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Benchmarking

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Introduction

In today's world, companies are facing increasingly globalized and competitive markets, which produce a constant dependence on information on the development of new organizational methodologies that allow them to absorb and adapt rapidly the technological and strategic changes that are taking place in the market and in the world economy. In this environment, organizations must go beyond their critical points and achieve a position in front of their competition. The problem that arises is how to locate more effectively those failures, their respective solutions and above all to find the best way to optimize the resources with which they are counted. It is in this context that benchmarking appears, becoming a fundamental tool to detect and apply the best processes to obtain better quality and greater productivity, based on the experiences that the leading companies in the market experienced (Goetsch& Davis, 2014).

In the course of this discussion, the process of benchmarking and its implementation in the Xerox Company is going to be discussed.

Benchmarking

The Benchmarking concept was used in topography to establish a benchmark so that, as a result of it, it could carry out measurements of land in an area. There is no universal definition of what the term Benchmarking would be. Each author creates a definition according to their perceptions, knowledge and concerns. Benchmarking has been presented as a tool to improve

practices within businesses and thus become more competitive within an increasingly difficult market. However there are aspects that are important to review. Among the aspects are quality, productivity and time (Anand&Kodali, 2008).

When deciding to implement a quality strategy, planning, organization and analysis activities are involved that respond to specific learning objectives, aimed at discovering, employing and adapting new strategies for the different areas of the organization. It is important to know how other companies form and manage their quality systems, apart from being used from a quality point of view according to the quality perceived by customers (Goetsch& Davis, 2014). Finally within the aspect of quality can be treated the development of the organization, the approach, the development of the human resources, the commitment, as well as the training.

Productivity benchmarking is the pursuit of excellence in the areas that control input resources and productivity can be expressed by the volume of production and the consumption of resources which may be costs or capital. No tool of quality and productivity is worth of itself to solve everything that an organization needs at the competitive level, because they lead to the achievement of specific objectives of its own (Stewart, 2010). Instead, benchmarking is a tool with a broad focus because it applies from knowledge and understanding of customer needs to the after-sales service.

The study of time, symbolizes the direction of industrial development in recent years. Time has become a potentiating factor in sales, administration, production and distribution and with it has achieved greater productivity. The development of programs focused on time has managed to cut delivery times and for this reason is achieved greater competitiveness.

The benchmarking is based on the idea that today it is difficult to create something new because almost everything has already been created, and there is no reason to spend time and money on it when it makes sense to take as a reference and adapt what already exists and are giving better results. Benchmarking is usually thought to consist of spying and copying (Anand&Kodali, 2008), but the truth is that it is simply a question of learning from the best that others do and applying what is learned, making the changes that are necessary according to the circumstances and characteristics of one's own.

Basically there are three types of benchmarking (Stewart, 2010):

- Internal Benchmarking: the one that applies within a company; for example, when referring to the practices used by a particular area of the company which, unlike the others, is getting very good results;
- Competitive Benchmarking: one that applies to companies that are direct competitors; for example, when reference is made to the practices of competition where it surpasses;
- Functional or generic benchmarking: one that applies to companies that may or may not be direct competitors; for example, when taking as a reference the strategies of a company that is a leader in a sector other than its own

Apply benchmarking involves continuous monitoring and evaluation of competing companies, especially leaders, in order to identify their best aspects or practices; However, it is also possible to apply the benchmarking for certain aspects in which it is desired to improve.

Implementation

The first step in applying benchmarking is to determine the aspects to be benchmarked. That is to say, the aspects in which it is wanted to improve and that, therefore, they will be taken

as reference of the competition. Some examples of aspects that are usually subject to benchmarking are product (design, functionality, etc.), customer service, production processes, work methods, business strategies, business policies, etc. (Adebanjo et al., 2010)

Once the aspects to be benchmarked have been determined, the companies to be analyzed are selected, which would be those companies, direct competitors or not, that have or better do what they want to improve. For example, in case of wanting to improve sales, the companies to be selected for analysis are those competing companies whose sales are greater than those of the benchmarking company or those companies that better sales strategies are using for their type of product (Baba et al., 2006).

Once the companies to be analyzed have been selected, the information to be collected is determined, which would be the information related to the aspects that will be submitted to benchmarking of the selected companies. For example, if the company is going to submit advertising to benchmarking the information to be collected could be made up of the advertising media, advertising messages, target audience and sales promotions used by the selected companies (Wauters, 2005).

Once the information to be collected has been determined, the collection is effective by going to the sources and using the appropriate collection methods depending on the type of information to be collected. For example, if the company wants to collect information about the customer service offered by the companies, it could visit the premises of the selected companies and take note of it, make small interviews with their customers, visit their profiles on social networks and read the comments they receive etc. (Baba et al., 2006)

Once the information has been collected, it is analyzed by comparing the aspects of the selected companies with their own and those of other companies, and identifying the best ones and those that could also be applied in the company itself. For example, in the case of analyzing work processes, one would compare the work processes of the companies that have selected with the benchmarking company and those of other companies and identify the best ones and those that one could also implement in the benchmarking company taking into account its resources and capabilities (Adebanjo et al., 2010).

Finally, once the information has been analyzed, the best aspects of the selected companies are taken as a reference, and adapted to the company itself by adding improvements. For example, once the information has been analysed and identified the best characteristics of the products of the selected companies, they will be taken as a reference and adapt them to the benchmarking company's products, trying to overcome them and add something more that allows the company to differentiate itself (Wauters, 2005).

Within all benchmarking processes, one of the most important points or steps is the selection or establishment of a relationship with the companies with which the company is going to associate to develop the benchmarking study. The company interested in carrying out a study should look for the companies against which to perform the benchmarking, which will be its partners in the study. One of the main problems that the study managers will have to face, once made the selection of the company with which to compare, is to convince or achieve the cooperation of that company in the study as a benchmarking partner. The type of benchmarking that is being done has a lot to do with the selection of partners, for example: If there is a benchmarking between internal business operations, there should be no problem between the study partners, since the exchange of information should not present any problems when

belonging to the same company. In contrast, when conducting a study against competition, cooperation is usually difficult or impossible because of mistrust or the protective attitude of information about processes, technology, etc. (Baba et al., 2006)

Case study on External Benchmarking in Xerox Corporation

Xerox Corporation became involved in the large-scale reconfiguration of its distribution network. This reconfiguration included reviewing the number, location and design of all facilities for the distribution of finished products and spare parts. In order to produce highly productive conceptual designs for its distribution centers, Xerox organizes visits to a range of distribution facilities in other industries. During each visit, Xerox and the host company exchanged information on the performance and practices used in their distribution facilities and discussed the lessons learned by the host company in designing and operating such facilities (Dragolea et al., 2009). Xerox agreed to receive representatives from its allies in benchmarking to visit their new facilities once completed.

To quickly assess each facility's overall performance during its visit, Xerox logistics engineers rated a simple performance measure for each distribution facility (the ratio of the lines shipped from the facility to the working hours used in a year in the facilities, which were sent by man-hour). The facilities that achieved the highest score were researched and visited again to ensure that existing practices were incorporated into the design of the new Xerox distribution facilities.

Due to its excellent customer service and distribution center operations performance, the benchmark for Xerox during the benchmarking exercise was L.L Bean. Many of the processes applied at the L.L Bean distribution center were incorporated into the Xerox design. The process

worked because today Xerox enjoys a world-class qualification in the operations of the parts distribution center. Its Chicago parts distribution center recently received the annual productivity achievement award from Modern Materials Handling (Donthu et al., 2005).

The Xerox case study is a classic example of external benchmarking, as it looks for partners outside of their own industry to set benchmarks. This external perspective is critical to the success of a benchmarking exercise. First, most major positive changes in logistics practices and performance have occurred in different industry lines. For example, the Efficient Consumer Response (ECR) in the grocery industry is an adaptation of the Continuous Flow Replenishment (CFR) in the electronics industry. The CFR is a development of the Rapid Response applied by Milliken in the textile industry. The Rapid Response originated in the Just-in-Time (JIT) of the Japanese automotive industry. Another example is the use of carousels in the operations of distribution centers. Carousels became popular in the operations of dry cleaners and offices long before their use in storage (Dragolea et al., 2009). Second, it is usually very difficult to find the cooperation needed to do justice to the benchmarking process when allies are all from the same industry. Third, if the company only does benchmarking within its own industry, it could be at the top of the industry. However, the industry is not very good in logistics, it is only be the best of a group of mediocre or, the worst of the bad guys.

Just as it is important to do external benchmarking, it also have to do with similar allies. With internal and competitive benchmarks, the similarities are obvious. However, with external benchmarking it is more difficult to identify similar logistical operations. Xerox and LL Bean are logistically similar because the average value per order is almost equal in both cases, their average volume per order is almost the same, generally handle the same volume of transactions and transport more or less the same number of SKU, etc. (Donthu et al., 2005). To the extent that

the ally in external Benchmarking is logistically similar to the company, the alliance in benchmarking will succeed.

Recommendations

It is recommended that there should be a systematic comparison of organizational elements or procedures, in order to implement. It is not activities that want to find the definition of ways to do business. It is easy to do since most industries have common productive processes and it is easy to compare with companies that are not of the same turn because there are similarities between activities.

It is also recommended that internal Benchmarking is more effective when there are new employees in the organization and the external provides a good review of the natural trends where the path is defined. ISO9000 makes it easier to carry out since it requires standardizations, records, etc. It detects the best by observing who the one with the best potential. It is necessary to use the legislation to do it properly.

Cost should always be taking into account when planning for benchmarking. A good process consists of incorporating all the costs of doing the business, of personnel, of operation, of services. There will be profits, for profits will be the network between accounting and taxes. A cost of production is not the best cost to carry it out, it is necessary to manage the costs as if they were loans, and amortize them.

It is recommended that the benchmarking process starts from an initial investigation to detect the companies that are known in the area examined and to establish the best of its kind or representatives of the best practices. Then the benchmarking process should be gradually deepened the benchmarking process. Probably those who wish to learn from their competitors by

comparing quality practices believe in the spirit of cooperation between organizations and have open minds to change, will be able to find many areas where to apply this process. The goal: a continuous improvement in a learning environment.

The benchmarking is a task to be carried out exclusively by "a group of individuals" and secondly, the members of the benchmarking group must be skilled in public relations. Starting from these premises in the benchmarking team, many organizations are not reluctant to make known their successful practices but rather share them and "publicize" their own organization in this way. On the other hand, being chosen as a "best practices" organization through a benchmarking process underpins the image of the company in the community, between clients and suppliers.

Regarding the reliability of the data, the benchmarking team will be responsible for detecting, contacting and resorting to appropriate sources such as local, federal, provincial, municipal and / or national government agencies; Academic institutions; Organization and / or active participation in congresses, conferences, fairs, exhibitions , competitions or other events that denote the initiative and the initiative of the organizations; publications of newspaper articles; Actions for the community; Suppliers; customers; employees; etc.

Conclusion

Benchmarking is a method that can achieve great growth results that will allow companies to compete in the same range. Benchmarking is an excellent alternative, which any type of company, business, industry, etc., can choose, to observe the different types of services, strategies, methods and processes that are carried out in its sector or outside it, to carry out an analysis to obtain all that information that one can apply in the business.

In this way the company will be a real competitor in the market and will not stall as many others do that do not use certain methods and strategies to grow, resulting in stagnation and a possible withdrawal from the market.

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