

The Coopers & Lybrand Performance Solutions Series

# BENCHMARKING



## A TOOL FOR CONTINUOUS IMPROVEMENT

C. J. McNAIR, CMA and  
KATHLEEN H. J. LEIBFRIED



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**The Coopers & Lybrand  
Performance Solutions Series**

**C. J. McNair, CMA  
and  
Kathleen H. J. Leibfried**



John Wiley & Sons, Inc.

New York • Chichester • Weinheim • Brisbane • Singapore • Toronto

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Published by John Wiley & Sons, Inc. with  
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Library of Congress Cataloging-in-Publication Data:

ISBN 0-471-13206-3

Printed in the United States of America

10 9 8 7 6 5 4 3 2

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## PRAISE FOR *BENCHMARKING*

"*Benchmarking* provides not only basic benchmarking concepts, but also covers the often overlooked people issues. . . . I recommend this book to any organization interested in developing its own benchmarking process."

James H. Brown

Manager, Quality Resources—Tennessee Valley Authority  
1991 and 1992 Malcolm Baldrige National Quality Examiner

"A tremendous breakthrough. . . . Benchmarking is a proven management technique that can propel any organization to higher levels of performance."

Wess Roberts, Ph.D.

Author of *Leadership Secrets of Attila the Hun*

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Stuart Lyons

Chief Executive Officer, Royal Doulton

"If you're a corporate executive and still wondering whether benchmarking is for you, then read this book!"

Michael Fox

Senior Executive, Unilever, PLC

"The best book I have read on benchmarking . . ."

Ted Pritchard

General Manager, Corporate  
HYDRO-Electric Commission of Tasmania, Australia

Each project brings its special friends and active supporters. To each of you my heartfelt thanks. To George and Jason, my appreciation for taking me through the highs and the lows of writing. And to Mike. Where would I begin the list?

C.J. McNair

To my mother, who was *always* there when I needed encouragement; to Mike, who believed in my ability and challenged me; and to Charlie, who gave me benchmarking.

Kate Leibfried

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# ACKNOWLEDGMENTS

Although everyone involved deserves thanks, both authors want to extend their heartfelt gratitude to Mike Gleason. He is a nurturing, yet demanding, mentor who has had tremendous impact on every one of his "students." His classroom is the real world; his exams are the challenges he places in each of our paths. He asks for one thing only: that you do your best. Always. There is no other option, no other path to graduation. Thank you, once again. Where would we be without you?

## ...AND REMARKS

The following page lists all of the contributors to this book, from Coopers & Lybrand, Babson College, and from other settings. The complete list of acknowledgments for this book would make a book in and of itself. For those of you mentioned, thank you once again. For those overlooked in our joyous rush to dot the final *i* and cross the final *t*, we apologize.

Creating a book is a major undertaking. It brings with it stress, anxiety (hopefully creative), and joy. The product is never perfect, but always serves as one more step in the learning process of everyone involved. Authors, then, are in many ways students of their own work. Often keen insights come from having to explain to others exactly what that nagging demon inside is trying to say. At other times, it becomes clear that what seemed like inspiration was just a mild case of heat exhaustion.

The final judge of whether or not this book accomplishes its mission is you, the reader. If it does, the thanks will go to the people listed in the following pages, because their patience, support, open sharing, and wisdom were then put to good use. Should the project fall short of the mark in the eyes of you, the ultimate customer, then only the two authors can take responsibility. We hope that the lessons we have learned can be put to good use in your own company, and that this book is but one step on your own journey toward excellence.

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ACKNOWLEDGMENTS

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Gordon Shillinglaw  
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And others too numerous to mention.



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# PREFACE

Each book has a point of inspiration, a moment when thoughts begin to crystallize and momentum is gained. For Kate, this happened three years ago when she met Charles Christ. He was a new partner at Coopers & Lybrand but an old hand at benchmarking. He had been instrumental in creating benchmarking while he was president of Xerox Reprographics in the 1980s. The concept of benchmarking was new then.

Many companies contacted over the next few years maintained that they were already the best, that they had nothing to learn from others. After all, they were profitable and successful competitors in their markets. The state of crisis that had propelled Xerox into the benchmarking process was absent. Without this competitive pressure, there was no perceived need to do benchmarking.

Although some decided to do some preliminary benchmarking using databases and other publicly available sources, many simply turned a deaf ear to the message. Those who took the time to use benchmarking found out, in graphic terms, that they weren't ahead of the game—they were behind the eight ball. One by one, major corporations began to understand the differences between this word *benchmarking* and traditional operation improvement programs, and Kate began to see that it was more than a fad. It justified change and was a tool for continuous improvement.

Today there is an ever-growing interest in benchmarking and the lessons it has to teach in the United States, Europe and Australia. Good companies know they have to get better; poorly run ones are clinging to straws. This realization is occurring along with an increasing awareness of global competition and its impact on the quality of life and future prosperity. No message could be clearer: the United States is lagging behind

its competitors. As this performance gap grows, it becomes increasingly difficult to stop the flow of resources and wealth from the economy.

Benchmarking is an early warning system of impending problems. If its siren sounds, change is needed. Through the use of objective, market-oriented measures of performance, it focuses attention where attention is needed and rips away the blinders that prevent learning. It is more than a one-time measurement; it is a tool for creating the learning organization.

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# BENCHMARKING

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