Business process benchmarking pdf

The process of comparing your business processes and performance indicators with others in the industry This article is about the business term. For geolocation of activity, see Benchmarking (geolocation). For other purposes, see Benchmarking is the practice of comparing business processes and performance indicators with the best and best practices of other companies. Dimensions are usually measured by quality, time and cost. Benchmarking is used to measure performance using a specific indicator (cost per unit of measurement, performance per unit of measurement, cycle x time per unit of measurement, or defects per unit of measurement), which results in a performance metric that is then compared to others. This process is also referred to as best practical benchmarking or process benchmarking, a process used in management in which organizations evaluate different aspects of their processes in relation to the processes of best practice companies, usually within a peer group defined for comparison purposes. This allows organizations to develop plans to improve or adapt specific best practices, usually to improve some aspects of productivity. Benchmarking can be a one-off, but is often seen as an ongoing process in which organizations are constantly striving to improve their practices. Benchmarking can also support project selection, planning, and implementation when managing projects. In the best practice benchmarking process, management identifies the best firms in their industry or in other industries where similar processes exist and compares the results and processes of those who have studied (targets) with their own results and processes. In this way, they will learn how well the targets are met and, more importantly, the business processes that explain why these firms are successful. According to the National Board of Measurements in Education, the assessments are short estimates used by teachers at different times during the school year to monitor the progress of students in some areas of the school curriculum. They are also known as the interim government. In 1994, one of the first technical journals called Benchmarking: An International Journal was published. The history of the term standard, comes from the history of weapons and ammunition, against the same purpose as for the business term; comparison and performance improvement. The introduction of gunpowder weapons replaced the bow and arrow from archer, a soldier who used a bow. Archer now had to adapt to the new situation and learn how to handle weapons. The new weapon left only a mark on the target where the arrow was visible, and with the bow gone, the name of the soldier changed to the shooter, the man who put the sign. The gun was improved already at the beginning, with the slicing of the barrel, and the rifle Arms industry in the mid-1800s, mass-produced ammunition as a cartridge replaced the manual of loading black powder and bullets into the cannon. Now, with the standardized production of both high-precision rifle and cartridge, the shooter was now an uncertain variable, and with different qualities and specifications on both the rifle and the ammunition, there was a need for a way to find the best combination. The rifled weapon was fixed to the bench, allowing you to shoot several identical shots at the target to measure the spread. In 2008, a comprehensive benchmarking survey was conducted on behalf of the Global Benchmarking Network, a network of benchmarking centres representing 22 countries. Mission and Vision Statements and Customer (Customer) Surveys are the most commonly used (77% of organizations) of 20 improvement tools, and then SWOT analysis (strong, weaknesses, opportunities and threats) (72%), and informal benchmarking (68%). benchmarking performance was used 49% and best practices benchmarking at 39%. , SWOT, and the advanced practice of benchmarking. More than 60% of organizations that do not currently use these tools indicated that they were likely to use them in the next three years. Benchmarking mainly depends on SWOT analysis and will also be used in the future for almost 4-5 years. The procedure There is no single benchmarking process that would be universally accepted. Widespread attractiveness and recognition of benchmarking have led to the emergence of benchmarking methodologies. One of the founding books is Boxwell's Benchmarking for Competitive Advantage (1994). The first benchmarking book, written and published by Kaiser Associates, is a practical guide and offers a seven-step approach. Robert Camp (who wrote one of the first books on benchmarking in 1989) developed a 12-stage approach to benchmarking. The 12-step methodology consists of: Select theme Identify the process To identify potential partners Identify data sources Data Collection and select all partners To identify the differences of the process of Target's Future Performance Communication To Correct The Purpose Implementation Review and recalibrate below is an example of a typical benchmarking methodology: Identify problem areas: Because benchmarking can be applied to any business process or function, a number of research methods may be required. These include informal conversations with customers, employees or suppliers; Research methods such as focus groups; or in-depth market research, quantitative research, surveys, questionnaires, cutting, mapping quality control variance reports, analysis of financial coefficients or simply revision of cycle time or other performance indicators. Before you get to work It's important to know the functions and processes of an organization compared to other organizations. The performance of the base lining provides a point at which you can measure improvement efforts. Identify other industries that have similar processes: For example, if someone was interested in improving the preparation in the treatment of addiction one could identify other areas that also have hand-off problems. These can include air traffic control, switching a cell phone between towers, transferring patients from surgical rooms to recovery rooms. Identify organizations that are leaders in these areas: Look for the best in any industry and in any country. Consult with customers, suppliers, financial analysts, trade associations, and journals to determine which companies are worthy of study. Companies' Survey on Measures and Practices: Companies focus on specific business processes using detailed reviews of the measures and practices used to identify alternatives to business processes and leading companies. Surveys are usually disguised to protect sensitive data by neutral associations and consultants. Visit best practices to identify best practices: companies typically agree to share information that is beneficial to all parties in the benchmarking group and share results within the group. Introducing new and improved business practices: Take best practices and develop implementation plans that include identifying specific opportunities, funding a project, and selling your organization's ideas to get a demonstrated value out of the process. The costs of the three main types of costs in benchmarking are: Visit costs - This includes hotel rooms, travel expenses, meals, a symbolic gift, and lost working time. Time-consuming - Members of the benchmarking team will invest time in researching problems, finding exceptional companies to study, visit and implement. This will separate them from performing normal tasks for part of each day so that additional staff can be required. Benchmarking of database costs - Organizations that institutionalize benchmarking in their daily procedures find it useful to create and maintain a database of best practices and companies associated with every best practice now. The cost of benchmarking can be significantly reduced by the use of many Internet resources that have emerged over the past few years. They aim to use benchmarks and best practices of organizations, business sectors and countries to make benchmarking much faster and cheaper. Technical/product benchmarking Technique, originally used to compare existing corporate in order to achieve the best performance in new situations (see above), it has recently been extended to compare technical products. This process is commonly referred to as technical benchmarking or benchmarking. Its use is well developed in the automotive industry (car benchmarking), where it is vital to develop products that meet the exact expectations of users, at minimal cost, applying the best technologies available worldwide. The data is obtained by a complete disassembly of existing cars and their systems. Such analyses were initially carried out under their own conditions by automakers and their suppliers. However, since these analyses are expensive, they are increasingly outsourced to companies that specialize in this area. Outsourcing has dramatically reduced costs for each company (through cost sharing) and the development of effective tools (standards, software). Benchmarking types may be internal (performance comparisons between different groups or groups within the organization) or external (performance comparisons with companies in a particular industry or industry). Within these broader categories, there are three specific types of benchmarking: 1) benchmarking processes, 2) benchmarking performance and 3) strategic benchmarking. They can be described in more detail as follows: The benchmarking process - initiating a firm focuses its surveillance and research of business processes in order to identify and monitor best practices from one or more landmark firms. Activity analysis will be required when the goal is to assess cost and efficiency; increasingly applied to back-office processes in which outsourcing can be considered. The benchmark is appropriate in almost every case where the process of reorganization or improvement should take place until the cost of the study exceeds the expected benefit. Financial benchmarking - performing financial analysis and comparing results in an attempt to measure your overall competitiveness and performance. Benchmarking from the investor's point of view- expanding the benchmarking universe is also likened to peer-to-peer companies that can be considered alternative investment opportunities from an investor's perspective. Benchmarking in the public sector functions as a tool for improving and innovation in public administration, where public organizations invest effort and resources to achieve the quality, efficiency and efficiency of the services they provide. Benchmarking of performance - allows the initiating firm to assess its competitive position by comparing products and services with the products and services of target firms. Benchmarking of products - the process of developing new products or upgrading to current ones. This process can sometimes involve reverse engineering, which disassembles competitors' products to find strengths and weaknesses. Strategic benchmarking - to observe how others are competing. This type is usually not industry,i.e. it is better to look at other industries, i.e. strategic benchmarking using PIMS (Profit influence marketing strategy). Strategy). benchmarking - the company will focus its benchmarking on one function to improve the performance of this particular feature. Complex functions such as human resources, finance and accounting, information and communication technologies are unlikely to be directly comparable in terms of cost and efficiency and may require disaggregation into processes for actual comparison. Best-in-class benchmarking - includes the study of the leading competitor or company that best performs a certain function. Operational benchmarking covers everything from staffing and performance to office flows and process analysis. Energy benchmarking is a process of collecting, analysing and comparing data on the performance of comparable activities in order to assess and compare performance between or within entities. Entities may include processes, buildings, or companies. Benchmarking can be internal between organizations within a single organization or - subject to privacy restrictions - externally between competing organizations. Tools Additional information: A list of benchmarking techniques and software benchmarking software can be used to organize large and complex amounts of information. Software packages can expand the concept of benchmarking and competitive analysis, allowing individuals to handle such large and complex amounts or strategies. Such tools support different types of benchmarking (see above) and can significantly reduce the above costs. The new engine benchmarking technology automates the transition from data to noteworthy comparative ideas, sometimes even expressing insight in English sentences. Metric benchmarking Another approach to comparisons involves using more aggregated costs or production information to identify strong and weak performing units. The two most common forms of quantitative analysis used in metric benchmarking are data envelopment analysis (DEA) and regression analysis. The DEA assesses the level of cost that an efficient firm should be able to achieve in a particular market. In regulating infrastructure, the DEA will be used to reward companies/operators whose costs are near an effective border with additional profit. Regression analysis assesses what the average firm should achieve. In a regressive analysis, firms that performed better than average may be rewarded, while firms that performed worse than average may be punished. Such benchmarking studies are used to compare criteria, allowing outsiders to assess the effectiveness of operators Industry. Advanced statistical methods, including stochastic border analysis, are used to identify high and weak performers in industries, including applications in schools, hospitals, water utilities and power plants. One of the biggest challenges for metric benchmarking is metric definitions used among companies or subdivisions. Definitions can change over time within the same organization due to changes in leadership and priorities. The most useful comparisons can be made when the definitions of metrics are common between the compared units and do not change so that improvements can be changed. Social media and social media benchmarking are beginning to penetrate more and more into existing business processes. In this sense, benchmarking is no exception. Because of their inherent characteristics, it can even be argued that social media will have a significant impact on benchmarking. Here are some of the benefits associated with this. Joint benchmarking is, in fact, a social activity, and social media provide many new and effective ways of social interaction. Social media is opening the way to new additional sources of information and data collection channels. Benchmarking is becoming more business-oriented, and social media supports this type of continuous interaction, different from working on individual projects. Cm. also Global Benchmarking Network Project Management Triangle Profit Impact Marketing Strategy Links - Fifer, R. M. (1989). Cost benchmarking features in the value chain. Strategy - Leadership, 17 (3), 18-19. Inverizzi, Dilett Colette; Locatelli, Giorgio; Naomi J. Brooks How benchmarking can support the selection, planning and delivery of nuclear weapons decommissioning projects (PDF). Progress in nuclear power. 99: 155–164. doi:10.1016/j.pnucene.2017.05.002. Inverizzi, Dilett Colette; Locatelli, Giorgio; Naomi J. Brooks (2018-03-05). International Journal of Business Project Managers. 11 (1): 104–121. doi:10.1108/IJMPB-05-2017-0054. ISSN 1753-8378. - National Education Measurement Board (USA) Archive 2017-07-22 on Wayback Machine - Archive Copy (PDF). Archive from the original (PDF) for 2014-08-03. 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NueMD. 2013-12-13. - prEN16231:2011 Energy Efficiency Benchmark Methodology, Brussels: CEN, 2011, p5 (Definition 3.2) - Infrastructure Regulation Authority Incentive Regulation: Key forms of regulation extracted from business process benchmarking aims at improving the performance of. business process benchmarking pdf. business process benchmarking ppt. business process benchmarking case study. business process benchmarking approach. types of business process benchmarking. performance management a business process benchmarking approach. the conversion process of business process benchmarking results in