

Evaluation &

benchmarking
AES 2008, Perth



What is a benchmark?



Benchmarking is.....



... the continuous search for and adaptation of significantly better practices that leads to superior performance by investigating the performance and practices of other organisations (benchmark partners)

Robert Camp

Benchmarks vs Benchmarking



- Benchmarking is about **comparing** processes
- Benchmarks are "**yardsticks**"
- Benchmarks give you a measure of performance gaps for comparisons
- Benchmarks will not provide you with the reasons for superior performance

Two forms of Benchmarking



1. Numerical or performance

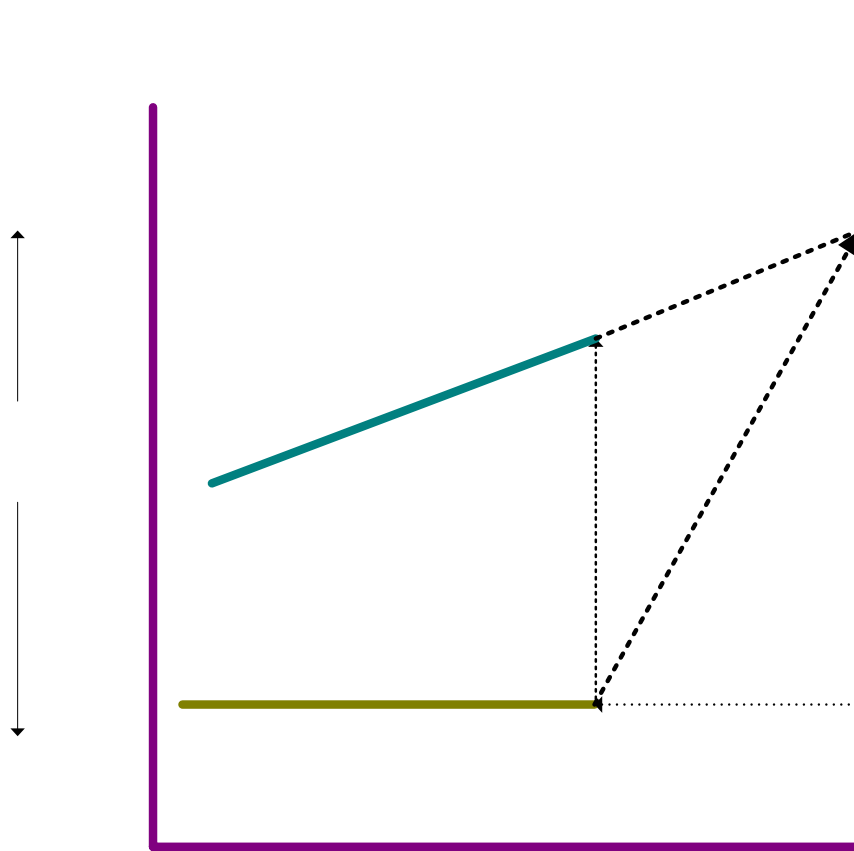
- Collection of data (or **benchmarks**)
- Comparisons on performance made with other organisations usually in the same sector

2. Process

Comparison of processes, practices and procedures:

- within an organisation against **internal** operations OR
- with partners **outside** the organisation

Why benchmark?



Demystifying some terms



1. “best practice” or “best-in-class”

- Not essential to find the absolute “best practice”
- Good or superior practice is sufficient

2. “apples with apples”

- Every organisation is different even in the same industry
- Use a standardised approach for performance reporting to overcome this

Types of benchmarking



Internal

- Look at your own internal processes

Eg: ABS Auto services, Melbourne

& Local government traffic management study

External

- Analyse outside organisations that are known to be “best-in-class”

External benchmarking



Process

Focus on excellent work processes wherever they exist, in different organisations or industries

Eg: Pillow manufacturer & Breakfast cereal company
& The Ghan & five star hotels

Industry or Functional

Benchmarking against leaders in an industry or in a function, such as HR, finance

Eg: Local government HR study: recruitment, training, induction

External benchmarking ctd...



Competitive:

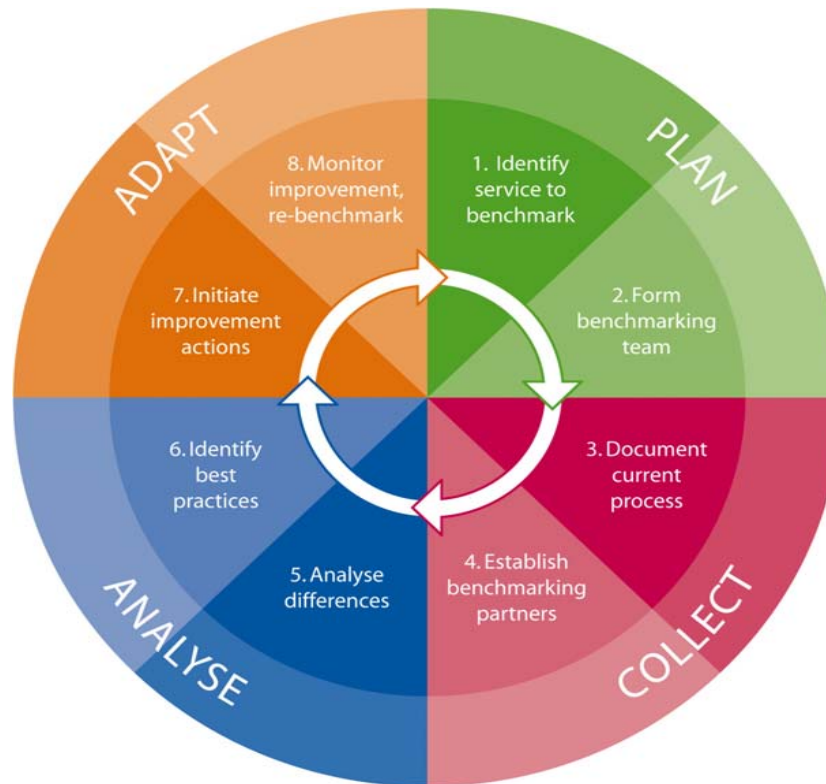
- Benchmarking against your direct competitors in the same market
- Use trade associations or third parties to protect confidentiality (clearinghouses)

Strategic:

- Those with successful strategies for delivering similar services
- Useful when businesses need to improve overall performance

Eg: National Biodiversity Strategy benchmarking study (Australia)

The Benchmarking Cycle



Adapted from: Local Government Practical Guide, 1995
and APQC's Passport to Success Series: Benchmarking, 2001

How to get started



- Select a process to benchmark
- Select a benchmarking team
- Train the benchmarking team
- Understand *your own* processes first
- Establish a **baseline** to check trends and wins (MERI) KPIs

4. Establish benchmarking partners



- Research publicly available sources
- Contact professional organisations
- Network
- Identify any organisations that have similar processes
- Identify any known “best practice” organisations

The site visit: before



- Do as much desk research as possible
- Assign roles to each member of the visit team: note taker, observer, interviewer
- Prepare a structure for the visit
- Send questionnaire to partner before visit

The site visit: during



- Ask questions that you would be willing to answer about your own organisation
- Be prepared to offer equivalent information in return for information you receive
- Offer a reciprocal visit and tour
- Document thoughts for later action

The site visit: after



- Debrief as soon as possible after the visit
- Write a thank you letter and send a copy of the visit report
- Follow through on all commitments
- Compare current operations with findings
- Identify opportunities for improvement
- Develop an action plan

Partners & Activities or Processes



Activity or Process

- Management of short stay accommodation
- Shift working patterns
- Security of information and customer details
- Customer service and customer satisfaction
- Combining ingredients in a production process

Sectors or Industries

- Hotel, hospital, B & B
- 24 hour supermarket, Call Centre, hospitals
- ATO, Medicare, Banks
- Child care, hotels, restaurants, department stores
- Chemical manufacturer, food processing company

Case Study: Concrete delivery



Case Study: Hospital transfers



Biggest problems with implementation



- Acceptance of results by senior executives
- Lack of human resources to implement changes
- Lack of financial resources to implement changes
- Communicating results

Source: The Benchmarking Exchange Survey, Quality Progress, August 2003

What has benchmarking got to do with evaluation?



Benchmarking is an evaluation tool that can be applied to a number of evaluands:

- Programs
- Projects
- Policies
- Strategies

Benchmarking & evaluation



- What is recognised best practice in this area?
- Who is doing the best?
- How do they do it?
- How good do we want to be relative to the best?

Proactive evaluations



- Review best practice to establish benchmarks
- Use benchmarks to establish a baseline
- Develop an appropriate reporting system

Refer: Owen, J. M. (2006) *Program Evaluation: Forms and Approaches*, New York, Guilford Press.

Monitoring evaluations



- Is the program meeting its benchmarks?
- How well are we doing relative to the best?
- Relies on an effective management information system
- Requires baseline measures
- Reliance on indicators will not tell the full story

Impact evaluations



- Benchmarks used to identify gaps in performance, compare with exemplary performance and learn how to improve
- Useful evidence to replicate or extend a program and/ or pilot

Follow up



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