



Benchmarking

What is it?

Benchmarking is the process of measuring the performance of your business against the products, services and practices of your toughest competitors (or those regarded as leaders in your area of business).

Benchmarking allows you to:

- identify the strengths and weaknesses of your business
- highlight opportunities for making your business more competitive
- measure and improve the performance of your business in key areas such as sales, profit and expenses.

The goal of benchmarking is to achieve significantly better performance and profitability for your business, becoming the best-of-the-best in your field.

Identify what you want to benchmark

Begin the benchmarking process by identifying the areas of your business you would like to improve. Review your business's internal practices such as financial management, sales performance or client service-consider any area in which you want to excel.

Don't overlook clients' views about the services you are seeking to improve-especially if you are looking to improve client service.

Find the leaders in that field

Once you have identified the part of your business you want to benchmark, find organisations that perform consistently well in that area. These organisations do not need to be competitors; in fact, it is possible that the organisations you identify may be operating in a different field altogether. You can identify leaders in your field of inquiry through observation, word-of-mouth, reading, the internet or published surveys.

Encourage employees to be on the lookout for winning ideas and organisations succeeding in particular practices.

Compare the performance

Once you have determined which organisations perform consistently well in your area of interest, it's time to compare your business against theirs to determine how well your business is performing. This is referred to as "benchmarking your business".

Analyse in detail how your business compares with theirs. This helps you to discover why your business is underperforming (or overperforming). Identify any areas where you see an opportunity to make improvements and identify the techniques and business practices necessary to get there.

Building Better Business in the Hunter®



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Implement changes

The advantage of using benchmarking to initiate change is that a successful working model already exists for you to emulate. Once you have learnt from your competitors, and adopted their ideas and working models, it's time to implement the new-found best-of-the-best practices.

Develop a plan and schedule to implement the changes throughout your business as part of a continuous improvement program, allowing your business to maintain its competitive advantage.

Remember, benchmarking is a change process, so keep employees and stakeholders informed and supported throughout. If problems arise, make sure you act on them immediately. Measure the effectiveness of any changes made by monitoring the key success factors for your business.

Here are some tips to help you with your benchmarking:

- Try to think creatively about ways to improve your business.
- Ask staff members for their input.
- Study other, similar, businesses and how their processes work.
- Implement changes based on observations and research.
- Evaluate the results of the changes you have implemented.

For more information contact the:

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