

*WELCOME TO PRESENTATION
ON BENCHMARKING*

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MERA WALA PINK

Know your enemy and know yourself

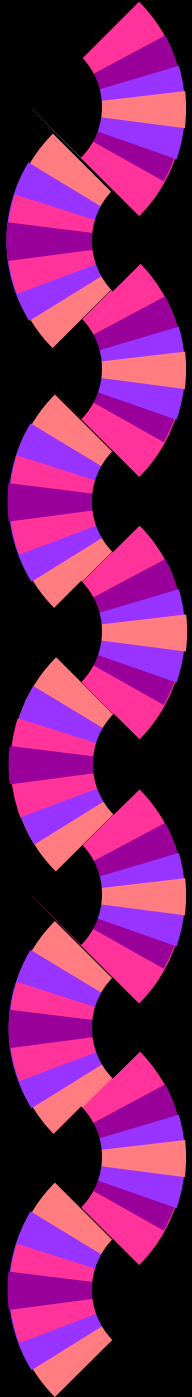


WHY BENCHMARKING

“ To be a market leader, one must look outward – as well as inward – for constant improvement and new ideas.”

“ Don’t reinvent what other have learned to do better ”.
Today rallying cries – Borrow shamelessly; “ adopt, adapt & advance ” “ Imitate creativity & adapt innovatively ” are the anthems of business pragmatism

“ Change has no constituency ” – Jack Welch, CEO, GE

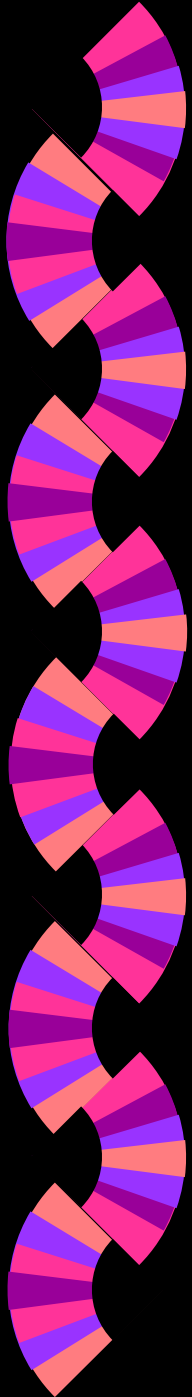


WHAT IS BENCHMARKING

“ Benchmarking is a continuous, systematic process for evaluating the products, services, and the work processes of organizations that are recognized as representing best practices for the purpose of organization improvement”

by Michael J Spendolini

Benchmarking is skill that supports Quality Excellence



WHAT IS BENCHMARKING

Benchmarking is process of measuring your operations against similar operation for the purpose of improving your business processes to meet customer needs

- The critical business processes
- The critical success factor for fulfilling customer needs
- The best measurement will provide this information

The benchmarking is the continuous process of measuring products, services and practices against the toughest competitors or those companies recognized as industry leaders - by David Kearns , CEO XEROX



WHAT ARE 3 B's

Benchmarking:

A Continuous, systematic process of evaluating companies recognized as industry leaders, to determine business and work processes that represent best practices and establish rational performance Goals

Best Practices:

The methods used in work processes that produces output which best meet customer requirement in a particular market place

Benchmarks

The conversion of best practices into measurement of best performance

CONCEPT OF BENCHMARKING

Output, Results, Success Factors

Benchmark
What?

Who/What
is Best?

Data Collection
Data Analyses
Data Collection

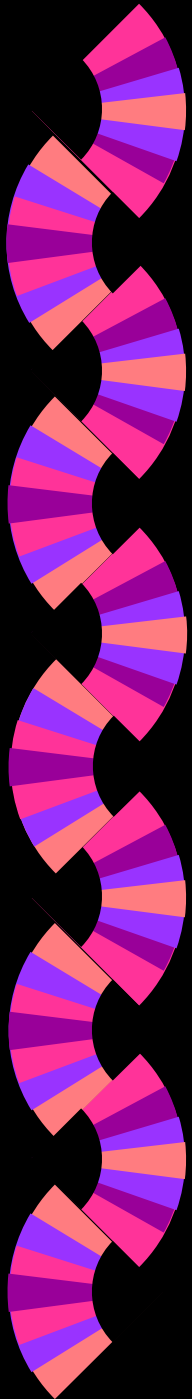
How do we
Do it?

How do
They do it?

Processes, Practices, Methods

U
S

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H
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Historic Example of Innovation

- ◆ British Textile Mills Vs American Mill in 1800's
- ◆ Ford Motors Co, Henry Ford visit to Chicago in 1912's
- ◆ Toyota Vs General Motors in 1950's
- ◆ Remington Rifle Co Vs Maybelline Cosmetics in 1980's

Learning by borrowing from the best and by adapting their approaches to fit your own needs is the essence of benchmarking

By exposing organization & people to new ideas and approaches, the benchmarking experience often spurs extraordinary insights and benchmarking thinking



HI TECH - PRACTICES

Self Service Society:

- ◆ ATM Facilities by Banks
- ◆ Coffee Vending machine
- ◆ Fountain Pepsi
- ◆ Self service Fast Food counter
- ◆ Touch Screen Kiosks
- ◆ On line Check in on flights/ticket confirmation
- ◆ Net Shopping



BENCHMARKING BENEFITS

- Insight
- New Perspective – view of us and them
- New Targets and new ways
- Projection of future
- Provides areas of focus and opportunities
- Breaks down “ We do it Best” Syndrome

“ Tell me and I forget, Show me and I remember, Involve me and I understand ”

Benchmarking is an effective catalyst for change because it involve everyone in the discovery of most effective operating processes



APPLICATION

Benchmarking is a remarkable versatile business tool, it can be applied to virtually every function in our companies, it helps in:

1. Setting & refining strategy
2. Re- engineering work processes and business systems
3. Continuous improvement of work processes and business systems
4. Strategic planning and goal setting
5. Problem solving
6. Education & idea enrichment
7. Market performance comparisons and evaluations
8. Catalyst for change



BENCHMARK WHAT

- ◆ Best Practices
- ◆ Change process - working methods
- ◆ Bridge the Gap
- ◆ Measurement process
- ◆ Process comparison how well is competition



BENCHMARKING TYPES

- ◆ Industry Group Measurement
- ◆ Best Practices Study
- ◆ Cooperative Benchmarking
- ◆ Competitive Benchmarking
- ◆ Change Management



PHASES OF BENCHMARKING

1. Planning - Identify what to benchmark, whom to benchmark, collect data & information required
2. Analysis - Determine the benchmark gap, Identify the best practice
3. Integration - Establish appropriate goals and targets, integrated into business plan
4. Action - Implement all the functional/work group level monitor progress
5. Maturity- Recycle benchmark

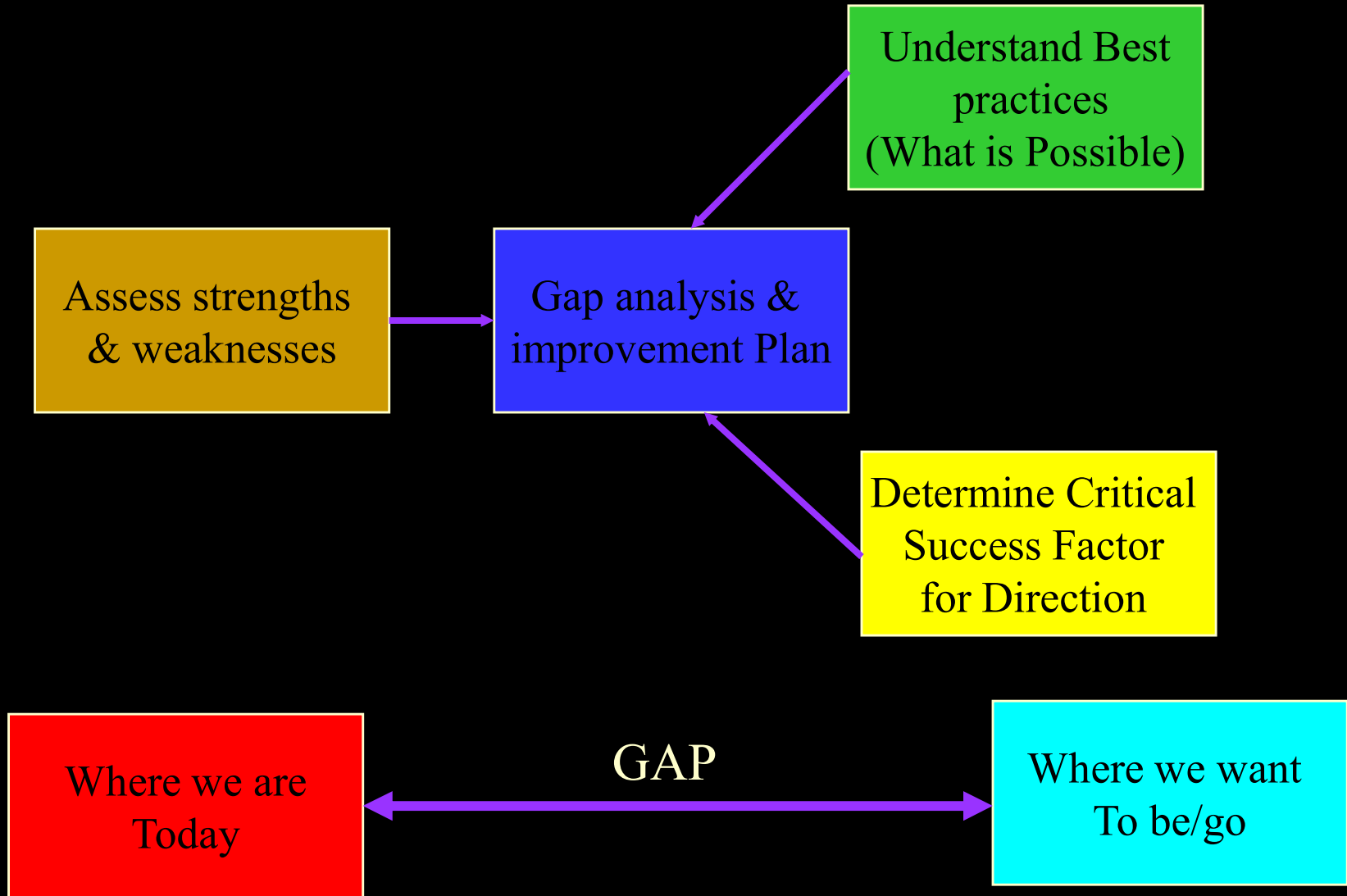
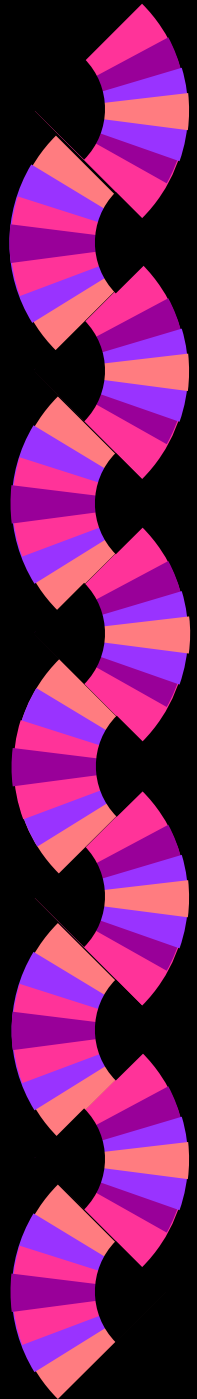
Benchmarking is not a one time project. It is a continuous improvement strategy and a change management process



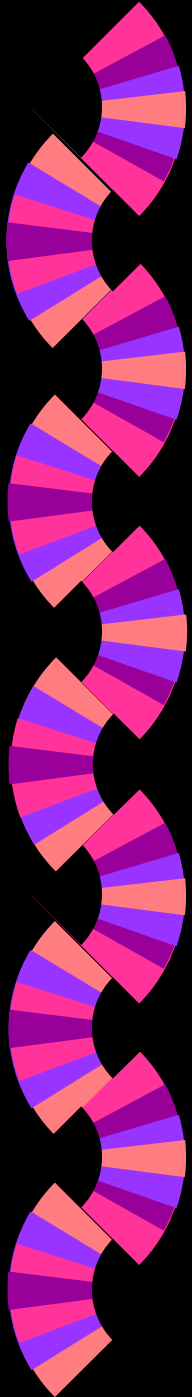
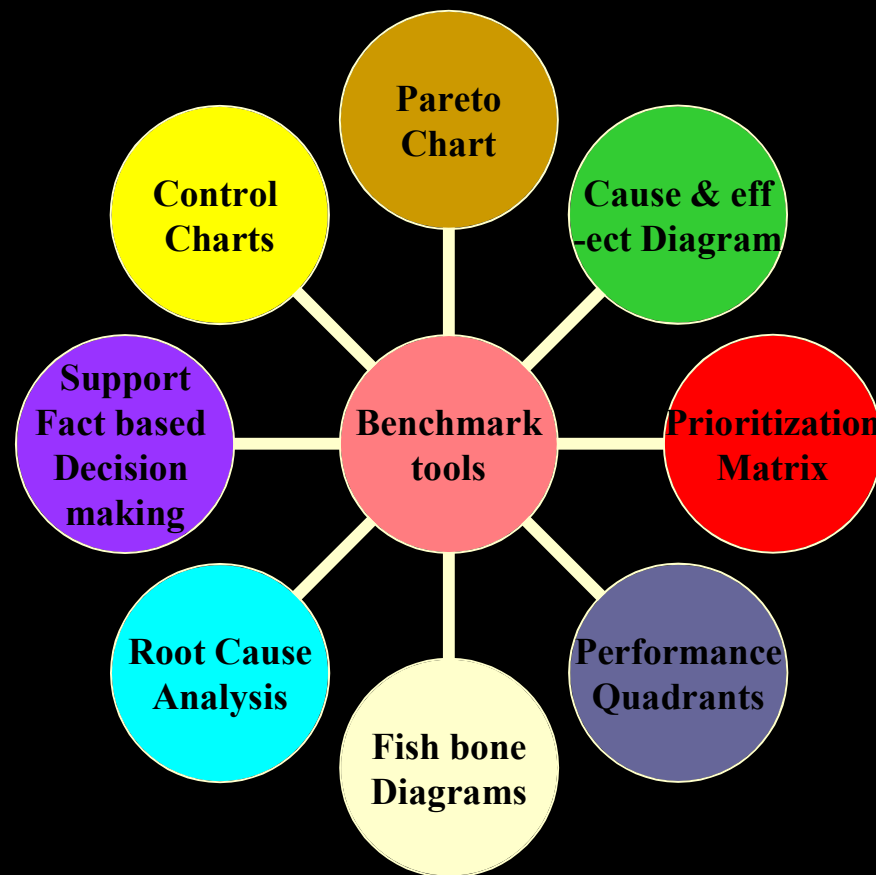
11 STEPS TO BENCHMARKING

- ◆ Identify Benchmark subject
- ◆ Identify benchmarking partner
- ◆ Determine data collection method
- ◆ Collect Data
- ◆ Determine current competitive gaps
- ◆ Project future performance
- ◆ Establish Function Goals
- ◆ Communicate finding and gain acceptance
- ◆ Develop action plan
- ◆ Implement plan and monitor success
- ◆ Re-calibrate benchmark

PRODUCT DEVELOPMENT



QUALITY BENCHMARK TOOLS





HOW TO GO FOR BENCHMARKING

- ◆ Assemble a multi disciplinary team from the management operating units & staff groups to develop the business strategy
- ◆ Develop a Mission statement that describes what the company does and which markets it serves
- ◆ Articulate a vision that makes sense in terms of external factors (Suppliers, Customers, competitors, and in business environment); internal factors (Core competencies and existing business portfolio) and company values



HOW TO GO FOR BENCHMARKING

- ◆ Translate the mission and vision into a detailed plan of action by defining strategic objectives, supporting tactics and associated miles stones
- ◆ Modify organization structure, competencies and control systems to facilitate implementation of strategy
- ◆ Monitor progress towards overarching strategic goals
- ◆ Modify the strategic plan as needed to achieve the company's long terms objectives



ETHICAL & LEGAL ISSUES

- ◆ Keep it legal
- ◆ Be willing to give what you get
- ◆ Respect confidentiality
- ◆ Don't refer without permission
- ◆ Develop a formal position on ethical & legal issues
- ◆ Communicate your organization's position on legal and ethical issues
- ◆ Clarify legal terms
- ◆ Put all agreements in writing
- ◆ Clarify the need for legal review
- ◆ Follow through commitment



WHY BECHMARKING FAILS

- ◆ Unclear objects
- ◆ Benchmarking team is not credible
- ◆ Lack of stakeholder involvement/buy in
- ◆ Poor up front planning
- ◆ Organization become defensive
- ◆ Study become delaying mechanism
- ◆ Misinterpretation of data
- ◆ Seen as solution – not the starting point
- ◆ The benchmarking process is not driven by results



KEY SUCCESS FACTORS


- ◆ Seek change and be action oriented
- ◆ Be open to new ideas
- ◆ Know yourself before you attempt to know others
- ◆ Focus on improvement of practices
- ◆ Induce & maintain discipline
- ◆ Put resources in place and allow sufficient time to get the job done right
- ◆ Gain Senior Management Support
- ◆ Involve best and brightest people & Reward those who participate
- ◆ Ensure adequate communication about the purpose, scope, process. Limits and use of benchmarking




MANAGER ROLE

- ◆ Learn fast change
- ◆ Use the new learning
- ◆ Support the change
- ◆ Capture the relevant data/information
- ◆ Deal with resistance
- ◆ Focus initiatives
- ◆ Communicate
- ◆ Recognize & Reward
- ◆ Customer Focus

BEST HR PRACTICES

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- ◆ American Express, Citi Bank- Appraisal by customers
 - ◆ Weekly quiz- monthly family get together
 - ◆ Hero Honda - Process improvement suggestions, award points
 - ◆ Mastek - 3day holiday for the whole company annually - sharing together
 - ◆ indiainfo.com - Team Building Processes, Manager to CEO
 - ◆ L.G.Electronics - Pizza coke meet for conflict resolution
 - ◆ AT&T - Training of all Engineer's on Positive behavioral effect of best practices
 - ◆ GE -The blue book containing SOP's, the ever green process
 - ◆ Wipro - People Capability Maturity Implementation

BEST HR PRACTICES

- 
- ◆ Samtel - Company wide Six Sigma Implementation
 - ◆ Whirlpool – WES (Whirlpool Excellence System) /HPMC High Performance Management Culture Implementation
 - ◆ Electrolux- HR intranet for on line information/processing
 - ◆ NIIT- Creative Employee involvement activities
 - ◆ Delphi Automotive System - Effective communication Channels at all levels
 - ◆ Oberoi Group - Gallop Study to measure employee's perception index
 - ◆ GTE/Bank of Montréal/Quality Academy - Using Balance Score Card to measure organization performance
 - ◆ Shell – HR Strategy to build & nurture creative, effective and efficient workforce



BEST HR PRACTICES

- ◆ 3M Corp - Distinctive culture with focus on Innovation
- ◆ Arthur Andersen/IBM - Flexi Working, beyond routine
- ◆ Hewlett Packard - Flex Force/Compressed work weeks/ Job sharing program
- ◆ Texas Instruments/GE - Succession planning to lead the business in the future
- ◆ Mc Donald - Best practices in Managing Diversity & Equality
- ◆ GE -Take pride in being called Equal opportunity employer, Gender Equality

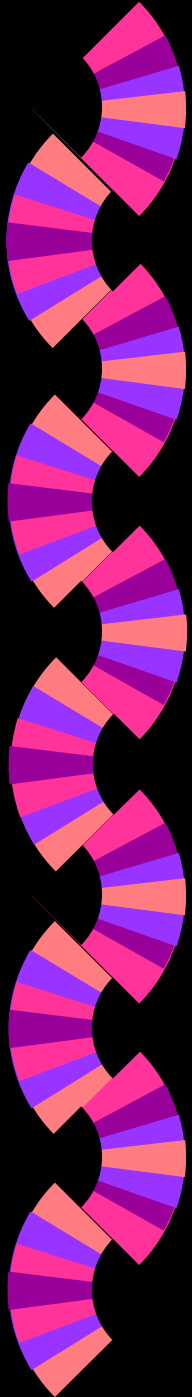


CUSTOMER FOCUS

- ◆ Henry Ford, Chairman Ford, I will give them any colour as long as it is black
- ◆ Akio Mortia, Chairman Sony, Value for Money
- ◆ Rattan Tata, Chairman Tata, We also make Steel
- ◆ Phillips, We make things better

BEST 10 BRANDS

- ◆ Coke
- ◆ Microsoft
- ◆ IBM
- ◆ GE
- ◆ Ford
- ◆ Disney
- ◆ Infosys
- ◆ Wipro
- ◆ Hindustan Lever's
- ◆ Xerox





Thank you

*Please feel free to raise ?
to clarify doubts, if any*