



BUSINESS PROCESS ENGINEERING

Process Improvement:
Benchmarking

BENCHMARKING

Benchmarking help us to know deeply our process, understand the competition, define the best process and integrate within the organization

BENCHMARKING

Benchmarking can be used on a wide range level of the process, including:

1. Different departments in one division
2. Different divisions within a single company or organization
3. Different organizations in one industry
4. Different organizations in different industry

TYPE OF BENCHMARKING

1. **INTERNAL**

- Benchmarking is used within our organization
- Easier to use
- Invite the external expert (consultant) to improve our process

TYPE OF BENCHMARKING

2. Competitive

- Requires an investigation of competitor's products, services, and processes
- The basic way is to buy a competitor's product or service then analyzed to gain a competitive advantage

TIPE BENCHMARKING

3. World-Class Operation

- Adopting world-class industry

4. Activity Type

- Benchmarking for specific activity

BENCHMARKING PROCESSES

Decide what things is going to be benchmarked

Defines processes to be benchmarked

Develop measurements to be benchmarked

Defines the internal, external areas of the company

Collect and analyze data

Determine the gap between the existing process and the best process

Develop action plans, targets, and measurement processes

Update benchmarking

6 PHASE OF BENCHMARKING PROSES

1. Process Design (Planning)
2. Internal Data Collection
3. External Data Collection
4. Data Analysis
5. Process Upgrading
6. Periodic reassessment

INTERNAL BENCHMARKING PROCESS FLOW

Planning Phase

1. Identify what to benchmark
 - Identify product, process, and activity that would be benchmarked
2. Obtain Management Support
 - Top management support can be described as target of product, process and activity
3. Develop benchmark measurement
 - Collect qualitative and quantitative data

INTERNAL BENCHMARKING PROCESS FLOW

4. Determine how to collect data

Method of collecting the data:

- Direct data: proses, procedure, and flowchart
- Interview : telephone, survey, internet, and another documentation
- Visit the location

5. Review plans with location experts

- Review data plans
- Recommend another site which has the same process
- Identify external organization to be benchmarked

INTERNAL BENCHMARKING PROCESS FLOW

6. Select Location

Data Collection And Analysis Phase

7. Exchange Data

- Call the contact person
- Who is the partner in benchmarking process
- Give matrix data, procedure, dan flowchart proses

8. Conduct telephone interview and surveys

INTERNAL BENCHMARKING PROCESS FLOW

9. Form a corporate benchmarking committee

- Review the several data which has been collected and discuss further which needs deep analysis and understanding

10. Conduct Location visits

The results from visit should be reviewed by mentioning the strengths and weaknesses of the process