

# Benchmarking Toolkit

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The toolkit is supported by learning opportunities which are aimed at providing participants with the necessary skills knowledge and confidence to carry out benchmarking.

# 1 Introduction

Benchmarking is the systematic comparison of performance, processes and structures in different organisations, or between different parts of a single organisation, to identify ways to do things better. By sharing and analysing information about performance and how it is achieved with other organisations, services can learn where improvement is needed, how to achieve it and what impact it should have.

The toolkit provides a step by step guide to the process of benchmarking as a means to improve performance and draws on best practice publications from various sources.

## 2 Benchmarking and Improvement

### Benchmarks and benchmarking

Benchmarking is not simply about comparing numbers. This information can be described as a benchmark, but benchmarking is more than simply comparing numerical information. It is about understanding why there are differences in performance; looking at the way services are delivered and managed, and at the processes that lie behind the benchmark measures. It involves using this information to challenge the competitiveness of our own services and seek ways to improve them.

### The improvement agenda

The Improvement Agenda can be summed up as the pursuit of increased effectiveness, efficiency or economy in our services, and benchmarking should be used to address each of these:

**Effectiveness:** services should meet their statutory duties, should contribute to the Council's objectives, should respond to the needs and expectations of service users and be provided in accordance with best practice.

**Efficiency:** services should make best use of resources in processes which have a minimum of waste and an avoidance of duplication.

**Economy:** services should seek to maintain effectiveness and efficiency at the least cost. In the current economic climate this will continue to be a critical requirement.

Improvement is about challenging the way we currently provide services and benchmarking contributes to this by providing a comparison with how other service providers – in particular the best performing providers – achieve these goals.

## 3 Types of Benchmarking

There are four generally recognised types of benchmarking:

- Data (or metric) benchmarking
- Process benchmarking
- Functional benchmarking
- Strategic benchmarking

These can be applied simultaneously or in sequence in an approach which the toolkit describes as generic benchmarking.

### **Data benchmarking**

Data benchmarking involves numerical comparison of performance in key areas against some benchmark. The benchmark might be a standard or target that has been established (e.g. internally or nationally or by a professional advisory group) or it may be the reported performance of other service providers. The process can be applied to key areas such as:

- Cost
- Quality
- Outcomes and impact
- Customer feedback

It is essential that the information used refers to key aspects of service, and not simply the most readily available data or the figures which will make a service look good.

These comparisons can provide a yardstick as to how a service is doing compared to others, but do not themselves provide the causes of any differences or the way that a service can be improved. This is the difference between **benchmarks** which are only numbers and **benchmarking** which is about diagnosing the reasons behind the numbers and identifying where improvements can be made.

### **Process benchmarking**

Process benchmarking involves comparison of the activities which lead to outcomes for service users. For example, a booking system will be required for some customers of a leisure centre; a registration system will be required for housing allocation; a shortleeting system will be required in recruitment. In order for a service to be delivered to the required quality standard, processes must be right, as they can be critical to the efficiency and effectiveness of the service in achieving its objectives.

The objective of process benchmarking is to analyse how better performing organisations' undertake similar processes and procedures and to use this information to make improvement. This will often be in areas where data benchmarking has identified room for improvement. It is a way of going beyond measuring "where you are" to learn "how to do better". Once you have understood the similarities and differences between the partners, it may be possible to identify where improvement is achievable.

It can be used with both public and private sector comparators that may not necessarily be providing the same service. This may encourage new ways of thinking about how to achieve results.

Process benchmarking is especially useful for processes which are conducted hundreds of times, for instance invoice processing, delivery of school meals, cremations, transporting children to school, cutting grass, emptying bins or provision of learning and teaching.

A disadvantage is that this method of benchmarking is by far the most detailed and can be time consuming to carry out accurately.

### **Functional Benchmarking**

Functional benchmarking involves the comparison of the structure, operations and performance of a whole function, e.g. the provision of a finance service to a complex organisation, or the role and structures of a policy unit. It can also be used to assess different service delivery models.

New cost indicators have been developed by the Improvement Service to allow comparison of corporate functions including HRM, ICT, finance and service specific comparators.

Many organisations do some research and networking when they are considering a new way of delivering support services such as an HR system or school transport. Functional benchmarking allows them to do this in a systematic way, with an analysis of the whole chain of activities and actions which are necessary to deliver a service to the end customer.

Best practice comparators can be in any kind of organisation. After structural decisions have been made key processes can be refined using process benchmarking. However, there may be problems in adapting another organisation's functions, mainly due to inherent cultural and structural differences.

### **Strategic benchmarking**

Strategic benchmarking involves the comparison of strategic or policy objectives. Examples could include a communication strategy, an equalities strategy, a voluntary transfer of housing stock or transferring a service to a joint venture. The aim is to change the business – not the process.

Partners can be drawn from any kind of organisation, private or public, which share the service's objectives. All organisations are generally led by strategic aims and objectives, and comparing the approaches used to achieve them is a very useful exercise.

Strategic benchmarking is extremely useful when realigning strategies which have become inappropriate. For example, in the light of changes such as new technology or customer requirements, or in the face of external pressure such as reduced funding. However, the information gained is likely to offer general comparisons rather than detailed performance information.

Strategic benchmarking may also focus on service-specific policies, for instance diet and nutrition policy, waste strategy, vehicle procurement, additional support for learning, lifelong learning, risk and commissioning or departmental policies including communications, customer care, community participation in leisure, equal opportunities and sustainability.

### **Generic Benchmarking**

The review of major aspects of Council responsibility may involve all four types of benchmarking in a hybrid approach in which data, process, function and strategy might all be the focus of assessment at different points in the review process. For example, an assessment of education transport might involve a comparison of data such as costs, of function such as how school transport is linked to other transport provision, and strategy such as how school transport is linked to strategy for schools development or the support of children with additional support needs.

Opportunities identified using this process may be very innovative and create breakthroughs for unprecedented improvements. It can also identify areas which would benefit from shared services.

The integration of novel concepts into an established working environment can be very challenging. Managers and decisions makers have to be prepared to think differently about operating and business processes.

**A Summary of Types of Benchmarking**

Benchmarking Type	Characteristics	Application
Data	Comparison of inputs, outputs, throughputs, and outcomes Comparison can be against national or local standards, or against statutory performance indicators or improvement targets Evidence can be used for monitoring service improvement	Usually service/function based Data, often unit cost-based, comparisons SPI comparisons or the SOA indicators
Process	Comparison of processes, i.e. what organisations do to change inputs into outputs and how they do it Can involve an overview of processes, or analysis of detailed systems Often flows from, and based on, gap-analysis work carried out as part of data benchmarking	Directorate or section-wide Shifts focus from how an organisation is performing to learning how to do better
Functional	Comparison of structures to deliver services, outputs etc. service/function-wide Comparison of different/alternative service delivery models Analysis of critical component elements that make up the structure or model Comparison of unit cost performance using Improvement Service national indicator set	Organisation or, more usually, service/function-wide Can be applied to service delivery models
Strategic	Comparison of organisations' strategic and/or policy objectives Emphasis on exploring business and business strategies, not the underlying processes involved	Organisation-wide

## 4 Ways to Apply Benchmarking

The types of benchmarking set out in section 3 can be applied in relation to different options in regard to who to benchmark against. The three main types are:

- Internal benchmarking
- Sector benchmarking
- Competitiveness benchmarking

This section of the toolkit pays particular attention to competitiveness benchmarking as it is seen as a key driver for service improvement. It includes a presentation of what is meant by 'competition' in a public authority context.

### Internal benchmarking

This involves benchmarking against other parts of the same organisation, and usually involves data or process benchmarking, though it can be used in preparation for functional change such as shared contact arrangements. It is particularly useful in multi-functional and/or multi-site organisations such as a local authority, where various processes such as customer contact or the use of IT may be handled in different ways.

Internal benchmarking can be done fairly easily and informally, and be a source of 'quick wins' in service improvement, but it may limit the opportunity to learn from significantly different approaches.

### Sector benchmarking

Sector benchmarking involves comparison with other organisations in the same service sector, and is the most frequently used form of benchmarking. It typically involves comparison of data from other local authorities, often in a formal network. This form of benchmarking most frequently draws the criticism that benchmarking becomes an end in itself, lacking the challenge that leads to improvement.

The Improvement Service has established a Scottish benchmarking network to compare unit costs across the country which will aid in service prioritisation and decision making.

### Competitive benchmarking

Competitive benchmarking represents a step beyond sector benchmarking in that it focuses on comparison with those organisations that are seen as "competitors". In order to describe this form of benchmarking it is necessary to define what is meant by "competitiveness".

#### Competitiveness

Competitiveness may exist in the strict sense of the word where an organisation is compared to an alternative supplier. In a local authority setting this could include recruitment companies, IT services or private sector providers of residential care for elderly people. This form of benchmarking may therefore feed into an option appraisal which considers contracting out.

Competitiveness may also be seen to exist with other public authorities who seek to demonstrate best value in service delivery. Competition with this group differs from sector benchmarking in that it focuses on reputedly high performers, and is generally seen as the means to identify the most challenging potential for improvement. The 'market' in this sense of competition is seen as being for recognition as a best value authority which demonstrates a high level of performance against tests of effectiveness, efficiency and economy.

Competitive benchmarking involves making a comparison of costs and quality of a service against other providers and establishing its position in the 'market'. Types of information would include:

- Choice, type and range of service delivered compared to others
- Cost / unit costs, for example cost per learner, vulnerable adult, special uplift or council house sale
- Quality of service
- Customer perception
- Take up of service

Levels of competitiveness between the public and private sector can be difficult to compare because costing and financial structures are so different, because of commercial confidentiality and because there may be no clear market, but this form of benchmarking can yield the most challenging and beneficial results.

## **5 Putting Benchmarking into Practice**

This section provides guidance on the steps toward effective benchmarking. It sets out the issues to be addressed in planning and scoping a benchmarking exercise and provides an outline for a service profile which draws together key information as the basis of the exercise. The guidance then addresses the process of data gathering to be used in data benchmarking and the approach to process benchmarking.

- Planning
- Scoping
- A service profile
- Gathering Primary Data
- Unit costing
- Process mapping

### **Planning**

The benchmarking exercise needs to be planned to help ensure that it is carried out logically, effectively and achieves its objectives. Clear decisions need to be made about:

- Why we are doing it?
- What areas of business need to change?
- Where we want to be at the end of it?
- How we compare with others?
- How do we learn good practice?



The answers to these questions shape the initial part of the exercise, and will form the project plan. A project initiation document (PID) should be completed which contains information describing the activities undertaken at each stage of the benchmarking exercise and cover the following:

- area to be benchmarked, with agreed manageable parameters
- scope and objectives to achieve tangible outcomes
- precise measures of success, not just aspirations
- type of benchmarking you are going to use
- sources of internal data
- benchmarking partners, contacts and sources of information
- agreed resources, staff time and money
- timetable covering the short, medium and long term
- an agreed code of conduct with partners
- an agreed communications strategy

The focus of benchmarking should be on aspects of service that are problematic. Changes should be realistic and measurable. Be precise. Instead of writing down “improve quality” as the objective of benchmarking, specify the key factors e.g. the accuracy of the process; the number of new take ups from a target population group.

The universal message is that it always takes more time and resources than first thought, so discipline is needed about cut off point. Do not waste time pursuing data or details which will not add much to the conclusions. Keep it practicable and achievable.

Benchmarking is a continuous process, not just a one off exercise to satisfy the requirements of the best value review process. Planning for a benchmarking exercise should therefore involve consideration of how it could /should be maintained as a continuing aid to service improvement.

## **Scoping**

The purpose of benchmarking is to identify potential improvement to services and should be preceded by some analysis of where these improvements could be made, of the strengths and weaknesses of current service and the areas in which there is greatest need and potential for improvement.

Benchmarking is a demanding process and should be used to tackle important issues with a high value to the Council. The subject of the benchmarking study should be clearly defined. It should not be so large that it is unwieldy or complex, nor so small that it will not yield significant outcomes.

Define the scope and the service area to be studied and the objectives of the benchmarking exercise. For example:

- If survey results or complaints highlight that customers have a problem with the accuracy of invoices, the objective will be to identify best practice of invoicing in other organisations and investigation into how the process for collation of invoices

- If WDC survey results indicate that people are not using services because they are more expensive than others, then pricing would be compared and costs identified.
- If the benchmarking results indicate that the cost of an MOT compared to private sector is more expensive then the objective will be to process map both services to identify similarities and differences in the process.
- If costs are the greatest concern then data comparisons can help to assess value for money. If quality of the service is the issue then it is better to seek out best practice processes and learn from them. If it is customer satisfaction, then benchmarking can help to establish challenging targets for improvement. Good management practice based on continuous improvement would integrate benchmarking as a routine task – a way of pursuing best practice.

Very often different types of benchmarking are used sequentially as part of a dynamic service review. For example, if a data comparison exercise has been used diagnostically or as a “health check” to identify weaknesses in comparison to others, the focus can switch to elements of the service that may need process benchmarking.

### **Gathering primary data**

This section of the toolkit provides information on the type of data which can be gathered to provide a basis for comparison. These include:

- data on inputs/outputs
- use of a performance indicator approach
- use of a data dictionary.

#### Inputs / Outputs & Outcomes

Gather primary data to provide a baseline position, such as statistical data already collected by the Council, statutory performance indicators, and published comparative information.

Use service based data like that produced by Libraries in CIPFA returns; data provided to Sportscotland by Leisure and Active schools; recycling targets provided by waste management or the local improvement targets followed by social work. Ensure that the choice of benchmarking indicators reflect the key elements of the service that stakeholders have identified as being important to them.

Data on inputs will show the level of the resources used in a service, e.g. finance, staff, assets and materials. Process or throughput data shows those activities which convert inputs into outputs.

Output data shows the results, or end -product of a process and outcome based data shows the impact on the user and the local community.

These different forms of data are set out in the following table.

Measure type	Definition and application examples
<b>Inputs</b>	<p><b>The resources that are used to provide a service</b></p> <p>Cost data – particularly unit cost data            Human Resource data – staff numbers; deployment; ratios, e.g. staff numbers to Members;            efficiency measures, e.g. days spent on staff development, sickness monitoring data            Asset data – buildings; information technology</p>
<b>Throughputs</b>	<p><b>Those activities that convert inputs into outputs, often expressed as the ratio of outputs to inputs</b></p> <p>The number of enquiries dealt with by a Customer Service Unit per FTE member of staff            The number of planning applications processed as a percentage of the total within the statutory or other agreed time-scale</p> <p>Cost of the activity</p>
<b>Outputs</b>	<p><b>The product or end-service</b></p> <p>The number of defective street lights mended            The volume of household waste recycled            The total number of planning applications approved</p>
<b>Outcomes</b>	<p><b>The impact the service or product has on the recipient, usually the service user or community</b></p> <p>Measuring the success a regeneration programme might have through: reducing social movement, reducing tenancy turnover, addressing crime and disorder issues            Assessing jointly with health colleagues the impact of a teenage pregnancy programme</p>

Be aware of timescales. Choose a selection of indicators covering short, medium and long-term timescales.

#### A performance indicator approach

One approach that could be adopted is to agree a ‘basket’ of 8 - 12 tested indicators that will enable meaningful debate with service users, elected members and service managers, and collect baseline data against these indicators.

Agree their scope. Generally they should be high-level, quantifiable, and cover an appropriate range, e.g. cost, productivity, process time, service quality, take-up, availability and outcomes.

Indicators should address:

- the perceived problems with the service
- critical processes, which are crucial to the successful delivery of the service
- key performance variables in the service

Indicators should be able to:

- measure performance
- address stakeholder interests
- allow targets to be set
- show clearly how good performance differs from bad
- enable comparisons in performance to be made

The steps toward identifying the indicators are:

- compare and review indicators in use
- draft a shortlist and identify gaps
- prepare a final list of agreed indicators
- define specific content and coverage of each indicator
- test for feasibility of data collection
- review process and amend as required

### Using a Data Dictionary

To secure clear understanding and communication, it is helpful to have each indicator prepared in a common format. A method of capturing this data could be the Data Dictionary template. Baseline data should be gathered for each indicator, and the precise definition and parameters agreed, with a shared understanding of the general thrust of the indicator, while allowing room for some flexibility

Key elements that should be covered in the Data Dictionary template include:

- title of the individual indicator
- its purpose
- a general description of what is involved
- a definition of what data is included - and if required, what data should be excluded
- the reasoning behind the indicator and data collection
- an indication of the likely stakeholder groups with an interest
- a note on practical issues of data collection e.g. time-scales
- a note connecting the indicator to other supporting indicators

The advantage of this particular methodology and approach to benchmarking for best value is that it is applicable to both high level and activity performance indicators. In other words, the methodology can be used to carry out corporate benchmarking exercises as well as those for service, function or thematic Best Value reviews. The following example is for an indicator of accessibility of services.

<b>Indicator</b>	<b>Accessibility of services</b>
Purpose	To measure the effectiveness of work done to promote ease of access to services
Description	Time taken from referral to completion of an assessment Time taken to be reported as average number of days not performance against target Completion = date when statement is agreed Assessment = comprehensive/complex assessments only Includes all assessments requiring a community care package Includes all client groups (can be split if authorities wish to monitor separately)
Reasoning	The speed with which appropriate services are made available to service users is key to their well-being
Stakeholder Interest	Users, carers, managers, partner agencies
Practical Issues	Collect quarterly to reflect seasonal variations
Supporting Indicators	None

## **Unit costing**

Some of the most significant indicators will be those relating to cost, and it is important that these are based, as far as is possible, on a well understood and shared basis.

The two main elements of unit costing are:

- **Establishment of the Direct & Indirect Costs of the Service**

This considers firstly the direct costs of providing the service and then an allocation of central overheads can be added as indirect costs in order to provide a full costing of the activity. The direct costs can be used to demonstrate continuous improvement in the service as they will be directly affected by changes to service provision.

- **Establishment of a standard unit of measurement**

This would be the number of units/sessions provided and would be different for every service.

## **Process mapping**

Possession of the data on the inputs and outputs involved in a service has to be complemented by an understanding of the processes through which the service is delivered, and the means to compare these processes across different organisations. Process mapping is an essential element in this objective.

### Identifying Processes

One of the most effective ways to identify an appropriate process for mapping, and to identify the key processes that determine the quality of service provided to customers is to consider a service from the customer's point of view.

For instance, what happens when a resident rings the council switchboard to ask for advice or arrange a service? What is the chain of actions by which the service is delivered, and how can this be made more efficient and effective? Think about information from stakeholders. What are they raising as areas for improvement? This too will help focus on the key areas for learning how to do better.

Decide what parts of a service are critical to its success, which will help to decide priorities for benchmarking. "Critical" in this instance might be defined by:

- something that makes a difference to how you are valued by customers (internal or external)
- the relative urgency of the need for improvement
- a significant user of resources (staff or finance)
- relative importance to the overall image or strategy of the council

The boundaries of a process need to be clearly defined. A decision has to be made on the critical processes in a service and whether to compare all of them or just a few. Bear in mind that in some processes improving one small key part of an overall process may have a major impact on efficiency.

## Developing Process Maps

To use process benchmarking effectively, an understanding of service processes should be reached through the development of process maps of the areas being benchmarked.

Process maps are detailed flowcharts of actions that make up some defined process together with information for each step in the process about:

- key input requirements
- resource requirements
- critical controls and constraints on the process
- required outputs
- performance levels or standards
- customer requirements
- departmental interfaces

Those processes that directly affect the customer are what are known as critical processes. Process benchmarking should commence with the construction of process maps for these critical processes. Kaizen or another process management tool can be used to eliminate waste and to develop a new streamlined and efficient process.

More detailed guidance on process mapping is set in *The Map to Success*, published by the Accounts Commission.

### **Service Profile**

To capture the data gathered about service performance during benchmarking a document called a Service Profile should be completed which includes the following information:

Type of data	Description of data to be gathered
<b>Service</b>	Description of the service provided, who provides the service, structure of service
<b>Inputs</b>	The resources that are used to provide a service incl. cost, human resource data, efficiency measures, asset data and levels of subsidy
<b>Throughputs</b>	Those activities that convert inputs into outputs, often expressed as the ratio of outputs to inputs
<b>Outputs</b>	The product or end-service
<b>Outcomes</b>	The impact the service or product has on the recipient, usually the service user or community
<b>Levels of Quality</b>	Via inspection and audit reports, satisfaction surveys and consultation
<b>Competitors</b>	List of competitors, nature of business, position in the market, percentage of market share, structure of competitors, pricing and charging
<b>Performance analysis</b>	Comparison of performance against comparators using above measures and relative position in the market
<b>Option Appraisal</b>	Details of preferred operating models and service configuration

The Service Profile can be used and updated by the service throughout its life cycle and will aid in business planning and development.

## **6 Working with Benchmarking Partners**

### **Who to benchmark with**

A partner is an organisation with whom information and data are exchanged on a reciprocal basis. Work will be needed to find organisations willing to be benchmarking partners. People need to know they will be able to learn as well as help others. Do not be afraid to lead the process of benchmarking with others.

Choose a “best practice” partner whether they are in the public, private, or not-for-profit sector. It will not always be known exactly who is best, or there may be a number of different bests. But there will generally be an idea about who is better or who has some elements of the best.

An existing club of partners may be available. However, to share information on performance – both good and bad requires trust and agreements about confidentiality. A European Code of Conduct was developed by the Eurocode Benchmarking working group for this purpose. (See Appendix 2) These are built up over time and therefore some existing clubs will not always welcome new organisations. Other club members may also have a different set of priorities so while this may appear an easy or quick option, think carefully about whether clubs satisfy the service’s needs – because individual members will need to contribute fully to the process as agreed by the overall club membership.

Benchmarking partners need not be from another organisation. Do not overlook similar or identical parts of this Council. The benefits are shared culture, compatible information and relative speed. Internal benchmarking partners may not be sufficiently challenging or outward looking to produce “best practice”, but they might assist in continuous improvement.

If looking for local authority partners, talking to officers in existing networks is a good place to start. Or canvass other authorities in a confined geographical area – this may be particularly important if a number of visits are envisaged. With other local authorities there will be an ease of access and shared context. Partnerships with other local authorities may not produce radical change – but they may be measurably better and offer opportunities to develop continuous improvement.

Above all do not forget to make comparisons with the private and not-for-profit sectors if appropriate. Local business contacts or organisations that work in other partnerships with West Dunbartonshire Council can be good places to start.

## Sourcing Benchmarking Partners

There are various sources of information available to assist in the choice of benchmarking partners:

- Publicly available information gathered by primary desk research
- Data from other organisations usually collected via a questionnaire which identifies key performance measures

Primary (desk) research can:

- Identify possible partners
- Source a list of services in your area of expertise
- Source audited accounts
- Identify the top performing organisations in your service area
- Identify any technological developments
- Identify best practice and innovation.

The following sources will provide the information listed above:

- Improvement Service
- Quality award bodies EFQM, COSLA, IIP, CSE
- Quality Scotland
- Service specific quality award bodies like Visit Scotland/England, Natural Heritage, SEPA, Scottish Libraries Information Council, Sports Scotland
- Trade journal articles in waste management, procurement and environmental health
- Industry and professional associations like the Institute of internal auditors
- Newspaper articles
- Conference literature
- Audit Scotland/audit commission papers
- Business directories
- A-Z top of companies
- Dunn & Bradstreet
- Service specific databases
- Organisations audited accounts
- Tagish local authority information website
- HMIC, HMIE, SWIA, Care Commission and Ofsted inspection reports
- Communities of Practice (IDEA/PSIF)
- National business awards UK
- Comms business awards
- Welsh Chamber of Commerce business awards
- Scottish Chamber of Commerce business awards
- Lord Mayors Dragon awards
- The Guardian public service awards
- Making a difference awards



Some organisations make the decision to benchmark with award winning public and private sector organisations, which represent best practice in their particular field of expertise. Examples of best practice benchmarking partners have been sourced.

*The following public and private sector databases may be a source of information on high performing organisations:*

#### **Public Sector Awards**

Public Service Improvement Framework  
EFQM Excellence Model  
ISO 9000/2000  
Industry Standards  
QUEST  
Customer Service Excellence  
COSLA Excellence Award  
Municipal Journal  
Beacon Authorities  
TNT Modernising Government  
Local Government Chronicle  
Verona Partnerships  
Local Government Awards  
Improvement Service  
Investors in People  
Malcolm Baldrige Quality Award

#### **Private Sector Awards**

EFQM Excellence Model  
Scottish Business of the Year  
ISO 9000:2000 series  
Industry Standards  
QUEST  
Business Awards  
Malcolm Baldrige Quality Award  
Investors in People

### **How to Collect and Exchange Information**

Once agreement has been reached with a benchmarking partner, questionnaires are the most common approach to use, generally sent by post or email. However in some instances questionnaires can be completed using the telephone.

Questionnaires should be discussed and agreed with partners prior to full circulation. The usual rules apply when designing a questionnaire

- Questions must be unambiguous
- Questions should be logical and solicit relevant and accurate information
- Results should be capable of analysis
- Questions should be clear about whether they are about facts or opinions

Generally questionnaires are used in two phases. The first questionnaire is used to collect readily available data, to obtain a good idea of baseline information, and can be sent to a number of partners.

The second questionnaire is used to collect and refine information on gaps identified or to allow more detailed analysis. This questionnaire is more focused and will normally only be sent to a few relevant partners.

Once the initial questionnaires have been analysed and benchmarking suitability is assessed it may be useful to arrange to visit a partner to see particular processes working and discuss approaches used in greater detail.

To ensure meetings are successful the following points should be considered:

- Demonstrate a commitment to the project by being well prepared
- Notify partners in advance of the issues of interest. Prepare a standard set of questions and send it ahead so the right people are available to answer the questions. Make sure to talk to the people who actually do the task
- Agree a confidentiality code beforehand
- Never ask for information you are not willing to share about your service
- Do all the desk research you can before you go
- Make sure everyone is clear about what is expected e.g. time; to compare process maps; to see a procedure; to visit different sites
- Send partners a copy of the report or write-up so they can check the validity of information
- Share information and conclusions with them
- Be willing to arrange reciprocal visit to a “best practice” service
- Keep asking “why” and “how” to every answer

## **7 Using Benchmarking Information**

### **Analysis and presentation**

The purpose of gathering data, developing an understanding of processes and using these as a basis for comparison with other organisations is to test and increase the competitiveness of Council services.

Careful and appropriate analysis and presentation of information can assist in:

- Understand your own performance
- Review the information collected, in terms of identifying performance indicators and priority issues
- Identify the gaps between current performance and that of best practice organisations
- Understand how other organisations achieve superior performance and how this could improve your performance
- Set improvement targets

Present the results of research and comparisons so that they are meaningful in terms of the original questions and can inform any recommendations for change.

Take care with presentation of the data. It can make all the difference to people’s understanding and their ability to draw conclusions. There are a range of tabular and graphical techniques which can be used to analyse and illustrate the range of key performance measures and variables, including bar charts and scatter diagrams.

The key purpose of the analysis is to help identify where and how the service can do better. Proper analysis will have helped highlight – in the context of key processes – how your performance compares with others. Proper benchmarking should also have helped to determine what actions you need to take to bring performance up to the best practice.

## Planning and implementing Improvements

It is important to develop a detailed improvement plan using a project management approach to plan for the improvement changes. Roles and responsibilities need to be clearly set out, as do goals and targets for improvement.

Determine benchmarking objectives, which could be to compare performance against best in class organisations or organisations which are similar in terms of socio economic profile or direct competitors.

For services that are low performers, setting a short term preliminary target may be appropriate. Differences in data and processes exist for a variety of reasons:

- Too many structural layers
- Overly bureaucratic systems
- Lack of procedures
- Staff not adequately trained
- Out of date equipment
- Ineffective operations management
- Inadequate resources

Distinguish between those improvements which can be made easily and those which will require longer-term solutions. Incremental quick fix solutions are often more motivational to staff.

Remember, improvement plans should be SMART, (specific, measurable, action oriented, realistic and time bound)

Implementing planned performance improvements will usually require careful change management. Such change often requires staff to adopt new approaches; processes and ways of working to deliver best practice. Frequently, the people who have to make the changes will not have been directly involved in the benchmarking project. They may need to be convinced as to what you want to do, why you want to do it and what it is intended to achieve. Communication, training and support will all be required.

A point to note is that just because another organisation has adopted a particular practice and has achieved good results, does not necessarily mean it will work for you! Adapt – don't adopt blindly. Possible changes must be assessed for:

- Transferability of processes. Avoid unrealistically complex or costly solutions
- Impact on other parts of the organisation
- Transferability of targets and quality standards.
- Impact on the culture or values of the organisation - check that the authority's principles are not being compromised.

These factors are not necessarily reasons for doing nothing. They are reasons to adapt to local circumstances and culture. Process mapping may help you to predict the impact on other services or inter-department procedures.

Part of the implementation should build in timely monitoring of progress against your improvement plan. There is no point waiting until the end of the project to find out that it didn't work. You will need to build in progress reports through the life of the improvement plan.

## **Appendix 1      List of References**

- An Award Winning Local Authority in Australia (Robert Jones)
- The beginning of Benchmarking (Aston Business School Paul Davis)
- European Benchmarking Code of Conduct
- Benchmarking a general reading for management practitioners (Sik Wah Fang et al)
- Benchmarking The Inter Authorities Group (Jane Foot)
- Benchmarking and Performance Measurement in the Public Sector (Alexander Kouzmic Et Al University of Western Sydney)
- Application of Graphical Techniques in Evaluating Benchmarking Partners (Mohammed Zairi Et Al University of Bradford)
- Measuring up to the Best (Accounts Commission for Scotland)
- The Map to Success (Accounts Commission for Scotland)
- Benchmarking A Framework for Local Authorities (Jeffrey Dorsch)
- I&DeA Improvement and Development Agency Benchmarking The Ideal Local Authority
- Benchmarking at Shorts
- Making and managing markets: Cardiff University

## **Appendix 2      European Code of Conduct**

This is the new European Code of Conduct (1996). This code is the result of a consultation and development process co-ordinated with the help of The Eurocode Working Group. The Eurocode Working Group comprises senior Benchmarking managers and legal representatives from a number of commercial and public organisations. The guidance has been produced to allow sharing of better practice between all organisations and although in some instances the concerns over commercial confidentiality, pricing and publication of information may seem less appropriate to public organisations committed to openness and delivering value for money from public funds, these guidelines should be followed with commercial suppliers and when engaged in preparation from competitive tendering, market testing or best value exercises.

Note that this Code of Conduct is not a legally binding document. Though all due care has been taken in its preparation, the authors and sponsors will not be held responsible for any legal or other action resulting directly or indirectly from adherence to this Code of Conduct. It is for guidance only and does not imply protection or immunity from the law.

### **The Principle of Benchmarking**

#### **1.0 Principle of preparation**

- 1.1 Demonstrate commitment to the efficiency and effectiveness of benchmarking by being prepared prior to making an initial benchmarking contact
- 1.2 Make the most of your benchmarking partner's time by being fully prepared for each exchange,
- 1.3 Help you're benchmarking partners prepare by providing them with a questionnaire and agenda prior to benchmarking visits.
- 1.4 Before any benchmarking contact, especially the sending of questionnaires, take legal advice.

#### **2.0 Principle of Contact**

- 2.1 Respect the corporate culture of partner organisations and work within mutually agreed procedures.
- 2.2 Use benchmarking contacts designated by the partner organisation of that is its preferred procedure.
- 2.3 Agree with the designated benchmarking contact how communication or responsibility is to be delegated in the course of the benchmarking exercise. Check mutual understanding.
- 2.4 Obtain an individual's permission before providing their name in response to a contact request.
- 2.5 Avoid communicating a contact's name in open forum without the contact's prior permission.

#### **3.0 Principle of Exchange**

- 3.1 Be willing to provide the same type and level of information that you request from your benchmarking partner, provided that the principle of legality is observed.
- 3.2 Communicate fully and early in the relationship to clarify expectations, avoid misunderstanding and establish mutual interest in the benchmarking exchange.
- 3.3 Be honest and complete.

#### **4.0 Principle of Confidentiality**

- 4.1 Treat benchmarking findings as confidential to the individuals and organisations involved. Such information must not be communicated to third parties without the prior permission of the benchmarking partner who shared the information. When seeking prior consent makes sure that you specify clearly what information is to be shared with whom.
- 4.2 An organisation's participation in a study is confidential and should not be communicated externally without their permission.

#### **5.0 Principle of Use**

- 5.1 Use information obtained through benchmarking only for the purposes stated to and agreed with the benchmarking partner.
- 5.2 The use or communication of a benchmarking partner's name with the data obtained or the practices observed requires the prior permission of the benchmarking partner.
- 5.3 Contact lists or other information provided by benchmarking networks in any form may not be used for purposes other than benchmarking.

#### **6.0 Principle of Legality**

- 6.1 If there is any potential question on the legality of an activity, you should take legal advice.
- 6.2 Avoid discussion or actions that could lead to or imply an interest in restraint of trade, market and/or customer allocation schemes, price fixing, bid rigging, bribery, or any other anti-competitive practices. Don't discuss your pricing policy with competitors.
- 6.3 Refrain from the acquisition of information by any means that could be interpreted as improper.
- 6.4 Do not disclose or use any confidential information that may have been obtained through improper means, or what was disclosed by another's violation of a duty of confidentiality.
- 6.5 Do not, as a consultant, client or otherwise pass on benchmarking findings to another organisation without first getting permission of your benchmarking partner and without first ensuring that the data is suitably 'blinded' and anonymous so that the participants' identities are protected.

#### **7.0 Principle of Completion**

- 7.1 Follow through each commitment made to your partner in a timely manner.
- 7.2 Endeavour to complete each benchmarking study to the satisfaction of all benchmarking partners as mutually agreed.

#### **8.0 Principle of Understanding and Agreement**

- 8.1 Understand how your benchmarking partner would like to be treated, and treat them that way.
- 8.2 Agree how your benchmarking partner accepts you to use the information provided, and do not use it in any way that would break agreement.