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SURVEY OF BENCHMARKING ACTIVITIES
by Christian Isaksson, Swedish Agency for Administrative Development

First meeting of the OECD/PUMA International Benchmarking Network
21 November 1997
OECD Headquarters, Paris

This Survey was carried out by the Swedish Agency for Administrative Development for the OECD/PUMA International Benchmarking Network. The main objectives are to:

- gather practical information that members of the Network and others can use in developing their approach to international benchmarking;*
- identify promising practices in international benchmarking; and*
- provide information that can be used to assist in identifying possible priorities for the Network.*

The Survey's main conclusion is that international public sector benchmarking is still less developed than benchmarking within countries. However, there are interesting examples of international public sector benchmarking, especially in process benchmarking of technical sectors and functions of Government.

For additional information about this Survey or the OECD/PUMA International Benchmarking Network, you may contact Sigurdur Helgason at the PUMA Secretariat: Tel (33-1) 45 24 90 88; Fax (33-1) 45 24 87 96; E-mail address sigurdur.helgason@oecd.org.

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SURVEY OF BENCHMARKING ACTIVITIES

by Christian Isaksson
Swedish Agency for Administrative Development

I. Introduction

1. At its meeting on 20-21 March 1997 the PUMA Committee decided to establish an OECD/PUMA International Benchmarking Network (IBN). The PUMA Committee's decision has evolved from successive discussions at the PUMA Performance Management Activity Meetings, as well as from discussions between the Secretariat and Members of the Performance Management Network.

2. The focus of the Survey is to:

- Identify and examine existing public sector and international networks, enterprises, clearinghouses, etc., engaged in benchmarking and similar comparative performance improvement practices.
- Generally assess OECD countries' experiences with international public sector benchmarking.
- Identify public sector organisations with international benchmarking experience.

3. The survey's main methods have been systematic searches on the World Wide Web (WWW), and requesting information via E-mail. This approach has been chosen on practical grounds, mainly due to time restrictions. It is also likely that IBN will in the future make use of the Internet so the use by other networks of the Internet is particularly important. The survey has limitations and the assessment should be seen as indicative, e.g. some interesting benchmarking activities may not appear on the WWW, and it has not been possible to verify if benchmarking activities of various networks actually correspond to the information provided.

4. *Benchmarking* involves comparing one's own organisation's practices against *best practices* employed by organisations anywhere in the world. The comparisons can be results and process oriented:

- *Results benchmarking* involves using performance measures to benchmark results such as cost, outputs, quality, and outcomes.
- *Process benchmarking* involves the benchmarking operating practices (not results) against practices employed by others.

5. The concept of benchmarking is usually defined as being closely related to the term "*best practice*". The use of this term should not imply that practices can be duplicated uncritically between organisations. Instead, practices need to be evaluated and viewed with regard to the context of each organisation's specific strategy, complexity and development stage, and use of technology. Equally important is the degree of importance a specific process has to each organisation.

II. Benchmarking and the WWW

6. There are many reasons that partly explain the accelerating expansion of benchmarking services and activities operating via the WWW. Two foremost ones are:

- Improving contact and interaction between benchmarking parties, contact persons, consultants, evaluators, researchers, etc.
- Improving capabilities dealing with the collection, diffusion, application, accessibility and subsequent evaluation of benchmarking methods, standards, databases, etc.

II.1 General WWW Trends

7. Analysis of existing benchmarking activities on the WWW covers their general purpose, scope, content and organisation. Observations and conclusions presented in this chapter and in chapters 3 and 4, are based on data collected from over 60 WWW sites, all providing various types of information and interactive capabilities relevant to public sector benchmarking. The sites studied are from the US, Canada, Australia, New Zealand, the UK, Germany, Italy, Sweden, Norway, Denmark, Belgium and South Africa.

8. Nearly all sites studied contain links, resources or guidance useful for establishing benchmarking partnerships and co-operation vis-à-vis other Web sites and organisations. Most provide some form of networking services together with individual consulting and support for establishing contact with experienced benchmarking individuals and organisations.

9. Most of the resources and links to benchmarking related Web sites enable access to a broad spectrum of databases containing or leading to practical information and guidance (in the form of systematised contact information, performance measures, “best practices”, codes of conduct, reviews, guidelines, definitions, case-studies, articles, reports, policy developments, changes in legislation, etc.).

III. Public sector Networking via the WWW

10. Of all identified benchmarking related Web sites, no more than 15 can be regarded as having hands-on experience related to international public sector benchmarking. Among these the dominance of the private sector is very evident (at least 10 networks).

11. Only few domestic public sector ventures (two in the US and two in Canada) explicitly encourage their users to initiate and participate in international benchmarking. This is often stated as being part of their mission. These four ventures have already been involved in one or more international benchmarking projects being successfully implemented. The gathering and sharing of benchmarking information on an international scale has also been realised.

III.1 Public Sector Reforms

12. Public sector networking practices operating via the WWW seem to be most developed in at least four English-speaking OECD countries - the United States, Canada, Australia and New Zealand.

13. This development can be traced to centrally instituted public sector reform policies. Though the official terminology employed for describing each countries individual reform process varies - e.g. “public

sector innovation”, “governmental renewal”, etc. - they all share the same objective: that of creating and promoting management cultures that encourage and sustain on-going innovation, diffusion and application of verified “best practices”.

14. Public sector benchmarking and related performance measurement techniques have obviously been awarded a major role in the reform strategies of each of these countries. The same applies to the establishment of public sector benchmarking networks organised and interconnected through advanced information technology. The vision is to encourage and facilitate benchmarking in all its forms, across all policy sectors and involving all levels of government.

III.1.1 Benchmarking Networks in the United States

15. Over 40 Web sites encompassing public sector benchmarking exist for all levels and most sectors of government - 10 sites directed to federal government entities; one each for the Department of Energy, the Department of Labor, the Bureau of Justice, the Department of Transportation, and NASA; five for the US military; seven at the state government level; three at the local level; two specialising in procurement and acquisition; one focusing on the environment; three privately operated benchmarking and quality management sites; to name a few. Most noteworthy among them include the following WWW ventures:

- The Inter-Agency Benchmarking and Best Practices Council
- The National Science Foundation’s Finance Net
- The Federal Audit Executive Council’s IGgnet
- The General Services Administration’s Performance Pathways
- The Office of Federal Procurement Policy’s Acquisition Reform Net

The Inter-Agency Benchmarking and Best Practices Council

16. The *Inter-Agency Benchmarking and Best Practices Council* is sponsored by the United States Federal Government. The Council’s chief purpose is to accumulate and disseminate information and knowledge relating to public sector benchmarking, “best practices” and similar performance management topics via the WWW. In the Council’s charter this is formulated as involving the tasks of working to:

- leverage capabilities, experience and knowledge in the areas of benchmarking and best practices;
- reduce duplication of efforts in the planning and conducting benchmarking initiatives; and
- set a standard of excellence for benchmarking through the development of commonly agreed definitions, ethics, and approaches.

17. The Council’s work consists of:

- Establishing a *Code of Ethics* for benchmarking.

- Developing a *Government Classification System* for Knowledge Management.
- Sponsoring governmental national benchmarking conferences.
- Managing a *Homepage* and a *Clearinghouse* providing links to completed and planned benchmarking projects.
- Contacting and interviewing leading experts in benchmarking, reengineering, performance measurement, and knowledge management.
- Administering a library of books, articles, and publications.
- Publishing a monthly newsletter.
- Administering bulletin boards for educational/training opportunities.

18. Council membership is open to “representatives of organisations throughout government interested in participating in reinvention of government through benchmarking and the identification and sharing of best practices”. To date, the council has over 170 Federal, state and municipal members representing over 40 federal departments and agencies, several states and several local governments.

19. The initiative takers behind the establishment of the council are executives of the *Department of Energy, Transportation, Veterans Affairs, Internal Revenue Service, and the Patent and Trademark Office*. These officials comprise also the council’s steering committee, serving on a rotating basis and responsible for planing, project management, co-ordination and logistics resource.

20. The Council has also established professional partnerships with the *International Benchmarking Clearinghouse* of the American Productivity and Quality Center, the *Innovation and Quality Exchange* of the Canadian Treasury Board Secretariat, *Informationszentrum Benchmarking* the German Benchmarking Centre, and the *Strategic Planning Institute*.

21. The Council defines a “*best practice*” as being “*a superior method or an innovative practice that contributes to improved performance of the process*”. For a “best practice” to be regarded as such, it must live up but not be limited to the following criteria:

- expert critique;
- superior results compared to other comparative organisations;
- breakthroughs in achieving efficiency/effectiveness;
- agreement among multiple sources about the attainment of higher results;
- use of latest technology; or
- repeated positive results relating to user/client/customer satisfaction.

22. In short, a “best practice” must objectively demonstrate that it leads to “better, faster, cheaper” results than those achieved by alternatives practices.

23. In line with the above definition of a “best practice”, the Council operates a *Best Practices KnowledgeBase* - a clearinghouse for gathering and sharing “best practices” in federal, state and local government processes. In order to be approved for registration in the Best Practices KnowledgeBase - apart from having to satisfy the council’s definition of a “best practice” - a process must also be able to earn a satisfactory rating according to the *Government Process Classification Scheme*.

24. The Government Process Classification Scheme is a rating system that makes possible the grading of public sector practices pertaining to the following common government processes:

- establishing the agency’s strategic direction;
- acquiring resources;
- providing services, capabilities, etc.; and
- executing the agency’s mission.

III.1.2 Benchmarking Networks in Canada

- *Canada*: 6 sites found (5 directed to federal government and 1 directed to local government).

III.1.3 Benchmarking Networks in Australia and New Zealand

- *Australia*: 8 sites found (3 federal; 2 regional; 3 privately sponsored benchmarking and quality management).
- *New Zealand*: 1 site found (privately sponsored benchmarking and quality management).

III.1.3 Benchmarking Networks in Europe

The European Clearing Houses on Health Outcomes (ECHHO)

25. The *European Clearing Houses on Health Outcomes* (ECHHO) is a noteworthy benchmarking network. ECHHO is funded by the European Commission under the BIOMED Programme. Its activities started in June 1994 and are housed at the *Nuffield Institute* at the University of Leeds in the UK. The Institute leads a concerted action *to establish European clearing houses on health outcomes*. ECHHO states its aims as being to:

- Establish a European wide network of health outcome clearing houses.
- Provide a forum for the exchange of information on the use and application of outcome measures.
- Provide information about problems of application in different organisational and cultural contexts.
- Disseminate information to policy-maker and practitioner stakeholders.

26. Activities run by ECHHO comprise:

- The sharing and exchanging of experiences at the researcher-practitioner interface.
- Increasing understanding and use of outcome measurement.
- Profiling health outcomes via the *Europe Bulletin*.
- Sponsoring international meetings, site visits and personnel exchange.
- Promoting the development of *Outcomes Activities Databases* and of the application and use of outcome measures within European member states.
- Operating a European database on “innovative” practices.

27. The main objective of *ECHHO's Outcomes Activities Databases* is to provide a forum for exchanging information on the use and application of measures and offering information about problems of application in different organisational and cultural contexts. Its strategy for realising this goal is to encourage and aid in the development of national databases containing details on the application of measures throughout Europe.

28. The ECHHO Outcome Activities Databases aims are to:

- Avoid duplication of work.
- Promote networking amongst individuals and organisations using outcome measures.
- Aid researchers and practitioners learn from and build on the experience of others.
- Provide access to information on measuring outcomes which is often not published.
- Assist in the choice of appropriate measures for a study.
- Help practitioners and stakeholders to understand the issues and problems involved in outcome measurement.

29. At this point ECHHO affiliates are developing databases in their own country, and making them available over the World Wide Web. Each country is in a different stage of development. All ECHHO databases use similar search interfaces and are indexed using a common English thesaurus. Projects must meet one or more of a range of criteria before being added to a database.

30. ECHHO views the usefulness of the databases as hinging on people using outcome measures and keeping ECHHO informed about their work. Practitioners are encouraged to contribute any relevant work. Databases affiliated to ECHHO have been established in the following countries: Germany, Greece, Ireland, the Netherlands, the Nordic Countries, the UK, Portugal, Spain, and Switzerland. ECHHO Contact Points exist for each country.

31. ECHHO also runs a *Literature Database* providing access to selected material relating to outcome measurement in a cross cultural setting. This includes access to books and journal articles on the development, cross-cultural adaptation and translation of measures used in a range of cultures.

The Nordic Outcomes Activities Database

32. *The Nordic Outcomes Activities Database* is an ECHHO Country Database containing information on current projects concerning health outcomes and outcome measures in the Nordic countries. The database currently contains 40 projects, and anticipates an annual growth of 100 projects. The Nordic Outcomes Activities Database is run by the *Swedish Institute for Health Services Development*, in collaboration with the *Danish Institute for Clinical Epidemiology (DICE)*, *HELTEF, Central Hospital in Akershus*, Norway and *STAKES*, Finland.

QUASIMEME

33. The EU sponsored QUASIMEME project (Quality Assurance of Information for Marine Environmental Monitoring in Europe Project) involves 90 key marine monitoring laboratories from all the maritime member states.

34. The projects objectives are to:

- Establish a comprehensive knowledge of the Quality of Chemical Measurements made in Marine Monitoring Programmes.
- Understand the basic underlying causes of “poor” between laboratory agreement.
- Undertake a stepwise improvement programme to allow each laboratory an opportunity to provide data of a higher quality.

35. These are to be achieved via a holistic *Quality Assurance Approach* that determines the current accuracy of each lab’s measurements. Most important is to identify key sources of error as well as to improve the quality of monitoring data. QUASIMEME is built on an “effective European monitoring network, which will continue on a self-financing basis, providing national and international agencies with increasingly reliable data from the contributing marine institutes.”¹

CASPE Research

36. CASPE Research is an independent UK research unit attached to the King's Fund in London that undertakes research projects in the *National Health Service*, and works closely with *HCIA (a US based corporation described in the next chapter)*. *CASPE Research* is currently examining the large body of work that is going on in many countries (e.g. US, Canada, Australia, England, Scotland, Wales, Germany, Holland, Scandinavia). The aim is to *develop clinical indicators*. *CASPE* is interested in “identifying similarities, and differences, across countries in the philosophy, developmental approach, clinical areas addressed, measurement instruments proposed and the value of indicators to clinicians and patients etc., with a view to *seeking commonalties and moving onwards to undertake international benchmarking activities*”.²

¹ QUASIMEME is a project belonging to the EU’s Industrial Technologies Programme (BRITE-EURAM, S,M&T). Contact: QUASIMEME Project Office, QUASIMEME@marlab.ac.uk, Tel: +44+1224 87 65 44, Fax: +44 1224 29 55 11.

² Contact-person: James Coles, Research Director, CASPE Research, e-mail: jcoles@caspe.co.uk, Tel: +44+171-378-7588, Fax: +44+171-378-6515.

European Web Sites

- *UK*: 7 sites found (1 central government, 1 local government, 3 privately sponsored).
- *Germany*: 1 site found (privately sponsored benchmarking and quality management).
- *Italy*: 1 site found (privately sponsored benchmarking and quality management).
- *Sweden*: 1 site found (privately sponsored benchmarking and quality management).

IV. Private sector Networking via the WWW

IV.1 The Benchmarking Exchange

37. *The Benchmarking Exchange (TBE)* describes itself as being a comprehensive and user friendly electronic communication and information medium, specifically designed for use by individuals and organisations involved in “Benchmarking and Process Improvement”. TBE is a private network operating exclusively via the WWW. Access TBE’s services and databases is restricted to members paying a fixed membership fee.

38. TBE’s mission is to provide its members with ‘a comprehensive, centralised and specialised forum for all phases of benchmarking’. The network’s chief commitment is to provide its members with benchmarking information quickly and efficiently. This task is tailored to each member’s individual needs and included in the membership fee. TBE updates its Web site information on a daily bases.

39. According to TBE it has thousands of members from more than 45 countries, and it refers to itself as being the network of choice to organisations belonging to more than 18 of the “world's leading Benchmarking and Business Management associations”. It further states that its membership is made up of organisations in all industries, both private and public (over half of the Fortune 100 companies are named as being TBE members, and over three-fourths of the ‘Fortune 50’). Employment size among TBE members is claimed to range from a minimum of 15 employees to a maximum of over 750,000.

40. Current membership spans 59 “industry” sectors, some interesting ones are:

- *Government*: 53 TBE members (24 from Australia, 13 from the US, 11 from the UK, 3 from Canada, 1 from New Zealand, and 1 from Singapore).
- *Education*: 25 TBE members (16 from Australia, 6 from the US, and 1 each from Canada, Singapore and Mexico).
- *Health Care*: 19 TBE members (11 from Australia, 5 from the US, and 1 each from the UK, Canada, Sweden and Venezuela).

41. TBE provides members with the following services:

- Enable members to see what organisations have done to launch their benchmarking programmes.
- Conduct literature searches for members involved in a benchmarking study.

- Learn and share with members what organisations should and shouldn't do, and what can and can't be done.
- Help members to solicit support from fellow members.
- Facilitate contacts with organisations whom members wish to benchmark themselves with.
- Organise members into benchmarking groups to carry out consortium studies.
- Aid the electronic exchange of benchmarking questionnaires and agendas between partners.
- Communicate and provide knowledge concerning already benchmarked areas/aspects to interested members.

42. In addition, TBE members are entitled to comprehensive *On-line Help* and free access to a personally attended *Help Desk*. Members also enjoy access to a *Posting Board* and several *Discussion Forums* providing them with day-to-day contact with 'others in the benchmarking community'.

43. Via *TBE's Databases*, members can perform independent research when wanting to:

- identify organisations who are considered to be leaders in their field;
- seek and contact suitable benchmarking partners;
- compare one's own processes against those of others; and
- perform literature research.

44. TBE also offers a service called "*do-it-yourself-on-line survey service*". The idea behind it is to give organisations the ability to easily and cheaply solicit specific benchmarking data (such as performance data) from an international audience or a delimited audience of interest. TBE members can initiate a survey at any time. Non-members can either participate in a survey or for a fixed time access the results of some surveys.

45. The network also operates an *Affiliate & Partner Intranet* linking its services to those of The Best Practice Club, The Australian Benchmarking Edge, The American Society for Quality Control, and Benchmarking South Africa. TBE's head office is located in the United States. The network has also offices in Sweden, South Africa, and Australia.

IV.2 The Benchmarking Centre

46. Based in the UK, the Benchmarking Centre (TBC) is a privately run international benchmarking network. TBC's vision is that of aiding to "deliver superior performance through understanding, comparing and developing best practices".

47. Several leading international organisations are described as being TBC's founders (including Royal Mail and NHS Wales). They are described as having experienced the need to promote and facilitate benchmarking throughout Europe as an effective management tool. As a result, TBC was established in 1992.

48. TBC describes itself as “the Premier international organisation committed to promoting the introduction and practice of ethical and effective benchmarking to achieve superior performance”. The Centre is run by a team of full-time staff whose purpose is to fulfil “the benchmarking needs of every organisation and individual”.

49. TBC sums up its mission along the following objectives:

- “To encourage and promote the use of effective and ethical benchmarking for continuous business improvement”.
- “To develop and disseminate common language, definitions and procedures”.
- “To help subscribers identify and qualify benchmarking partners”.
- “To promote and disseminate ‘best practice’”.

50. Services provided by TBC are open to organisations of all types and sizes. Of TBC’s 32 subscribers 7 are classified as being public sector organisations (all UK agencies). These are: the Department of Trade & Industry, the Employment Service, HM Customs & Excise, the Inland Revenue Training Office, the Ministry of Defence (QMG), the National Air Traffic Services, and the Radiocommunications Agency.

51. TBC is the only international benchmarking network exhibiting an on-line price list (see Appendix C).

52. TBC states that its working methods have enabled the Centre to develop a good insight concerning the needs of organisations and individuals involved or concerned with benchmarking activities. To a large degree this is explained as resulting from having daily contacts with subscribers and others requesting benchmarking advice, information and guidance.

IV.3 HCIA Incorporated

53. Another interesting international privately sponsored networking effort is that of the US based *HCIA* international expansion of *hospital benchmarking* activities.

54. *HCIA* is a US based corporation with access to US data including access to the CPHA database of over 350 million patient episodes and involving over 1,500 hospitals. From this basis, *HCIA* has developed a model of high performance for general acute care hospitals in the United States. The model is used to produce the *100 Top Hospitals: Benchmarks for Success Study*, identifying 100 of the top-performing hospitals that excel on measures related to clinical practices, operations, and financial management.

55. In addition *HCIA* operates in the UK through CHKS Ltd. and CASPE Research collecting data from about 120 of the largest hospitals on a regular monthly basis, and provides a benchmarking service to them. In Spain, *HCIA*’s organisation is IASIST which receives data from 100 or so hospitals. IASIST also receives data from Argentina, Costa Rica and is expanding its operations in South America. *HCIA* has

smaller organisations in France and Germany and has recently set up a collaboration with the Australian benchmarking organisation - the Strategic Industry Research Foundation.³

V. General Trends in Public sector Benchmarking

56. The survey performed has identified several interesting cases indicating that *public sector organisations are increasingly using benchmarking as a tool for improving performance*. In most public sector spheres, public organisations have either conducted, are implementing, or are planning to initiate some form of benchmarking activity. Another interesting observation is that *domestic public sector benchmarking experiences seem to surpass international benchmarking, both quantitatively and qualitatively*.

57. *Process benchmarking*, focusing on the ‘harder’, more technical sectors and functions, seems to be most developed (e.g. telecommunications, waste management, defence, energy production, financial management, performance measurement methods, procurement, etc.). This appears to be true for both national and international benchmarking.

58. Nevertheless, in several of the English speaking and Nordic OECD countries, the *benchmarking of results* in the more ‘softer’ sectors and functions (e.g. education, health care, trade, personnel management, customer satisfaction, etc.) is increasing in both scope and quantity.

59. A final observation is the *increasing use of the WWW*, both as a resource and as an interactive medium. This seems to be the case regardless if the benchmarking activity is publicly or privately sponsored, or if it is national or international in character. The growing use of information technology in benchmarking is more evident in English speaking and European OECD countries.

V.1 General Trends by Sector and Function

V.1.1. Process Benchmarking in “Hard” Sectors and Functions

60. As previously remarked, benchmarking experiences and activities in the “harder”, more technical sectors and functions, even though more numerous and extensive, focus primarily on *process benchmarking*. Furthermore, in most cases the benchmarking undertaken, targets the performance of *support processes*. Benchmarking cases focusing on vital *core processes* were found to be exceptional.

61. One of these exceptional cases of international benchmarking of “hard” functions targeting *core processes* involve a project sponsored by the US Federal Government’s *National Performance Review*:

- *Best Practices in Performance Measurement* (June 1997) - with participation from Canada’s: Treasury Board Secretariat, Intellectual Property Office, Agriculture and Agri-Food Canada, St. Lawrence Seaway Authority, Atomic Energy of Canada Ltd., and Canadian Heritage; and the UK’s Her Majesty’s Land Registry.⁴

³ Contact-Person: Graham Harries, Chief Executive of HCIA Europe, Tel: +351 82 698 646, Fax: +351 82 698 603

⁴ Contact-Person: Wilett Bunton, Benchmarking Team Leader, National Performance Review, E-mail: wilett.bunton@npr.gsa.gov, Tel: +1+202+632 03 67, Fax +1+202+632 03 90.

62. A noteworthy case, in terms of global continuity and reach, are the benchmarking activities focusing on IT *support processes* being carried out by the *Gartner Group Company*. The company's activities are open for individual participation in one or several of 20 "Best Practice Groups".

63. Other public sector, or public sector related benchmarking activities include (by sector):

- *Utilities*: Energy Australia, Vattenfall (Sweden), Columbia Gas, Pacific Gas & Electric (US), Florida Power and Light, Trans Alta Utilities.
- *Post & Telecommunications*: Post Office (UK), United Parcel Service, AT&T, Bell South Information Services (US).
- *Defence, National Security & Veteran Affairs*: Department of Defence (Sweden), National Security Agency (US), Australia Department of Veteran Affairs.
- *Finance & Taxation*: Banque de France, Royal Bank of Canada, Norges Bank (Norway), the Norwegian central agency responsible for taxation.
- *Social Welfare & Health*: Social Security Administration (US), Queensland Department of Families, Blue Cross/Blue Shield of Ohio, Liquor Control Board of Canada.
- *Regional & Local Government*: Commonwealth of Virginia, State of Connecticut, State of Ohio, State of Alabama, Public Service Company of Colorado, Northern Indiana Public Service Company, National City Corporation (US).
- *Law Enforcement*: Metropolitan Police Service (US).
- *Other Sectors or State owned enterprises*: USAA, USF&G, NASD, National Steel Corporation (US), Petro Canada.

V.1.2 Results Benchmarking in "Hard" Sectors and Functions

64. Despite the international trend towards process benchmarking, a few cases involving *results benchmarking* of "hard" sectors and functions have been identified. These are:

- The US *Federal Accounting Standards and Advisory Board's* benchmarking of methods used for accounting capital costs in the Federal Government. Benchmarking counterparts were the *Secretary of the Treasury* (UK), the *Treasury Board of Canada Comptroller General*, and the *Government of New Zealand*.⁵
- The US *Financial Management Service's* strategic commitment to continuously benchmark its practices against counterpart practices employed by "foreign governments". The aim is to ensure a world class delivery of all Federal Government Payments and associated information to their ultimate destination.⁶

⁵ Source: <http://www.financenet.gov/financenet/fed/fasab/ifv.htm>

⁶ Source: <http://www.financenet.gov/external/www.fms.treas.gov/sbp6.html>

- Contacts for initiating benchmarking projects between the Swedish central agency responsible for *road infrastructure* and its UK counterpart.⁷
- The initiation of benchmarking projects between the ex-monopolies in the *Nordic telecommunications sector*. The benchmarking projects being initiated target the “permanent cable network” and “partnered traffic”.⁸
- The international benchmarking of port performance conducted by the *Australian Bureau of Transport and Communications Economics*. Projects have been performed against the practices and results of Asian and European counterparts.⁹

V.1.3 Process Benchmarking in “Soft” Sectors and Functions

65. International benchmarking experiences and activities involving “soft” sectors and functions appear to be *evenly balanced* between process benchmarking and results benchmarking.

66. Interesting cases of *process benchmarking* include:

- “*Best Practices in Downsizing*” (September, 1997) - a US sponsored study involving a cross-section of federal agencies including international participation from Canada’s Treasury Board Secretariat.¹⁰
- “*Best Practices in Telephone Service*” (February 1995) - another US sponsored study involving a multitude of federal agencies with participation from Bell Canada.¹¹
- “Best Practices Report for Reengineering and Business Process Design Teams - 1997 Benchmarking Study” - Performed by ProSci, involving 57 organisations from 26 countries (30 public sector organisations participated).¹²

67. Other interesting cases involving the *process benchmarking* of “soft” functions, though dealing with a far lesser number of participants, are those carried out by two Nordic R&D organisations:

- “*Benchmarking Programme Management*” (November 1996) - The *Swedish National Board for Industrial and Technical Development’s* launch of a benchmarking project targeting programme management. The project was implemented in co-operation with *Technopolis* (a firm specialising in evaluation, strategy and management of science and technology), and completed this year. It includes an initiative geared to establishing an international

⁷ Contact-person: Ove Olsson, Vägverket, E-mail: , Tel: +46+8+ , Fax: +46+8+ .

⁸ Contact-person: Thorwald Nilsson, official at the Swedish central government agency monitoring the post and telecommunications sector. E-mail: thorwald.nilsson@pts.se Tel: +46+8+678 56 15, Fax: +46+8+678 55 05

⁹ Contact-person: Gita Curnow, Australian Bureau of Transport and Communications Economics, Tel: +61+2+62 74 71 11, Fax: +61+2+62 74 68 16.

¹⁰ Contact-Person: Wilett Bunton, Benchmarking Team Leader, National Performance Review, E-mail: wilett.bunton@npr.gsa.gov, Tel: +1+202+632 03 67, Fax +1+202+632 03 90.

¹¹ Ibid.

¹² Source: ProSci’s Home Page at <http://www.prosci.com/>

benchmarking network within the R&D sector. Countries involved to date are primarily European countries.¹³

- The benchmarking of personnel policies of eight R&D institutions in eight European and Asian countries. The study was performed by *SINTEF*, a Norwegian Government sponsored R&D institute. The driving aspect behind the study is the identification of a “best practice” for retaining key R&D personnel.¹⁴

V.1.4 Results Benchmarking in “Soft” Sectors and Functions

68. The most interesting cases of *results benchmarking* involving “soft” sectors and functions focus on several *core processes* in the *health, vocational training, education and trade sectors*.

Health

- “*Issues and Value in International Comparisons*” - is a National Casemix involving the Australian health sector (Conference Sydney 1996).¹⁵
- “*International Collaborative Study, Hospital Restructuring, Organisation of Nursing and Patient Outcomes - USA, Canada Germany, UK*”, HCIA Europe.¹⁶
- “*Where should we deliver that baby*”, PCSE proceedings, Florence 1997.¹⁷
- “*Best Practice Guide for Mutual Recognition Procedure*” issued by the *Swedish Medical Products Agency* (MPA). The MPA is the national authority controlling medicinal products and other products for medical purposes. The agency is responsible for the whole process of drug approvals and control, from clinical trials to the rational use of drugs.¹⁸

Vocational Training

- The *European Commission’s* adoption of a report examining *workers’ access to continuing training in EU Member States*. It is the first complete report on vocational training in Europe. The report found considerable differences between Member States and between categories of workers. Three initiatives are proposed: organise consultations with the social partners on the subject, *consolidate procedures for reports for the collection of comparable data in order to*

¹³ Contact-Person: Torbjörn Winqvist, the Swedish National Board for Industrial and Technical Development, Tel: 08-681 91 00, Fax: 08-19 68 26.

¹⁴ Source (in Norwegian): <http://www.nifu.no/Fpol/2-95/SINTEF2.html>

¹⁵ Contact-person: James Coles, Research Director, CASPE Research, e-mail: jcoles@caspe.co.uk, Tel: +44+171-378-7588, Fax: +44+171-378-6515.

¹⁶ Contact-Person: Philip James, HCIA Europe, Tel: +351 82 698 646, Fax: +351 82 698 603.

¹⁷ Source: Ibid. The study is authored by D. Beeson,

¹⁸ Source: the Swedish Medical Products Agency, E-mail: registrator@mpa.se, Tel: +46+18+17 46 00, Fax: +46+18+54 85 66, Home Page: <http://www.mpa.se/eng/index.htm>.

*permit benchmarking of progress being achieved, give higher priority to continuing training projects and access to skills.*¹⁹

- “*Setting and Maintaining World Class Skill Standards*”, Paper prepared by the *New Zealand Qualifications Authority* for the *United States National Skill Standards Board (NSSB)*. The paper’s aim is to recommend to the NSSB criteria and process that it and voluntary Partnerships could use to ensure that skill standards are *benchmarked to the best in the world*. A *summary of international practice* covering Denmark, Australia, Canada, Malaysia and the Republic of Korea, is included.²⁰

Education:

- “A Study of US Eighth-Grade Mathematics and Science Teaching, Learning, Curriculum, and Achievement in International context” and “A Study of US Fourth-Grade mathematics and Science Achievement in International Context” - two studies completed by the US Department of Education's National Center for Education Statistics as part of the Third International Mathematics and Science Study.²¹

Trade:

- “*Developing your key process - To become the client’s best patent office*”, Juha Rekola, 1996 - Benchmarking Study performed by the *National Board of Patents and Registration of Finland*. The study’s aims are to substantially improve performance, to create a system of continuing development, to create a quality system, and to progress to being the “best patent office”. Counterpart agencies benchmarked are those of the US, Japan and the Nordic countries.²²

V.1.5 Private Sector Versus Public Sector Benchmarking Dynamics

69. As is well known, benchmarking has its roots in the private sector. Particularly at the national level, the market driven dynamics of the private sector seem to imply that benchmarking of *core processes* and their *results* rarely takes place, especially between competitors. This seems to be valid at the international level as well, following increased competition driven by intensified globalisation.

70. The reason for the previously mentioned trends involving the “hard”/“soft” and process/results dimensions of public sector benchmarking, may therefore very well stem from *differences in institutional and contextual environments*.

¹⁹ European Commission Press Release IP/97/371 of 30 April 1997. Web Site: <http://europa.eu.int/en/comm/dg22/news/ip371-en.html>. Contact: the Leonardo da Vinci Programme, E-mail: leonardo@dg22.cec.be (or 101363.461@compuserve.com), Tel.: +32+2+227 01 00, Fax: +32+2+227 01 01.

²⁰ Contact-person: David Lythe, Office of the Chief Executive, New Zealand Qualifications Authority, davidl@nzqa.govt.nz, Tel: +64+4+802 30 75, Fax: +64+4+385 19 00.

²¹ Contact-Person: Steve Moore, Steeve.Moore@edu.gov, Tel: +1+202+401 23 49, Fax: +1+202+401 90 27

²² Contact-persons: Kari Summanen and Pekka Launis, National Board of Patents and Registration of Finland.

71. In many “hard” sectors and functions, activities and services are performed under conditions similar to the institutional settings of the private sector. This seems to explain why most benchmarking in these sectors and functions is limited to benchmarking *support processes*. Explaining also why the benchmarking of *core processes* and their *results* seldom takes place in these sectors and functions.

72. The opposite seems to be the case regarding “soft” sectors and functions.

73. In short, it can be concluded that the more market conditions influence public sector activities, the greater the space for benchmarking support processes, and the lesser the space for results benchmarking and core process benchmarking.

APPENDIX A: GENERAL TRENDS BY REGION

North America

1. Benchmarking experiences and activities in the North American continent are more frequent in the US than in Canada (perhaps not surprisingly considering the difference in size). In the case of Mexico, only minor indications have surfaced to date (a University's international network membership).
2. Common to both US and Canadian benchmarking activities and experiences is that most of them focus on *process benchmarking* and *take place in all levels of government and across a wide variety of government activities*. The only major distinction being that benchmarking experiences and activities conducted in the US are more numerous and feature wider degrees of participation, scope and networking, than those performed in Canada.
3. Canadian and US benchmarking projects are *increasingly making use of cross-border study teams*. One case has also included participation of a UK central public sector agency.
4. International public sector benchmarking activities involve primarily English speaking countries, with a far from surprising notable degree of participation from US and Canadian public sector agencies.
5. Among these can be named three US-sponsored process benchmarking studies and the participation of 18 US and 3 Canadian public sector related organisations in a privately sponsored international benchmarking study involving 57 organisations. The study's objective was to develop a "best practice for reengineering and business process design teams". Participating agencies ranged from policy-making and defence related entities to universities and agencies providing health related services.

Australia, New Zealand, Japan and Korea

6. Australian practices and experiences with benchmarking seem to surpass those of New Zealand, Japan and South Korea. This applies to both private sector and public sector benchmarking, as well as to domestic and international benchmarking. New Zealand's experience with *international benchmarking of public sector results* identified to date, comprise the benchmarking of skill standards in vocational education and training used at the central government level (New Zealand Qualifications Authority). No sign of benchmarking has surfaced relating to Japan and Korea (explained partly due to language barriers).
7. For its part, Australian experience includes port management and operations, and the University of Western Sydney's participation in a privately sponsored international benchmarking study involving 57 organisations and targeting the task of developing a "best practice for reengineering and business process

design teams”. As noted earlier, Australia also reflects a high degree of public sector participation in international benchmarking networks and project groups²³.

European Experiences with Public Sector Benchmarking

8. Several *EU sponsored projects* related to benchmarking have been identified (e.g. activities involving *Regional Policies and the Use of Statistics for Evaluation and Benchmarking*, those involving exchange programmes between central government officials, and similar comparative practices; ECHHO; QUASIMEME; Vocational Training; etc.).

9. In a separate case, the European Agency for Testing participated in an international benchmarking study involving 57 organisations and targeting the task of developing a “best practice for reengineering and business process design teams” (conducted by a private international network).

10. Several benchmarking projects between the public sectors of the *Nordic countries* have surfaced (in the areas of information technology, telecommunications, patent administration, and R&D institutions).

The UK

11. UK international public sector benchmarking experiences discovered to date include involvement in a major US sponsored benchmarking study concerning “Best Practices in Performance Measurement” (Her Majesty’s Land Registry); participation in private benchmarking networks (e.g. telecommunications, postal services, information technology, defence, savings, and health).

Denmark

12. A reference to Danish public sector benchmarking experiences must include the recently completed country comparisons published recently. All major spheres of central government policy are included (see The Danish Government Report - “Danmark som foregangsland”). Other Danish developments have been encountered in the sectors of information technology, telecommunications and R&D administration.

Norway

13. Developments in Norway are taking a similar direction as those in other Western countries. International benchmarking is increasingly being conducted in sectors such as telecommunications, R&D administration, information technology, tax administration and banking.

²³ *At the central government level:* The Australian Customs Service, The Australian Taxation Office, Department of Human Resources, Department of Information, Department of Transport and Regional Development, Department of Public Works & Services, Land Titles Office, Office of State Revenue; *at the regional and local levels of government:* Main Roads Western Australia, The Audit Office of New South Wales, New South Wales Department of Public Health, Brisbane City Council, City of Monash, City of Port Philip, South Gippsland Shire County, Toowoomba City Council, Wollongong City Council, Town of Albany)

14. The most interesting Norwegian public sector benchmarking case to surface to date, is that of a study comparing practices for retaining qualified employees in central government research councils. Practices in several European and Asian councils were benchmarked yielding some very interesting results.

Finland

15. Finland's experience with international public sector benchmarking includes Nordic projects in the areas of patent administration, telecommunications and R&D administration.

16. In the case of the patenting administration's benchmarking project it should be noted that the study involved the benchmarking of the organisations results attainment against those of counterpart agencies in the US, Japan and at the European level. Plans are being made for extending the benchmarking process against patenting agencies in the Nordic countries.

Sweden

17. Public sector benchmarking in Sweden has also been increasing recently. Several sectors have already opened their doors to some form of international benchmarking (e.g. R&D administration, telecommunications, energy production, defence, information technology, health care and correctional programmes and facilities).

18. Some interesting developments have also started to take place at the national level - both the armed forces and the higher education system are presently developing benchmarks in order to initiate domestic benchmarking.

19. Local and regional government bodies are also working on improving their yearly statistics in order to facilitate performance related comparisons.

Germany

20. Only sporadic benchmarking cases have been spotted to date. One involves a film institute's participation in an international benchmarking study involving 57 organisations and targeting the task of developing a "best practice for reengineering and business process design teams" (conducted by a private international network).

21. Other German experiences relate to loose participation in US government benchmarking studies, though all but one - the participation of a private German firm - deal with the establishment of future co-operation.

Italy

22. A few Italian experiences with public sector benchmarking have also been noted (in the sectors of energy, telecommunications, tourism, and health care). Several regional and local levels of government participate as members of benchmarking networks.

France

23. Two cases of international public sector benchmarking involve French participation (information technology and banking).

Spain

24. Only two cases of benchmarking practices can be traced to Spain. One involves a public utility organisation's participation in an international benchmarking study involving 57 organisations and targeting the task of developing a "best practice for reengineering and business process design teams" (conducted by a private international network). The other involves the performance management policies employed by the regional government of Valencia.

Experiences in Non-OECD countries

25. Non-OECD countries showing participation or experiences related to public sector benchmarking include:

26. South Africa: has a domestically based private benchmarking network.

27. Brazil, Costa Rica, the Philippines and Indonesia: all have public sector organisations that participated in an international benchmarking study involving 57 organisations targeting the task of developing a "best practice for reengineering and business process design teams" (conducted by a private international network).

28. Singapore: has a public productivity agency participating in a private international benchmarking network, and Venezuela has a health care organisation participating in the same network.

APPENDIX B: LIST OF BENCHMARKING RELATED WEB SITES

EUROPE

- EUROPEAN COMMISSION - DGIII: Programmes
- CORDIS : HOMEPAGE : The CORDIS Service
- CORDIS All Databases Form: Query Advanced Search
- Welcome to the home page of the Esprit Programme

- AUSTRIA
 - Yahoo! Deutschland - Städte und Länder:Länder:Österreich:Staat und Politik
 - Yahoo! - Regional:Countries:Austria:Government

- BELGIUM
 - BELGIAN FEDERAL GOVERNMENT ON LINE

- DENMARK
 - Danmarks position i international belysning

- FRANCE
 - ADMIFRANCE
 - AdmiNet - World - Governments

- GERMANY
 - !!! Benchmarking !!! - Informationszentrum Benchmarking (IZB)
 - Bundesaeamter, Bundesministerien und Bundeslaender
 - efmd Home page
 - Yahoo! Deutschland - Staat und Politik:Behörden

- FINLAND
 - HUT / Lifelong Learning Institute Dipoli

- IRELAND
 - Government of Ireland
 - Irish Trade Board - Contact Form
 - ISQH
 - WebMonitor Email Form
 - Yahoo! - Regional:Countries:Ireland:Government:Departments

- ITALY
 - Links Root
 - The Benchmarking Club Home Page

- NORWAY
 - Oversikt over epostadresser
 - Menyside med pekere til statlige institusjoner

- SPAIN
 - Directorio de Recursos de la Administración General del Estado
 - MAP

- SWEDEN
 - BEST PRACTICE GUIDE FOR MUTUAL RECOGNITION PROCEDURE
 - Lär av goda förebilder
 - SIQ
 - SverigeDirekt
 - Öhrlings Coopers & Lybrand - Library - Den statliga sektorn
- United Kingdom
 - BELFAST
 - Bristol Quality Centre - Business Excellence Consultancy
 - Benchmarking by Atkin - Related Sites
 - The Benchmarking Centre Ltd.....Home Page(h)
 - dti internet service
 - Foundations Index Area
 - Performance Measurement Home Page
 - Quality Network Intro Page
 - Welcome to the Local Government Management Board Home Page
 - World Class Standards Network

ASIA

- JAPAN
 - [JAPAN] government WWW servers
 - Yahoo! - Regional:Countries:Japan:Government:Agencies
- SOUTH KOREA
 - Yahoo! - Regional:Countries:Korea, South:Government

AUSTRALASIA

- AUSTRALIA
 - Australian Government Home Page
 - INNOVATIONS
 - Innovate Australia
 - Links to Other Benchmarking Sites
 - Measuring Up: A Primer for Benchmarking in the Australian Public Service - Title
 - PSMPC - Australia
 - Towards a Best Practice Australian Public Service
- NEW ZEALAND
 - Benchmark Communication Ltd - HR Best Practice in Australasian Companies : Sample Companies
 - New Zealand Government Online - Agency Contacts

NORTH AMERICA

- CANADA
 - Alberta Treasury "Measuring Up '96" Report - Introduction
 - City of Grande Prairie, Alberta, Canada - Strategic and Business Planning; Performance Measurement; Measure; Critical Success Factor; Continuous Improvement
 - Info Source: Main Menu
 - Innovation & Quality Exchange
 - Key policies and publications
 - Related Sites
 - Treasury Board Secretariat Home Page
- MEXICO
 - gobierno federal
 - Yahoo! - Regional:Countries:Mexico:Government

- US
 - PUBLIC
 - Acquisition Reform Net - Ver 9/8/97
 - Council on the Cost of Government Interesting Links
 - FedWorld Information Network Home Page
 - Reinvention Center
 - The Reinvention Players
 - ALLIANCE
 - Outcome and Performance Measurement Systems: An Overview
 - Outcomes and Performance Case Studies - Community Benchmarking and External Benchmarking
 - FEDERAL
 - The Congressional Institute - Home Page
 - DOE Abstracts
 - IGnet ---- Internet for the Federal Inspectors General
 - Initial Findings from the Third International Mathematics and Science Study
 - webserver/doespages/po.html
 - webserver/pmp/team.html
 - Yahoo! - Government:Agencies:Independent
 - FINANCENET
 - FinanceNet - Favorite Places. Government Sales and Government Financial Management (finance government sales auctions surplus government property real property accounting finance financial management government administration newsgroups govnews lists)
 - FinanceNet - Government Sales and Government Financial Management (finance government sales auctions surplus government property real property accounting finance financial management government administration newsgroups govnews lists)
 - FinanceNet Resource Page for Performance Measures/Benchmarking
 - Joint Financial Management Improvement Program JFMIP Shared Practices and Directory.
 - FinanceNet - US Federal Financial Management. Government finance financial management administration accounting (finance government financial management administration government accounting audit CFO government administration newsgroups govnews lists listproc)
 - GSA
 - GSA - Best Practices Program
 - IT Policy OnRamp
 - Links to Web Sites on Performance Measures
 - Performance Pathways
 - IABBPC
 - BP-Index
 - BP-Partners
 - NPR
 - National Performance Review Home Page
 - Reinvention database review
 - Working Together for Public Service:Cover
 - REGIONAL & LOCAL GOVERNMENT
 - All Aboard PTI's Local Government WWW Train!
 - Events Calendar for State and Local Governments Financial Managers
 - <http://www.eog.state.fl...ovdocs/gap/gaphome.html>
 - Oregon Progress Board Home Page
- NON-GOVERNMENT
 - APQC
 - Benchmarking
 - Health & Productivity Management
 - Subscribe to InPractice
 - Turning Customer Data into Information

- Benchmarking - Telecommunications Benchmarking Interest Group
- The Benchmarking Exchange Public Homepage
- Benchmarking Network, The
- Business Process Reengineering BPR Online Learning Center for Reengineering Teams
- Curious Cat Management Improvement Resource List
- The Environmental Benchmarker
- HCIA: health care information, data, analysis, outcomes, clinical pathways, benchmarking
- HCIA-Mercer's 100 Top Hospitals
- IIL Home Page
- International Society for Performance Improvement (ISPI)
- Library Benchmarking International
- Manufacturing Resources
- Performance Benchmarking Service
- Performance Measurement
- Planning an Accountability System
- The SPI Council on Benchmarking
- Welcome to ASQ
- Welcome to Best Manufacturing Practices !

APPENDIX C: ON-LINE PRICE LIST OF THE BENCHMARKING CENTRE

The Benchmarking Centre Limited	Premier		Standard		Non
On-Line Price List	Subscription		Subscription		Subscribers
<i>Annual Subscription Fee</i>	<i>£4,950</i>		<i>£2,495</i>		
Type of Service Provided	Free Service	Value	Free Service	Value	Value
NETWORKING					
Networking Days (1 day)	6 free places	£600	3 free places	£300	£750
Discussion Groups (1 day)	3 free places	£450			£555
Implementation Process Groups (3 sessions/process)	1 free place	£900			£1,125
Partnership Requests	6 free requests	£1,500	3 free requests	£750	£2,100
TRAINING					
Beginners (1 day)	2 free places	£490			£590
Managers	2 free places	£490			£590
Project Team Members	1 free place	£550			£690
Tools and Techniques	1 free place	£550			£690
SEMINARS					
European Forum	1 free place	£500			£650
Forum's Introduction Package	1 free place	£100			£150
Keynote Speaker	1 free place	£150			£185
RESEARCH					
Data Reports	6 free requests	£1,500	3 free requests	£750	£800
Internet Interrogation (per hour)	2 free hours	£300			£370
Telephone Helpline (annual)	free service	£390	free service	£390	£500
Press Cuttings Report	6 free requests	£900	3 free requests	£450	£1,110
Library/Press Cuttings Reading Room	6 free hours	£150	3 free hours	£75	£210
Telephone Clinics	6 free hours	£900	3 free hours	£450	£1,110
Projects Advisor		project basis		project basis	project basis
Consortium Study (per participant)		£2,500			£3,125
TOTALS					
		£12,920		£3,165	£15,306