

Assessment task 1 – Advantages and disadvantages of benchmarking

BSBPMG513A (505A)



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Introduction

Purpose of assessment

To demonstrate knowledge of quality management tools, techniques and methodologies.

Assessment task

Explain the advantages and disadvantages of undertaking the following types of benchmarking.

- Internal
- Competitor
- Different market
- Different sector/industry

Assessment task 1 –Advantages and disadvantages of benchmarking

Explain the advantages and disadvantages of undertaking the following types of benchmarking.

1. Internal

PROS	CONS
<ul style="list-style-type: none">• Access to sensitive data and information is easier, standardized data is always available• Efficient, less time consuming• low cost• gain a deeper understanding of your own process• makes a great starting point for future benchmarking studies• It emphasizes the importance of the personnel's implication and in consequence it encourages the recognition of the individual and the team merits.	<ul style="list-style-type: none">• The scope is very limited.• fosters mediocrity• limits options for growth• low performance improvement.• Difficult to create new ideas and innovations.• internal bias

2. Competitor

PROS	CONS
<ul style="list-style-type: none">• comparing like processes• know your competition better• Bring better system from competitors to manage the processes.• useful for planning and setting goals	<ul style="list-style-type: none">• relatively low performance improvement, since you can get great insights as to why is your competitor performing the way it is performing.• limited by trade secrets• may provide misleading information• may not get best-in-class comparisons• competitors could capitalize on your weaknesses

3. Different market

PROS	CONS
<ul style="list-style-type: none">• Bring the advanced management system to yourselves• Comparing yourselves with the leaders from different market.• The scope is huge and if successfully implemented, can bring in a lot of innovative ideas.• New perspective	<ul style="list-style-type: none"><input type="checkbox"/> High money cost<input type="checkbox"/> Take a long time to plan<input type="checkbox"/> data collection for performing industry benchmarking is very difficult and tedious<input type="checkbox"/> diverse corporate cultures, such as different types of the houses (luxury house, townhouse or apartment) have different house characters, different quality benchmark or different level of building material,

4. Different sector/industry

PROS	CONS
<ul style="list-style-type: none">• Bring the advanced management system to yourselves• Comparing yourselves with the leaders in the industry.• The scope is huge and if successfully implemented, can bring in a lot of innovative ideas.• Provide industry trend information• Enable to use latest techniques in the quality management to improve their customer satisfaction.• New perspective	<ul style="list-style-type: none">• High money cost• Take a long time to plan• data collection for performing industry benchmarking is very difficult and tedious• can be difficult to identify best-in-class

Conclusion

In conclusion, this assessment demonstrates the knowledge and understanding of quality management tools, techniques and methodologies by analysis advantage and disadvantage of the benchmarking.

Reference:

Manage project quality (BSBPMG505) –Learner resource

<https://www.oshatrain.org/notes/2fnotes04.html>

<https://efinancemanagement.com/financial-analysis/what-is-benchmarking-types-and-limitations-of-using-it>

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