmarking training and development activities.
2. Demonstrating that lessons can be learned from benchmarking that will contribute to the enhancement of training and development processes, practices and philosophies.
3. As a by-product to show how comparison with other institutions can serve to strengthen the negotiating hand of those responsible for its management.
4. Demonstrating that benchmarking can be a key contributor to institution and organisational learning and should be seen as a process in its own right.

## **DESCRIPTION**

The benchmarking process can generally be categorised as either of the following:

**Competitive Benchmarking.** This is concerned with assessing key parts of an institution's processes, systems and procedures with those of a similar institution. To improve effectiveness and efficiency it is often held that an institution needs to reduce costs, improve productivity, enhance quality, be more customer-focussed, provide good service and be entrepreneurial and innovative. The development of new products, introducing new technologies, better marketing strategies may also put them in the lead position. Published information and personal contacts may provide most of the data for competitive benchmarking.

**Best Practice Benchmarking.** The focus here may not be on competitors but to review institutions seen to be 'best in class' in whatever field their business. Usually it's easier to get access to these institutions when they are **not** competitors and will probably be more open. Because best practice

benchmarking is about recognising and learning from others, who are not competitors, visits are an acceptable and usual way to collect information and offers potential benefits to the organisation being visited in gaining another's view.

Either of the above two approaches can be compared at different levels and three are commonly used:

- **Strategic benchmarking** involves comparison of different strategies to identify key elements in a successful overall strategy. In terms of institutional training and development, this could be how other institutions set about identifying, developing and improving training provision.
- **Process benchmarking** focuses on an evaluation of institutional systems, procedures and processes that cut across functional areas. Perhaps comparison of systems underpinning performance management and staff development fits into this category.
- **Operational benchmarking** which focuses on the relative cost position, increase in product quality or improved service provision across functional areas for the training and development function. One measure could be the cost of training per trainee; another could be utilisation of facilities.

## HOW TO USE IT

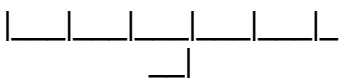
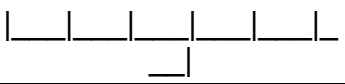
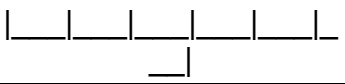
Whilst there is no definitive approach to how the benchmarking process should be used, one is based on Deming's advice of 'plan, do, check and act'.

1. Identify the function and activity to be benchmarked.
2. Choose the organisation for benchmarking against.
3. Determine methods of data collection and analysis.
4. Familiarise organisation with findings and set performance goals.
5. Implement and measure.

In more detail:

### 1. Identify the function and activity to be benchmarked.

Having identified the function and why benchmarking is necessary, a choice has to be made either to undertake general benchmarking across the range or to be more selective. The following diagram illustrates some decisions to be made.

Benchmarking Decisions		
Selective		General
Topic based		Across the range
Qualitative		Quantitative

**2. Choose institution to benchmark against.**

We have already mentioned either a competitive benchmarking or a best practice approach. We can use four different types of organisations for benchmarking purposes.

1. Internal benchmarking - against other parts of your institution.
2. Benchmarking against directly competing institutions - eg ones offering similar courses.
3. Similar institutions - such as other ATI's.
4. Institutions in totally different sectors.

Further methods of identifying benchmarking opportunities would be to gain information from:

- Research publications, articles, reports, and books.
- Quiz experts, experienced people and consultants.
- Contacts gained through funding agencies, professional bodies and databases.
- Personal contacts, stakeholders, trainees, customers, suppliers, etc.

**3. Determine methods of data collection and an analysis.**

There are obviously many ways to collect data. With competitive benchmarking this may be more covert and drawn from written data in the public domain, to seeking opinion from friends and colleagues. Whilst best practice benchmarking can be more open, site visits and meetings with institutional directors, for example, can be helpful.

**4. Familiarise institution with findings and agree performance goals.**

Establishing goals for improvement involves careful planning to incorporate new processes and practices. Some resistance may be inevitable if a challenge is being made to the established ways of doing things. Communication with all stakeholders is vital to ensure that any recommendations have sufficient commitment and time frames.

**5. Implement and measure.**

In competitive terms, benchmarking should be viewed as a means to improve performance to gain superiority. In best practice terms, it should be viewed as a means of doing things better.

Improvements should result in significant leaps as opposed to small incremental changes although the change process itself may be gradual and incremental. The implementation of improvement or change should involve periodic measurement and assessment of attempts to reach stated goals. Implementation should be the outcome of a process, the danger may be that in

benchmarking you may identify a range of possible improvement areas / processes that seem effective.

**Some final thoughts:**

Some useful general points to bear in mind in benchmarking:

- Be realistic - benchmarking is not a solution to all problems.
- Stay focussed - massive problems cannot be solved with one change.
- Prepare carefully - both with people involved and institutions chosen.
- Beware legal problems, data protection and using sensitive information.

Before seeking agreement for implementation, ask yourself such questions as:

- Is this a good idea?
- Will it work in our institution?
- How will it work?
- Who will drive its implementation?