


IS 2006 – Business Process Management

BENCHMARKING

University of Colombo School of Computing

1



What is Benchmarking?

Benchmarking is the process of improving performance by continuously identifying, understanding, and adapting outstanding practices found inside and outside the organization.

2



What is Benchmarking?

Benchmarking is the process of comparing one's business processes and performance metrics to industry bests and/or best practices from other industries.

Why are others better ?

How are others better ?

What can we learn ?

How can we catch up ?

How can we become the best in our sector ?

3



Why Benchmark?

Improve Competitive Position

Be the Best

Be Innovative

Reduce Risk

Validate Goals and Objectives

4



Benchmarking is Not

Copying

A Program

A Quick Fix

Replacement for CPI or BPR

Simple

Cheap

5



Benchmarking has three main features:

Continuous methods of measuring & comparing firm's business process against those of another firm

Discover performance gap between one's own process & those of leading firms.

Incorporate leading firm's process into one's own strategy to fill the gaps and improve performance.

6



A general approach

Step	Process	Metrics	Enablers
<ul style="list-style-type: none"> • 1 • 2 	<ul style="list-style-type: none"> • Map your Process • Determine your partner's process 	<ul style="list-style-type: none"> • Identify your metrics • Identify partner's metrics 	<ul style="list-style-type: none"> • What are your enablers or "disenablers"? • What are their enablers?

7



Types of Benchmarking

There are several other classifications for benchmarking, based on partner type, adoption level and target process, etc. Following are the most used types:

Internal

External

- Competitive
- Functional
- Collaborative

8



Benefits of Benchmarking for BPR Process Improvement

Accelerates Improvement

Facilitates Managed Change

Validates Goals and Objectives

Provides Sense of Urgency

Combats “It Can’t be Done” Attitude

Way to Break Out of Old Paradigms

Key Factor in Quality Awards