Benchmarking at Australian Catholic University

Benchmarking is learning from the practices of others so as to improve one’s own. As such, it is a valuable tool in the cycle of continuous improvement in an organisation committed to quality as the narrowing of the gap between aspiration and achievement.

Careful observation of and reflection on the practices of those in other organisational units or in other organisations can point to shortcomings in one’s own organisational practices or suggest alternative practices. Implementing change to improve practice following observation of and reflection on the practices of others is not simply copying but involves acquiring new knowledge and integrating it into future action plans.

The external reference point in benchmarking, be it outside the organisational unit, within the one organisation or in a different organisation, provides fresh insight into one’s own practices and their possible limitations, which can inform the review and improve phases of the PIRI (plan, implement, review, improve) cycle of continuous improvement.

Benchmarking is thus not an end in itself but part of an overall quality management approach at Australian Catholic University.

Steps in Benchmarking

1. Identify the function or process to be benchmarked.

Although benchmarking can be based on a single performance indicator (e.g., the number of coursework higher degree enrolments) or sets of indicators, unless a good deal is known about the processes that influence the indicator, benchmarking is not likely to yield much information that can be used to improve practice. Simple comparisons of performance can be of value but beg the question about the basis for any observed differences that need to be understood if change for the better is to be effected.

The process selected (studies of one or a very few processes are likely to be more manageable) should be one that is considered of high priority or of major significance in terms of the strategic intent of the organisational unit, i.e., where change is thought to have a major impact on performance or outcomes. This assumes the organisational unit has a good plan for implementing the organisation’s overall strategic objectives (a strategic implementation plan, the language of ACU quality management), which will allow ready identification of key processes.

Careful study of the process, if not already completed, is required before embarking on a benchmarking exercise, so that correct attribution of causal relations is made from observations of others’ practices. This means articulating the elements of a process (e.g., in flow diagrams or precise statements) and the relationship among them and other processes in the organisational unit.
2. Identify suitable external reference point(s) for benchmarking.

As noted above, benchmarking can be within the one organisation or with other organisations depending on the nature or purpose of the benchmarking exercise. Although external benchmarking is often thought to be preferable, it necessarily involves additional cost that needs to be justified in terms of the expected yield.

External organisations selected may be those considered similar in important ways to the home organisation and against which comparison would therefore be informative. On the other hand, the organisation(s) may be quite different, if for example there is interest in best practice independent of contextual factors, such as budgets available in the organisations or their respective missions.

Selection of more than one external reference point has the potential to increase the information that becomes available in the benchmarking exercise but adds to cost.

3. Ensure that the benchmarking is approved at an appropriate level.

As with all projects, it is necessary to have agreement about its merits at a high enough level within the organisation to ensure that any obstacles that might arise can be overcome. At a minimum, the manager of the organisational unit will need to ‘champion’ the project.

In the case of benchmarking with an external organisation or organisations there is a need to expose internal processes to scrutiny by others (possibly potential competitors) and this necessarily implies approval at a high organisation level.

4. Appoint a project team to have carriage of the benchmarking exercise.

Although an exercise can be run by one person if the process is circumscribed, there is usually benefit in having more than one person involved to share observations and reflections.

Members of the project team need to have a good understanding of the work of the organisational unit and its strategic implementation plan and be given the authority to undertake the benchmarking exercise.

The project team will be responsible for developing the operational plan for the benchmarking exercise, for gaining agreements on the time frame and the milestones to be achieved, for conducting and reporting on the exercise, and for communicating with the organisational unit and possibly more widely about the benchmarking exercise.
5. **Negotiate with the selected external unit(s) or organisation(s) about the benchmarking exercise.**

Close cooperation is necessary if benchmarking is to be profitable and this implies gains for all units or organisations involved. Corporate citizenship is unlikely to be sufficient incentive for others to be involved in a time consuming exercise.

Preliminary discussions will have been held with the partner(s) in the exercise at an early stage in determining feasibility and these will need to be continued once planning has been developed sufficiently. These discussions will be held at an appropriately high level and not necessarily by the project team, although the team will need to be involved. Negotiation of the plan with the partner(s) is necessary and this may well lead to changes in what is proposed, without compromising the expected value of the project.

Agreements will need to be reached (possibly in terms of a memorandum of understanding) on start and end dates for the project, what information is to be collected in the participating units or organisations, who will have access to the information and under what conditions, and how the information is to be used. Benchmarking exercises are often run for several years so that information on practice can cumulate and thus allow for finer grain comparisons, but some end date (or a review date beyond which the project may or may not continue depending on the satisfaction of all partners) should be specified before the project commences.

6. **Conduct the benchmarking exercise and report the outcomes.**

Detailed planning in advance and careful negotiation with partners should ensure that the conduct of the exercise is relatively straightforward. Any report of the exercise should be timely and should include specific recommendations for change in the organisations involved and strategies for implementing these. Without a focus on improvement the value of the benchmarking exercise is very much diminished.

**References**


