Competitive benchmarking



Competitive Benchmarking

PROCESS STRATEGY PERFORMANCE

Benchmarking types

INTERNAL

Business-oriented benchmarking

Group-oriented benchmarking

EXTERNAL

Competitive benchmarking

Industry-oriented benchmarking

Cross-industry benchmarking

Competitive benchmarking

Competitive benchmarking is a method of researching leaders within the industry for strategies, practices and services that help in establishing a benchmark for your own company's performance.

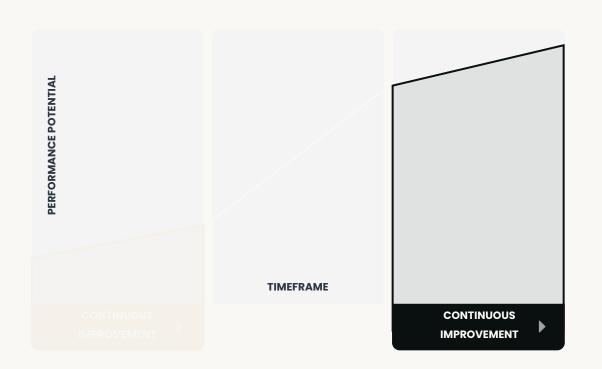
This is a process measured by a collection of metrics, which helps to measure performance of a company which you can then compare to others over time. There is no set approach to this method, it comes down to your company's aims and objectives.

IMPROVEMENT POTENTIAL

Leading company



What's good about competitive benchmarking?



Competitive benchmarking is a continuous learning process

It has a positive impact on organizational learning

Organizational learning then leads to increased performance

Direct

Create tangible suggestions for improvement

Reveals potential

Evaluate alternative solutions

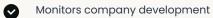
Assesses strengths/improves weakness

Identifies performance deficits

Compares corporate sectors & companies

Business analysis is systematic and neutral

Indirect



Creates impact prognosis

Strengthens competitive position

Encourages continuous improvement process

Reviews company strategies

Determines company objectives

Improves understanding of business processes

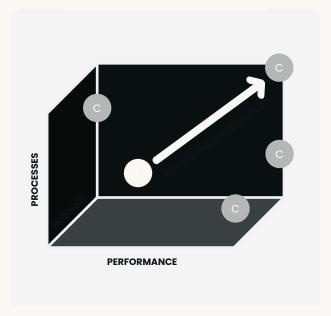


Starting point

Competitive benchmarking







In the beginning, the position of the organization within the competitive ranges is not clearly defined.

Benchmarking timeline

	First month	Second month	Third month	Fourth month	Fifth month	Sixth month
	KICK-OFF project de		MILESTONE 01 answered questionnaires			MILESTONE 02 benchmark result
Kick-off meetings						
Create & send questionnaires						
Partner answers questionnaire						
Verify data						
Review meeting						
Visit partners						
Final evaluation & interpretation						
Final conference						
	•					

Process evaluation with success factor

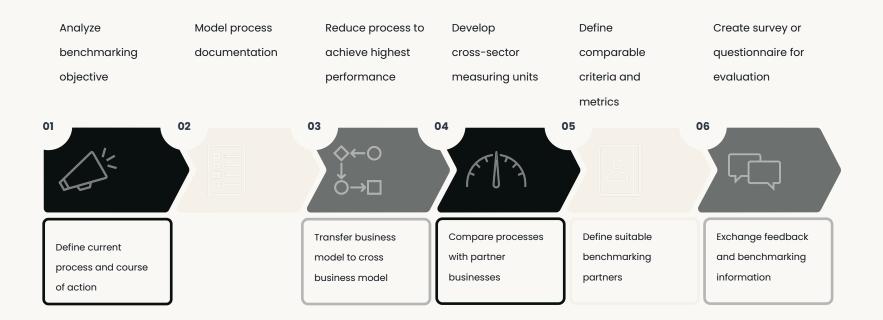
	Bad						Average							Good								
	10	9	8	7	6	5	4	3	2	1	0	1	2	3	4	5	6	7	8	9	10	
Product line X																						
Market (market shares)																						
Marketing concept																						
Financial situation																						
Research and development																						
Product																						
Supply with resource and energy																						
Location																						
Costs																						
Management qualities																						
Management system																						
Improvement potential of production																						
Competitor																						

Processes evaluation

								,				9
	Busin	ess persp	ective						Process owner perspective			
CRITICAL SUCCESS FACTOR	1	2	3	1	2	3	1	2	3	1	2	3
Influence on customer satisfaction		•										
Process competence			•									
Improvement potential	•											
Process differs from market		•										
Dependent on external factors	•											
Product		•										
Supply with resource and energy			•									
Location	•											
Costs		•									•	
Management qualities	•											

Intermediate

Internal analysis schedule



Comparison schedule

Define important characteristics of the ideal partner

seek and choose suitable partners Initiate first contact with desired partners

- Collect background information of potential partners
- Agree to exchange information with desired partners
- Collect information for partners
- Rough definition of further proceedings

Define important characteristics of the ideal partner

Define further agreements proceedings

Changes of questionnaires

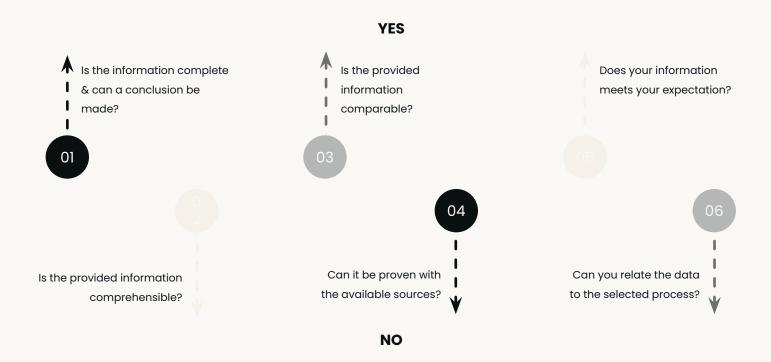
Implementation of comparative analysis

- Define important characteristics of the ideal partner
- Visit benchmarking partners and edit questionnaires
- Further background information

Evaluation of performance

Define performance gap and root cause analysis

COMPARISON RESULTS

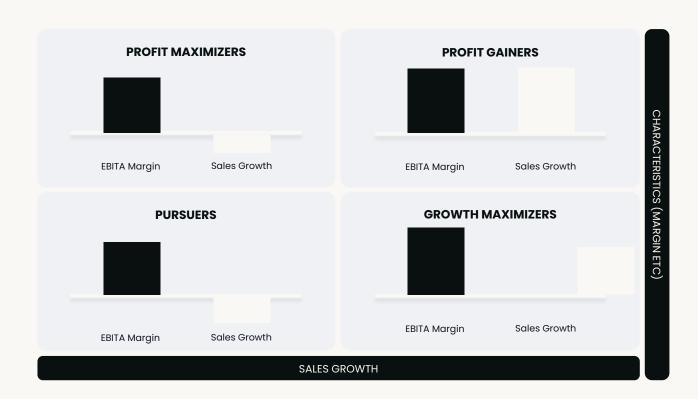


Benchmarking results

DIMENSIONS	YOUR PROJECTS	ALL PROJECTS	WORST PROJECTS	BEST PROJECTS
Requirement reference	1.33	1.83	1.00	3.00
Target group definition	1.67	2.01	0.67	3.00
Target group insight	1.00	1.60	0.33	3.00
Target definition	1.33	1.70	0.33	3.00
Preventive approach	1.33	1.87	0.00	3.00
Concept quality	1.33	1.74	1.00	3.00
Integration into work environment	0.67	1.55	0.00	3.00
Contextual approach update	1.00	1.43	0.00	2.67
Planning quality	1.00	1.46	0.00	2.67
Staff and qualification	1.33	2.08	1.00	3.00
Cooperation	0.67	1.82	0.00	3.00

Sales performance evaluation

3 Profit Maximizers
6.6 Profit Gainers
5 Pursuers
8 Growth Maximizers



Project finalization & continuation

Establish Communicate Become partner system of results of other measurement companies Check Were the right Publish results Train relevant Gather new Case studies goals set? internally advancements team members experience Strengthen Check market Measure Were costs & time benchmarking performance position correctly estimated? successes Was the plan Publish results Data collection implemented? Were the right partners selected?

> Was the right team selected?