

European Benchmarking Code of Conduct: *Updated version*



Benchmarking is a powerful tool in the quest for continuous improvement and performance breakthroughs. Authors and sponsors have produced this European Code of Conduct to guide Benchmarking encounters and to advance the professionalism and effectiveness of Benchmarking in Europe. To

introduce this updated version, Paul Cherrett, Benchmarking Services Manager within BT Group Strategy, shares with us his views on benchmarking today.

Paul Cherrett is the Benchmarking Services Manager within BT Group Strategy. He commenced his career as an engineering apprentice in Bournemouth, England in 1967. He first became actively involved in benchmarking in the late 80s as a result of winning a BT Senior Manager Travel Award. This led him to study best practices associated with motivation and morale of customer interface teams. A speaker at various international events Paul was also awarded special recognition for his benchmarking contribution to the IBTE Structured Information Programme.

1/ What is the history of this European Code of conduct, which companies were involved in this effort and why?

The original version of the European Benchmarking Code of Conduct was formulated in the mid 90s and closely based on the APQC/SPI Code of Conduct as promoted by the International Benchmarking Clearinghouse. This source was gratefully

acknowledged, at the time, by the 'Eurogroup' authors of the Euro version. The Eurogroup comprised senior benchmarking managers and legal representatives from around 20 organisations such as BT, Shell, Siemens, EFQM and The Performance Improvement Group. Its role was to ensure the wording of the Code took into account rules of European Union competition law.

In 2004 the APQC launched a new version of their Code which prompted me to consider a revisit of the existing Euro version. This time the review work was undertaken by the UK based 'Benchmarking Institute' - a network of benchmarking experts from across both private and public sectors such as the BT, The Co-Operative Bank, Conoco Philips, Land Rover and the NHS.

Essentially, the guidance given within the new European Benchmarking Code of Conduct, picks up on the excellent APQC advise about being 'timely'. In addition, special emphasis is given to seeking legal advice particularly when embarking on studies with competitors or potential competitors. It is hoped that the changes will be well received amongst benchmarking practitioners and that the resulting document will continue to contribute to efficient, effective and ethical benchmarking across Europe.

2/ As an European expert on benchmarking, can you tell us how, in your opinion, has benchmarking evolved over years?

From an evolution perspective, good benchmarking practice has remained fairly stable. Whilst the call for faster information and quicker turn-around of data is highly desirable, the mechanics of executing a benchmarking study necessarily rely on the support, willingness and ability of your benchmarking

partners to co-operate.

I rather feel that there is now a growing realisation of the importance of developing and maintaining good 'networks'. Cost efficient and timely benchmarking studies are certainly likely to be enhanced based upon the ethical facilitation of professional and friendly company-to-company contact.

3/ How can benchmarking support fundamental business objectives?

Today, benchmarking remains a major component of the business improvement toolkit. It has certainly stood the test of time in that it continues to be leveraged to (a) support the setting of credible business targets by providing 'metric comparison' and (b) provide evidence of the 'best practices' applied by other companies that enable them to achieve high performance.

As well as help you gain new ideas from proven practices, learning through benchmarking could also be viewed as demonstrating evidence of responsible stewardship.

4/ If an organisation wants to benchmark, what would be your five recommendations?

#1. Benchmarking is principally about 'improvement'. It should never be about ticking a box marked "I have benchmarked". If you benchmark and have no intention of taking on board the learning - then why bother? The prime driver for benchmarking should be to pick a focus area that is of considerable concern to you and where performance must be improved.

#2. Preparation should account for about 25% of study effort. Thoroughly understand your own process areas and key measures before trying to benchmark against others. You should never request information from benchmarking partners that you are unable or unwilling to share.

#3. Be systematic and do your homework before trying to contact potential benchmarking partners. Use public domain information to understand who you might learn from and what strengths they might have. Demonstrating that you have such data to hand may well impress your targeted partners and make them more likely to consider participation.

#4. If in the slightest doubt, always take legal advice.

Data to be exchanged between competitors or potential competitors may need to be blinded by a third party agent. With severe penalties for non compliance, it is wise to consider the impact of European competition law.

#5. Finally, one important factor that underpins successful benchmarking is that of learning and sharing with benchmarking partners. It is important that a 'win-win' philosophy is adopted to ensure that all participants involved in the study can secure some value from the exercise.

Benchmarking Training Course!

Quality Scotland are currently running a training course on *'How to Benchmark for Performance Improvement'*.

If you are interested in finding out more on benchmarking or would like to attend this course, please contact Frances or Shona on 0131 556 2333. Alternatively, please visit www.qualityscotland.co.uk.



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