

# **Title Of Project**

## **Benchmarking for Continuous Improvement**

**A project to Encourage the Private Sector and the Higher Education Sector to identify and monitor benchmarks for key areas of performance.**

**By**

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# **Objective of Study**

## **Part 1**

**To identify areas that can be benchmarked for local industries and to enable benchmarking results to be disseminated**

# What is a benchmark?

A “**benchmark**” is a reference or measurement standard used for comparison

# Definition of Benchmarking

**“Benchmarking” is the continuous activity of identifying, understanding and adapting best practices or good practices that will lead to superior performance**

# Benchmarking In Context

- Benchmarking is used to compare against norms and standards (Standardisation)
- Self Assessment and Benchmarking (TQM framework)
- Benchmarking against best in Class (Benchmarking Clubs)
- Self assessment against a specific set of Criteria or a Framework (Audits)
- Self Assessment Results and Performance Measurement (Benchmarking)

# Self Assessment – What it is?

A comprehensive, systematic and regular review against a set of identified criteria

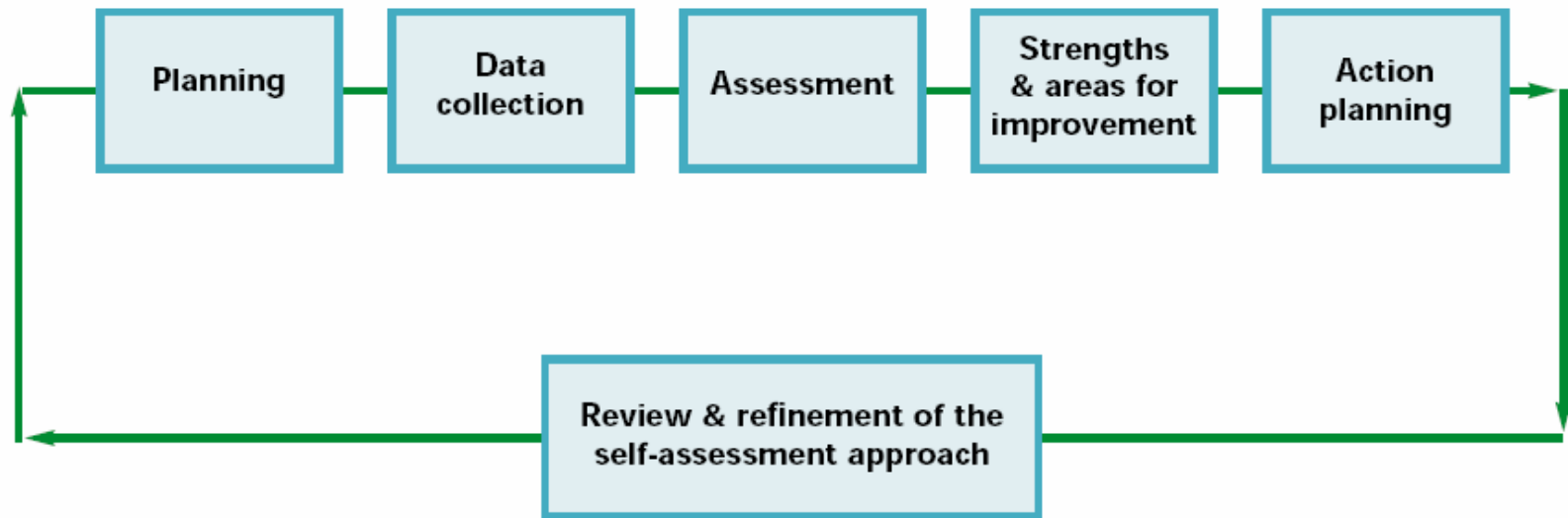
# Feedback Reports

- **Strengths**

- **Weaknesses**

- **Areas for Improvement**

# Self Assessment Process Steps





## 2005 Examination Criteria - Item Listing

2005	Examination Categories /Items	Point Values
1.	<b>Leadership</b> ( 120 points)	
1.1	<b>Organizational Leadership</b>	70
1.2	<b>Public Responsibility and Citizenship</b>	50
2.	<b>Strategic Planning</b> ( 85 points)	
2.1	<b>Strategy Development</b>	40
2.2	<b>Strategy Deployment</b>	45
3.	<b>Customer and Market Focus</b> (85 points)	
3.1	<b>Customer and Market Knowledge</b>	40
3.2	<b>Customer Relationships &amp; Satisfaction</b>	45
4.	<b>Measurement, Analysis and Knowledge Management</b> (90 points)	
4.1	<b>Measurement and Analysis organizational performance</b>	45
4.2	<b>Information and Knowledge Management</b>	45
5.	<b>Human Resources Focus</b> (85 points)	
5.1	<b>Work Systems</b>	35
5.2	<b>Employee Learning and Motivation</b>	25
	<b>5.3 Employee Well-being and Satisfaction</b>	25
6.		

# Approaches to Benchmarking

- **Internal Benchmarking** – A comparison of internal operations and processes
- **Competitive Benchmarking** – Specific competitor to competitor comparisons for a product or function
- **Functional Benchmarking** - Comparing a specific functions within same broad industry
- **Generic Benchmarking** – Comparing business processes that are very similar no matter what industry

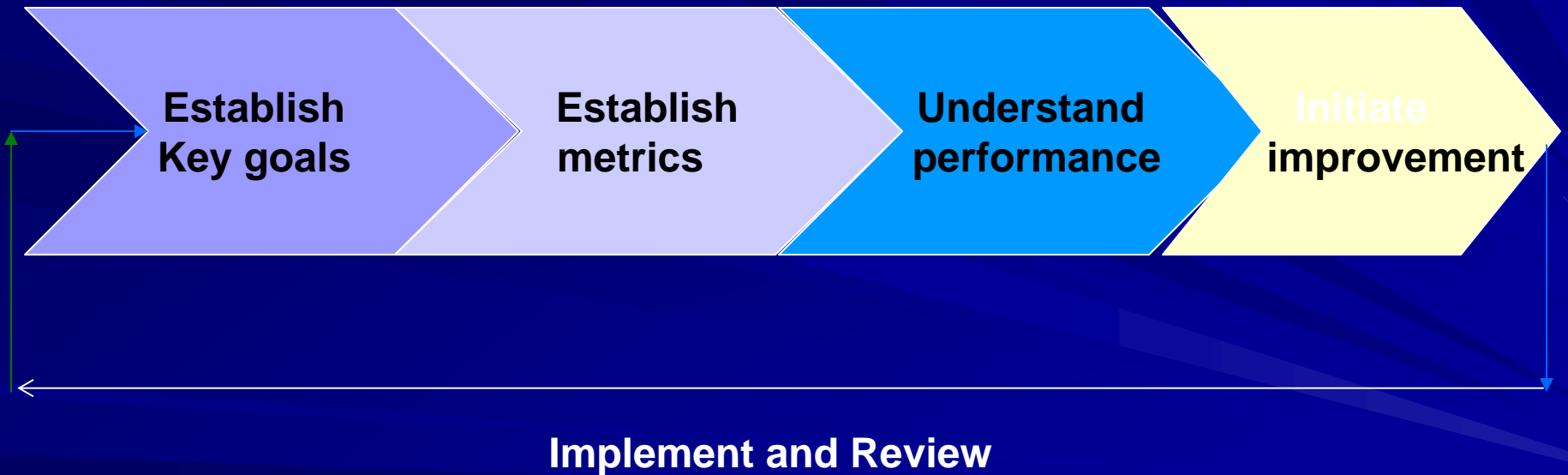
# Performance Benchmarking

## 1. Identify Processes

1. Define your expected or desired performance level
2. Ensure Customer requirements have been met
3. To set sensible Objectives and comply with them
4. To provide feedback for driving improvement

# A simple performance Measurement Framework

The strategic objectives of the organization are converted into desired standards Of performance



# What Benchmarking is Not ...

- **A Competitive Assessment**
- **Just Copying** - Copying leads to being the same. Benchmarking is looking for breakthrough/New ideas which set the process ahead of others
- **Metrics** - *Although metrics are a key aspect*, benchmarking focuses on improving the process and uses metrics to determine how well it is succeeding

# **SELF ASSESSMENT TOOL USED FOR THIS PROJECT**

- MALCOLM BALRIDGE Quality Assurance framework
- M. BALRIDGE EDUCATION CRITERIA  
For performance excellence
- Survey Questionnaire
- Or Checklists

# Baldrige Criteria for Performance Excellence Framework: A Systems Perspective

## Organizational Profile: Environment, Relationship, and Challenges



**4. Measurement, Analysis, and Knowledge Management**

# LEADERSHIP

Examines

- How organization's senior leaders address directions, values and performance expectations,



# STRATEGIC PLANNING

Examines

- how organizations develop strategic objectives and action plans
- how the chosen objectives and actions plans are deployed and how progress is measured

# CUSTOMER AND MARKET FOCUS

Examines

how the organization determines expectations, and preferences of customers and markets

And how the organization builds relationships with customers and determines the key factors that lead to customer satisfaction and retention

# MEASUREMENT, ANALYSIS, AND KNOWLEDGE MANAGEMENT

It examines

the organization's information management and performance measurement systems and how the organization analyses performance data, information and knowledge assets

# HUMAN RESOURCE FOCUS

## Examines

how the organization motivates and enables employees to develop and utilize their full potential in alignment with the overall objectives and action plans

Also examines the organization's effort to build and maintain a work environment and employee support climate conducive to performance excellence and organizational growth

# PROCESS MANAGEMENT

Examines

The key aspects of the organization's process management including **KEY** product, service and business processes for creating customer and organizational **VALUE**

# BUSINESS RESULTS

Examines the organization's performance and improvement in key business areas:

- financial and marketplace performance
- Customer satisfaction,
- product and service performance
- human resource results,
- operational performance and governance
- and social responsibility

Also examines performance levels relative to those of competitors

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# **Project Methodology**

## **4. Visit the Organization**

- **Self Assessment of Companies.**
- **List of Companies contacted from List of Members of Mauritius Quality Institute**
- **Training of Assessors and Research Assistant on MBNQA Framework**
- **Half Day visit by team of Assessors to Industry**
- **Tool used for Part 1 MBNQA framework for businesses**
- **Feedback report**



# List of Industries Participated

- One and Only le Touessrock hotel
- De Chazal du Mee training
- Margarine Industries
- Cendris Ltd
- Meteorological services\*
- Paul et Virginie Hotel
- Young Bros Ltd\*
- Agricultural Marketing Board\*
- Vital Water Bottling
- New Island Clothing
- International Development Partners
- Princes Tuna Ltd
- Group Union\*
- Le Labourdonnais Hotel
- Food and Allied Industries

# FINDINGS

## **Companies with a Quality management System in place**

- Most Past Award winners still use the MBNQA as framework for self assessment – Seek areas to improve
- 25% companies have developed their own assessment guidelines- e.g. Touessrock, FAIL, Margarine. Vital Water bottling. New Island Clothing
- Performance indices clearly identified and monitored.
- Group Award Scheme
- 100% Strongly believe that Benchmarking is an important concept to be adopted for continuous improvement

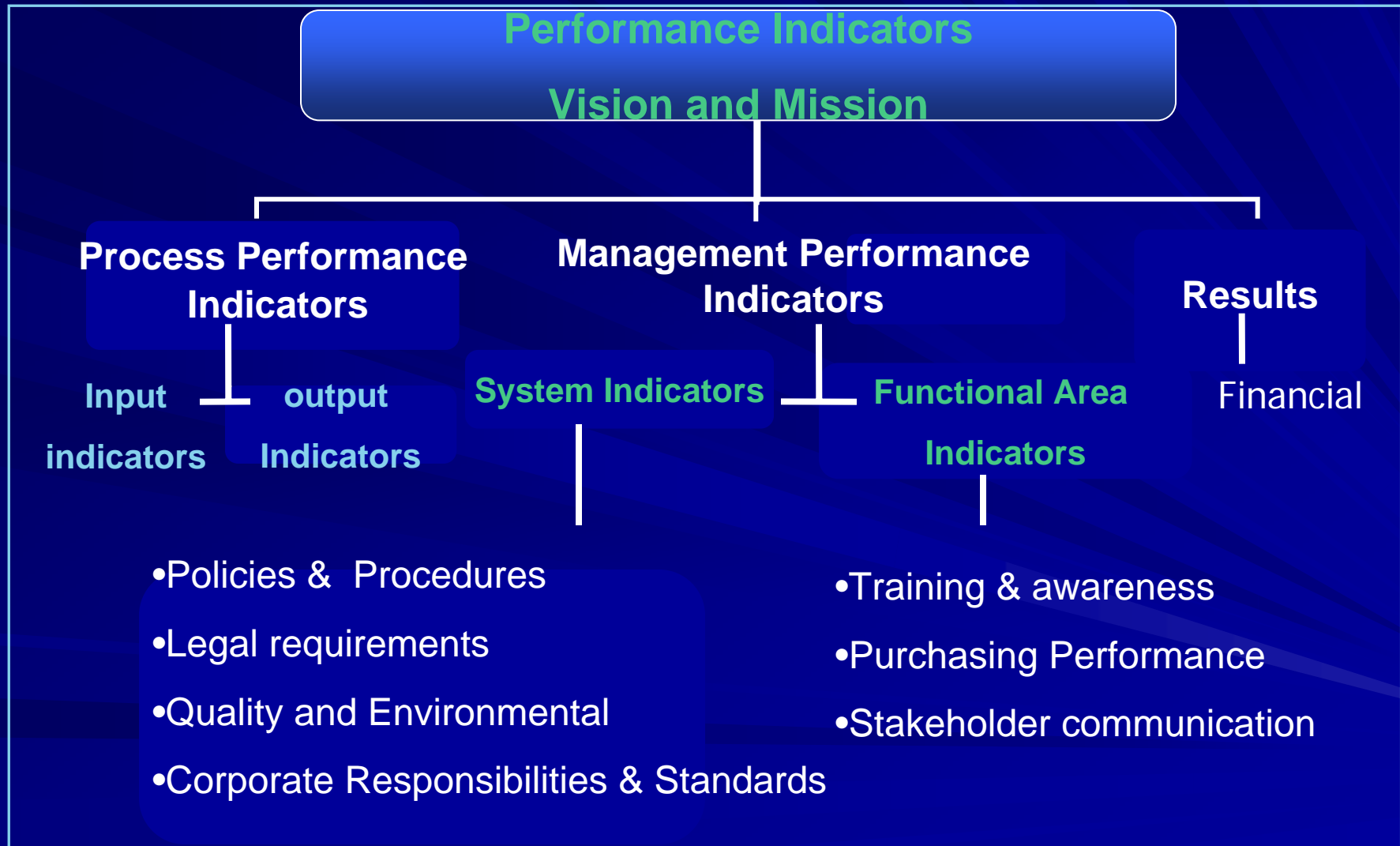
# Where Quality Management Systems in prospect

- In Government Sector
- Performance indices not adequately Identified
- MBNQA framework is more a business framework
- Requirement for Intensive training on
  - Quality
  - Performance measures and identification
  - Improve Standards

# Classification of Performance measures in Industries

- **Quantitative measures KPIs**  
% defects, mistakes, downtime
  
- **Qualitative KPIs** (staff morale, better communication, improved environment etc).

# Three Indicator Areas



# Employee Performance Measures

**Employee Performance Benchmarks Cover a Wide Range of Employee Activities that May Include:**

Employee Education;  
Employee Empowerment;  
Employee Qualifications;  
Employee Turnover;  
Employee Safety/Accidents;  
Employee Morale;

Employee Recognition;  
Employee Absenteeism;  
Employee Grievances;  
Employee Involvement;  
Employee Performance

# Technology & Innovation Related Performance Measures

## Technology-related measures :

- reflect the productivity, deployment, and effective use of computers
- and other technology in an organization.
- Measure processing speeds, network down time.

## In turn, innovation-related performance indicators reflect issues such as

- product development times,
- new product sales as a percent of total sales,
- and process improvement rates.



# Supplier Performance Measures

List of approved suppliers to monitor and manage on-going supplier performance.

Supplier performance metrics often include measures of

- cost, quality, reliability, time of delivery,
- agreed-upon product specifications.

# Time Performance Measures

- **Start on Site time.** The percentage difference between planned and actual start on site dates.
- **Completion Time.** The percentage difference between planned and actual completion dates.
- **Extension of Time.** The percentage difference between the planned completion date and the contract (client-agreed) completion date.

# **Financial Performance Measures**

Financial measures include performance indicators required by stock exchanges, security analysts, public accounting firms, regulatory agencies

Many of these measures make up the items on income statements, balance sheets, and cash flow statements,

# Other Performance Measure Examples

## **Accounting**

Late Payments %

Time to Respond to  
Customer Requests

Number of Payroll Errors

## **Information Services**

Percent of Reports Received  
on Schedule

Number of Rewrites

Number of Errors Found After  
System Accepted by Customer

## **Marketing**

Accuracy of Forecast

Number of Incorrect  
Order Entries

Overstocked Supplies

Contact Errors

## **Purchasing**

Purchase Order Errors

Downtime Due to Shortages

Excess Inventory

Cycle Time (from start of  
purchase to receipt in-house)

## **Product Engineering**

Project Completion Cycle Times

Engineering Changes/ Document

## **Quality Control**

Percentage of Lots Rejected  
in Error

Number of Changes  
Detected After Review

Errors in Reports

Time for Corrective Action

# WHY DO WE BENCHMARK

- How well we are doing compared to others?
- How good we want to be?
- Who is doing it the best?
- How can we be better?
- Identify areas to improve within Our organization
- Learn from Best in Class experiences and implement GOOD PRACTICES
- Prioritise to act