



ABC Benchmarking Partnership
in association with the
Improvement Service

Benchmarking Training
Pre-Course Reading

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Introduction

Introduction:

Purpose

This course is intended to provide busy managers with a better understanding of benchmarking as well as practical experience that will help them to overcome potential obstacles in real situations. They will have the opportunity to try out ideas and develop skills through participating in simulated exercises in a supported environment. During the course participants can:

- Learn, develop and practice skills
- Experience problems and explore solutions
- Identify and discuss issues as they arise

Participants should go away from the course confident and motivated, with a valuable reference source for the future and access to knowledge and support for their first benchmarking projects.

Background

The course has been designed on behalf of the ABC Benchmarking Partnership and the Improvement Service in Scotland. It was developed in response to the findings of the ABC Partnership's survey of managers' experiences of benchmarking¹.

This survey was the most comprehensive ever undertaken in Scotland, involving feedback from nearly 300 Scottish Local Government managers.

The feedback suggested that, whilst nearly 80% of respondents across all Councils had been involved in benchmarking over the three years prior to the survey, only 35% believed that training for benchmarking was effective.

The present training draws upon a number of issues identified in the survey with the aim of improving the knowledge and support available to managers to overcome the difficulties encountered.

¹ Findings are referred to throughout this training material. The report is available from the ABC Steering Group. See the References and Resources section for contact details.

The Course

The training package consists of a participative course, designed to be run in half a day. This is preceded by pre-course preparation and followed by post-course reading. Additional support is available to first-time benchmarkers if required.

For the pre-course stage, participants are expected to familiarise themselves with basic concepts and issues in benchmarking. This is provided through course reading material and is supplemented by guided on-line research. Facilitated discussion at the start of the half-day course will help to consolidate this learning and create a shared understanding of basic issues amongst participants.

The remainder of the course will involve:

- addressing core practical issues of benchmarking – when to benchmark and, in particular, how to benchmark
- using group exercises to provide participants with experience of the issues through simulated case material
- completing a learning log to encourage participants to review the issues they have encountered during the simulation
- bringing everything together in a final plenary session and reviewing the sources of information and guidance available.

Post course support to first-time benchmarkers will be provided by the ABC Steering Group if required. This is likely to be particularly helpful if course participants get stuck or need assistance when they start their first project. Contact details are provided in the References and Resources section towards the end of the pack.

The Training Pack

The course material is available as PDF documents with templates being available in MS Word and Excel. Slides are available to trainers in MS PowerPoint but slide handouts will be issues to participants. These are also embedded in the PDF version of the pack.

It is hoped to develop the pack to CD, providing a hyperlinked contents page for easy movement between sections and issues. Participants are free to dip in and out of the material as they please, working in an order that suits them and perhaps missing out sections where they feel they have enough knowledge.

To help participants find their way around the material, there is a quick reference section showing where to find help on key issues.

The support material with the course includes contact names of organisations and consultants who can help with additional resources for benchmarking.

Continuous improvement of the course and development of good practice material

We welcome your feedback on the course so that we can continue to develop it to meet the needs of future participants.

Comments should be sent to a member of the ABC Steering Group who will also be pleased to receive feedback on your progress in the form of case studies. A template has been provided for this in the Checklist & Template section to standardise the format and to make it as easy as possible for you to contribute your experience. It is important that the case studies you provide identify obstacles you experienced as well as solutions you have found – so please don't just present the 'good news'. Sometimes we learn most from the things that go wrong!

We hope you enjoy the course.

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Learning Objectives

Learning Objectives:

By the end of the course participants should:

1. Be familiar with various definitions of benchmarking and understand its meaning for local government and other public sector organisations.
2. Understand the reasons for benchmarking, its benefits and costs and its role in informing improvement activity.
3. Understand the merits of different approaches used for benchmarking and be able to match approach(es) to organisational needs.
4. Understand the importance of planning benchmarking activity and setting realistic expectations which take account of available resources.
5. Be aware of the usefulness and limitations of data comparison and its role in benchmarking.
6. Understand the stages and processes that benchmarking activities typically involve and be able to apply these in practice.
7. Be familiar with a range of existing guides, networks and resources to help with benchmarking.

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Pre-Course Work

Pre-Course Work - Overview

Pre-course assessment

The course is primarily aimed at participants with limited knowledge and experience of benchmarking. The pre-course assessment is intended to provide trainers with information to help them to help you make the most of the limited time available in the group training. Information provided by you will be analysed to inform them about overall learning needs of the course participants. You should discuss your specific needs with the trainer if this would be helpful.

Pre-course work

You may be given some pre-course reading and on-line research to do before the scheduled course. This is designed to bring all participants to a similar level of knowledge about the basic concepts and issues in Benchmarking before the group training. There will be an opportunity to raise questions and share your learning with others at the start of the scheduled course, during which there will be time to develop understanding and practice skills and in a supported environment.

The recommended sections to be covered in the pre-course work are listed below. If you do not have time to read all the material before the course, you should cover as much as you can and alert the trainer. You are still likely to benefit considerably from attending the half day scheduled course, but as with most things, you will get more out of it if you can put some time in first. The time you need for the pre-course work will depend on how much you already know about the basic concepts and issues in benchmarking. You may simply be able to skim the material and concentrate on sections that you know least about or have some questions you would like to address.

Suggested pre-course reading sections

1. What is benchmarking [[Click to go to section](#)]
2. Why should organisations benchmark? [[Click to go to section](#)]

3. Skills and techniques for Benchmarking [[Click to go to section](#)]
4. Who should benchmark [[Click to go to section](#)]
5. Types of benchmarking [[Click to go to section](#)]
6. Planning checklist [[Click to go to section](#)]

Format for Pre-course work

Pre-course reading can be provided in paper or on-line formats using the CD provided in the resource pack. Trainers will provide the necessary guidance and materials.

Learners should have access to a computer so that they can explore on-line guides and sources of information.

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What is Benchmarking?

What is Benchmarking?

The term 'benchmark' originally referred to a surveyor's mark cut in a rock as a point of reference. The term has come to mean anything taken as a point of reference or comparison.

But although the term Benchmarking originates from the notion of a benchmark, the practice of *Benchmarking* means something specific in business terms.

The Audit Scotland guide "Measuring up to the Best" says that one of the most common misconceptions is that benchmarking is simply about comparing numerical performance levels across different organisations. Comparisons of numerical levels of performance, the guide suggests, are best referred to as benchmarks rather than benchmarking.

[**\[Click to go to References & Resources\]**](#)

Of course comparing information is an essential of benchmarking, but it is not the whole story. Benchmarking shouldn't be confused with looking at published league tables. Whilst they can be a helpful starting point, they can also be misleading. It is often difficult to know how the data was collected and if it really compares like with like. The ABC Partnership found that 86% of the managers who responded to their research on benchmarking practice (ABC, 2004) said that they used benchmarking to compare facts and figures. But over 60% of respondents identified issues concerning the robustness and transparency of the data they were using.

[**\[Click to go to References & Resources\]**](#)

Benchmarking goes beyond looking at data, and the exercises in this course should help to make it clearer why it is essential to look behind the data to see what is really happening.

Definitions:

There are many definitions of benchmarking and you should look through the guides and web references noted in the 'References & Resources' section of this pack to get a good overview of the definitions and a better feel for what benchmarking is all about.

[\[Click to go to References & Resources\]](#)

The ABC Partnership has defined benchmarking as:

“the continuous process of comparing products, services and practices against those of other organisations. It is an ongoing activity, using qualitative and quantitative metrics to identify more efficient and effective processes for achieving results and to suggest ambitious goals”

Benchmarking: experiences, challenges and prospects, ABC 2004.

The European Benchmarking Code of Conduct says that:

"Benchmarking is simply about making comparisons with other organisations and then learning the lessons that those comparisons throw up".

But it may not even be necessary to look outside your own organisation to benchmark. It would be better to think of benchmarking as an activity that compares your own performance with that of others, preferably the best performers, so that you can learn from them in order to improve.

Benchmarking is about:

- Understanding, *how* others out-perform you
- learning from them and *adapting that learning to your own context*
- *Implementing improvements* in your own organisation.

If you learn and implement changes, taking account of your own organisation's strengths and constraints, then you may well start to out-perform your benchmarking partners, including the best performers. If you continue to benchmark with those same organisations, you will gain mutual benefit through a process of sharing and improvement.

Of course, to benchmark in this way, by implication you need to know both how you are performing and how others are performing. And of course this isn't as easy as it sounds. The ABC research found that 53% of managers found difficulty in identifying best practice from the information they gathered, and the Audits of Best Value and Community Planning have said a great deal about the need for organisations to develop more robust performance information.

This course cannot make these problems go away, but it does provide some alternative ways to tackle the issues raised.

You will find more information on how to tackle problems and overcome obstacles in the 'how' and 'when' sections of this course. The exercises will also give you some practical experience of managing your project effectively.

[\[Click to go to 'How to Benchmark'\]](#)

[\[Click to go to 'Types of Benchmarking'\]](#)

[\[Click to go to the 'When to Benchmark'\]](#)

Key Learning Points:

- There are many definitions of benchmarking
- Benchmarking is essentially about learning from those who are out-performing you and adapting that learning to your own context so that you improve your own performance

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Why Benchmark?

Why Benchmark?

Benchmarking can be an extremely effective improvement tool and there are many references to its value. For example:

- Industry has been using it for years with some considerable benefits being reported (Xerox – now the document company – for example are often quoted in guides and references. Try an internet search - you will find lots of supporting material)
- The EFQM Excellence model includes benchmarking as a useful activity that attracts points in the assessment process
- Audit Scotland has included reference to benchmarking or the lack of it in their Audits of Best Value and Community Planning.

There are likely to be direct service benefits as a result of the benchmarking projects you undertake, but there will also be incidental benefits. Working with others and taking time to understand data and think through processes can have lasting benefits for those involved and will lay a solid platform for future work.

Some Compelling Reasons:

Benchmarking helps organisations to improve beyond their own knowledge and skills through learning from others.

It provides practical insights into the ways others are managing to out perform you – by learning from them you save time and resource by not ‘re-inventing the wheel’ and by avoiding pitfalls.

The process of benchmarking increases learning and skills across a range of employee groups if they are fully involved and helps them to engage in positive changes that improve services.

You cannot really understand the significance of your own performance unless you compare it to the performance of others.

Think about this example:

We collect internal trend data and we know that over the last 3 years we have improved our service. We now recycle 11% of our waste. This has risen from only 4% when measures were introduced. Our graph looks good – we are pleased with our progress. We can report to Members a steady improvement to date and we are certain that we will be able to keep improving in years to come. Things are looking good!

But are we really doing well? We may conclude that we are doing well if the information above is all we have. But by using this information in isolation, we risk making an error of judgment that could inadvertently leave our citizens with a poorly performing service. We can only really judge how well we are doing *if we compare our performance with others*.

Think again about the example. If we were to look at our percentage against our neighbouring authorities figures to find that some of them are now achieving in excess of 30%, would we still think we are doing well?

The clear message is that if we only look at our own performance we will miss out on opportunities to improve. Through benchmarking, we can identify organisations that seem to be performing better – and talk to them to find out if the apparent good performance is real and if it is learn *why and how* they are out-performing us. We can then apply lessons learned to our own context. Benchmarking gives us access to new ways of looking at things that will help us improve much faster than we would have done if we hadn't benchmarked. We can avoid 're-inventing the wheel'.

Of course it is important to remember that benchmarking is not about copying others, it is about learning from them in order to make improvements in our own context. Different contexts present different issues to tackle and we must therefore always adapt what we learn to fit our particular circumstance. But we are bound to learn something that will be of use if we approach each benchmarking opportunity with an open mind.

Benchmarking Drivers

External: Publicly accountable services are under increasing pressure to demonstrate to their stakeholders that they are providing customer and citizen focused services that are fit for purpose, effective, economic, sustainable and efficient.

The delivery of Best Value has been a legislative requirement since the passing of the Local Government in Scotland Act, 2003 and continuous improvement of public services is not optional.

Elected Member scrutiny has subsequently gained a high profile as Members are increasingly held to account for their leadership role in promoting and governing performance improvement.

Coupled with these developments, there is a marked increase in external scrutiny that takes the form of service focused inspections, national data analysis such as SPIs, and Audits of Best Value and Community Planning.

The early Audits of Best Value and Community Planning have identified that, in many Councils, performance management needs to improve. The audits regularly highlight gaps in benchmarking.

Internal: The public sector is committed to delivering the best possible services, at the best cost, to ensure that maximum use of limited resources is made for the benefit of customers and citizens.

Employees, whether meeting customers and citizens directly, providing support services or managing others, prefer to leave work having achieved something positive, perhaps received some recognition and even taken a step further in the progression of their careers. They do not have time to waste replicating mistakes when they can, instead, avoid them by learning from others.

Elected Members also have some of the same personal motivations and they are also driven by a desire to improve the lives of communities through local politics.

The ABC research (2004) highlights a number of Managers' perceptions of the benefits and experiences of using benchmarking. The survey findings suggested that there was still a strong view amongst managers in all member Councils that Benchmarking was a valuable activity. 86% of respondents would recommend benchmarking to a colleague as an improvement tool.

Managers cited a number of positive benchmarking applications:

- 93% had built relationships
- 92% had learned about other approaches
- 86% used benchmarking to compare facts and figures
- 54% used it to improve processes
- 40% used it to determine targets
- 32% used it to inform Policy

Taking all the above issues into consideration, can we afford not to benchmark?

- Anything that improves the quality without increasing the cost of services is good for customers and citizens.
- Most employees prefer to go home feeling they have done a good job – knowing that they are providing good services and that they can contribute to improvements is good for employees.
- Benchmarking is good for managers because they need to be able to improve and evidence improvements in effectiveness and efficiency.
- Elected Members need to be able to demonstrate effective leadership – it is good for them if they can show how services have improved.
- Audit and inspection bodies have a role in ensuring that services improve – benchmarking helps to satisfy them that we are doing our jobs well.

Key Learning Points

- Benchmarking can be an extremely effective improvement tool.
- Benchmarking helps organisations to improve beyond their own knowledge and skills.
- Benchmarking can accelerate learning, and help prevent wasted effort and costly errors.
- We cannot understand the significance of our own performance trends without some comparative information to provide context.
- Benchmarking is good news for customers and citizens because it accelerates improvement in the quality of services, or increases efficiency.

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Skills and Techniques for Benchmarking

Skills and Techniques for Benchmarking

The skills required for benchmarking are not exclusive and many will be part of Managers' own skill set or will be available within the organisation to draw upon as required. It is important, when you plan your project, that you have identified and can source all the skills you will need. You may have them yourself, you could create a project team with a relevant skill set, or you could enlist specialist experts who can be called upon when required.

In addition to ensuring that you have specific skills available to you, you need to ensure that you have the appropriate knowledge of the process of benchmarking and the topic under investigation.

If you decide to set up a team to work on the benchmarking project, you should ensure that you build your team to work effectively and that members' natural team roles compliment one another as much as possible.

If you are going to use specialist contributors, you should provide adequate notice to ensure that they can meet your timetable.

The skills and experience you will need include:

- **Project management skills** – Someone to keep the task on track and remind everyone involved of objectives and agreed targets.
- **Chairing skills** – Someone who can chair meetings effectively so that everyone goes away feeling that the meeting has been productive and that the next steps are clear.
- **Analytical skills** - Someone who is used to dealing with data – such as researchers or accountants perhaps: someone who enjoys sorting and making sense of information and who will know to look for the 'health warnings'. You will need to know the causes behind the data – checking reliability and accuracy and understanding what the data are really telling you. You will need to be able to turn data into information.

- **Process mapping skills** - Try to find someone with experience of process mapping techniques. These can be learned if you don't have skills available already. There are lots of courses – see for example Quality Scotland and CIPFA.

[\[Click for References & Resources\]](#)

- **Interpersonal skills** – These are required to help the team to work and ensure that good relationships are maintained with partners, information providers and other stakeholders.
- **Negotiation skills** – you will need to negotiate to ensure the right partners are willing to benchmark with you and also to agree a shared agenda that benefits all partners if possible. Where you are benchmarking as a group, this will be particularly important because there will be different priorities for each organisation.
- **Collaboration/joint working skills** – It will be important to treat your partners with respect, value their contribution and avoid dominating the agenda if you are working as a group.
- **Communication skills** – Listening carefully to what others have to say is an important skill. (*Active Listening* will be a helpful technique). You will also need to get your message across clearly, explaining what you do. Recording what you have discussed and what has been agreed will also be a critical skill. But you also need to ensure that you prioritise this activity and don't leave it until you have forgotten what has been said. Your note should clearly state what has been agreed - who should do what and by when.
- **Observation and perception** – an ability to notice the non-verbal communication as well as the verbal will also be important. You will need an enquiring approach throughout the project. You will need to notice what is different about the way other people do things in their organisation – to pick out what people choose not to measure as well as what they do measure.

We will practice many of these skills when we do the exercises.

Exercise 1 will give you some experience of data analysis and will encourage an enquiring approach. You should always be looking behind any data you have because

figures can be misleading as well as helpful. The last thing you want to do is to make expensive changes on the basis of wrongly interpreted information.

You will need to be able to self-assess, that is, to understand the most important issues for your organisation as well as your comparative performance (it will be indicative at this stage) before you start to benchmark.

Exercise 2 will give you some experience of the process of sorting out the key issues and prioritising those you want to pursue through benchmarking. Asking questions about published data usually raises as many questions as answers. But you won't have time to benchmark every issue.

Exercise 2 will also give you experience of thinking through a simple project plan, negotiating a shared agenda, putting your points across clearly, listening to others and pulling out the key learning points from the exercise using the Learning Log as a template to help you.

Remember, if you don't have, or cannot find a team with a combination of the required skills, you may need to train people. Some skills and techniques are easier to learn quickly than others so bear this in mind. But you are likely to have a range of all the skills you need somewhere in your organisation, so don't be afraid to ask for help from experts. If they can't help, they may be able to point you to someone else who can.

Key Learning points

- Benchmarking draws on skills that are used in many other situations.
- Project management, data analysis, communication skills and people skills will all be important for your project to succeed.
- You may need to assemble a team to ensure you have the right skills to draw on for your project – or you may prefer to recruit experts for when you need particular jobs done. Many organisations have specialist skills in house.

- If you are using specialists, you should alert them in good time. Make sure they are available when you need them. Feed back the results of your project as a courtesy.
- If you don't have the skills you need, you may need to train people.

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Who Should Benchmark & With Whom?

Who Should Benchmark, With Whom?

I. Who Should Benchmark?

Essentially, benchmarking can be done by anyone who has a desire to learn and improve and has some evidence that they can do this in collaboration with others.

One of the issues that determines who will be involved in any particular project is the purpose and focus of the project itself. You can benchmark at any level in an organisation – strategic, functional, service or team, and benchmarking therefore may involve people at any of these levels.

Whatever the focus of your project, however, it often helps to involve stakeholders from a range of levels and functions, depending on the particular contribution they can make.

Involving people with different skills

People from across the organisation may be involved in benchmarking because they can contribute particular skills. Often a team is set up to ensure that the required skills are available for the duration of the project, but non-team experts can also be used where required. You may be able to benchmark in this way for example by interviewing relevant people and having experts on standby for when you need their help. As we note in the section on skills, you should always be respectful of others time and ensure that contributors are aware of your progress and your timetable. If you don't, they may not be available when you need them.

You should review the section on skills and techniques for more information on this issue.

[\[Click to go to the section on Skills and Techniques\]](#)

Involving employees who know the work well

A group of stakeholders who should always be involved are the employees who, on a daily basis, deal with the activity being benchmarked. Often they will have the best working knowledge of the processes you are seeking to improve. They will have the best knowledge about why things are done – or not done - the way they are.

Often employees are highly motivated to improve the way things are done and they will welcome the opportunity to contribute their ideas and support improvement activities. However, there will be instances where these same people will also be heavily invested in maintaining the status quo. Even where this is the case, the surest way to gain commitment to change is to involve people in solving the problems and seeing better ways of working for themselves.

Involving key decision-makers

Benchmarking is essentially about making changes to the way things are done. You cannot improve if you are not prepared to change. Change needs support from key decision-makers who can provide leadership and resources to ensure that it is implemented effectively. By involving key decision-makers directly or indirectly in your benchmarking project, you are more likely to gain support for the improvements indicated by your findings.

Involving other stakeholders

Change can be threatening and there is a natural tendency for people to resist it, particularly if it seems to be imposed. By involving a range of stakeholders – customers, employees and suppliers if appropriate – in the benchmarking activity, you will be including them in identifying issues, problems and solutions, and in so doing you are likely to gain their support for the necessary changes much more easily. You may not be able to include all stakeholders easily in your project, but often you can include them through consultation, research and keeping them informed. You should provide regular reports on the progress of the project and as

much opportunity to contribute to decisions as you can. Stakeholders will be much more engaged and excited about change if they have seen alternative approaches for themselves.

2. With whom should you benchmark?

There is no right or wrong answer to this question. You should benchmark with the most *suitable* partners who are willing to benchmark with you. Who will be most suitable depends entirely on your situation and you will need to make a judgement in context.

You should refer to the 'When' and 'How' sections in the post course reading materials to learn more about the impact of your specific situation on the partners you select. These sections will be discussed in the scheduled part of the course.

You may choose to benchmark with:

- Best performers in your own organisation who manage similar inputs, are using similar processes to deliver the same or different services, or deliver similar outputs
- Better or best performers in your own sector – as above
- Better or best performers in different sectors
- Competitors or other providers and partner agencies.
- Suppliers if they have similar processes to your own.
- Established generic or professional /trade specific benchmarking groups

Before deciding who to benchmark with, you should be clear about what you need from prospective partners and why they might be the most suitable to work with. Think creatively – you don't need to benchmark with other local authorities.

Comparing with other services in our own organisations is something we often forget about. Some services may be doing much better than we are in certain areas – and we need to learn from them about how they are doing it. This may be an

easier and cheaper way to start to benchmark. But it can be harder to prioritise the time to benchmark when you are working with your own colleagues. It is easier to put things off. Be careful therefore that you manage your projects just as carefully as you would if you were working with external partners.

Comparing with similar organisations to yourself can be really helpful because you will have much in common. You may also collect similar data that will help to get you started. But be sure to approach things with a questioning mind. Every organisation does things differently and has a different context in which they work – policies and community needs. You need to understand the context in which your partners work to understand their performance properly.

Comparing similar functions with completely different organisations can be really enlightening because it will challenge the things you may take for granted. However, it is likely to be harder to persuade such organisations that you have something to offer. Benchmarking partners will expect something for their time and effort. This may be mutual benefit in terms of what they can learn from you to help them improve, or simply the gratification of having someone respect what they are doing and potentially creating positive publicity for their organisation. No matter what reason partners decide to benchmark with you, you should always be respectful of the demands you put on other people's time and resource. You should also be very clear about what you are trying to achieve as well as what you have to offer.

Community Planning partners are likely to be willing to engage with you in benchmarking – but again, you need to understand the different context in which they work.

Working in an established Group or Network can be one of the easiest ways to start benchmarking because it provides a supportive environment where others are likely to have a great deal of experience already. But working in this way can have some disadvantages if you have a very clear agenda already and have little time to follow a consensual approach that may take you off track.

Remember that you are benchmarking to learn – so think about who you are likely to learn most from. But also take account of the time and the resources you have available.

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Finding Best Performers

Finding the Best Performers

Finding the best performers usually relies on looking at some form of **comparative published or collected data**. By definition, you cannot know who is performing well or better if you don't have any comparative information. Information comes in many forms and the apparent 'best' performers are likely to have good reputations. However, it is helpful to gather some objective evidence before you embark on a full scale project.

The problem with published sources of data, as we are all aware, is that they can be misleading. We all bemoan the league tables that portray us as good or poor performers without providing the appropriate context. It is therefore very important to check that the data you are using are robust before you make expensive decisions about who to benchmark with. Bad information can be worse than no information.

Knowing how robust data are can be very difficult because you don't know what you are not told. The full story is unlikely to be published. So the information you have is *indicative* and you need to explore further. This course emphasises the importance of going beyond data comparison to look at the processes that lie behind the headlines through benchmarking.

Although you may not get perfect published information, you will find some information that lets you make a judgment about the *potential* best performers. Some of the published data will tell you more than you think if you take the time to examine it thoroughly from different angles. You need to approach all reported information with an enquiring mind and think about how the data are collected and reported and where there may be misleading results.

Once you have identified some potential best performers, talk to some of the organisations that have contributed the information. You may find that there are already benchmarking groups established such as ABC Benchmarking partnership – or professional groups that deal with information relevant to your area of work.

[\[Click for examples in References and Resources\]](#)

As well as looking at published information such as league tables, you might also look to **Standards** such as Charter Mark or IIP to provide a helpful lead. These standards are assessed externally so you have some assurance of external moderation – that is, someone from outside the organisation, with experience across many organisations, has come in and checked that the standards are being met. Externally **inspected services** may also provide this kind of assurance.

Self-assessment models such as EFQM can also be useful for providing an indication of the best performers. Of course, there are many ways to use the Excellence Model and some are more robust than others, but as long as the organisation has been **externally assessed**, then you have some reassurance that experienced assessors have checked and validated the scores, and what appears to be best practice probably is. Quality Scotland provides a benchmarking service to link member organisations to others who are performing well in particular areas.

[**\[Click for more about Quality Scotland - References & Resources\]**](#)

You may also want to think about **Awards** such as the CoSLA Excellence Awards. (There are also many other awards schemes and you will need to make a judgment about how robust the assessment process is likely to be). The CoSLA Awards are based on voluntary submissions. There is an initial longleeting process where only the best are put through to the shortleet, and a second stage shortleeting process where a panel of experienced judges decides on a final shortleet and agrees the winners. This process provides some assurance that the winners have at least been selected from a wider group – but of course you don't know the quality of the pool of submissions from which winners were selected. Experience indicates that the quality of submissions has improved over time – so there may be value in using these as an indicator of best performers. CoSLA publish information about shortleeted and winning entries and the organisations who have submitted applications are usually willing to speak to anyone wishing to share good practice.

[**\[Click for information about CoSLA – References & Resources\]**](#)

Existing groups and networks can sometimes help to point you to better or best performers. Think about approaching organisations such as Public Service Benchmarking Service, Quality Scotland or CIPFA Information service for example.

[\[Click to go to References & Resources section\]](#)

Of course there are far too many avenues to explore than can be noted here, but maybe this will give you some thoughts about where to start.....

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Types of Benchmarking

Types of Benchmarking

Various 'types' of benchmarking have been identified in the academic literature and in the various guides and on-line resources you are likely to come across. You should be careful not to waste too much time trying to fit your benchmarking into a typology. Those listed are not mutually exclusive and you are likely to be able to fit your project into more than one the identified types at the same time. Grouping the 'types' into categories as we have done below may help, but you may find that it is hard to decide which category to put some of them in because they could fit into more than one.

Remember, it is more important to know why you want to benchmark, with whom and in what areas, than it is to categorise your benchmarking into the right type. But let's look at some of the types identified anyway, as this may help to get a better feel for benchmarking as an activity.

There are more types identified in the various guides and on-line resources than we have listed here. Have a look at some of these and see how you might group them to help make sense of them all.

[\[Click to go to References & Resources\]](#)

Subject / Level Focus:

- Strategic benchmarking
- Functional benchmarking
- Sector benchmarking

Method Focus:

- Data/Metrics
- Process

Partner Focus:

- International
- Internal / external
- Competitive
- Best in class

Purpose Focus:

- compulsory / voluntary

Strategic Benchmarking: (See the case study on cycling)

This is used to compare *strategic approaches or initiatives* across organisations. You would benchmark in this way for example if you want to see how other organisations with similar strategic goals as yourself have approached things. What different approaches are taken to community safety for example – or how have various Councils responded to the goal of ensuring easy access to services? Of course, goals will vary considerably and the way organisations articulate the things they seek to achieve will also be different.

Functional (or generic) Benchmarking: (See the ABC case study on Policy Units)

This ‘type’ describes using benchmarking to compare whole *functions* of your organisation. For example, you might compare the HR function, or the payroll function of your organisation. Remember that you are not bound to compare with organisations that are very similar to yours; you just need the function to be similar. So think creatively – maybe there is something interesting happening in a private or voluntary sector organisation that would help you improve. Looking beyond your normal boundaries can provide fresh insights.

Sector Benchmarking: (See the information on APSE, HBVN and ABC)

This involves comparing your self with organisations within *the same sector*. Benchmarking undertaken between Local Authorities could be categorised as this type of Benchmarking. However, it cannot really be considered an exclusive ‘type’ because it is likely that your benchmarking will fall into other ‘types’ within the sector you have chosen - for example you might benchmark at strategic or functional level, or using process benchmarking within your sector. Some dangers have been identified in undertaking sector benchmarking (see *Measuring up to the Best – A Manager’s Guide to Benchmarking*, published by the Accounts Commission for Scotland) because familiarity may encourage a somewhat ‘cosy’ approach to benchmarking that may not result in the same level of creative challenge. There can

be real value in looking for ways to learn from organisations in different sectors who are undertaking similar roles.

Data benchmarking:

Most benchmarking starts with a consideration of available *data*. This is often referred to as data benchmarking. But comparing data across organisations with little active effort to look beyond what is reported would perhaps better be described as comparative analysis using data *benchmarks*. As we have seen in the ‘What is Benchmarking’ and ‘Best Performers’ sections, there are dangers in taking published data at face value because you may not be sure how the figures have been derived and what they are really telling you. One of the concerns raised in the ABC research has been the problems managers experience in obtaining comparable data. One solution to this that is being developed by the Partnership is to engage with benchmarking partners at a very early stage. Partners agree suitable areas to benchmark, explore the range of data being collected across partner organisations, select or develop suitable key metrics and agree to collect similar data to prepare the way for *future* benchmarking. Data are usually the starting place for all benchmarking activity – but you need to be sure you really understand what the data tell you. Often analysis of data will lead to you process benchmarking.

Process benchmarking:

This is generally described in terms of its contribution to improving specific *critical processes and operations*. Benchmarking partners are sought, usually from best practice organisations delivering similar services or undertaking similar tasks. Process benchmarking requires you to identify features of the business process that differ, and this may involve producing process maps to facilitate comparison and analysis. In the ‘how to benchmark section’ and in the exercise we will be doing, you will learn some simple practical ways to think about process benchmarking. Process benchmarking often follows from data benchmarking – it helps you to understand why the data differences exist.

Internal/external benchmarking:

Benchmarking has also been categorised into *internal and external* benchmarking. Once again, these are not really different types of benchmarking, but rather approaches based on the selection of most suitable benchmarking partners. It is likely to be easier and more cost effective to exploit internal sources of knowledge rather than to look to external partners. It is often the case that within local authorities we forget to learn from the excellent practice within other internal services. But sometimes you will find more comparable partners outside the organisation, and once again there may be benefit in gaining an external perspective that is not constrained by the organisational culture. You will probably want to benchmark internally and externally at different times, depending on the issue and the relative benefits you perceive to be possible.

Competitive benchmarking:

This kind of benchmarking tends to describe benchmarking that is done to improve a particular product or service of yours that is also provided by competitors. Benchmarking partners are usually drawn from the same sector or industry. This kind of benchmarking has also been linked in the public sector context to market testing as part of options appraisal. (See the paper by Bowman et al, 2002 which is referenced in the Reference and Resources section). There may be difficulties persuading competitors to share information with you because of commercial sensitivity.

'Best in Class' benchmarking:

This is the traditional way of thinking about benchmarking and indeed it is the kind of benchmarking that gave rise to the activity. Xerox, the document company, has been credited with developing benchmarking in an effort to improve their performance by *comparing with the best performers*. There is still considerable value in comparing with the best because change is likely to be expensive and you really want to get it right first time if you can. But taking account of some of the issues of access, time and benchmarking 'maturity', it may be acceptable to benchmark with a range of 'better' performers and improve incrementally. Sometimes the best performers will not be readily accessible to you. The type of benchmarking described by Bowers and

colleagues in the section on compulsory and voluntary benchmarking below would suggest that there is often merit in the public sector in just ‘not being the worst’. Whilst this may reflect reality, it does not really capture the spirit of benchmarking in order to become a world class performer!

International benchmarking: This describes benchmarking that looks beyond local and national activity and benchmarks *internationally*. There may be real merit in undertaking this kind of benchmarking as it will bring fresh perspectives and it will challenge culturally embedded patterns of thinking. But it may be expensive to undertake and consideration needs to be given to public perception when spending public money. If you are able to provide a clear rationale for your choice of partners, you could learn some valuable lessons – but such activity needs to be considered carefully and the expectations clarified at the outset.

Compulsory / voluntary benchmarking:

Bowman et al (2002) have categorised benchmarking in slightly different ways. They suggest that public sector benchmarking can be thought of as being either *voluntary* – motivated by a desire to improve in the same way as private sector companies might use it - or *compulsory* benchmarking – motivated by a desire to evidence improving performance because we are publicly accountable. Their typology is interesting and it raises some relevant issues for the public sector.

[\[Click to go to ‘References & Resources’ section\]](#)

[\[Click to go to ‘When to benchmark?’ section\]](#)

[\[Click to go to ‘Who to benchmark with’ section\]](#)

[\[Click to go to ‘Finding Best Performers’\]](#)

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Planning Checklist

Planning Your Benchmarking Project – Checklist

(NB Add your own tasks if you think they are important but not listed. This is YOUR project)

Before you contact other services or organisations to benchmark with them, make sure that you are prepared. **Have you:**

Task or Issue	✓	Comments
Exploring benchmarking:		
1. Looked at Benchmarking guides and web sites?		
2. Spoken with chairs of established benchmarking groups and others who have experience of benchmarking?		
3. Explored available training options and support networks?		
4. Undertaken training so that you feel as confident as you can about the issues you need to consider and the approach you want to take?		
Identifying the purpose and scope of your benchmarking efforts:		
5. Selected an important topic with high value to your service/organisation? ¹		
6. Weighed up potential costs and benefits? ²		
7. Clarified the scope of your project? ³		
Analysing data and identified key issues and questions:		
8. Gathered relevant data from your own organisation and understood its significance? ⁴		
9. Compared your own data with available published data and identified similarities, differences and issues? ⁵		
10. Identified a limited number of key issues and questions that you would like to answer from your benchmarking project? ⁶		

¹ Can you justify your choice of topic? High value issues might relate to costly services, universal services, poorly performing services, policy imperatives or exposure to significant risk if you do not perform at a high level.

² If you do not have a complete enough picture of your high value performance without benchmarking, you need to ask whether the benefits of learning through benchmarking could outweigh costs by freeing resources and providing other long term benefits for your customers and citizens.

³ Scope needs to be limited – too wide a scope is likely to overwhelm you and potential partner organisations.

⁴ Has data been analysed to provide you with robust information?

⁵ You should not necessarily assume that published data is robust – but you need to start with what you have available.

⁶ Too many questions could become overwhelming. You should start with just a few – you can always build on the information at a later stage.

Task or Issue	✓	Comments
Selecting potential benchmarking partners:		
11. Identified either good/best performers – or organisations that might share your interest in improving a particular topic together? ⁷		
Identifying resources:		
12. Scoped the potential time requirements for your project? ⁸		
13. Identified the skills and knowledge you will need in your project team? ⁹		
14. Identified a project team? ¹⁰		
15. Identified financial and other resources? ¹¹		
Making contact with potential partners:		
16. Selected the most appropriate partners? ¹²		
17. Approached partners with sensitivity to their needs as well as your own? ¹³		
18. Planned your meetings in advance and communicated effectively? ¹⁴ Arranged cover?		

⁷ Depending on how well developed your information is, you may decide to learn ‘with’ others rather than learn ‘from’ them.

⁸ You should be generous and tend towards *over-estimates* of the time you will need. Things may take longer than you think and you will not be able to assume partner organisations can fall in line with your schedules.

⁹ People skills, negotiation skills, communication skills (including listening), knowledge of the benchmarking process, problem solving, clerical and admin skills as well as excellent analysis skills are all likely to be needed.

¹⁰ Do members have time to contribute from start to finish? Have you/they negotiated how their other work will be managed? Are they likely to remain committed to the project?

¹¹ You may need a budget for example to cover travel, hospitality, research etc. and you will need meeting space, filing space etc.

¹² The number of partners you select may depend on what stage you are at with your benchmarking and which approach to benchmarking you choose – established group or an independent project with new partners. Are the partners you select likely to contribute effectively to your learning? Can you articulate why you have selected them?

¹³ Most public sector partners will be happy to help but you need to be sensitive to their other priorities and try to ensure that there is mutual benefit from your project. What is in it for them?

¹⁴ Always ensure that data and documentation is shared before any meetings. You don’t want to arrive at a meeting without a clear agenda and without an understanding of the issues. If it is available, you should also share any data you will be using to explore the issues in advance.

Scheduled Course

References & Resources

References (Links live at 1 February 2008)

- ABC Benchmarking Partnership – Annual Reports 1997 onwards - Available from ABC Partnership – see contacts list.
- ABC Benchmarking Partnership – Benchmarking: Experiences, Challenges & Prospects, 2004 - Available from ABC Partnership – see contacts list.
- ABC Partnership – An Introductory Guide for Benchmarking Groups – Available from ABC Partnership – see contacts list.
- Audit Scotland: Measuring up to the Best – A manager’s guide to benchmarking – available from Audit Scotland web site www.audit-scotland.gov.uk and use search facility on publication title (or go direct via: http://www.audit-scotland.gov.uk/docs/local/pre1999/nr_9901_managers_guide_benchmarking.pdf)
- Association for Public Sector Excellence - www.apse.org.uk
- Scottish Housing Best Value Network - <http://www.shbvn.org/>
- CIPFA IPF Benchmarking: www.ipfbenchmarking.net/
- cipfastats.net: <http://www.cipfastats.net/>
- COSLA: <http://www.cosla.gov.uk/>
- Quality Scotland: <http://www.qualityscotland.co.uk/>
- Department of Transport – see example of cycling policy benchmarking: <http://www.dft.gov.uk/pgr/roads/tpm/tal/cyclefacilities/benchmarkingoflocalcyclingpolicy>
- The Evolution of Benchmarking in UK Local Authorities. Bowerman, M, Francis, G, Ball, A and Fry, J. In Benchmarking: An International Journal, Vol 9 No 5, 2002 pp 429-449.
- The role of competitive benchmarking in small to medium sized enterprises, Monkhouse, E, Benchmarking for Quality Management & Technology, Volume 2 Number 4 1995 pp. 41-50
- The European Benchmarking Code of Conduct: <http://www.efqm.org/Portals/0/Benchmarking%20Code%20of%20Conduct.pdf>

ABC Benchmarking Code of Conduct

Benchmarking Code of Conduct (appendix I)

To foster successful benchmarking the Parent Group have agreed the following constitution consisting of the following seven principles. We request those participating authorities whether intrinsic or external to the Partnership to adhere to the constitution.

Tendering

If partners are conducting a tendering exercise, the authority must not accept a bid for the services that have been benchmarked from other benchmarking partners or organisations to which data has been released.

1. Legality

- 1.1. If there is any potential question on the legality of an activity don't do it.
- 1.2. Do not extend one benchmarking study's findings to another organisation without first obtaining permission of the relevant parties to the first project.

2. Co-operation

- 2.1. Be willing to provide the same type and level of information that you request from your benchmarking partner to your benchmarking partner.
- 2.2. Communicate fully and early in the relationship to clarify expectations, avoid misunderstandings and establish mutual interest in the benchmarking exchange.
- 2.3. Be honest, accurate and complete.
- 2.4. Treat you benchmarking partner with respect and dignity.
- 2.5. Treat your benchmarking partner in the way that they would want to be treated.
- 2.6. Understand how your benchmarking partner would like to have the information they have provided handled or used, and handle and use it in accordance with their wishes.
- 2.7. Take on a fair share of work within the benchmarking project.

3. Confidentiality

- 3.1. Treat all benchmarking communications as confidential to the individuals and organisations concerned.
- 3.2. Partners must not communicate benchmarking information to external organisations without first seeking approval to do so from all the participants.

4. Use

- 4.1. Use the information gained through benchmarking only for the purpose of improving organisational performance.

- 4.2. Use the information and experience gained through benchmarking to help other groups / projects within the ABC Partnership.
- 4.3. It is for each participating organisation to draw their own conclusions as to how to improve their performance.
- 4.4. The use of communication of a benchmarking partner's name with any data obtained or practices observed requires the prior permission of that partner.

5. Contacts

- 5.1. Initiate benchmarking contacts through appropriate contact designated by the partner organisation.
- 5.2. Respect the culture and ways of working of your benchmarking partner's organisation and work within mutually agreed procedures.
- 5.3. Maintain effective with your authority's Parent Group contact officer.
- 5.4. Obtain an individual's permission before providing their contact details in response to an information request.
- 5.5. Avoid communicating a contact's name in an open forum without first seeking prior consent.

6. Preparation

- 6.1. Demonstrate commitment to the effectiveness and efficiency of benchmarking by being prepared prior to making initial contact with partners.
- 6.2. Develop issues / indicators you are interested in prior to first contact to expedite agreement on remits.
- 6.3. Prepare and forward a project remit to each participating organisation and seek group agreement prior to the commencement of benchmarking.
- 6.4. Work within the context of agreed remits / definitions to optimise compatibility.
- 6.5. Make the most of your benchmarking partner's time by being fully prepared for data exchange, meetings and site visits.
- 6.6. Help your benchmarking partner prepare by providing them with a profile of the service you wish to benchmark.

7. Completion

- 7.1. Follow through with each commitment made to your benchmarking partner in a timely manner.
- 7.2. Complete each benchmarking project to the satisfaction of all the participating organisations as mutually agreed.

Participants' Notes

NOTES:

Use these pages to take your own notes as a reminder for discussion during the course or follow up action

Page/Ref	Issue	Follow up Action

Page/Ref	Issue	Follow up Action

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(Updated January 2008)

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