Understanding Benchmarking

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Abstracts: This article defines benchmarking, briefly explains the types of benchmarking, and blends a description of its processes.

Introduction

Currently, academic libraries in Malaysia keep abreast with the change in the global digital environment by adopting the principles of quality management. For instance a total quality management tool, benchmarking offers academic libraries improved customer service, reduces operation cost while it helps to increase system efficiency. The ultimate objective of benchmarking is to improve the overall performance of the library services. Academic librarians have shown increasing interest in equipping themselves with knowledge in benchmarking so that they will know where they are, how good they have to be and what they have to do to keep up with outside partners in performing their work processes.

In response to the emerging need of the academic librarians on the issue of benchmarking, the Academic Library Committee of the Persatuan Perpustakaan Malaysia organized a 3-day workshop on benchmarking in October 2003.

Some definitions of benchmarking

Benchmarking is a total quality tool used to measure and compare library’s work processes with those in other libraries. The goal of benchmarking is to increase your library's performance by adopting the best practices of your library benchmarking partners.

An ongoing process of measuring and improving products, services and practices against the best that can be identified worldwide (Coding, 1992) Benchmarking is a systematic and continuous process of searching, identifying, learning, adapting and implementing best practices from within the same organization or from other organizations towards attaining superior performance.

Benefits of Benchmarking

Benchmarking produces valuable benefits to organizations that implement the programme. It is a process to assist organization to move in the right direction by implementing and re-implementing best practices in an organization programme of continuous improvements. It sets performance goals and help accelerate and manage change. It allows individuals to see outside the box which will generate an understanding of best practice. In other words benchmarking is all about quality focus, continuous quality improvement and most important customer satisfaction.

(bersambung di m. 10)
Benchmarking

Generally there are three common types of benchmarking, namely:

- **Internal Benchmarking.**
  This involves the measuring and comparing data on similar practices from other departments of the same organization. Internal benchmarking can be accompanied solely within the control of the organization and requires no outside participants. This type of benchmarking is a good start for new organizations since they can gain quick results due to the ready availability data.

- **External Benchmarking**
  This type of benchmarking consists of comparing organization operations or services to other organizations. This will help in identifying the strengths and weaknesses of the organization's competitors. It also looks at the processes others use together with functional trends to identify opportunities for continuous improvement. Such identification can help establish performance criteria.

- **Best-in-Class Benchmarking**
  Best-in-class benchmarking is a process of identifying best practices, usually by function, activity or process. This search for best practices should be the ultimate goal of the benchmarking process. It supports continuous improvement, increased performance levels, and moves towards best practices, and identifies opportunities for positive improvement.

**The Benchmarking Process**

As with any process, there are Input, Activities and Output. In benchmarking, the basic inputs are vision, commitment and diligence. Other than the three mentioned, the other inputs are training, people, money and of course time.

The activities of the process will comprise the following steps such as planning, analyzing, action and review. Here the organization will decide what to benchmark, finding potential partners against which benchmark is beneficial and possible, identify the source of data, communicate benchmarking objectives, develop improvement plans and review progress.

There are seven steps to effective benchmarking.

1. **Identify and understand your processes**
   An in-depth knowledge of the organizational processes is very important so as to fully understand its operation.

2. **Agree what and who to benchmark**
   The project team must identify through careful analysis of what to benchmark and who are going to be the benchmarking partner.

3. **Collect data**
   There are various ways of collecting data from benchmarking partners. It can be done through interviews with the person concerned, reading, research, site visits, telephone, fax and e-mails.

4. **Analyze data and identify gaps**
   Once data has been collected, review the findings and produce tables, charts and graphs to support the analysis. Identify the gaps between the organization's performance and the performance of the benchmarking partner. In this way differences can be established and plan of action for improvement developed.

5. **Plan and action improvement**
   At this stage benchmarking process involves generating ideas on how improvements can be made and putting forward ideas for implementation. The team will be responsible for introducing the improvements into the organization and for ensuring their smooth implementation.

6. **Review**
   At each stage of the study progress should be reviewed, and adjusted. As the pace of change increases, so do best practices. The process of undertaking benchmarking should be a never-ending and part of culture of continuous improvement.

**Conclusion**

Benchmarking is one of the tools that can be employed by organizations undergoing change strategy. It helps increase organizational performance and improve work processes. The end results of benchmarking are reduction of cost, improved customer services and increased system efficiency.

**References**