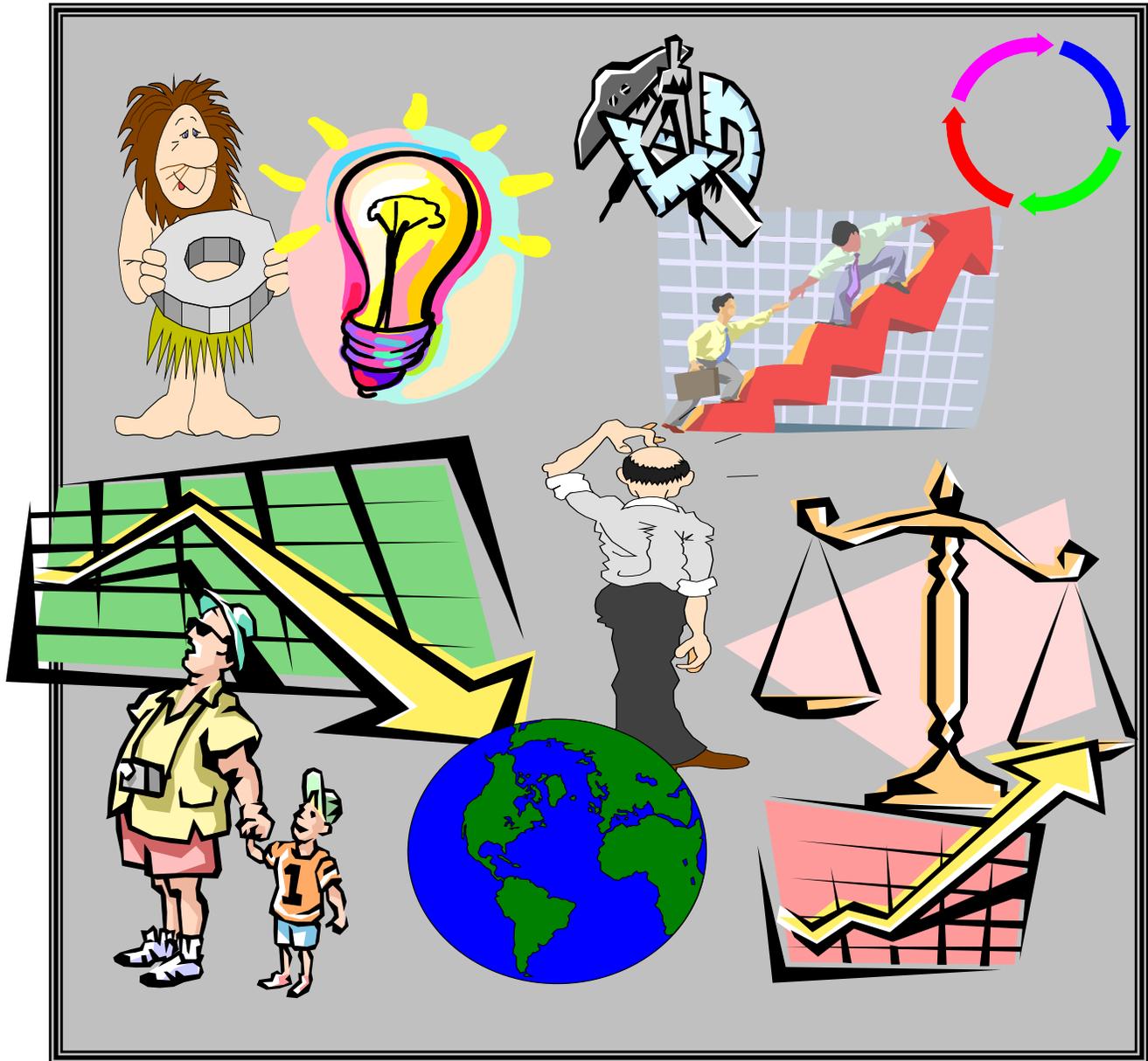


Benchmarking Workbook

U.S. Patent and Trademark Office
Office of Quality Management



September 2000
For Training Purposes Only



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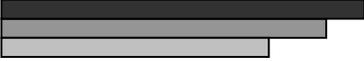
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Acknowledgment

The information contained in this workbook has been gathered over a number of years and through first hand experiences. It also addresses information received through references and from a number of personal contacts. I thank all that shared with me information and thoughts during the last several years and hope that I captured the essence of their experience or meaning in these pages.

Norma Jo Greenlee
U.S. Patent and Trademark Office
Office of Quality Management



Benchmarking Terms

Source

Gregory H. Watson, Strategic Benchmarking: How to Rate Your Company's Performance Against the World's Best.

It is important that you understand the meaning of specific words before you proceed any further into this workbook. Because it is important, I have put the Glossary in the beginning of the workbook. Take some time and review these words.

Benchmark: A measured, "best-n-class" achievement; a reference or measurement standard for comparison; a performance level recognized as the standard of excellence for a specific business practice.

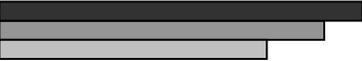
Benchmarking Code of Conduct: A behavioral convention that describes the protocol of behaviors to be used in conducting benchmarking studies.

Benchmarking gap: A difference in performance, identified through a comparison, between the benchmark for particular activity and other companies; the measured leadership advantage of the benchmark organization over other organizations.

Benchmarking partner: A relationship between two parties who associate in a collegial relationship involving close cooperation to conduct benchmarking studies -- the protocol of this relationship is summarized by the Benchmarking Code of Conduct.

Best-in-class: Outstanding process performance within an industry; words used as synonyms are best practice and best-of-breed.

Best practice: Superior performance within an activity, regardless of industry, leadership, management, or operational approaches, or methods that lead to exceptional performance; a relative term that usually indicates innovative or interesting business practices that have been identified during a particular benchmarking study as contributing to improved performance at the leading organization.



Competitive benchmarking: A measure of organizational performance compared against competing organizations; studies that target specific product designs, process capabilities, or administrative methods used by a company's direct competitors.

Critical success factors: Quantitative measures for effectiveness, economy, and efficiency; those few activities where satisfactory performance is essential in order for a business to succeed; characteristics, conditions, or variables that have a direct influence on a customer's satisfaction with a specific business process; the set of things that must be done right if a vision is to be achieved.

Enabler: The processes, practices, or methods that facilitate the implementation of a best practice and help to meet a critical success factor; characteristics that are identified during benchmarking and may be accomplished as short-term goals.

Entitlement: The best that can be achieved in process performance using current resources to eliminate waste and improve cycle time; obvious improvements that are identified during benchmarking and may be accomplished as short-term goals.

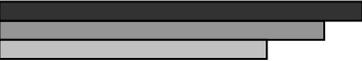
Functional benchmarking: An application of functional process benchmarking that compares a particular business function at two or more organizations selected without regard to their industry.

Internal benchmarking: An application of process benchmarking performed within an organization by comparing the performance of similar business units or business processes.

Key business process: The critical few business processes that influence customers' perception of a business.

Measure: The quantitative means for evaluating process performance; evaluation of in-process factors or the result of the process output. A family of related measures combined to produce a business system metric.

Networking: A decentralized organization of independent participants who develop a degree of interdependence and share a coherent set of values and interests.



Performance benchmarking: A comparison of the performance measurement of one organization's product against another's, using a standard testing procedure to establish relative superiority in the capability of specific product features.

Primary research: The process of researching a topic through direct contact with the subject.

Process: A series of interrelated activities that convert inputs into results (outputs); processes consume resources and require standards for repeatable performance; processes respond to control systems that direct the quality, rate, and cost of performance.

Process benchmarking: The activity of measuring discrete performance and functionality against organizations whose performance is excellent in analogous business process.

Process owner: The individual who possesses managerial control over a particular business process.

Secondary research: The practice of searching for information about a particular subject from indirect resources.

Strategic plan: A road map to gain competitive advantage by achieving goals that define business objectives for critical success factors.



Benchmarking Definitions

There are many benchmarking definitions. Listed below are three most commonly referred to by benchmarking experts.

A process of industrial research that enables managers to perform company-to-company comparisons of processes and practices to identify the "best of the best" and attain a level of superiority or competitive advantage.....

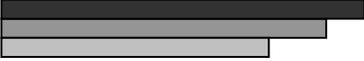
(Camp, 1989)

Is the continuous and systematic process of identifying, analyzing, and adapting industries' best practices that will lead an organization to superior performance.

(Spendolini, 1992)

Is the practice of being humble enough to admit that someone else is better at something, and being wise enough to learn how to match and even surpass them at it.

(American Productivity and Quality Center, 1993)



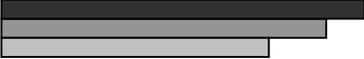
What is Benchmarking?

Many people know what benchmarking is and how to use it. Many people think they know what benchmarking is and aren't quite sure what to do. Which one are you? One important concept that you need to understand is that Benchmarking is not the beginning and the end; but rather it is a tool that can be used to get to the end result that you might desire.

Many individuals try to separate Benchmarking and Best Practices. In my opinion, Benchmarking is the methodology used in search of Best Practices. A true classical benchmarking study can take up to 9 months to complete and this does not include implementation of the findings. There is an abbreviated form of benchmarking that many organizations are using that takes only 2-3 months. This abbreviated form doesn't entail a lengthy primary research but rather more secondary research. (See Attachment D)

Some of the more common descriptive words used to describe Benchmarking are:

- A methodical study (*phases and steps to follow*).
- A discovery process (*learn more than just what you are researching*).
- An improvement method (*used as a method to introduce improvement to an organization by researching best practices*).
- A learning opportunity (*the ability for participants in a benchmarking study to learn best practices associated with the process that they are researching*).
- A management commitment (*management should understand that a benchmarking study can take many months and can involve many resources and that their commitment must be long term*).
- A tool used to identify, establish, and achieve standards of excellence (*the results of the study can provide an organization with information to assist in achieving performance excellence*).
- A continuous process (*once you start you are in a cycle that will continue for the life of the process improvement and/or change*).

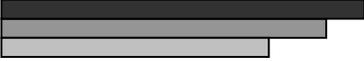


Why do you Benchmark?

There are many different reasons why an Agency would want to Benchmark. When you benchmark you find out who is the best, you gather actionable data for change and process improvement, and you realize that there is a world outside of your own with great ideas that you can use. Benchmarking can enhance an organization's performance and the commitment of resources should not be taken lightly.

Some of the more common reasons agencies benchmark are to:

- Satisfy customers' needs and expectations (*you should know what is important to your customers and what will meet their expectations*).
- Discuss and understand the methods and practices needed to reach new goals (*you should know what is needed to reach performance excellence and how to reach it*).
- Achieve superior performance (*you should be performing this study to improve the performance of the organization*).
- Adapt best practices (*through research you should be finding best practices that can improve your process*).
- Develop and stimulate strategic goals/planning (*if this study does not support the strategic plan then the study should not be performed*).
- Stay informed on the state-of-the-art business practices (*through research you will learn best practices that are on the cutting edge*).
- Encourage creative thinking - get out of the box (*while performing this study you will discover different creative ideas used by other organizations*).
- Review/study competitive comparisons (*research and interviews will provide information for you to compare your organization to*).
- Accelerate process improvement (*performing a study will provide you with information/results from others so that you can implement change quicker*).
- Discover emerging technologies (*research will provide you with new ways of doing things*).



When do you Benchmark?

Benchmarking is used for different reasons. Most organizations will use benchmarking when they are trying to implement a change and want to find and use world class business practices. Another reason that some executives use benchmarking is for their organization to learn and see that there are different practices that can be adopted by their own organization. Benchmarking can make a non-believer a believer.

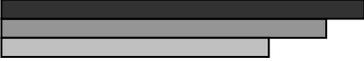
Benchmarking should be considered when:

- Management is looking for change.
- The organization is implementing a new process or operation.
- The dynamics of industry is changing and the changes will effect the organization.
- The organization is striving for performance excellence using continuous improvement.
- A change is required in processes, products, or services to meet and exceed customers needs and expectations.
- Re-engineering initiatives are being performed.
- The organization or business unit needs to re-invent themselves in order to survive.

Benchmarking Is Not!

There is a misconception about what benchmarking is and what benchmarking is not. Many senior executives think that benchmarking is a quick fix, easy with very little commitment, and a process that will make an impact in a short period of time. They do not realize that benchmarking comes with a huge commitment of time and resources.

- A cookbook process (*it can be time intensive*).
- A panacea for problems (*it will not solve all the problems at once*).
- Comparing to “similar” organizations (*it involves looking at other organizations different from your own*).

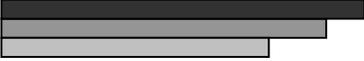
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- A management fad (*it needs management to be committed, it cannot just be the flavor of the month*).
 - Just a review of your own operations (*it involves looking at your own operation and also looking outside at others*).
 - Just measurement (*it involves not just looking at measurements but also qualitative measures as indicators for success*).
 - Industrial Tourism (*it involves research and knowing what is going on in house before going out of your house looking for information*).
 - A free trip (*most benchmarking studies can be performed without going on a site visit*).
 - Reinventing the wheel (*there are many reports and studies available, don't start from scratch*).

Where can you find Benchmarking information?

Today benchmarking is used in most high performing, first class organizations. In these organizations a benchmarking office usually exists or they might have a Benchmarking Coordinator. These offices or individuals will be able to assist you in your study or request for information. Seek them out. If you don't have an office or individual to assist you, you can get information from outside benchmarking sources.

Outside benchmarking sources:

- Other Organizations or Federal Agency experts.
- Publications (i.e., International Benchmarking Clearinghouse studies, benchmarking magazines, quality magazines and other magazines).
- National Institute of Standards and Technology (NIST) - Malcolm Baldrige winners.
- Office of Personnel Management (Presidential Quality Award winners).
- Best Practices databases (\$ required).
- Organization Home Pages/Web sites.
- The Navy Best Manufacturing Practices database.
- The Benchmarking Exchange (\$ required).

- 
- American Society for Training and Development (\$ required).
 - Council for Continuous Improvement (\$ required).
 - Colleges/University libraries.
 - Internet connections.
 - Consultants.
 - Professional Associations.
 - Articles/Periodicals.

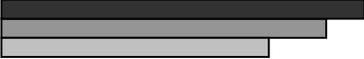
** In many agencies consultants are used to perform a study and present the findings. This can work well; but one major drawback is that the employee's do not learn first hand. Therefore, there is the problem of buy-in and acceptance to change. If a consultant were used in a benchmarking study it would be best to have them lead the study with employees performing the research and interviews. This will give the employee the advantage of the information, assisting in formulating the change, and buy-in and knowledge of information discovered.

What are the benefits of Benchmarking?

There are many benefits received using the Benchmarking methodology as a change management tool.

Some of the more common benefits are:

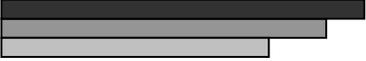
- A better understanding of products and services.
- A better understanding about customers needs and expectations.
- Meaningful goals and performance measures reflecting customer requirements.
- Employees who strive for excellence and promote break through thinking.
- Employees who better understand the internal processes within their organization while increasing the sensitivity to changes in customer needs.

- 
- The accelerated rate of change within an organization.
 - A better understanding of competitors and industry dynamics.
 - A better understanding of where your organization stands against the best in class.

Benchmarking Tips (The Do's!)

Do:

- Select the right team and mix of skills. The right team members will give you an understanding of the process being studied and give you a realistic perspective of the process.
- Select a benchmarking project that is tied to the strategic goals/objectives and is a core process.
- Obtain management commitment.
- Perform plenty of research.
- Communicate during the benchmarking study with all levels of those involved.
- Select benchmarking partners/companies outside of your own industry.
- Provide an incentive for a potential partner to participate (Note: In federal agencies the only incentive that can be offered is a comprehensive report).
- Focus on best practices and enablers, not just measurements.
- Select a benchmarking team that includes supporters and skeptics alike.
- Abide by the Benchmarking Code of Conduct and follow all the protocols.



Benchmarking Mistakes (The Don'ts!)

Don't:

- Examine your own process.
- Think that your going on site visits “Feel Good” trips.
- Have goals and questions that are too vague.
- Have a scope that is too broad.
- Have team commitment.
- Perform upfront research.
- Partner with the wrong benchmarkee.
- Go outside of your own industry.
- Take action using the findings of the study.
- Have support to perform the study.
- Reinvent the wheel.
- Go on a site visit unprepared.

Methods of Benchmarking

Method	Description	Advantages	Disadvantages
Internal	An approach to benchmarking where organizations learn from “sister” companies, divisions, or operating units. Performance improvement may be 10 percent. (Note: All federal government could be considered internal)	<ul style="list-style-type: none"> - Provides highest degree of process detail and simplified access to process information - Provides rapid and easy-to-adapt improvements - Low cost - Fast - Easy to transfer lessons learned - Gain a deeper understanding of your own process 	<ul style="list-style-type: none"> - The internal focus tends to be operational rather than strategic, and bound by the organization’s cultural norms - Internal bias - Not much of a stretch - May not find best in class practices
Competitive	An approach to benchmarking that targets specific product designs, process capabilities, or administrative methods used by one’s direct competitors. Performance improvement may be 20 percent or better.	<ul style="list-style-type: none"> - Provides a strategic insight into marketplace competitiveness and can provide a “wake-up” call to action - Prioritizes areas of improvement according to competition - Possible partnership - Similar regulatory issues 	<ul style="list-style-type: none"> - Legal issues regarding business relations between competitors may become an issue - The detail from the study may be insufficient for diagnosis - Threatening
Functional	An approach to benchmarking that seeks information from the same functional area within a particular application or industry. Performance improvement may be 35 percent or better.	<ul style="list-style-type: none"> - Takes advantage of function and professional networks to develop detailed process understanding - Provides industry trend information - Quantitative comparisons - Common business functions 	<ul style="list-style-type: none"> - Although an external perspective is used, the functional concentration tends to best support operational studies - Takes more time than internal or competitive studies - Common functions can be difficult to find
Generic	An approach to benchmarking that seeks process performance information from outside one’s own industry. Enablers are translated from one organization to another through the interpretation of their analogous relationship. Performance improvement may be 35 percent or better.	<ul style="list-style-type: none"> - Provides the greatest opportunity for process breakthroughs - Because organizations don’t compete, reliable detailed information is usually available - Innovative - High potential for discovery 	<ul style="list-style-type: none"> - Difficulty in developing an analogy between dissimilar businesses - Difficulty in understanding which companies to benchmark - High cost - Takes a long time to plan



Before you Benchmark!

ASK.....

What is the study method to be used?

- Internal**
- Competitive**
- Functional**
- Generic**

Will it be?

- Competitive Assessment (2-4 weeks)**
- Fast Track Benchmarking (90 days)**
- Classical (6-9 months)**

Does management understand benchmarking?

- Yes**
- No**

Is management committed?

- Yes**
- No**

How does the benchmarking study tie into the strategic plan?

Who are your customers?

- _____
- _____

What is driving the benchmarking study?

- A different/new process**
- Improvement over current process**
- Best Practices in industry**
- Other** _____



What are you going to benchmark?

- Product**
- Service**
- Practice**
- Process**
- Technology**
- Area of customer dissatisfaction**
- Area of employee dissatisfaction**
- Other** _____
- _____

What resources are needed for the study?

- People** _____
- Money** _____
- Equipment** _____
- Space** _____

How is the information to be used?

- To stimulate breakthrough thinking**
- To compare products/processes**
- To implement new and innovative ideas**
- Other** _____

Benchmarking Phases

A Classical Benchmarking Study

This next section of the workbook will provide you with information on the four-phase approach involved in a Classical Benchmarking Study. There are other approaches that can be followed. Some organizations use a Five-phase methodology breaking out the Adapting phase to Adapting and Implementing other organizations use a step process and not phases, e.g., 10 step approach (incorporates most of the steps involved in the Four phase approach).



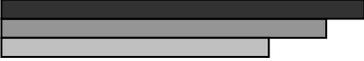


Phase One

The Planning phase is the phase that will set the stage for the whole benchmarking study. You need to prepare thoroughly so that during the study you won't need to backtrack and rework issues. Phase One is where the process/function (process) is selected and defined by using information gathered from your customers. Your customers in some type of format (i.e., focus session, survey, interviews) must have conveyed to you their needs and expectations. It is these needs and expectations you need to be aware of. These are your customers Critical Success Factors. These Factors will help you improve your customer satisfaction.

The nine steps to follow during the PLANNING phase are:

1. Select the process and identify the objective of the study.
2. Identify and gain participation of the sponsor and stakeholder(s).
3. Submit a benchmarking request to your Benchmarking Coordinator, if you have one. (A coordinator should know what type of studies/research has been completed in your organization and can assist you in your study.)
4. Select a cross-functional team that represents all aspects of the process being benchmarked.
5. Provide Benchmarking Awareness Training to the team and to the sponsor/stakeholder(s) to ensure that all have the same



understanding of what benchmarking is and what is involved in a study.

6. Identify products/services, customers, and their expectations.
7. Identify and select the Critical Success Factors (CSF) (the one that is important to your customer and the one that is going to make a difference if improved).
8. Analyze and document the process flow with the team.
9. Review and establish generic performance measures.

The following is a breakout by step with some idea as to what is involved in each.

1. Select the process and identify the objective of the study.

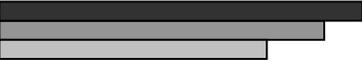
The first step in this phase and probably the most important one is that it has been acknowledged that a benchmarking study is needed and that the study will focus on a specific objective (i.e., process).

- Select a process that has a big impact on performance.
- Select a process that causes customer dissatisfaction.
- Select a process that is not performing up to customer standards.
- Define the specific scope of the study.

2. Identify and gain participation of sponsor and stakeholder(s).

It is important now that a benchmarking study has been decided on to obtain support and commitment from the executive leaders. It is equally as important to have a sponsor with some leverage and to gain commitment from the sponsor and the stakeholder(s). If you don't have commitment, ***STOP*** right now.

- Obtain approval from the executive leaders/staff,
- Discuss the benchmarking study with the sponsor and stakeholder(s) and obtain commitment for resources,
- If you don't obtain commitment, rethink the idea of performing the study. Lack of commitment can stop the study at any time and implementation of any changes will be difficult.



3. Submit a benchmarking request form to the Benchmarking Coordinator.

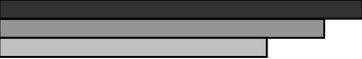
It is important for you to find out what type of studies/research have been performed in your organization. In some instances a benchmarking study has already been completed on what you might be tasked to do. If your organization has a Benchmarking Coordinator, s/he should know. Some times a Coordinator will also be able to link you with another organization that might have performed the same or similar study. This will cut down your study time considerably.

- Contact the Benchmarking Coordinator to ensure this type of study has not been performed before.
- Obtain the request form (if required to register your study) and return it to the Coordinator with the appropriate information and approving authority signature (See P-1-1).

4. Select a cross-functional team.

There are many variations possible in the team composition. There may be an individual team or a core team with several task teams. The team composition should be carefully determined based on the scope of the effort, the available resources, and the overall objective. *(Note: If one of the task teams is a research team, they should start at least 1-2 months before the other teams. This will enable them to have literature research available for the other teams.)*

- Team size is dependent on the scope of the project (four to eight team members usually constitutes a good working group).
- A team should be cross functional, representing all functions involved in the process.
- A team member should have some of the following attributes:
 - Process knowledge or expertise
 - Responsibility for implementation
 - A Stakeholder
 - Objective
 - Analytical
 - Flexible
 - Risk taker
 - Optimistic
 - Dependable
 - Communicator



5. Provide Benchmarking Awareness Training.

Before a study begins it is important that all team members, and if possible the sponsor and stakeholder(s), are given some kind of benchmarking training. This will provide the team with the information that they will need to perform a good study and it will also allow the team members to see what is actually involved in a Classical study. They then can have the opportunity to ask to be taken off the team, if they feel that it is more than they can handle.

- Request a benchmarking overview (usually about 2 hours).
- Request JIT training as the study evolves and you enter each phase.

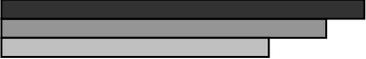
6. Identify your products/services, customers, and their expectations.

It is important that you know the customer of the process that you're benchmarking. It is also important that you know the customers needs and expectations. Any study that is performed should be related to the customer, their needs and expectations, and should link back to the organizations strategic plan. If it doesn't then you should ask yourself, "Why am I performing this study?"

- Identify the products and services (outputs) generated through the process being benchmarked (See P-1-2)
- Identify the customers who use the products and services
- (See P-1-3).
- Identify the customers needs and expectations through focus sessions, surveys, interviews, etc.

7. Identify/select Critical Success Factors (CSF).

During the process of gathering information from your customers you should be able to find out what needs and expectations are really important to them. These are their Critical Success Factors. What will make them satisfied? What will give you the "big bang for the buck"? It is important for you to remember that whatever you decide to study, it must be linked to your strategic plan, your performance measures, and must be important to your customer.

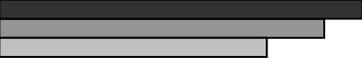
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- Identify the process that has the greatest impact on performance (See P-1-4).
 - Identify activities that have the greatest impact on the customer.
 - Convert the CFS's into specific metrics that will allow best-in-class organizations to better understand your information requirements.

8. Analyze and document the process flow with the team.

It is important to know your own process. (If you are benchmarking one that you already have in place.) The way to gain this type of information is to flowchart the process with the process experts. Once you have a flowchart created, you can use it to compare your organization to "Best-in-Class" organizations that you will research.

- Flowchart the process being benchmarked (See P-1-5).
- Gather process information from flow charts, face to face interviews, archival records, etc.
- Posses a comprehensive knowledge of your own process, understand the process from beginning (source of inputs) to end (who receives the outputs) before you talk with other organizations.
- Understand how changes will effect others within your organization (See P-1-6).
- Use any source of information within your own organization that could lead to obvious improvements and that can be accomplished as short term goals (entitlements).
- Document your performance standards.

*Note: You can also perform a value-added exercise during this flowchart process to see what steps are really necessary. Those that are not necessary can be eliminated.



9. Establish generic performance measures.

It is important to have basic performance measures while performing the study so that you can easily compare your measures with others. These measures can be used as a baseline for comparison and improvement. If you don't have measures already in place, put a system in place now to start collecting. By the time you get to Phase Three you will have several months of data collected.

- Establish basic performance measures e.g., quality, cost, cycle time (See P-1-7).
- Establish specific measures to allow you and your partner to speak from the same sheet of music.
- Establish a baseline to serve as the foundation for comparison of improvements.

Because resources are always a factor, here are some tips that might help reduce those needed for a study.

- A quality approach is in place
- The scope is limited
- Few organizations or processes are affected
- Few people are involved
- Only research which requires no travel will be conducted, such as secondary research and telephone interviews
- Benchmarking is already established in the organization
- The team has experience in benchmarking
- The team is dedicated solely to this project



Benchmarking Request Form

In many Benchmarking and High Performing agencies and/or organizations (agency) there is an office that maintains information on Benchmarking Studies that have been performed. You might have one of these offices in your agency. If so it is always good to contact this office before you start any planning for a study. This office should be able to tell you what has been researched or studied within your own agency and also if your agency has received or used information from an outside source. In many agencies you might be required to fill out a Benchmarking Request Form to alert the appropriate people that you are planning to start a study on a specific subject. The form could look like this:

Team Name: _____

Team Leader: _____ **Tele:** _____

Project Start Date: _____

Area of Focus: (Focus may impact more than one area. Please check the appropriate type and give a short description.)

Service _____

Product _____

Process _____

Other _____

Activity Sponsor: _____

Purpose of Effort/Detailed Description: (Be as specific as possible.)

Glossary Term: (Key Word) _____

Approving Authority: _____



Product/Service Work Sheet

What are the key products and services connected to the process?

1.

2.

3.

4.

5.

6.

7.

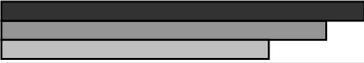
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11.

12.



--

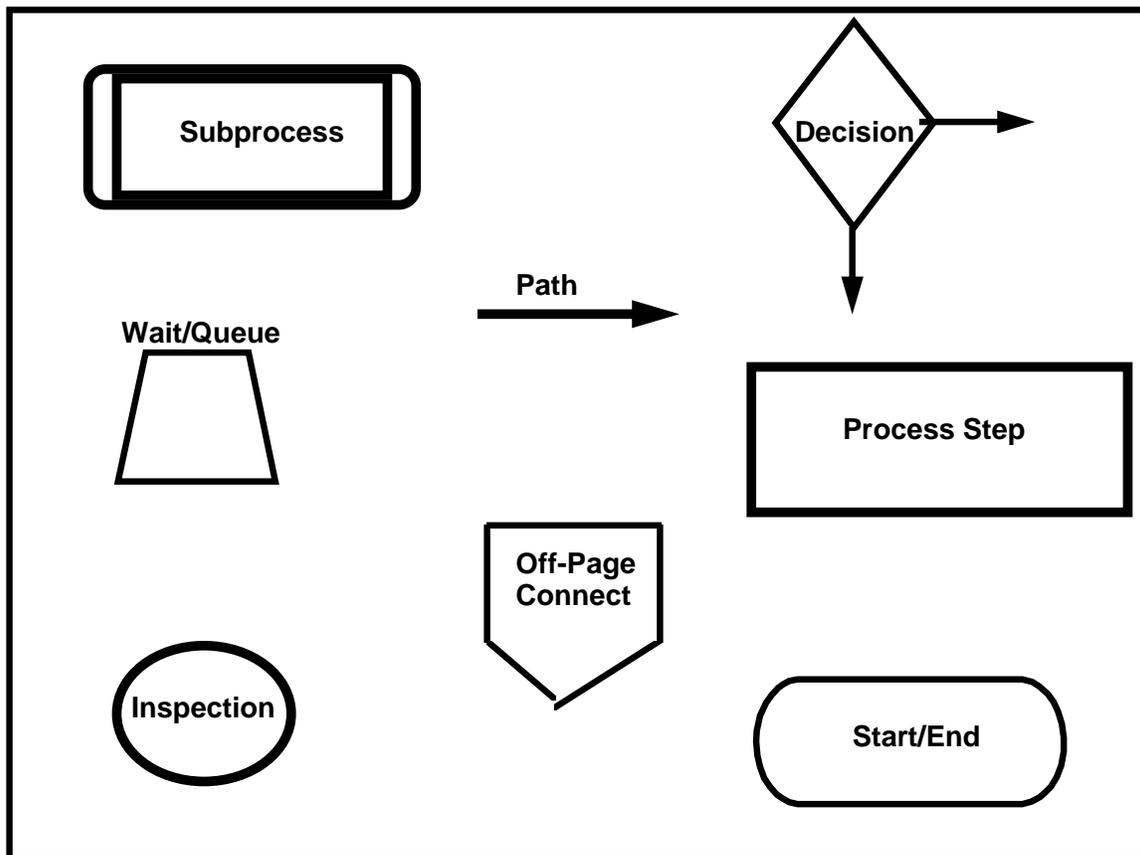
Customer Work Sheet

Who are your customers for this process?

- 1.**
- 2.**
- 3.**
- 4.**
- 5.**
- 6.**
- 7.**
- 8.**
- 9.**
- 10.**
- 11.**
- 12.**



Standard Process Mapping Symbols Used For Flow Charting





Who will be affected?

Who are the organizations within your agency that will be affected by this change and how?

1.

2.

3.

4.

5.

6.

7.

8.

9.

10.

11.

12.

MEASUREMENT

In order to measure the success of a program or project:

- Determine your **outputs** by asking: What are your final outputs (products/services)? What are you in business to provide?

Once your outputs are identified, consider the following categories for developing performance measures to determine how well you are providing your output.

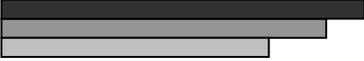
Quality	What are you trying to achieve with each output? What is important to customer(s)? Includes timeliness/cycle time.
Quantity	Number of outputs provided
Productivity	Number of outputs per FTE
Efficiency	Cost per output (including both direct and indirect labor)

- Determine **outcomes** by asking: Why do you provide the outputs (products/services)? What are you in business to achieve?

Once your outcomes are identified, consider the following categories for developing performance measures to determine how well you are achieving the desired outcome.

Effectiveness	How will you know if you have achieved your outcome?
Customer Satisfaction	What are your customer's perceptions relative to the outcome?

Once your performance measures have been developed, use one of the methods on the following chart (P-1-7-A) to establish your baseline. Repeat the measurements at appropriate intervals to track progress.



Planning Checklist

After you have completed Phase One, ask yourself these questions.

Do you have stakeholder commitment?

What is it? _____

Do you have a cross-functional team named?

Who are they? _____

Do you know the process that we're going to benchmark?

What is it? _____

Do you know who the process customer is?

Who? _____

Do you know the products or services delivered to the customer?

What are they? _____

Do you know the customer's expectations or requirements?

What are they? _____

Do you know how the process works? _____

Do you currently measure the process? How? _____

Do you know what our current process performance is?

What? _____

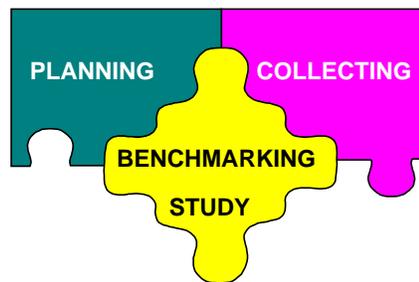
Do you know the performance goals?

What are they? _____

Do you know how the performance goals were established?

How? _____

Do you have an understanding of what you are looking for in the literature search?



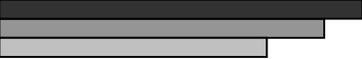
Phase Two

The Collecting phase is the phase where all the research is performed. In this phase you will perform your secondary and primary research. Your secondary research is a literature review and will be 80-85% of this phase and probably 80% of the whole study. You need to perform secondary research as thoroughly as possible and take as much time as needed. ***Do not rush this part of Phase Two.***

Primary research is the second major part of Phase Two. In Primary Research you contact outside organizations, you will perform surveys, interviews, possibly site visits (I say possibly, because not all studies need to include a site visit) and you will create partnerships with other organizations. Please review the Benchmarking Protocol at Attachment A before performing primary research.

The nine steps to follow during the COLLECTING phase are:

1. Develop criteria for secondary research.
2. Conduct an extensive literature review (secondary research).
3. Identify “best-in-class” and potential partners from secondary research.
4. Review legal and ethical issues and benchmarking protocol.
5. Plan data collection strategy for primary research.
6. Conduct primary research of potential partners and narrow list to actual partners.
7. Contact actual partners and ask more in-depth questions.
8. Prepare for site visits, if necessary.
9. Collect all data and prepare for Phase Three.



The following is a breakout by step with some idea as to what is involved in each.

1. Develop criteria for secondary research.

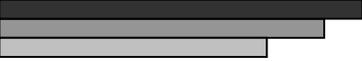
Before you start Phase 2, "Collecting", as a team you need to discuss the scope of the study and what type of information you will be looking for in your researching process. This is when you can narrow the scope of your study.

By developing a data collection form to be used by everyone, every team member will not need to read all the literature. They can read the completed data collection forms for information and if they need more information it can be discussed at the next team meeting or the team member can read the article, book for him/herself. A scoring mechanism on the form will indicate to the team what the team member reading the information thought of article/book and was it important to the study. (*Note: not all literature you review meets the scope of the study.*)

- Acquaint the team with the type of data that will be needed for the study.
- Develop standard questions and a data collection form for the team to use during literature search (See P-2-1).
- Develop criteria to rate prospective organizations (e.g., amount of employees required, workload, time constraints, company mission, size, and industry).
- Create a scoring mechanism so that you can rate the information reviewed, especially if they have information about an organization or person.

2. Conduct an extensive literature review (secondary research).

As mentioned above the secondary research or literature review is very important. This is where and when you find the information important to establishing who is the best or who is the best you can find connected with the process you are researching. In some studies a literature review team will start months before the actual study team so that the information is already collected for the study team when the study starts. This pre-review is helpful and can drastically cut down the time of the



study. A good researchist is very beneficial during this part of Phase Two.

- Use secondary resources (e.g., databases, industry/trade publications, government agencies, annual reports, seminars/conferences, networking, professional organizations, and books) to obtain information.
- Document findings and share with team members.

3. Identify “best-in-class” and potential partners from secondary research.

The whole objective of secondary research is to gather information about organizations that are performing at the top level in the process that you are benchmarking. Through the literature review you will identify organizations that are mentioned in several articles, books, papers or that have been written up because of their outstanding performance. These will be your potential partners.

- Identify best practice organizations and start the process of selecting potential partner(s) from the information gathered through the literature review.
- Select the organization(s) that best fits the requirements.
- Create a potential partner listing. (See P-2-2).
- Create a folder on each potential partner to file appropriate information (e.g. literature) collected.

4. Review legal and ethical issues and benchmarking protocol.

In the Benchmarking community everyone follows a set of rules and guidelines when dealing with other organizations. It is important that you know these rules and guidelines and that you follow them. (See Attachment B.)

- Review the Code of Conduct and The Rules of Protocol

Reminders:

- You are representing your organization each time you encounter a best-in-class organization, represent yourself well.
- Present yourself in a professional manner.
- Be well prepared.

- Be considerate of time constraints.
- Present yourself with confidence and enthusiasm.
- Ask only for information that you would be willing to share with them.
- Establish the rules up front with your partner and treat any acquired information as confidential.

5. Plan data collection strategy for primary research.

You must first decide as a team what type of method you will use to gather information and create that mechanism.

- Brainstorm as a team initial screening questions (See P-2-3).
- Test the effectiveness of your questions before using it with the organization(s).
- Design a rating scheme for data collected to determine actual partners (you can weight important questions).
- Make the appropriate preparations to contact the organizations for the purpose of validating/verifying the information you found and possibly obtaining additional information (Note: you might need OMB approval if you are contacting 10 or more of your customers).

There are several methods that can be used in data collection for Primary Research. Some of the more commonly used are:

Method	Advantages	Disadvantages
Survey	Useful if you have a large number of organizations that you wish to acquire non-sensitive information from in a short period of time. A survey can be used as a tool to help you narrow down your list of prospective partners by measuring your CSF's. If funding is a concern in your organization, then a survey is the tool of choice.	There is usually a low return rate and the inability to provide detailed information. Unless you have trained personnel who can develop a quality survey, you may run the risk of getting zero response.

Questions: A relatively small number of close-ended questions. As there is no immediate feedback, questions must be clearly written so that they are easily understood.

Recommended use: To screen a large number of potential partners. Ask a few vital questions aimed at selecting partners. Then follow up with a telephone interview or site visit.



Method	Advantages	Disadvantages
Telephone Interview	Enables you to obtain answers to questions from a variety of sources within minutes. Conducting interviews over the telephone could provide you with a three-hour extension to your business depending on your location within the United States. You also have great flexibility in the clothes you wear along with the location of the interview.	A downside is usually associated with poor preparation. Partners will show little interest in your project if you do not properly identify yourself or state your objectives up front or if you are not sensitive to their time constraints. Conversations on the telephone are usually limited in time and you will be subject to interruptions and then put on hold. Therefore, you will probably end up playing “telephone tag” with your partner in an attempt to complete one information-collection activity.
Questionnaire	Opens communication channels and develops a comfortable relationship with your selected partner(s).	Could backfire and produce tension that can threaten the amount of cooperation received from the partner(s).

Questions: A combination of open-ended and closed-ended questions. The questions should be specific, highly information targeted, and relatively short in length. Questions also must be relatively simple. Reserve complex and involved questions for a written survey or personal interview.

Recommended use: To obtain needed information. It also can substitute for a site visit.

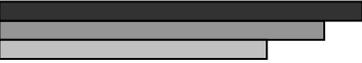
Method	Advantages	Disadvantages
Personal Interview/Site Visit	Very rewarding. They allow you to ask follow-up questions that will provide greater detail to the discussion. Information obtained through secondary research can be verified. The chance to observe the process in action and clarify functions within the process that is not fully understood.	A personal interview or site visit will require a greater amount of time in preparation and, depending on the location, it can be expensive.

Questions: Usually open-ended. Questions can be complex and include such visuals as process maps and charts.

Recommended use: Site visits offer the greatest opportunity to understand the processes and practices of others.

6. Conduct primary research of potential partners and narrow list for actual partners.

Now that you have created a list of your potential partners (from your literature research) and you have read the Benchmarking Code of Conduct, you are now ready to start Primary Research. As you perform this part of Phase Two be aware that it is very time



consuming, but can be very informative. This whole process is performed so that you can gather first hand information from an organization about how they actually perform the process that you are benchmarking.

To prepare, divide the names of the potential partners among your team members, so that everyone has an equal amount. Give the potential partner folders that have been created to the appropriate team member for review. You should know as much as you can about the potential partner before you contact them.

- Prepare for initial contact (e.g., telephone script, questionnaire (See P-2-4).
- Contact an organization and inform them of your intentions.
- Determine the level of interest.
- Inform them why you believe they represent a best-in-class organization.
- Verify information found during secondary research.
- Request their participation in the benchmarking study.
- Set ground rules regarding ethics and protocol so that both parties can clearly understand what is expected before any information is exchanged.
- Ask, mail or fax preliminary questions.
- Mail or fax a Letter of Introduction (See P-2-5).
- Offer a copy of your final report to them in appreciation for their cooperation and assistance in the study.

Note: Make sure that you ask if they can be contacted again, once you review the data. If they meet the criteria and become an actual partner you will want to talk with them again. You need to leave the door open.

7. Contact "Best-in Class" organizations and ask more in-depth questions.

Now that you have completed your first contact with the organizations and have collected data, it is time to analyze what you have collected and narrow the partner list to the 4-8 that really is the best for your process. You need to narrow the list because you will need to contact them again, for more information. Your task is not completed.

- Review responses to initial questions, as a team.

- Rate organizations, narrowing the list of potential partners to actual partners. (See P-2-6)
- Select best organizations for further dialog.
- Decide on data gathering mechanism to be used in further dialog with organization (P-2-7).
- Ask more in-depth questions.
- Document the findings.
- Determine if site-visit is required.

8. Prepare and conduct Site Visit.

If you have decided that there is a need to physically see the process and that tele-video conferencing will not help; it is time to prepare for a site visit. This is a very time consuming process and involves many steps. Remember you are on their schedule and must visit when they have time for you. Also remember, that some site visits are canned presentations and cost money. During these site visits you most likely will not get the information you need.

- Prepare for site visit. (See P-2-8)
- Collect logistics information (e.g., who you should talk with).
- Set a time and date for the visit.
- Determine with your partner the acceptable amount of people that may attend the meeting.
- Determine information exchange.
- Do a follow up call or mail a letter of confirmation just to verify that both parties are still interested and available.
- Prepare the team.
- Visit.
- Prepare the site visit report.



Literature Research Criteria Worksheet
(Internal Questionnaire)



Example

Mighty Ants

Training Team Literature Review Form

Please fill out the following information for each article, book, or report that you read.

1. Name of reviewer: _____
2. Date of review: _____
3. Data Information:
 - Name (i.e., article or book name) _____
 - Date issued or published _____
 - Author _____

Please circle one:

Book	Article	Report	Other
------	---------	--------	-------



4. Subject Matter: Please select (could be more than one)

<p>Competency Modeling (what is it, methods used in developing competencies, competencies considered)</p>	<p>Skills Assessment (types of methods used in assessing skills, tools used by others)</p>	<p>Training Curriculums (how are training curriculums developed, examples of training curriculums)</p>	<p>Training Delivery (how is training delivered to the employees (i.e., video, long distance learning, classroom, just in time, etc.)</p>
<p>Software Deployment and Training (how to deploy new software systems and provide training for the users)</p>	<p>Evaluation of Training Programs (methods used in evaluating the results of training and the return on investment to the agency)</p>	<p>Communication Strategies (how to communicate with/to others)</p>	

What was the reading about? (Give a short synopsis of the reading, (i.e., companies mentioned, methods used, examples of tools, the how, who, when, where type of information, any information that will help the other teams to make some decisions.)



5. Was this article informative and useful to a team? YES NO

If so, which team? Please Circle (can be useful to more than team)

Analyze Future Jobs	Assessment	Training Curriculum
Training Delivery	Deployment	Evaluation



Questionnaire Development

A questionnaire is the most critical tool for conducting primary research. Keep in mind that the questions you ask will determine what information you receive; what you ask for is what you get. Consequently, your questions drive your data collection and analysis. Also, a well-written and easily understood questionnaire can increase the willingness of a partner to participate.

➤ Introduction

To properly introduce the questionnaire, it should contain enough information to explain the topic of the benchmarking project, how to respond to the questions, and how the information will be obtained and used.

Components of the introduction may include:

1. For the participants, the instructions:
 - tell how to answer
 - indicate where to answer
 - provide the estimated time to complete
 - indicate the desired date by which the questionnaire should be completed
2. An indication that the Benchmarking Code of Conduct will be observed, and, if necessary, a discussion of the Code of Conduct.
3. A definition (boundaries, goal, outputs, etc.) of the issue/process being benchmarked. You may want to include process maps.
4. Definitions of “technical” process terminology to be used in the questionnaire. Try to use generic wording if possible, but where it is not possible, define terms.



➤ **Questions**

Expect to reexamine and reclarify your goals as you formulate questions. You also may need to take another look at your process. This is a natural and crucial part of developing questions.

Additionally, although you will develop questions for your entire scope you might submit a subset of the questions to a given partner, depending upon how and where they are determined to be “best-in-class.”

➤ **What do you want to know.**

To be able to use the information you gathered to make improvements, questions should focus on the following issues:

1. What results do “best-in-class” companies produce that you don’t?
2. How efficient and cost effective are "best-in-class" companies compared to yours?
3. How are “best-in-class” companies work processes and methods different from yours?
4. How do “best-in-class” companies support these processes?
5. How does the organization of “best-in-class” companies differ from yours?
6. How are the philosophies or strategies of “best-in-class” companies different from yours?

➤ **Types of information**

To answer the questions above, we need the following types of information:

1. How well is the process performed (performance measures)?
 - What are the measures?
 - What dimensions are measured?
 - What is the current performance?
 - What are the historical trends?



- How are the measures defined?
 - How are the measures calculated?
 - How is the data collected (how taken, frequency, etc.)?
 - How reliable is the data?
 - How is the data reported?
2. How is the process performed?
- What are the work process and methods?
 - What are the roles of those involved?
 - What knowledge and skills are required?
 - What resources are involved?
 - Where is the process performed?
 - When is the process performed?
3. What structures enable the performance of the process?
- What training is required?
 - What is the compensation?
 - What recognition is there?
 - What is the organizational structure?
 - What are the supporting communications?
 - What are the interrelationships?
4. What is the underlying culture?
- What are the organizational values?
 - What are the organizational strategies?
 - What is the management style?

NOTE: To fully understand a process you must broaden your outlook to encompass the structure and culture which enables the process to succeed. The process itself does not stand alone nor can you copy the process without understanding its full context. To “adapt, not adopt,” as Deming advised, requires understanding the supporting structure and culture which enable a process to be “best in class”. Consequently, questions about structure and culture are critical.



➤ **Types of questions**

There are two types of questions:

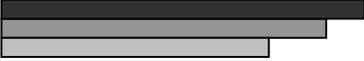
1. **Open-ended:** Open-ended questions require people to answer in their own words. Open-ended questions do NOT have any pre-developed answers, unlike multiple choice. An essay question is an example of an open-ended question. To maximize the potential of open-ended questions, avoid verbs like do, as is, are. Such verbs elicit straight yes/no responses. Focus on how, what and why to elicit detailed answers.
2. **Closed-ended:** The person chooses an answer from the ones you have provided. Multiple choice questions are an example of a closed-ended question. Others are yes/no questions and scales.

There is no single right answer as to when to use which type of questions. Some suggestions are as follow:

Use open-ended questions when:

1. You are in an exploratory and discovery mode
2. You want to uncover new information and new issues you did not know previously
3. The information you need is descriptive in nature, such as how a process is performed
4. You need input for developing closed-ended questions
5. You are conducting a face-to-face or telephone interview

The strength of an interview is the ability to ask open-ended questions and to follow up on the answers. Asking close-ended questions during an interview minimizes the strength of the interview format. Closed-ended questions can be sent before the interview. If there are any answers to closed-ended, questions, which need to be discussed or clarified, they then can be discussed during the interview.



Use closed-ended questions when:

1. You have a good idea of what information you need
2. The desired responses can be answered quickly

➤ **Process for developing questions.**

- Brainstorm questions.
- Do a group affinity diagram.
- Develop a list of goals upon the groupings of the questions.
- Develop a matrix of the goals and the questions. Down the left hand side of the matrix list your goals. Then determine which goal each question addresses and put the number of the question beside each goal.
- Check that you have enough questions for each goal. Develop additional questions, if necessary.
- If you are benchmarking a process, check to see that all questions are related to a process map or a map of an organization system.
- Decide which questions are essential and which are non-essential. Delete the non-essential questions. Be ruthless. There is no room for nice-to-know information.
- Redo the matrix to ensure all goals have an adequate number of questions. If benchmarking a process, check again that you have a good mix of process and process enabler questions and also that all questions are related to a process or organization system map.
- Put the questions into a logical sequence; categorize into meaningful subsections where appropriate. Begin with easy questions. Place the more important questions in the middle of the survey and the demographic questions at the end. At this point you also may identify redundancies to be deleted.
- Critique the questions themselves, using the guidelines for common pitfalls in writing questions. Also check that all of your questions are impartial and non-leading.
- Pilot the questions. Depending upon the outcome, you may need to rework the questions--rewriting some, adding some new ones, and perhaps deleting some. Also ask yourself, "Will my partner be capable of answering these questions?" and "Are there any reasons why a partner would not answer a question?"
- Using either data from the pilot or fake data, analyze the answers to the questions. At this point you may need to rework the questions--rewriting some, adding some new ones, and perhaps

deleting some. Ask yourself, “Do these questions get us the information we need?”

- If necessary, tailor the question set for a specific partner.

Remain open to changing the questions as you collect data. However, keep in mind that if you have already collected data from a partner, you may need to revisit them to ask any additional questions you develop later.

➤ **Pitfalls to avoid in asking questions**

- Did you use words that could mean different things to different people? (In a customer survey, for example, “*timeliness*” can mean either that you got the product or service when the supplier promised delivery or when you actually wanted it. Such words make it impossible to interpret the results because you don’t know how your partner interpreted the question.)
- Does the question actually ask more than one thing? (Did you receive your order on time and was it accurate?)
- Is the question too vague? (Is life treating you well?)
- Is the question too precise? (How much did you spend in the cafeteria five years ago?)
- Is the question biased? (Which group of idiots is responsible for the incredibly high rate of inflation?)
- Is the question too demanding? (Below are 35 factors relating to customer satisfaction. Rank them in order of importance to yourself, your organization, and national security.)
- Would you be comfortable answering this question yourself? (The last time you murdered someone, what type of weapon did your use?)
- Does the question contain abbreviations, jargon, or unconventional phrases?
- Is the question too long? (How do you feel about the United States’ current and complex foreign policy regarding the varied rates of tariffs on foreign goods and services coming into this country?)
- Are there any double negatives, which confuse people, in the question? (Would you not buy the lawn mower if it were not cheap enough?)

- Have you defined all key terms? (What procedures should you follow to ensure TEMPEST requirements are met?)
- Have you used simple and direct wording? (How many people on your current payroll do you pay?)
- Have you used moderate rather than extreme phrasing? (Is the response time from your vendor all you could expect?(extreme) Is the response time from your vendor reasonably good?(moderate))

➤ **Sample Questions**

- What is your process?
- What is the purpose/application of this process in your organization?
- How would you describe this process?
- What works/worked well?
- What is/was not working well?
- What major improvements are planned in this area?
- Is there a flow chart for this process?
- How was this process deployed throughout your organization?
- How well does this process perform over time and at multiple locations?
- How do you measure process performance? What are the key measurements?
- What are your organizational values?
- How much and what type of training do you provide for this process?
- What lessons have you learned that would be valuable to pass on?

➤ **Question Format**

- Organize the questions so that they follow a logical flow
- Start and end with “easy” questions

➤ **Tips for analyzing and reporting the answers**

Before asking the questions, have your analysis and reporting already planned out so that you can analyze and report as quickly as possible. *Data ages; its shelf life is short.* Once you have the data in hand, you



have no time to waste in such details as what software package will be used to prepare the report and who will actually process the report.

Code your questions so that responses can be organized according to the original set of questions. Compile the responses in a response table.

Guidelines for Initial Contact

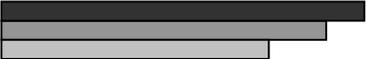
Prepare carefully before contacting any potential partners. First, review the Benchmarking Code of Conduct. It is the protocol that governs all benchmarking exchanges.

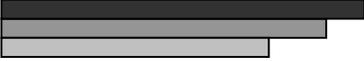
Additionally, potential partners require information so that the request can be routed and evaluated and a timely decision can be made concerning partnership. The more information provided, the more likely it will be that the potential partner will respond positively. One piece of information that is critical is your questionnaire. Have your questionnaire or at least a draft ready before you call. You also should have a short description of your project.

➤ **Prepare a Script before contacting organizations**

Using the following (some are optional) elements to prepare a script before you start to talk with anyone. (Note: Once you are comfortable you don't always follow the script but adlib and follow the lead of the person you are talking with. The important thing is to make sure you say the important things and are consistent with all you talk with.

- Name and description of your organization
- Name and description of the process/function/area to be studied
- Goals and purpose of the study
- Intended use of the information to be obtained
- Why the potential partner has been selected
- Other targeted companies and/or industries to be contacted
- Other companies/organizations which have agreed to participate
- Current status of the requester's benchmarking study
- Current status of the requester's internal analysis
- How the requester's process has been documented
- Key performance metrics associated with the study
- Status and nature of questionnaire development and the actual question set
- Desired time frame/project schedule
- Suggested formats for information exchange (mail questionnaire, telephone interview, site visit, sharing of process documentation, video conferencing, conference call)

- 
- Limits or restrictions on information exchange; suggested terms for confidentiality (use of non-disclosure agreements, etc.)
 - All participants' adherence to the Benchmarking Code of Conduct
 - Any involvement of a consultant
 - Advantages to the potential partner for participating (Will the final report be shared with the study partners? Do any of the requester's practices offer an opportunity for a reciprocal exchange?)



Telephone Script

Example of Script Package

Before you contact any organization prepare a package of information on each of the organizations that you will contact. If you recall I mentioned earlier that you should have a folder on each organization and in it should be the appropriate literature review and any other information you might have. You should also have the literature review sheets on the organization so you can see the data that was collected. Before you contact the organization try to answer as many questions as possible on the questionnaire. Then during the interview validate this information.

Things to be aware of before you make the contact:

- Don't scare them off. Don't start out by saying that we are looking for "benchmarking partners", this may be more than an organization wants. It would be better to secure the organizations general interest, before detailing the needs of the study.
- Convey your knowledge of the organization and their particular area of success. The individual you speak to may be more willing to work with you if they feel you have researched their company.
- Connect with the person on the telephone. Gaining entry into an organization may depend on how effectively we interact with and respond to initial contact.
- Emphasize convenience of the proposed exchange, advantages of participation, confidentiality of the process, and if necessary - that we are adhering to the Benchmarking Code of Conduct.
- Keep in mind the target company's priorities and schedule. Remember that the target organization has the option to say "no" or ask for flexibility concerning the terms and conditions of the collaboration.



Folder Cover Sheet

DATE OF INITIAL CALL: _____

ORGANIZATION: _____

SUBJECT MATTER: _____

POC NAME: _____

POC TELEPHONE NUMBER: _____ FAX: _____

E-MAIL ADDRESS: _____

MAILING
ADDRESS: _____

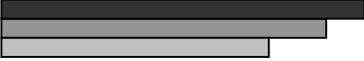
WAS CALL COMPETED: YES _____ NO _____

DATE OF RETURN CALL: _____

NOTE: Place a copy of this cover on each folder and fill it out before you make the call. This will allow you to keep a record.

Also, if you are participating in a telephone interview list each question separately on a sheet of paper. This will give you plenty of room to enter their responses.

If through research you have answers to some of the questions, make notes so that you can verify the information with the potential partner. This also lets them know that you have done your homework.



Script

Example

Hello. My name is ____
and I am with the _____. Currently we are
examining and rethinking our *Human Resource systems and management
structure*. A critical part of this effort includes looking at “Best Practice”
companies who are leaders in _____. Based on our
teams literature research, we have identified your organization as a
leader in this area.

I would like to ask you (*or the appropriate person*) some questions that
will take about 30-40 minutes. Is this a good time or can I make an
appointment for a time more suitable for you. Would you prefer to see
the questions first? (*If so fax the questions and a Letter of
Introduction*) Make an appointment to talk after the questions have
been reviewed. (*If the organization seems reluctant to make an
appointment, this might be the time to see if they are interested. If
they are not, say thank you and good-bye.*)

If they agree to the interview inform them:

- The questions we are asking are just initial questions. Once we
have analyzed the answers we might like to ask more in-depth
questions.
- Before the final report is printed all participants will get to review
the draft and make edits.
- In return for your participation we will send you the final study
report.
- We will be sharing the report with other organizations that have
participated. (If this is what you decide to do)
- We would like to have any information on experiences, as well as,
any documentation you might have.
- We recognize confidentiality issues and time constraints.
- We will adhere to the Benchmarking Code of Conduct and will be
flexible concerning any terms and conditions.
- Before I begin the questions, do you have any questions of me? (If
they do, answer their questions as best as possible. If you can't
answer the questions, note them and respond later.)
- At this point confirm the information you know about this
organization and then proceed with the interview.

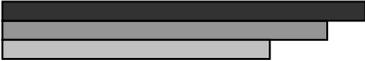
Letter of Introduction

Before the initial contact is made, a benchmarking contact letter should be prepared. Following the contact, if there is any interest, fax a letter IMMEDIATELY! Also be prepared to fax questions and a description of the project. In some instances an e-mail can be used.

The contact letter should include:

- Objective of the benchmarking study
- The reason the benchmarking partner was chosen
- A brief description of your organization
- Topics and process areas of interest
- List of specific questions to be addressed
- Invitation to reciprocate with information on the internal process
- Intention to share findings of the benchmarking exchange after analysis
- Benefits to both parties
- If attaching a mail survey, a deadline for response and the return contact information

See the next page for an example of a letter used in a previous study.



Letter of Introduction

Example

September 21, 1995

Patent and Trademark Office
Center for Quality Services
ATTN: Norma Jo Greenlee
Crystal Park One
2011 Crystal Drive
Suite 812
Arlington, VA. 20222

Dear Mrs. Greenlee:

Thank you for agreeing to answer the questionnaire pertaining to Self-Managed Work Teams (SMWTs). As I mentioned on the telephone the Patent and Trademark Office (PTO) has decided to research the possibility of introducing SMWTs within our organization. Any information that you can provide will be greatly appreciated. We appreciate the opportunity to learn from you in this reinvention endeavor.

The questions attached are the initial questions that we are asking all organizations we are contacting. If your organization meets the criteria, we would like to ask follow-up questions at a later date and in return we will send you a copy of the final report.

We recognize confidentiality issues and we will adhere to the Benchmarking Code of Conduct.

Thank you again for your participation in this study. By all of us helping each other, we can make a difference in our federal government, and in the lives of the American people.

Patrick Zodiac

Ranking Work Sheet for Acutal Partners

<u>Potential Partner</u>	<u>Pros</u>	<u>Cons</u>	<u>Ranking Order</u>
_____	1. _____ 2. _____ 3. _____ 4. _____	1. _____ 2. _____ 3. _____ 4. _____	_____
_____	1. _____ 2. _____ 3. _____ 4. _____	1. _____ 2. _____ 3. _____ 4. _____	_____
_____	1. _____ 2. _____ 3. _____ 4. _____	1. _____ 2. _____ 3. _____ 4. _____	_____
_____	1. _____ 2. _____ 3. _____ 4. _____	1. _____ 2. _____ 3. _____ 4. _____	_____
_____	1. _____ 2. _____ 3. _____ 4. _____	1. _____ 2. _____ 3. _____ 4. _____	_____

Data Collection Mechanism for Primary Research

Conducting A Telephone Interview

Telephone interviews need to be specific, information targeted, and relatively short in length. Questions must be relatively simple. Reserve complex and involved questions for a written survey or personal interview.

- Prepare the interview questions in advance and pre-test them on the telephone in one's own company.
- Prioritize the list of interview candidates and contact the most important contacts first. The most important often provide the most relevant and useful information.
- Try to ask for a specific individual. Perhaps the most difficulty is in locating the right person who has the knowledge and can answer the questions.
- Use referrals whenever possible.
- Provide an estimate of the time needed for the interview. Busy managers often prefer to schedule a convenient time for the interview.
- The interviewer may need to assist the respondent by sharing information and explaining what information the interviewer needs. If a respondent does not understand a question, the interviewer may need to clarify it; at times this is best done by sharing early research findings and operating experience that provide examples of the type of information you are seeking. The interviewer can also provide answers with options or ranges.
- It may be necessary to provide an incentive to the respondent to gain cooperation or coordinate responses within the company. Sometimes a copy of the results is good enough.
- Conduct the interview so that it has three stages: opening, data collection, and closing. During the opening, establish a rapport, explain who you are and why you are calling, and discuss the



ground rules. During data collection, get the answers to the questions. During the closing, thank the respondent and promise to follow up with feedback.

Conducting an Interview

These are general guidelines for conducting an interview and can be used for both telephone and face-to-face interviews.

➤ Before the interview

- Prepare a form for notetaking. The first page of this form should have the date, name of the interviewee, and interviewers. Every question should be listed with plenty of room to record the responses, as well as large margins to allow the person taking notes to record their own comments.
- Select teams for interviewing. Have at least two people on each team, one will ask the questions and one will take notes. (This can also be done individually.)
- Practice conducting the interview.
- Have team members practice different roles.
- Following the practice interview, have your team discuss the interview.

➤ During the interview

- Establish the context and build rapport. Exchange introductions.
- Emphasize the need to ask all of the questions.
- Clarify objectives.
- Confirm the agenda. Establish a relaxed, trusting atmosphere.
- Stress the confidentiality of the interview.
- Conduct the interview.

The following general instructions for conducting the interview are followed by suggestions for how to respond to inadequate answers with probes.

- Ask one question at a time.
- Listen. Listen. Listen. Give them time to respond. Silence is your ally, not your enemy. Use it.
- If necessary, rephrase questions for better understanding.

- Explore! If you identify an important point, ask questions. Do NOT adhere to the planned question set at the risk of missing something important.
- Listen for any second-level meanings beyond the interviewee's exact words.
 - ◆ Frequently confirm what was heard.
 - ◆ Be willing to accept "roughly right."
 - ◆ Ask for specific examples and details.
 - ◆ Look for opportunities for quantification. If direct measures are too sensitive, use substitutes.
 - ◆ Keep the interview focused.
 - ◆ Follow up with probes when appropriate.

➤ **Probes**

A probe is a response aimed at having the interviewee give you a better answer. Sometimes the best probe is silence. Wait. In general, though, keep in mind that no matter how you phrase a probe, keep the probe neutral so that it does not lead to a particular response.

Examples of inadequate answers and suggested probes:

- If the interviewee fails to answer the question asked and answers a different question, ***repeat*** the question.
- If the answer contains unclear concepts or terms that make its meaning ambiguous, ask the following question:
How do you mean that?
- If the answer is not clear or specific enough, ask the following question:
Could you tell me more about that?
- If the answer is perfectly appropriate, but there is a possibility that the interviewee could make additional points, ask the following question:
Is there anything else?

The response "I don't know" is a special case. There usually are four different reasons why an interviewee might respond this way. The following gives those four reasons and suggested probes.

- It is the interviewee's way of saying "I am thinking about it and will answer in a minute."

Wait. Then repeat the question.

- This is a new thought for the interviewee. They may be able to answer after a few minute's thought.

Encourage them to respond, emphasizing that they are uniquely qualified to provide information. Repeat the question.

- The respondent knows an answer, but thinks it is not specific or accurate enough.

Be reassuring. There are no right or wrong answers. Repeat the question.

- This response is a valid, thoughtful response to the question.

Write down the answer and proceed.

➤ **Record and analyze the answers**

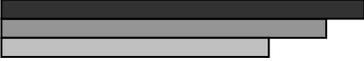
- As much as you can, write down the interviewee's responses verbatim. However, do not let note taking hamper the interview.
- Leave wide margins so that you will be able to insert your own comments and insights.
- If you have an important idea, write it down IMMEDIATELY.
- Immediately after the interview, write down your notes and thoughts. If you wait, you will forget them.
- Talk to your team about the results.
- Look for common themes.

➤ **End the interview**

- Summarize the information and check your understanding.
- Answer any questions the interviewee has.
- Provide positive feedback on the interview.
- Explain how the findings will be disseminated.
- Thank the interviewee.

➤ **After the Interview**

Immediately following the interview, the interviewing team must meet, view the notes, and write an initial summary of the interview. **DO NOT PUT THIS OFF UNTIL LATER!** If you wait, you will forget important information.



Conducting A Teleconference

- Publish the agenda.
- Let each participant know who will be in attendance and what their role will be.
- Agree beforehand what you will use for a memory system.
- Before the meeting begins have participants and materials situated around the microphone so that everyone has access to it.
- Pay attention to the placement of books, papers, pencils, cups, cans, etc. Do not place them close to the microphone.
- Come prepared.
- Stay organized.
- Stick to the agenda.
- Make sure you have allotted adequate time for the meeting.
- Remember that transmissions are one way. Two people can not speak at the same time and be heard.
- Always pretest your questions on the phone.

Preparing for a Site Visit

Site visits are expensive for all concerned. For those visiting, there are travel costs and preparation. For the host, there is the time invested in both the preparation and the hosting of the visit. However, it can be the best means of sharing information. Given both the expense and the potential benefits, prepare carefully and thoroughly for the site visit. Although these guidelines are lengthy, it is best to be thoroughly prepared.

➤ Before the visit

- Provide information on your organization to your partner.
- Consider scheduling a pre-visit to handle logistics and clarify the purpose of the study with all participants.
- Review all available information about your partner. You should know the size of their business, the industry in which they operate, the type of ownership, the organizational structure, the style of manufacture, and your estimation of their core competencies.
- If possible, evaluate your partner's culture--how formal is their culture, what sort of participation is common in their decision making process, and what is their communication style.
- Determine what, if any, audiovisual equipment will be needed and make sure the partner will have it available.
- Offer several choices of dates on which to visit.
- Develop an agenda for the meeting. Discuss this with your partner. Once finalized, give it to your partner at least two weeks prior to the meeting. Include the type of meeting you want, length of visit, and what you want to accomplish.
- Develop a list of attendees for the meeting and give this to your partner at least two weeks prior to the meeting.
- Develop a list of questions and give those to your partner at least two weeks prior to the meeting.
- Ask only for information that you are willing to share yourselves. Be prepared to give your own answers to the same questions.
- Determine the roles of team members:
 - ◆ Who will be the team leader?



- ◆ Who will be the discussion moderator?
- ◆ Who will be the recorder?
- ◆ Who will be the timekeeper?
- ◆ Plan to have members ask questions relating to their respective areas of expertise since it will be their responsibility to understand and effectively evaluate the data gathered and apply it in the analysis. If these people have not conducted an interview before, train them.
- Have team members review all questions and know their organization's answers to the questions.
- If you are a customer of this partner, invite the local sales representative or account manager to attend.
- Determine if any information to be requested or shared is proprietary or classified information. If so, establish how confidentiality will be maintained.
- Plan to exchange business cards.
- Develop a briefing package.
- Set up and hold internal visits to collect information and to evaluate your approach to gathering information.
 - ◆ Do you know how you would respond to each question?
 - ◆ Does the internal organization have any trouble in understanding the questions?
 - ◆ Review and critique your input and then make appropriate changes to the questions.
 - ◆ If the internal organization is interested in participating, define their roles and responsibilities.
- Send a letter to confirm the visit. The letter should include:
 - ◆ Introduction
 - ◆ Thank You
 - ◆ Information on who will be attending
 - ◆ Logistics (name and telephone number of the hotel, arrival and departure times, appropriate airline information, questions for the meeting)
 - ◆ Confirmation of where you will first meet, such as "We will meet you in the lobby at 8:15 on Tuesday morning."



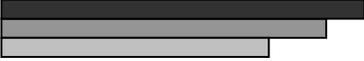
➤ **During the site visit**

- Introduce team members. Each member should explain their functional role, responsibilities and their objectives in the benchmarking effort. Asking the benchmarking partner to do the same will ensure the correct people are in attendance before starting the session.
- Identify team roles within the interview team.
- When appropriate, spend some time socially to develop rapport. Food is excellent for facilitating social rapport.
- State the objectives of the visit and the process to be followed.
- Reconfirm the agenda and make sure everyone has copies.
- Review benchmarking project description.
- Communicate why the company was selected.
- Follow the list of questions submitted, asking only one question at a time. Begin with open-ended questions on general areas of interest before proceeding to specifics. As questions are introduced, defining a specific operations or processes will eliminate any confusion between company-specific terminology and clarify who should be responding with the required information.
- Use the questions to drive the meeting. Make sure everyone has copies.
- Don't ask for information we would not be willing to share ourselves.
- Caucus and regroup at breaks
- Travel in pairs or small groups during any site tours. This offers advantages: one person can take notes while another talks; the team can split up to observe different operations; team members can validate important points and observations.
- Before closing with a review, have the team meet to ensure that all questions have been answered thoroughly and to develop any additional questions which should be addressed before the session ends.
- Close with a review. List any follow up issues to be completed/clarified.
- Thank them for their time, effort and cooperation.
- Offer a reciprocal visit.



➤ **After the site visit**

- IMMEDIATELY following the meeting, review notes and write up initial findings. This should take 1-2 hours. Ask the following questions:
 - ◆ What new things were learned?
 - ◆ What differences are there between our practices and theirs?
 - ◆ Why is this organization successful?
 - ◆ Did everyone come away with the same understanding?
 - ◆ What are potential practices for implementation?
 - ◆ What follow-up activities are needed?
 - ◆ Do we need any additional information?
 - ◆ Who will perform them?
- Write a trip report summarizing the site visit findings. The trip report might include:
 - ◆ Contacts within the partner company
 - ◆ Process flows and supporting documentation
 - ◆ Measurements related to the process
 - ◆ Enablers and disablers that were observed and documented, such as organizational culture, appropriate support structures and employee attitudes, etc.
 - ◆ Applicable practices for potential implementation
 - ◆ Lessons learned during organizational change, if applicable
 - ◆ Confirm the accuracy of the trip report with the partner.
 - ◆ Send a letter of appreciation for the visit.
 - ◆ Follow up on any requests for information or promises to provide information.

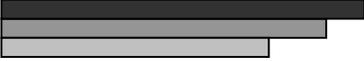


Briefing Package

Before going on a site visit, a briefing package should be prepared and given to all team members and the benchmarking partner.

The briefing package should contain the following:

- Logistics
 - Schedule
 - Location of meeting
 - Purpose of meeting
- Overview of your organization
- Meeting materials
 - Agenda
 - Questions, if not already sent
 - List of attendees and their biographies
 - Examples of any flowcharts and/or diagrams that you will be asking for or referring to



Biography

Biographies should be included in the briefing package. Include one for every team member going on the visit. The biographies should be kept brief (2-3 paragraphs) and should include the following information:

- Name of person
- Position currently held
- Description of the responsibilities of the position
- How long the person has held that position
- Brief description of the person's career prior to current position

Example of a Biography

Mickey Mouse

Mickey is currently the Chief Greeter at the Disneyland location for Walt Disney, Inc. He has been with Walt Disney his entire career, which spans over four decades. His duties include managing the happiness of incoming customers, as well as the attitudes of the 100 or so characters of which he is in charge.

Prior to his current position, Mickey held a variety of jobs with Disneyland. He started out as a critically acclaimed actor in several Walt Disney films. He then used his stardom in the capacity of a greeter at Disneyland when it first opened. After several very successful years, he then was promoted to his current position, which he has held for the past 15 years.



Collecting Checklist

After you have completed Phase Two, ask yourself these questions.

Do you know which organizations perform this process better?
Who? _____

Do you know which organization is the “best-in-class” in
performing this process? Who? _____

What can you learn from this organization? _____

Do you know who to contact to determine if they are willing to
participate in a study with you? Who? _____

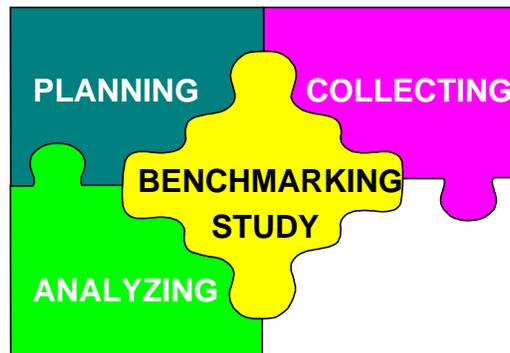
Do you know their process? _____

Do we know their performance goals? _____

Do you know how well their process performs over time? ____

Do you know how they measure their process performance? ____

Do you know what enables the performance of their process?

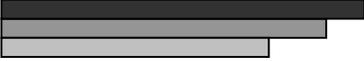


Phase Three

The Analyzing phase is the phase where the data collected is gathered and the findings are determined. In this phase you will review all the data to ensure that you have the right kind of data to make decisions. You will look for the enablers from the "Best-in-Class" organizations to see if they are something that you can bring into your culture and that can be implemented without too much problem. And lastly, you will compare your performance measures of the process against those from the "Best-in-Class" and show the benchmarking gap.

The nine steps to follow during the ANALYZING phase are:

1. Determine if all data is meaningful.
2. Determine partners processes.
3. Organize and reformat the data to show gaps.
4. Normalize performance data.
5. Compare measurements and project performance.
6. Isolate process enablers and evaluate the nature of the enablers and the best practices.
7. Summarize partners methods.
8. Set goals to reduce, meet and then exceed the performance gap.
9. Incorporate organizational culture and structure during modification of enablers and best practices.



1. Determine if all data is meaningful.

The first step is to determine if the data that you collected is what you need. In some instances you might ask the wrong questions and get information that is not relevant to the scope of your study. If you have gotten data that you cannot use, don't try to use it. If you have no data that you can use, then you will need to revisit your data collection mechanism and change it. Once you have done that you will then need to contact your partners again for further information. *(Note: This is why you would test your collection tool before you use it - to make sure your getting the right kind of data.)*

- Eliminate inaccurate, false and irrelevant data.
- Determine if any of the information needs to be rechecked or eliminated from the study.

2. Determine partners processes.

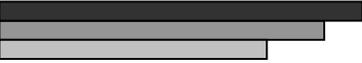
It is important by analyzing the data to see if you can determine what the partner's processes were that enabled them to be the best. Sometimes it is difficult to see the processes as a separate entity, because they are usually talked about as a unit. It is important for you to separate the process into parts; parts that can be analyzed individually.

- Look at the data to analyze the process studied.
- Dissect the process into parts instead of looking at it as a whole.

3. Organize and reformat the data to show gaps.

As you organize the data try to put it in categories that will show the benchmarking gap between your data and the "Bests" data. This gap is the difference between your organization's data and the other organization's data. Sometimes your data might be the best, but in most instances you wouldn't be performing this study if you thought you were the best and you didn't think that you needed to improve.

- Consolidate the information and develop a uniform method of organizing incoming data.
- Organize the information so that it is easy to read and understand.
- Break up the data into distinct subgroups, this will help identify performance variations and also similarities in pattern development.
- Identify patterns, eliminate companies from consideration and determine that some additional data collection may be required.



4. Normalize performance data.

Now that you have collected the data from all these organizations you will notice that it all looks different. That is because not everyone uses the same methods in collecting their performance data. In order for this data to mean something to you, you will need to "Normalize" the data. Make it look the same so that you are comparing apples to apples and oranges to oranges. Some of the data will not be able to be normalized and then you will need to make a decision as to how you will want to handle that.

- Convert data into common denominators that make meaningful comparisons, normalize data onto an equal basis. Common normalization factors include scale, age and economy (See P-3-1).

5. Compare measurements and project the performance.

In this step you will compare the measurement data. You will try to see where you and your organization stands in regards to those you benchmarked with. Were you as bad as you thought or were you better?

- Perform a gap analysis (See P-3-2).
- Project the benchmark into the future rather than just aiming at today's target.
- Project the gap three to five years from now because industry best practices will continue to improve.
- Define the goals that must be achieved in order to narrow the gap and reach superior performance.
- Identify the enablers to help you reach superior performance level.
- Use historical data to find trends and business developments that will allow you to forecast what the required levels of performance will entail for the future in order to equal the competition.

6. Isolate process enablers and evaluate the nature of the enablers and the best practices.

One of the most important things that you need to discover during the benchmarking study is what is the enabler of the "Best-in-Class" organizations. What enables them to be so good? What in their process is so good that enables them to exceed beyond their needs and expectations? This is what you need to know and what you need to take back to your organization. *(Note: Remember, you can't just take a whole*

process from one organization to another. You need to dissect the process and find the best in each organization you study and build a process that your organization and culture will accept.)

- Determine the enablers behind the performance of the benchmark measure (See P-3-4).
- Understand these enablers so you can adapt the practice from the best-in-class organization to your organization.
- Use the process enablers you discovered during your analysis to drive the development of your improvement goals.
- Rank the enablers based on those having the largest impact on closing the performance gap.
- Determine if the identified best practice or enabler is adaptable to your business culture.
- Consider if the enablers (variables) are controlled or not.
- Sort the enablers according to the cost required for implementation and select those that will have the greatest impact on customer satisfaction.

7. Summarize partners methods.

Review all your data and summarize what you have found. If you have gaps now is the time to call your partner to answer any questions that you might have.

8. Set goals to reduce, meet and then exceed the performance gap.

As you look at what the current performance measures for your process are and you look at what the "best-in-class" is doing you need to decide what would be a realistic goal for your organization. The goal needs to be a stretch goal, but one that you think can be attainable. Remember you can always raise the bar, but it is very difficult to lower it.

- Establish realistic goals that provoke a lesser degree of resistance from within the organization; base them on proven performance exhibited by the best practice organization (See P-3-5).
- Don't set goals on historical data or assumptions about inflation or market growth.
- Re-examine your existing goals.
- Incorporate the results of the benchmark study into the existing units of measure, rather than developing new statistics. This will enhance the degree of acceptance within your organization.

- Address the impact the change will have on the process owners, other offices, meeting customer requirements and the cost to implement.
- Focus on the few that will greatly help close the gap.

9. Incorporate organizational culture and structure during modification of enablers and best practices.

As you review your findings and perform analysis, remember the culture of your organization. Try to picture how this change will work in your organizational culture and will it be accepted. Look at the enabler closely of the "best-on-class" organizations to see how it works in their culture and, is your culture that much different.

- Understand and recognize the unique culture that is typically defined by factors such as form of ownership, organizational structure, communication style and degree of trust.
- Recognize the flexibility of your organization to incorporate change and adapt best practices.
- Beware of the diversity aspects.
- Ensure internal communications.
- Instill mutual trust.

Normalization Process

Example

Listed below are three popular department stores involved in a study. You have decided to compare “Revenue per employee” and “Revenue per store”.

	REVENUE	
	Per employee	Per store (millions)
Nordstroms	\$145,000	\$25
Macy's	\$110,000	\$50
JC Penney's	\$100,000	\$10

Looking at the above data does not tell much about these companies. To make valid comparisons between these companies normalize the data by asking the following questions:

- 1) How many employees per store?
- 2) How big are the stores?
- 3) How much merchandise?

Once these questions are answered factor in the necessary adjustments that will compare “apples to apples”.

Performing a Gap Analysis

To gain a clearer understanding of what you need to do to achieve your goals, you can perform a gap analysis. In a gap analysis you evaluate the level of your current performance and compare it to where you want to be or to another organization's performance. The difference between the two is the gap.

A gap analysis commonly indicates that your performance is below the desired level. However, a gap analysis can reveal that your performance is high—for example, you are ahead of your competition—in which case you would want to maintain or increase the gap.

To be effective, a gap analysis needs to address two areas: the magnitude of the gap and the reasons for the gap. Understanding the magnitude of the gap gives your perspective on the effort necessary to close or maintain it, while understanding the reasons for the gap points out the areas where you should focus your efforts.

Process for performing a gap analysis

- Graphically present your performance measure, showing both your current performance and the goals you have projected.
- Identify the magnitude of the gap in terms of the unit of measure.
- Using data collected from appropriate sources, determine the reasons for the gap. Sharing information and ideas in a team setting is extremely powerful.
- Prioritize the reasons for the gap.
- Summarize your conclusions. You will use these to determine what actions you should take to reduce, maintain, or increase the gap.

There are several techniques used to show performance gaps and to determine how to close the gaps. (See P-3-3)

Performance Gap Tools

Technique	Use
Matrix	To display specific measures for each organization.
Spider Chart	Outline key measures with those of best-in-class. The results will show the gaps in performance identifying strengths and weaknesses.
Line Chart	To compare one current measure with the best-in-class organization.
Root Cause Diagram (Fishbone Diagram)	A brainstorming tool that explores the possible causes of a particular effect. This tool is designed to show the possible relationships that may exist between variables.
Root Cause Analysis	A tool that is designed to explore the reasons behind a performance gap. This technique breaks down a gap into component causes and evaluates them each as an individual problem.



Spider Chart

A spider chart helps assess the competitive position across the key performance measures of the organization. By charting the organizations performance objectively the organization can identify areas where benchmarking is needed. A spider chart is a good tool for communicating the need for change to upper management.

Steps in using the Spider Chart technique are:

- Each spoke represents a measure (e.g., M1, M2, M3, M4)
- Assessment criteria is circular grades that improve as the radius gets smaller. Key measures are assessed across interval scales (e.g., 1 = excellent, 5 = improvement)

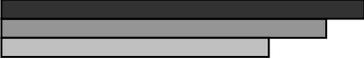
Cause & Effect Diagram Fishbone Diagram

A Fishbone diagram is a brainstorming tool that helps guide in organizing of thoughts. The Fishbone diagram takes a consequence and explores all its possible causes.

Steps in using the Fishbone technique are:

- Determine the problem or the goal that the team is addressing
- Put the problem or goal in a box to the right hand side of the paper and draw an arrow from left to right
- Decide major categories around this problem or goal. Typically these will include people, material, methods, equipment, and environment
- Place major categories in boxes and direct a branch arrow from each box to the main arrow. Brainstorm the causes under each category.

Remember the result should be a cure to causes not the symptoms.



Root Cause Analysis

Root cause analysis breaks down a problem into component causes. Each cause is evaluated as an individual problem to ensure that the root cause has been identified.

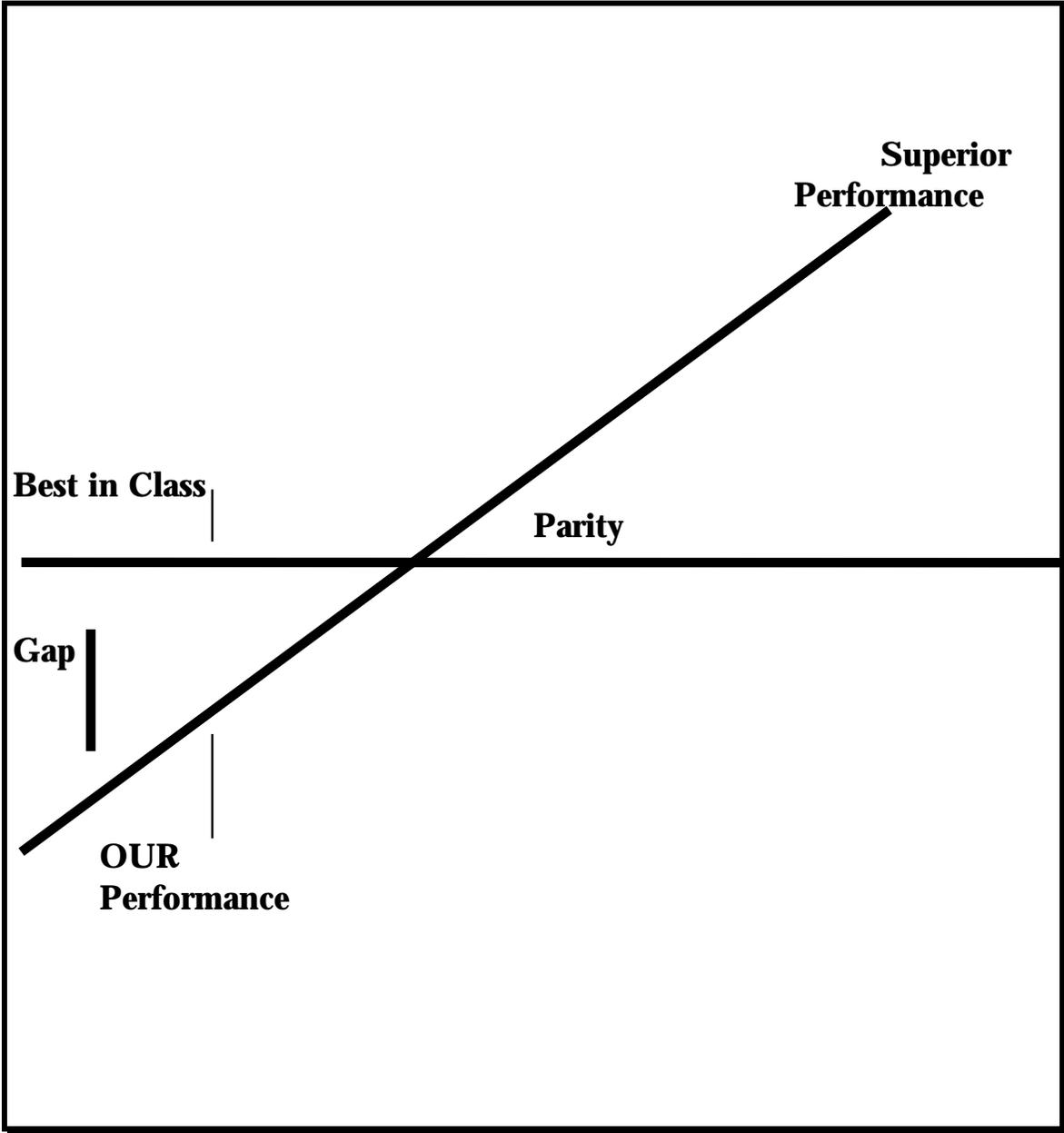
Steps in using the root cause technique are:

- Clearly define the problem
- List possible causes by using either brainstorming or a Fishbone diagram (see below)
- Explore the cause identified to the root
- Collect data to verify root cause
- Implement a solution and check periodically to ensure that the problem has been corrected

Ask yourself the question WHY until you get to the root cause?



Gap Diagram





Enabler Worksheet

Process/Service	Enablers
	<ol style="list-style-type: none">1.2.3.4.
	<ol style="list-style-type: none">1.2.3.4.

Process/Service	Enablers
	<ol style="list-style-type: none">1.2.3.4.
	<ol style="list-style-type: none">1.2.3.4.



Analyzing Checklist

After you have completed Phase Three, ask yourself these questions.

Do you know your process measures? _____

Do you know your partners measurements? _____

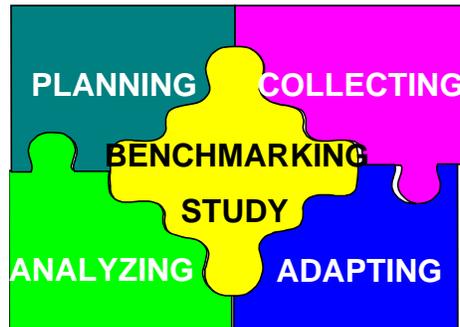
Do you know the performance gap? _____

Do you know the impact of the performance gap? _____

Do you know what characteristics distinguish their process as superior? _____

Can you adapt partners enablers?

Do you know what activities within your process are candidates for change?



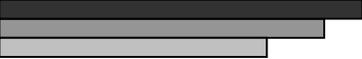
Phase Four

The Adapting phase is the phase where everything is pulled together. The study has been completed and a report has been written. The team has decided on recommendations. The recommendations are briefed. Most people think that this is the hardest of all the phases, because in this phase you are now sharing your findings with others and you think your findings and recommendations are good and you want to implement them.

It is in this phase you will see if you have the commitment from the leaders to make a change.

The nine steps to follow during the ADAPTING stage are:

1. Gain acceptance, support, commitment and ownership by communicating findings.
2. Develop an implementation plan.
3. Create a Steering Committee to champion the plan.
4. Communicate the plan to all those affected.
5. Obtain resources required for implementation.
6. Implement the plan.
7. Monitor and report progress toward the goals.
8. Re-calibrate the measure regularly.
9. Identify opportunities for future benchmarking efforts.



1. Gain acceptance, support, commitment and ownership by communicating findings.

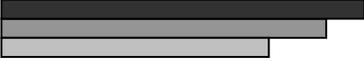
This step is very important to the outcome of this study. If you don't gain commitment then in most instances the recommendations from the study will not be implemented. Remember, it is important to keep the sponsor and stakeholder(s) informed at all times throughout the life of this study. If you keep them informed, they will not be surprised when the report is completed and your recommendations are briefed.

- Select your method of communication, which can include one or a combination of written reports, trip reports or even a newsletter. The report should include all steps followed throughout the study, recommendations, conclusions and an impact statement (See P-4-1).
- Identify your audience and their associated needs.
- Explain the findings to management.
- Communicate results and obtain buy-in from all affected parties.
- Inform employees of the study since they are closest to the operation and may be the source of the greatest resistance.
- Gain support from management and front line employees.
- Gain commitment of the necessary resources for implementation.
- Gain acceptance from customers and suppliers.

2. Develop an implementation plan.

Before you start to brief your report, design some kind of implementation plan for the recommendations that you will be briefing. One of the important questions asked during a briefing from management is how can we do this, how much will it cost, and how will the change impact me. If you are already prepared with this information, you will be able to set their minds at ease early.

- Describe the scope of the implementation effort. (See P-4-2)
- Describe the roles and responsibilities for those needed to plan and carry out the implementation (See P-4-3).
- Describe the improved process, new process, and/or new organization and how it will work.
- Design a communication plan for building commitment to the new process.
- Indicate resources required (e.g., time, funding, training)

- 
- Describe new methods and procedures that need to be developed.
 - Designate beta or pilot sites, if needed.
 - Design methodology for tracking process.
 - Describe any tools or skills required.
 - Describe and design any support structures needed to equip people with the tools, skills and systems.
 - Develop a system to check the progress and performance.
 - Develop a timeframe for assessing gains achieved.
 - Develop new or refined measures for the new process.
 - Describe what practices or behaviors need to change.
 - Develop new or refined human resource policies and systems.
 - Explain how the plan will be implemented.
 - Design deliverables.
 - Design a contingency plan.

3. Create a Steering Committee to champion the plan.

It is important to have someone champion the effort. This someone should be an individual that has some influence within the organization. As you try to implement change many times people will agree, but unless pushed or pulled into the change it doesn't happen. You need someone who can do the pushing or pulling in a gentle, aggressive manner. Someone that will ensure that this change/improvement will be implemented and in an appropriate timeframe.

- Locate the champion and obtain his/her buy-in.
- Discuss the best approach for implementation.
- Recruit others to represent their areas on the committee.
- Ensure that the committee agrees with the implementation plan.

4. Communicate the plan to all those affected.

This is probably one of the most important and delicate steps in the study. The way you communicate the plan will have a great impact on how the changes will be accepted and implemented. You will be speaking to different audiences who will have different concerns. Treat each audience differently. One generic briefing will not meet everyone's needs.

- Present the implementation plan to management.

- Present the implementation plan to all those that are affected by the change.
- Ensure management has a complete understanding of the objective.
- Explain the strategy developed to ensure that management understands that the findings support the mission.
- Ensure that everyone understands the impact of the change.

5. Obtain resources required for implementation.

Now that you have received approval to implement, it is time to gather the resources needed. Now is when the horse-trading will start and you will need to bargain to get what you need. This is where your steering committee can be a great resource. Have them assist you in getting the commitment of resources.

- Convince management that the benefits to be gained from adapting a best practice will far outweigh the cost.
- Form an implementation team of people who will work with the process.
- Explain the effect the new process will have on closing the performance gap.
- Compare the costs of current process to new projected process.

6. Implement the plan.

This step is just as it reads. Implement the plan. Follow the plan that you have designed. Use whatever tools you will need to keep track of the implementation schedule. Try to stay ahead and if you fall behind make sure that you keep the right people informed. Don't have them think that you are running on schedule when you're not.

- Create a time management schedule or project management schedule to track the progress of the plan.
- Keep the appropriate individuals informed as to what is happening and what is not happening. You don't want any surprises.

7. Monitor and report progress toward the goals.

It is important that you monitor the progress of the plan and report periodically to the appropriate individuals. They will want to be updated to ensure that you are on the right track, that their support and

resources are being used correctly, and that the plan will be completed on time. This is the time that you would also use if you needed more support or resources or to brief if you were not meeting all your milestones. Use this time wisely. It can be a great help to you; but used incorrectly it can have a disastrous effect on you and the project.

- Review measurements regularly that directly impact changes.
- Determine if the goals will be achieved on schedule.
- Systematically report progress to management in order for them to maintain the strategic plans and establish reward systems for recognizing significant improvements in performance.

8. Re-calibrate the measure regularly.

Even though you have put a change in place does not mean you have completed your task and responsibility. Now that you have made the change it is your responsibility to ensure that it is working correctly. You will need to look at the performance and if it is not performing as planned you might have to make some changes. This is common. It is normal to have to re-calibrate several times before a change works completely right. (Note: A change can take up to 7 years to work as planned.)

- Take a proactive approach periodically to update your benchmark to ensure that it reflects the best practices to date.
- Determine the need to adjust your goals and maybe even find other benchmarking partners.
- Make changes as necessary.

9. Identify opportunities for future benchmarking efforts.

Now that you have completed this study and have put in place changes you might want to look to see if there is anything else that you can benchmark that would improve on what you have just implemented. Or, do you want to benchmark something that has now been affected by the change you implemented.

- Continually strive for excellence with the hope of achieving innovation.
- Strive to become the superior performer in a process.
- Anticipate customer requirements that have not been met.

Report Format

An executive summary.

- The purpose of the benchmarking project
- A short synopsis of the findings
- A short synopsis of the recommendations for action

A description of the benchmarking project--why and how it was conducted and the major findings of the project.

- The purpose of the benchmarking project
- A short summary of the benchmarking process used
- Rationale for selecting partners and the partners selected
- A description of the data collected
- How our process compares with the others studied
- Practices and behaviors that have been identified as superior

Recommendation for action.

- A determination of the scope of the recommendations, ranging from continuous improvement to reengineering
- A description of what practices or behaviors within the organizations need to change as a result of the benchmarking project's findings
- The roles and responsibilities for those needed to plan and implement the recommended actions
- The roles and responsibilities for those who would be affected by the recommended actions
- Specific events or enablers that are necessary to ensure successful implementation

Appendices.

- Team members
- Benchmarking questions
- Selection matrix for partners

Implementation Plan Worksheet

Stakeholder/Sponsor:	Timeframe:
Current Process:	
Suggested Change:	
Goals/Objectives:	
Short term:	Timeframe:
Long term:	Timeframe:
Targets and Milestones:	
1.	Date: _____
2.	Date: _____
3.	Date: _____
4.	Date: _____



Implementation Plan Worksheet

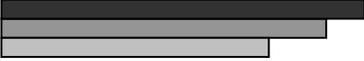
Process:

Process Owner:

Team Members:

Strategy Statement:

Activity	Owner	Scheduled Milestones	Cost
-----------------	--------------	-----------------------------	-------------



Adapting Checklist

After you have completed Phase Four, ask yourself these questions.

Did you communicate the results to everyone involved?

Do you know which activities in your process need to be modified to adapt findings? _____

Do you know what you have learned during this benchmarking study that will allow you to improve your process? _____

Do you have an approved implementation plan? _____

Do you have management/stakeholder/sponsor support?

Do you know how to implement these changes into your process? _____

Team Agreement

What is the need for a “Team Agreement”?

The “Team Agreement” is a tool to help you and other team members gather up-front information about the team and your role within it.

In order to take a leadership role within the team and to contribute to its success, you need to have a clear understanding of:

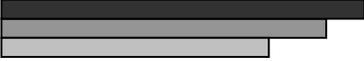
- Why the team was formed
- How the team and its work fit into the larger organization
- What the performance expectations are for the team

Later on, when significant changes occur within the team or within the larger organization, the “Team Agreement” will help you review this essential information again.

When should the team use the “Team Agreement”?

Specific cues the team should watch for are:

- Starting a new project
- Needs to adjust to a change in direction or plans
- Has difficulty meeting deadlines
- Has a new leader
- Is clarifying roles and responsibilities
- Or when the team changes its focus



How is the “Team Agreement” used?

When a new team is forming, the team leader or a senior manager usually gives the team essential background information, including why the team was formed and how the team’s mission fits into the organization’s mission and goals.

As the team leader or senior manager presents the information, the team should record it on the “Team Agreement”. Ask questions to be sure you have all the information you need for a complete response. Ask the team leader, a senior manager, or other team members for the information you need to complete any items where “No” was checked for enough information. The team member section should be completed by each team member individually.

When the team changes direction, the agreement will help you understand the scope of the change and the impact it will have on the team and on the team’s purpose or mission.

When you join an existing team, you may want to meet with one or more team members and ask them the agreement questions.

Why is the “Team Agreement” beneficial to the team?

As the team begins to develop and gains experience, refer to the agreement periodically to see if the team’s activities still align with its original purpose and goals. Measure your action plans against the agreement.

Once team members have a clear idea of the scope of the team’s assignment, individual roles can become more specific and targeted to the desired results.



PROJECT OBJECTIVES

(To be completed as a team)

1. What is the team's name, purpose, and scope of responsibility?
2. How does that purpose fit into the larger organization's goals/strategies?
3. Who will benefit from the efforts of this project?
4. What milestones exist for our team?*(Please attach action plan.)*
5. What will we measure to determine if our team has been successful?
(i.e., critical success factors.)
6. What is our plan for establishing a baseline and measuring to evaluate success? *(Include time frames.)*

DECISION MAKING

(To be completed as a team)

1. What are the limits on our authority to make decisions?
2. Who approves decisions that are outside our limits?

TEAM NEEDS/RESPONSIBILITIES

(To be completed as a team)

1. What resources will be available to us? *(i.e., people, systems, budget, equipment.)*
2. Will we be doing activities that we don't currently know how to do? If so, how will we get the training we need?
3. How will we communicate results to our own office and the whole organization?



TEAM MEMBER RESPONSIBILITIES

(To be completed by each team member)

1. What is my specific role on this team? Long-term responsibilities?
2. What time commitment for participation on this team will be required of me? (*Meeting days/times, begin/end dates, and hours per week for team related activities.*)
3. As a member of this team, I will have:

_____ No change in job expectations, unless later acknowledged by a revised agreement form **

_____ Will have the following changes in job expectations:

**** Upon notification by my team leader, I will notify my supervisor if there are any changes to the time requirements.**



COMMITMENT

The team receives guidance from _____ and approval for recommendations from _____. This agreement serves as our pledge of commitment to the fulfillment of the team objectives. If needed, this agreement will be revised and will include appropriate signatures.

Signatures:

_____ Employee	_____ Date
_____ Supervisor	_____ Date
_____ Director	_____ Date
_____ Team Leader	_____ Date

Benchmarking Code of Conduct

**International Benchmarking Clearinghouse
American Productivity & Quality Center**

The Benchmarking Code of Conduct

- Keep it legal
- Be willing to give what you get
- Respect confidentiality
- Keep information internal
- Use benchmarking contacts
- Don't refer without permission
- Be prepared from the start
- Understand expectations
- Act in accord with expectations
- Be honest
- Follow through with commitments

Preamble

Benchmarking - the process of identifying and learning from best practices anywhere in the world - is a powerful tool in the quest for continuous improvement.

To guide benchmarking encounters and to advance the professionalism and effectiveness of benchmarking, the International Benchmarking Clearinghouse, a service of the American Productivity & Quality Center, and the Strategic Planning Institute Council on Benchmarking have adopted this common Code of Conduct. We encourage all organizations and individuals involved in benchmarking to abide by this Code of Conduct. Adherence to these principles will contribute to efficient, effective, and ethical benchmarking. This edition of the Code of Conduct has been expanded to provide greater guidance on the protocol of benchmarking for beginners.

Benchmarking Code of Conduct

Individuals agree for themselves and their company to abide by the following principles for benchmarking with other organizations.

1. Principle of Legality.

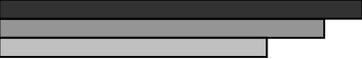
- If there is any potential question on the legality of an activity, don't do it.
- Avoid discussions or actions that could lead to or imply an interest in restraint of trade, market and/or customer allocation schemes, price fixing, dealing arrangements, bid rigging, or bribery. Don't discuss costs with competitors if costs are an element of pricing.
- Refrain from the acquisition of trade secrets from any means that could be interpreted as improper, including the breach or inducement of a breach of any duty to maintain secrecy. Do not disclose or use any trade secret that may have been obtained through improper means or that was disclosed by another in violation of a duty to maintain its secrecy or limit its use.
- Do not, as a consultant or client, extend one benchmarking study's findings to another company without first obtaining the permission of the parties to the first study.

2. Principle of Exchange

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

3. Principle of Confidentiality

- Treat benchmarking interchange as confidential to the individuals and companies involved. Information must not be communicated outside the partnering organizations without the prior consent of the benchmarking partner who shared the information.
- A company's participation in a study is confidential and should not be communicated externally without their prior permission.



4. Principle of Use

- Use information obtained through benchmarking only for purposes of formulating improvement of operations or processes within the companies participating in the benchmarking study.
- The use or communication of a benchmarking partner's name with the data obtained or practices observed requires the prior permission of that partner.
- Do not use benchmarking information or any information resulting from a benchmarking exchange, or benchmarking related networking as a means to market or sell.
- Contact lists or other contact information provided by the International Benchmarking Clearinghouse in any form may not be used for marketing in any way.

5. Principle of First Party Contact

- Initiate benchmarking contacts, whenever possible, through a benchmarking contact designated by the partner company.
- Respect the corporate culture of partner companies and work within mutually agreed procedures.
- Obtain mutual agreement with the designated benchmarking contact on any hand-off of communication or responsibility to other parties.

6. Principle of Third Party Contact

- Obtain an individual's permission before providing his or her name in response to a contact request.
- Avoid communicating a contact's name in an open forum without the contact's prior permission.

7. Principle of Preparation

- Demonstrate commitment to the efficiency and effectiveness of benchmarking by being prepared prior to make an initial benchmarking contact.
- Make the most of your benchmarking partner's time by being fully prepared for each exchange.
- Help your benchmarking partners prepare by providing them with a questionnaire and agenda prior to benchmarking visits.

8. Principle of Completion

- Follow through with each commitment made to your benchmarking partner in a timely manner.

- Complete each benchmarking study to the satisfaction of all benchmarking partners as mutually agreed.

9. Principle of the Understanding and Action

- Understand how your benchmarking partner would like to be treated.
- Treat your benchmarking partner in the way that your benchmarking partner would want to be treated.
- Understand how your benchmarking partner would like to have the information he or she provides handled and used, and handle and use it in the manner.

Benchmarking Protocol Benchmarkers:

1. Know and abide by the Benchmarking Code of Conduct.
2. Have basic knowledge of benchmarking and follow a benchmarking process.
3. Prior to initiating contact with potential benchmarking partners, have determined what to benchmark, identified key performance variables to study, recognized superior performing companies, and completed a rigorous self-assessment.
4. Have developed a questionnaire and interview guide, and will share these in advance if requested.
5. Possess the authority to share and be willing to share information with benchmarking partners.
6. Work through a specified host and mutually agree on scheduling and meeting arrangements.

When the benchmarking process proceeds to a face-to-face site visit, the following behaviors are encouraged:

- Provide meeting agenda in advance
- Be professional, honest, courteous and prompt
- Introduce all attendees and explain why they are present
- Adhere to the agenda
- Use language that is universal, not one's own jargon
- Be sure that neither party is sharing proprietary information unless prior approval has been obtained by both parties, from the proper authority



- Share information about your own process, and, if asked, consider sharing study results
- Offer to facilitate a future reciprocal visit
- Conclude meetings and visits on schedule
- Thank your benchmarking partner for sharing their process

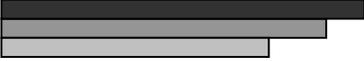


Attachment C

Benchmarking Schedule

Example

Element	Start Date	Finish Date
Literature Search Criteria		
Secondary Research		
Initial Contact/ Screening Questionnaire		
Review of Initial Data/ Ranking of Potential Partners		
Second Contact/ In-depth Questions - Ranking of Partners		
Develop Research Method		
Develop Questionnaire		
Make Site Visit Arrangements		
Site Visit		
Review Data		
Analysis Data		
Write Site Report		
Recommendations		
Implementation		



Attachment D

Abbrieviated Benchmarking Study

A "Classical Benchmarking Study" follows: phases or steps, protocols, produces a report, and implements change. A Classical Benchmarking Study can take upto nine months to complete and this doesn't include the implementation of the recommendations.

An abbrieviated Benchmarking Study includes the:

1. Planning stage (how am I going to meet the short deadline that I've been given and where can I cut corners).
2. Data research (which is limited to the Internet and some databases) and personal contacts within government.
3. Review of reseach and analysis of information.
4. Preparation of a report on the findings with recommendations.

This type of study can take anywhere from five days to two months with a one-person team or a small 3-4 person team.

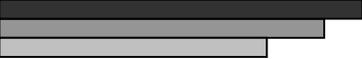
Let's look at a scenario, which I'm sure you all are familiar with:

Your boss comes to you and says:

"I want you to perform a Benchmarking Study on \$#@*&. I need it done within the next month and you will have a small team of people to assist you."

Fact:

- The requester doesn't understand what is involved in a Benchmarking Study.
- The team doesn't have any Benchmarking knowledge and they really don't want to be involved.
- The team has to perform their daily job and fit this project in whenever they can.



What can you do? Option:

1. Explain to your boss what is involved in a Classical Benchmarking Study and explain to him/her how long a study really takes.
2. Try to perform a Classical Benchmarking Study in a very short timeframe.
3. Decide to do the best you can with the time and team you've been given and make sure everything is noted in the final report.

If you are smart and want to keep your job I hope you choose Option 3. *Decide to do the best you can with the time and team you've been given and make sure everything is noted in the final report.* **Make sure that the requester understands that this is not a true Classical Benchmarking Study and these might not be the "Best" practices. But, that they are the "Best" practices that you could find in a short period of time.**

A boss usually doesn't want to hear how long a good study would take and what is involved. So be very careful when you start to explain why you cannot perform and meet his/her needs.

Don't try to do a Classical Benchmarking Study in a short timeframe, everyone will lose. You won't be able to complete it on time and provide a good product. You will be frustrated, over worked, and tired.

Now that you decided to perform an **Abbreviated Study** here are the steps you can follow.

1. Provide a short benchmarking orientation to the team.
2. Decide scope of study.
3. Perform extensive research on Internet.
4. Telephone a benchmarking professional within government.
5. Telephone a friend to gather agency information.
6. Review and analyze data.
7. Write a report.
8. Submit the report and be prepared to validate the findings.



1. Provide a short benchmarking orientation to the team.

This will give them a better understanding of what they are doing and why. Try to keep it short and focused on the type of study you are performing, not the phases involved in a Classical Benchmarking Study. **(This can take as little as 2 hours)**

2. Decide the scope of the study.

Talk with the team to ensure that everybody understands where the study is headed. At this time you can start to plan the study. **(This can take upto 1 day)**

3. Perform extensive research on the Internet.

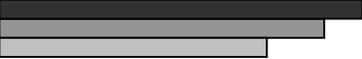
Use the Internet to gather information. Use your agency Librarian, if you have one, to assist in the research. They have access to and the knowledge of where to get information. Look within your own agency, (Internal Benchmarking) sometimes you are the best. **(This can take upto 10 days)**

4. Telephone a benchmarking professional within government.

There are many federal, state, and local professionals that know and understand benchmarking. Find out who they are, make a friend, and use them to help you through this process. **(There is no time allocated for this step - it is just smart.)**

5. Telephone a friend to gather agency information.

This is the time when your real friends stand up. They will take the time to assist you and provide you with information and/or contacts. Try to gather information from people you know. If you do, you won't need to follow the Benchmarking Protocol to the letter. This is completed simultaneously while you're performing research. **(This can take upto 10 days)**



6. Review and analyze data.

Now that you have gathered all the data, the team will need to perform the tedious job of: read, review, analyze, discard, and select. Remember: Not all the information will or can be used; only keep the best information for use in the report; statistics are good in the right place; select information that is within the scope of the study. **(This can take upto 15 days)**

7. Write the report.

Now that you have selected the data, write the report. Before you put your fingers to the keys: design the report format; organize your thoughts; ensure that you include a concise executive summary. Make sure that the reader comes away with the points that you are trying to convey. **(This can take upto 10 days)**

The report should be easy to follow and easy to read. Stay away from technical jargon, legal-eze, and acronyms. Don't include anything that you can't validate. The format should include:

- Introduction
- Executive Summary
- Current Perspective
- Findings
- Recommendations and Closing
- Bibliography

8. Submit the report and be prepared to validate the findings.

Now that you have finalized the report it is time to give it to the person who requested it. Be prepared to answer questions and in some instances brief the findings. Also be prepared to validate the findings, especially those that aren't favorable or are Out-of-the-Box for your agency's culture and organization. Don't be surprised if this report becomes CredenzeWare (sits on someones bookshelf and never gets used). Most studies don't get adapted and/or implemented because of lack of resources, unexpected findings, and/or the time just isn't right.



If everything goes your way during this study you can actually have a pretty good report with recommendations completed in **36 days and **2** hours. Of course, the slightest problem can extend this date.**