

Benchmarking



OBJECTIVES OF THE SESSION

- To understand the importance of benchmarking in improving performance.
- To know how to implement benchmarking practices.



Benchmarking

Definition:-

“A systematic and continuous process of searching, learning, adapting and implementing the best practices from within own organisation or from other organisations towards attaining superior performance”

Malaysia Productivity Corporation

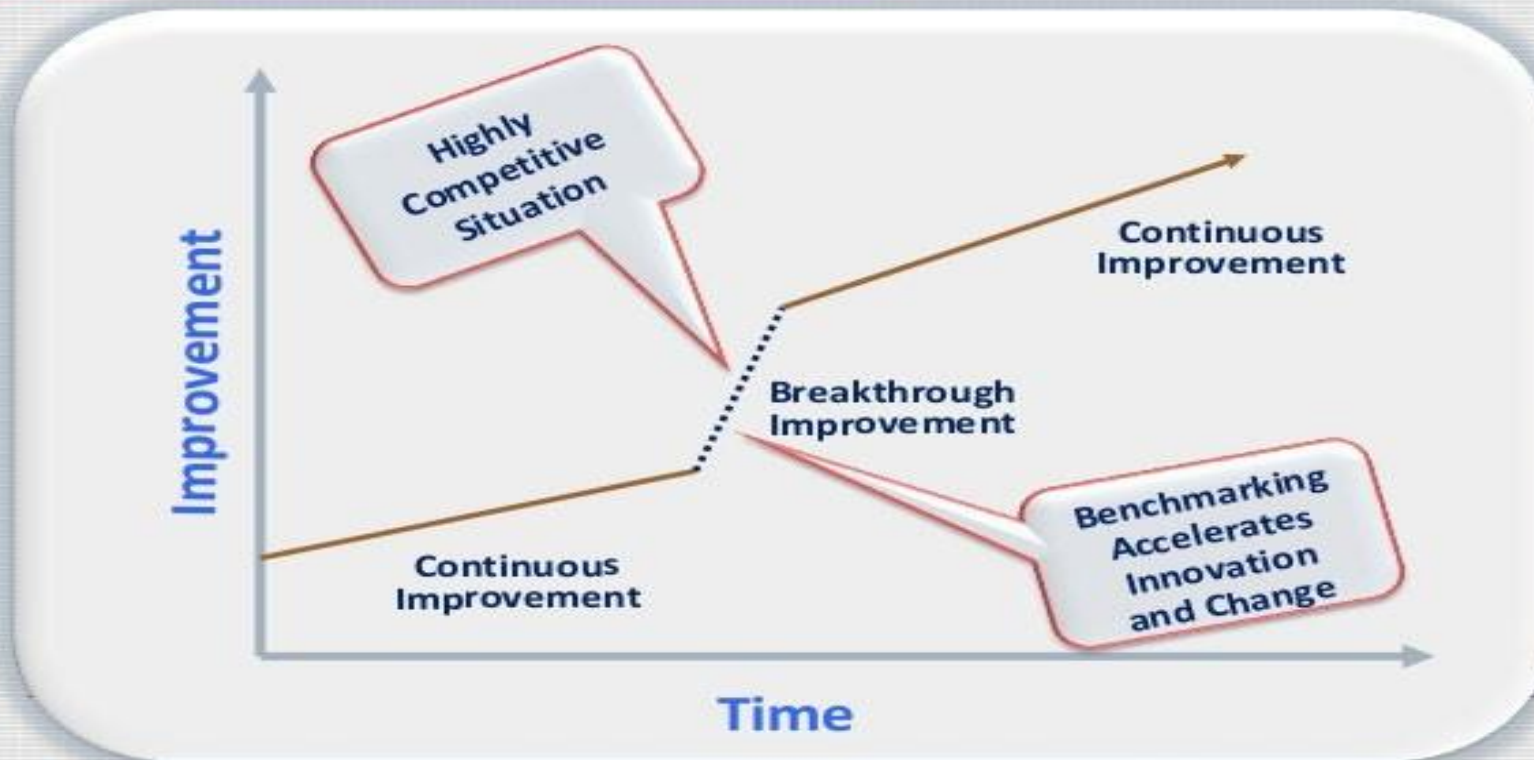
“Benchmarking is defined as the practice of being humble enough to admit that someone else is better at something and being wise enough to try to learn how to match and even surpass them at it”

Quality Digest, July, 1992



Significance of Benchmarking

Continuous and Breakthrough Improvement



Dr. Zargari

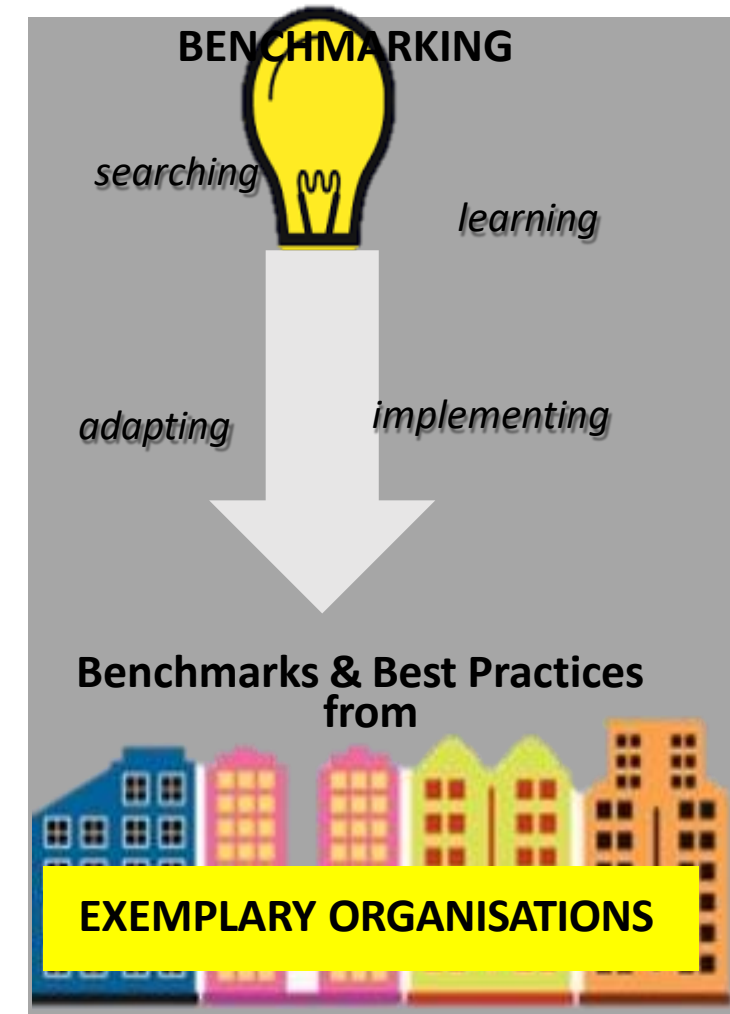


CERTIFIED PRODUCTIVITY SPECIALIST (CPS) COURSE



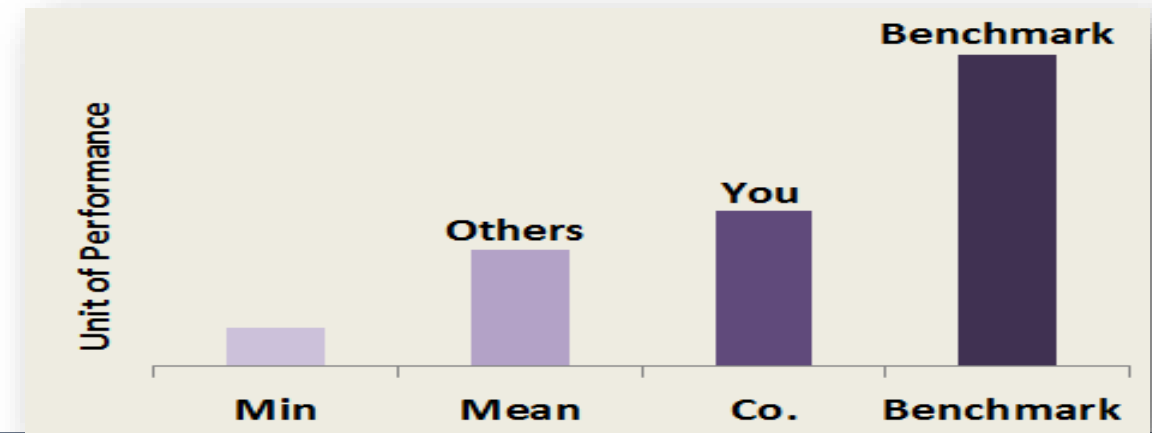
Benchmarking Main Goals

- ❑ Identify key performance measures for each function of a business operation;
- ❑ Measure one's own internal performance levels as well as those of the leading competitors;
- ❑ Compare performance levels and identify areas of comparative advantages and disadvantages; and
- ❑ Implement programmes to close a performance gap between internal operations and the leading competitors.



Advantages of Benchmarking

- Thinking “Outside the Box”
- Accelerate the rate of change
- Identify breakthrough improvements
- Provide fact based decisions
- Create a consensus climate
- Achieve a competitive advantage
- Improve customers satisfaction



Types of Benchmarking

1. Internal Benchmarking

A comparison of one specific process within your own organisation or across different departments and business units.

2. Competitive Benchmarking

A comparison of a specific process with that of a direct competitor.

3. Functional Benchmarking

Focuses on comparison of a specific process externally with a similar one within a broad range of your industry and business line.

4. Generic Benchmarking

A comparison of specific processes from unrelated industries or business lines towards identifying innovation.



Component of Benchmarking

Benchmark

A measure of “best-in-class” achievement, which is being recognised as the standard of excellence for a particular process.

Best Practices

Best practices are relative terms indicating outstanding business practices which have been identified as contributing to significant improved performance in leading companies.

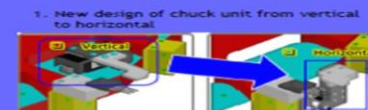
- Rate of customer complaint 5%
- Employee satisfaction rate 95%
- Customer retention rate 90%
- Customer response time 15 min.

THE NINE PROCESSES IN THE MARK MACHINE WORKFLOW



TRIZ INVENTION SOLUTIONS

Solutions for chuck unit



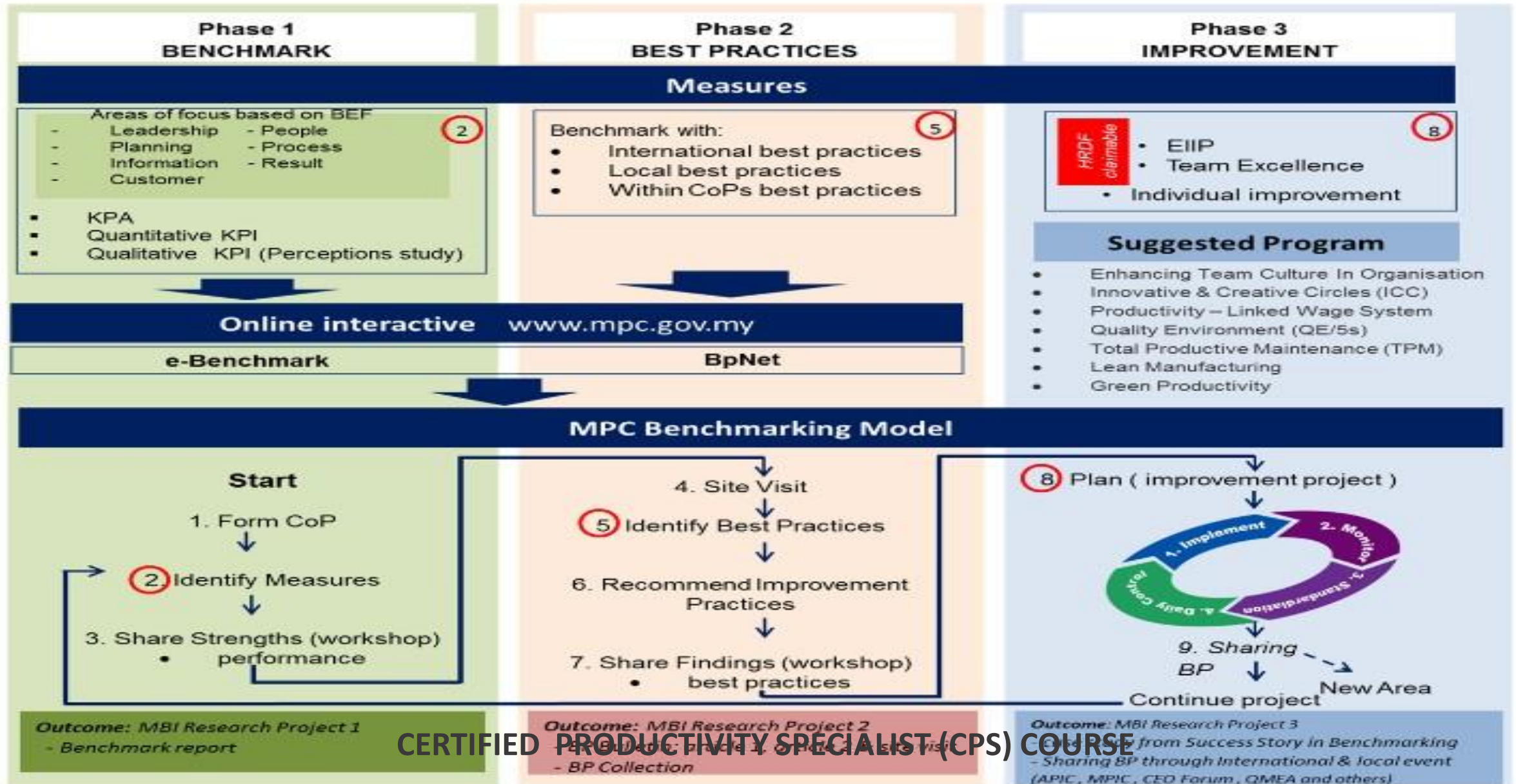
2. New jig for setting the chuck position



Solution to remove dust



MPC Benchmarking Model



Critical Success Factor

- ❖ Do the right study (something important)
- ❖ Be committed to implement the results
- ❖ Use an appropriate benchmarking process
- ❖ Choose and empower the right teams
- ❖ Know your own process first
- ❖ Choose the right partner
- ❖ Agree to a code of conduct
- ❖ Test adaptability of practices and enablers
- ❖ Verify the results of implementation



Code of Conduct

- Conduct yourself within **legal bound**
- Participate by **exchanging information**
- **Respect confidentiality** of information
- Use of information only for the **intended purpose**
- Initiate contacts with **designated individuals**
- **Obtain permission** before providing contacts
- **Be prepared** for each benchmarking event
- **Follow through** with commitments to partners
- Treat information from others **as they desire**



Examples of CoP

Construction

Klang Valley
Johor Baharu

Utility

Power Producers
Energy Users

Public Sector

Local Authorities
Project development Management
Counter Service
Excellence Organisation

Process

HRM
Cycle time
Counter Service
Call Centre
TQM
Productivity

Services

Special Libraries
Hotels
Hospitals
Ports
Banks

SMEs

Enterprise50
Headstart500
Productivity
Improvement
ASEAN SMEs

Manufacturing

Textile
Apparel
Plastic Injection
Palm Oil Refineries
Electrical Mfg Services
Automotive Vendors



Examples of CoP



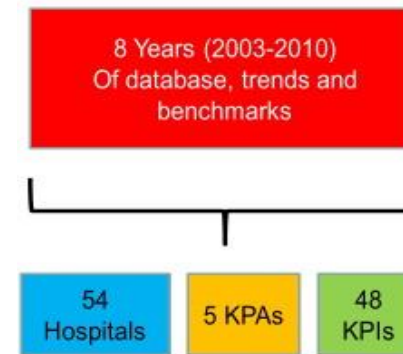
Benchmarks in Healthcare CoP 2010



Benchmarking for Private Hospitals

Objective :

Establish benchmarks for continuous improvements on quality services



Key Performance Indicators
1.0 TECHNICAL EFFICIENCY
1.1 Average length of stay (day)
1.2 Average bed occupancy rate
1.3 No. trained nurses per occupied bed ratio (op/staffed bed)
1.4 No. of trained nurses Vs total FTE consultants
1.5 Surgeries per FTE surgeon
1.6 No. of outpatient consultation per FTE doctor
1.7a Total hospital laboratory cost per occupied bed
1.7b Total hospital laboratory cost per inpatient admission & outpatient consultation

Key Performance Indicators
2.0 STAFF AND FACILITIES UTILISATION
2.1 FTE of all staff per occupied bed
2.2 Specialist's hours per inpatient day (hour)
2.3 GP's hours per inpatient day (hour)
2.4 Nursing hours per inpatient day (hour)
2.5 Operating theatre utilisation rate
2.6 Labour cost per occupied bed (op/staffed bed) employed by hospital
2.7 Average monthly nurse turnover rate
2.8 Training hours per employee per year
2.9 MRI utilisation rate (%)
2.10 CT scan utilisation rate (%)

Key Performance Indicators	2010			2009	2008
	Small	Large	Overall	Overall	Overall
3.0 CLINICAL OUTCOME					
3.1 Surgical patients who passed away within 14 days of surgery per 1000 patients	0.0	0.7	↓ 0.5	0.9	0.7
3.2 % of elective LSCS with LOS of more than 5 days	0.8%	2.3%	↑ 1.9%	1.6%	1.5%
3.3 % of eligible AMI patients - within 1 hour	81%	68%	↓ 70%	83%	83%
3.4 Rate of unscheduled return to the operating theatre within 48 hours of operation per 1000 patients	0.0	0.8	↓ 0.6	0.8	1.0
3.5 Rate of patients fall in a year per 1000 inpatients admission	0.1	1.7	↓ 1.2	1.5	1.4
3.6 Rate of needle stick injury per staff	1.3%	1.1%	↓ 1.2%	1.4%	1.4%
3.7 Rate of MRSA cases per 1000 patients admission	0.1	0.4	↓ 0.3	0.5	0.6
3.8 Rate of SSI per surgery per 1000 patients	0.2	1.8	↓ 1.2	1.5	2.4
3.9 % of patients readmitted into ICU within 24 hours	0.0%	0.5%	↑ 0.4%	0.4%	0.5%



Issues and Challenges

- ❑ Misconception about benchmarking and focusing on benchmarking as measurement “how much” rather than “how to”.
- ❑ Lack of planning and commitment from a working group and experts (Implementation)
- ❑ Similar to other quality initiatives, one of the main barriers of implementation is top management commitment.
- ❑ Feasibility of conducting benchmarking exercise including cost, resources and involved against the outcomes.
- ❑ Identification of best practices can obstruct the benchmarking exercise, in particular where to find best practice, how to make sure that the identified best practice is the “best”.



THANK YOU

