

The logo of Galgotias University, featuring a stylized 'G' composed of three curved, overlapping bands in shades of red, yellow, and blue, set against a light pink circular background.

BENCHMARKING

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Agenda

- DEFINITION
- TYPES
- BENIFITS
- MYTHS
- PITFALLS
- IN HEALTH CARE

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- Benchmarking is a process of finding what best practices are and then proposing what performance should be in the future. The three principles of benchmarking are maintaining quality, customer satisfaction and continuous improvement

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Types

- The benchmarking literature can be mainly separated into two parts: internal and external benchmarking.
- Competitive, functional and generic benchmarking are classified under external benchmarking (Camp, 1989; Zairi, 1992). The process is essentially the same for each category. The main differences are what is to be benchmarked and with whom it will be benchmarked.

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Internal benchmarking

- Internal benchmarking covers two way communication and sharing opinions between departments within the same organisation or between organisations operating as part of a chain in different countries (Cross and Leonard, 1994; Breiter and Kline, 1995). Once any part of an organisation has a better performance indicator, others can learn how this was achieved. Findings of internal benchmarking can then be used as a baseline for extending benchmarking to include external organisations (McNair and Leibfried, 1992; Karlof and Ostblom, 1993).

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Advantages of internal benchmarking

- Ability to deal with partners who share a common language, culture and systems.
- Easy access to data, and giving a baseline for future comparisons.
- The outcomes of an internal benchmarking can be presented quickly.

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External benchmarking

- External benchmarking requires a comparison of work with external organisations in order to discover new ideas, methods, products and services (Cox and Thompson, 1998). The objective is continuously to improve one's own performance by measuring how it performs, comparing it with that of others.

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Competitive benchmarking

- Comparison with direct competitors only. This is the most sensitive type of benchmarking activity because it is very difficult to achieve a healthy collaboration and cooperation with direct competitors and reach primary sources of information.
- It is believed to be more rational for larger organisations than smaller ones, as they have the infrastructure to support quality and continuous improvement.

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Generic benchmarking

- Refers to the comparisons of business function that are same regardless of business. This means that a hotel organisation's accounting department would look at the accounting department of a manufacturing organisation that has been identified as having the fastest operations.

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Functional benchmarking

- Refers to comparative research and attempts to seek world class excellence by comparing business performance not only against competitors but also against the best businesses operating in similar fields and performing similar activities or having similar problems, but in a different industry (Davies, 1990; Breiter and Kline, 1995). For instance, British Rail Network South East employed a benchmarking process to improve the standard of cleanliness on trains. British Airways was selected as a partner because a team of 11 people cleans a 250 seat jumbo aircraft in only 9 min. After the benchmarking exercise, a team of ten people was able to clean a 660 seat train in 8 min (Cook, 1995)

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Benefits

- It's a powerful management tool because it overcomes “paradigm blindness” it can be summed as “The way we do it is the best because this is the way we have always done it”.
- Benchmarking opens organisations to new methods, ideas, and tools to improve their effectiveness.
- It helps crack through resistance to change by demonstrating other methods of solving problem than the once currently employed.

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Myths

- Its just another passing fad.
- The entire department needs to be benchmarked.
- Its only for conventional manufacturing process.
- It doesn't apply to us.

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Pitfalls

- Not involving the people who actually use it.
- No relationship between strategy and improvement.
- Not defining own process for improvement before gathering data about others.
- Thinking it is one time process.
- Inability to set goals to close the cap.

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Benchmarking in Health Systems

- All professionals involved in health care are under a duty of care, which involves ensuring the uniform provision of a high quality health service. A widely accepted.
- Benchmarking made its first appearance in the healthcare system in 1990 with the requirements of the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) in the United States, which defined it as a measurement tool for monitoring the impact of governance, management and clinical and logistical functions (Brailon et al. 2008).

In practice, benchmarking also encompasses:

- Regularly comparing indicators (structure, activities, processes and outcomes) against best practitioners.
- Identifying differences in outcomes through inter-organizational visits.
- Seeking out new approaches in order to make improvements that will have the greatest impact on outcomes; and monitoring indicators.

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Areas in healthcare

- Business function: Billing, Payroll.
- Clinical: Doctors.
- Support functions.

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Cost of benchmarking

- Visit cost: hotel rooms, travel cost, meals, gift, lost labor time.
- Time cost: members of team will be investing time in researching problems, finding exceptions companies to study, visit, and implementation. And additional staff may also be required.
- Benchmarking database cost: create and maintain database of best practices.
- The cost of benchmarking and be substantially reduced through utilizing may internet resources which are quick and cheaper.

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example of Pitarelli and Monnier (2000), which has nine steps

- Select the object of the benchmarking (the service or activity to be improved).
- Identify benchmarking partners (reference points).
- Collect and organize data internally.
- Identify the competitive gap by comparing against external data.
- Set future performance targets (objectives).
- Communicate the benchmarking results.
- Develop action plans.
- Take concrete action (project management).
- Monitor progress.

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Conclusion

- Benchmarking is a valuable technique for quickly lifting the performance of an organisation.
- Benchmarking activity is not only about auditing practice to ensure practice is achieving required measurable outcomes but supports open comparison and sharing to allow continuous improvement and development.
- The modern health service is being encouraged to ensure uniform provision of high quality health care. Benchmarking pushes the boundaries of best practice ever onwards. Practitioners, aware of developments elsewhere, can develop practice with minimal effort, concentrating resources on new areas for practice.

Conclusion

- Benchmarking often refers to the comparison of indicators in a time-limited approach. It is not yet often perceived as a tool for continuous improvement and support to change.
- Benchmarking's key characteristic is that it is part of a comprehensive and participative policy of continuous quality improvement. Indeed, benchmarking is based on voluntary and active collaboration among several organizations to create a spirit of competition and to apply best practices.

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