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Benchmarking—Finding Out What You REALLY Want to Know

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Introduction

Every one of us has engaged in benchmarking activities. And for most of us, it has been on a largely informal level. You call or email a colleague and ask "What do you do for…?" or "Do you have experience with…?" or "How do you handle…?"

A more formal approach to benchmarking organizes the information you want to collect and identifies strategic contacts; contacts from whom you determine will provide you with the most usable information. Whether formal or informal we are spending valuable time and want to make sure our time is invested wisely. In addition to discussing how to invest our time, this paper will include a few lessons learned made in benchmarking, another tool to save time and money.

What is Benchmarking?

The Benchmarking Exchange defines benchmarking as:

- A tool to help you improve your business processes.
- The process of identifying, understanding, and adapting outstanding practices from organizations anywhere in the world to help your organization improve its performance.
- An activity that looks outward to find best practice and high performance and then measures actual business operations against those goals.

The American Productivity and Quality Center defines benchmarking as:

- The process of improving performance by continuously identifying, understanding, and adapting outstanding practices and process found inside and outside the organization.

Improving performance is the common theme of the definitions from both organizations. Note that this is NOT specific to health and safety. Benchmarking can be applied to any aspect of company performance.

The Benchmarking Process

How do you go about benchmarking to get the most benefit? As mentioned in the introduction, we want to make sure time is spent wisely. Experience has proven that preparation to organize your efforts before you begin contacting people will help ensure the process is smooth, efficient and yields the desired results. As the old saying goes 'practice makes perfect' so use these steps each time, regardless of how formal your benchmarking effort is, and you should be able to obtain usable information.

A description of a simple six Step process is given in the following text. This approach has actually been adapted from the five Step process defined by the Health and Safety Executive of the United Kingdom's Health and Safety Commission. After each Step of the process is described, you'll see it applied and used in the description and review of three Case Studies – real experiences by the authors. Here are the steps:

<u>Step 1. Identify What You Want to Know About.</u>
What is your problem or what do you want to do better? What are the hot buttons? What process do you have that you just know could be done better and more efficiently? What has cropped up as a new issue and you are not sure how to approach it? Focus on the broad topic – but make sure it is not too broad or has too many sub-topics.

For example, the issue of 'Improving Injury Reporting' may be too general. Do you need to focus on initial injury reporting? follow-up reporting to management? reporting to your workers' compensation carrier? The list of questions or interpretations can be extensive. While you want to make sure your topic is specific at this step, providing detail is unnecessary at this step. As you proceed through the next steps, the detail will evolve.

<u>Step 2. Understand Where You are Right Now – This is Your Baseline.</u>
Is this a new or unfamiliar process? Is this process performed routinely? How would the process be measured or evaluated? Where do you want to be? This information is used to measure the success of implementing your benchmarking results. You may also collect readily available background information from professional publications and organizations to gain a more in-depth understanding of the topic and personally assess your baseline before gathering information from others.

Step 3. Specifically Identify What You Want to Know.
Use the baseline data and other background information as a guide when collecting information applicable in improving or establishing your process. Think carefully about the questions you might ask. When you start developing questions, you will know if you narrowed your topic enough.

For example, you want to ask the question, “Please describe your injury reporting process.” The question is so open that you may receive responses that are varied, leaving you with information that is of little (or no!) value. If you revise the question to be more specific such as, “What instructions do you provide to employees to report an injury?” You should get information that you can compare and evaluate. Also, before asking this question, it may be prudent to consider collecting basic data on the structure of the organization, such as whether or not they have on-site medical services.

Step 4. Identify Your Benchmarking Resources.
How do you choose your benchmarking resources? Should they be from a company similar in size, function, geographic location, organization, resources, etc? Discussions in the Case Studies provide insight into this Step. This can be different for each benchmarking effort. How can you be sure to receive a response? Or what is your plan if no one responds? The short term experience of the authors is that you are more likely to receive a response from individuals with whom you have an established relationship. How many responses do you need or want? Plan to contact more individuals or companies than you need to allow for non-responses AND responses that don’t provide any useful information.

Step 5. Work with Your Benchmarking Resources to Exchange Information.
Yes – exchange! Would you respond if someone were to ask you to contribute information for their benchmarking activity? What if there wasn’t some benefit to you, now or in the future? There are a number of ways to exchange information, these include, but are not limited to: Phone calls (including audio conferences or live meetings), email, on-line surveys and information exchange, face-to-face meetings, requesting information “in the blind” via a Contact Us link on a public website. Select the methods that suit your potential participants and timeframe for turnaround of information.

Step 6. Communicate Your Results and Apply What You Have Learned.
Share your findings with your benchmarking partners via a follow up meeting, a written report, or another means of communication.

Applying what you have learned is actually another process completely. Your goal is to improve your current situation, therefore this Step is where you evaluate the results of the benchmarking activity and determine what improvement idea to implement. You may be surprised to find that your current method of doing things is right on track for your operation.

Once you have implemented your changes, go back and evaluate their effectiveness and feed that information back into your benchmarking network.

Case Studies

Case Study 1:
When we began to perform more detailed analysis of our occupational injury and illness data, we discovered we had a significant problem with slips, trips, and falls (STF). We decided to benchmark for ideas to reduce injuries that resulted from STF.

Our analysis and results completed Step 1 and got us started on Step 2. The resultant injuries from STF were among our top five. Our goal was simple – we wanted to reduce these numbers. For Step 3, we decided we wanted to know what implemented methods people had to reduce injuries caused by STF, and if they had any measurable results.

We reviewed published STF injury statistics from the usual sources, Bureau of Labor Statistics (BLS), National Safety Council (NSC), Occupational Safety and Health Administration (OSHA), American Society of Safety Engineers (ASSE) etc, and learned that our situation was not unique. The question we decided to ask the benchmarking team was, "What efforts are you undertaking, if any, to prevent injury resulting from STF?"

We had our question, next we had to consider with whom to benchmark. Using the previously collected data, we determined that STF was a universal problem and benchmarking with similar companies as ours would not make a significant difference. We wanted to reduce our injuries as a result of STF, so companies with low injury rates should be on the list of contacts.

At the time, one of the safety magazines had just published a list of safe companies. We randomly chose five of the companies from the list, a few networking contacts through ASSE and several of our affiliate companies. In total, we contacted 11 companies via email. Since we were performing a qualitative review of responses and not quantitative statistical analysis, it was not necessary to establish a minimum 'n' to ensure that we had a statistically significant sample. Of the 11 companies contacted, we received responses from seven. We did not have personal or networking contacts at the five companies from the list of safe companies, we went to their public websites and followed the Contact Us links. Disappointingly, of the five contacted, we received one response.

Overall, we were pleased with all the different ideas submitted. We were presented with several options that we had not thought of previously. A report of the effort was prepared. Legal review proved to be a stumbling block in providing results to our benchmarking partners. As a result, we ended up with two versions of the report, internal and external.

Case Study 2:
From direct feedback, we discovered that our process of informing upper management about workplace incidents needed improvement.

We had a short time frame for identifying ways to improve our notification process. As a result, our research was limited and we used our established network as our resource. As in Case Study 1, everyone has some type of notification process and we didn't feel that there was any advantage to collecting information from companies similar to ours.

Keeping management informed of workplace incidents is vital to organizations and encourages their involvement in workplace safety. We needed to improve the how and what of keeping them informed. We chose to contact my benchmarking resources by phone calls because of the request for a short turnaround of the information. If someone was unavailable to speak with directly, a voice mail message was left, followed up with an email. The message began by briefly describing our current process and asked for information on their equivalent process.

The incident findings were summarized in a simple report and forwarded to our manager for his information. We changed our process and feedback from upper management was positive.

Case Study 3: How to Sustain Ongoing Exchange of Information.

This Case Study describes how our facilities group initially became involved with benchmarking and continues to sustain benchmarking activities. Our facilities group (FSO) has been actively involved in benchmarking activities since 1992.

As a response to an ever changing environment, formal networks were established to engage benchmarking on a regular basis. This Case Study discusses the networks that were established, the criteria used to choose network participants and how the networks function.

Through informal networking, we came to find that facilities groups from similar companies had similar problems. For instance, keeping energy costs down, outsourcing janitorial services, ordering products from stores vs keeping a storeroom on site, etc., would raise questions about our operations. Questions such as, “How do they save money on energy costs?”, “Are we doing all we can to get the most from our services?”, “How can we provide better service to our customers?” There were numerous facilities related issues to consider; hence a benchmarking network was needed to help address these and future issues.

Establishing Formal Benchmarking Networks

Formal benchmarking networks of facilities groups were established by looking at memberships in professional organizations. Our facilities group is a member of the International Facility Management Association (IFMA), a logical resource of laboratory operation facilities with similar issues of concerns.

Criteria Used to Chose Network Participants

Initially, our quest for participants was not specific enough, allowing vendors to participate in the benchmarking process. At our initial benchmarking meeting, many of the speakers were vendors using the session as a venue for their products. The process did not address our concerns and was a “lessons learned” for future meetings.

To create a “core” group of participants with similar concerns, but at the same time not limiting our resources, a matrix of companies with laboratory operations with similar square footage as the criteria was developed.

How the Networks Function - Working with Our Benchmarking Resources to Exchange Information

The “core” group of companies decided that annual benchmarking meetings were to be hosted on a rotating basis. Several months before the meeting, the host company would develop and distribute a questionnaire to the invitees. With information gathered from the questionnaire, the host organizes speakers, lunches, agenda items, presentations, etc. The meetings are scheduled to last for two and a half days, with “Hot Topics” as:

- Chemical tracking system
- Leading energy and environmental discussions (LEAD)
- Energy – fume hoods, lighting, heating/cooling
- Outsourcing – janitorial services, food services
- New Furniture – open floor plan
- Lease vs Purchase

Hosting a benchmarking session is a committed effort, and requires a substantial amount of time and diplomacy.

Discussing common problems with similar companies may be beneficial, similar companies may also be direct competitors with one another. For instance, representatives from Company A may not want to share, or are prohibited from sharing cost cutting strategies with representatives from their competitor, Company B. Representatives may not be permitted to associate with representatives from Company C, the list of limitations can be endless. Being specific and upfront regarding what information is to be shared and indicating who the potential participants will be, will save you time, money and your reputation.

Since 1992, benchmarking has evolved into a business opportunity. The facilities “core” group uses a benchmarking consultation service to do the legwork for gathering information, maintaining data and providing data to participants electronically. This is a great option if preparation time is an issue.

<u>Lessons learned - Things to consider for sustaining ongoing exchange of information:</u>

- Proprietary information – In a competitive market, sensitivity to proprietary information is a priority. In addition to products, protecting proprietary information may also include limiting access to their facility, something to consider when determining a location for the meeting.
- Vendors – the do not have to be avoided, but if your goal is to discuss solutions to problems without the added product advertisements, they should be reconsidered.
- Survey or Questionnaire – use this to gather information and to provide information on what is expected, requested and who will be in attendance.
- Networking – companies can share their solutions to problems, or offer their services, if applicable.
- Consider using a benchmarking service, they may provide more resources of potential participants, have previous benchmarking information, data on your issues of concern, etc.

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