



Benchmarking

FARHAN Blog



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The literature indicates that Benchmarking is considered one of the most important and powerful methods that institutions can rely on to measure and improve quality. If we search for the origin and beginning of the emergence of Benchmarking, we will find that most previous studies agreed on the following: Benchmarking has historical connotations dating back to (1810) when the English industrialist (Francis Lowell) studied the production methods and techniques used in a group of British textile factories and transferred their successful experiences to American factories - which flourished at that time - with some improvements to them. In (1913), ([Henry Ford](#)) developed the assembly line as a distinct industrial method by conducting tours of cow slaughter sites in Chicago. In the early fifties, the Japanese focused their efforts on collecting information, attracting ideas, and imitating American companies during their intensive visits, the goal of which was to obtain knowledge and adapt what they saw to their Japanese specificity and rely on it in creating their products and innovations in the late sixties and seventies, before the term Benchmarking was present in the business dictionary. In the early eighties, (Xerox) company gradually losing its market share and facing a lot of pressure from its competitors, the company decided to compare its operations with its competitors and called this method (Benchmarking) and began to apply it widely and intensively. As a result of the success achieved by the company, the concept of Benchmarking began to grow and develop significantly in industrialized countries.

Benchmarking is an effective technique for all types of organizations, and is used in various sectors such as services and manufacturing. Researchers point out that the literature is full of practical experiences related to benchmarking and its uses such as



information technology, warehouses, manufacturing, service industry, health care, etc. Benchmarking has spread rapidly and has become one of the most widely used competitive techniques, to improve the performance of the organization by identifying, understanding and applying the best practices of other organizations.

Benchmarking Concept:

In business literature "Benchmark" means the best level of performance or quality. When the development of an organization's product takes 12 months compared to 8 months for its best competitors, the period of 8 months becomes the competitive benchmark, while the performance level of another non-competing organization with a similar product that takes 7 months to develop is the benchmark with the best ranking.

The Cambridge Dictionary defines the term "Benchmark" as follows:

-(noun): The level of quality that is used as a standard when comparing several things.
-(verb): to measure the quality of something by comparing it with something else as an acceptable standard.

Many Arab writers and researchers have translated the term "Benchmarking" in different ways. Some of them have called it (Benchmarking, comparative benchmarking, competitive calibration, or model calibration). Despite the verbal differences in translation, they agree on the intended meaning and the benefit achieved from applying this method. Some researchers have pointed out the following in this regard: The concept of Benchmarking in the Arabic language has become complex and mixed with multiple terms according to the efforts of researchers. A number of writers and researchers have addressed it under several names such as (benchmarking to the pattern, benchmarking, establishing a higher ideal, comparison rules...), Although there is a difference in the expression of this term, there is almost an agreement in terms of the meaning and benefit expected from it. Other researchers point out the following: Due to the modernity of the concept, it has been called by many names, including (benchmarking, benchmarking to the pattern, standard criteria, comparison to the competitor, and model of comparison rules). However, the most common and used name is "Benchmarking".

Researchers have different opinions about expressing the concept of benchmarking. Some of them consider it a tool, some consider it a style or technique, and another group considers it a way. Others see benchmarking as a process. Despite the

multiplicity of these verbal names, there is also a near agreement on the intended meaning and benefit of applying it.

Although there are many definitions in the literature, there is no agreed-upon definition of benchmarking. When searching for the most important definitions provided by previous research to express the term benchmarking, we find the following:

- The honest and true expression of the spirit and essence of continuous improvement.
- A method that enables the organization to compare its performance with appropriate higher standards that help ensure continuous improvement.
- Continuous updating of levels and features of competition within the markets, which is a positive improvement through learning from others.
- A systematic method for identifying and understanding superior products, services, machines, processes, and practices to improve organizational performance.
- A continuous process of improving activities, products and services in light of the best levels of performance found in competing economic units or similar operations within the unit.
- The technique that determines the competitive advantage of the organization by improving its products and services and comparing them with the best performance of competitors.

Benchmarking is the search for best practices in the industry that lead to achieving outstanding performance, by applying these practices. It is a systematic study, an exploratory process, a method for improvement, an opportunity for learning, a commitment for management, and a means of identifying and diagnosing best practices that achieve excellence standards and are characterized by continuity. This description is related to several points, including:

- The continuous process, which is a condition for the effectiveness of the benchmarking system (because industrial practices are constantly changing).
- Measurement that enables knowledge of the best practices that must be implemented to achieve excellence.
- Products, services and practices, as the application will include all aspects of business.
- Companies known as industry leaders, i.e. the competitor must be a leading company in any industry (a company with exemplary or distinguished practices or a partner).

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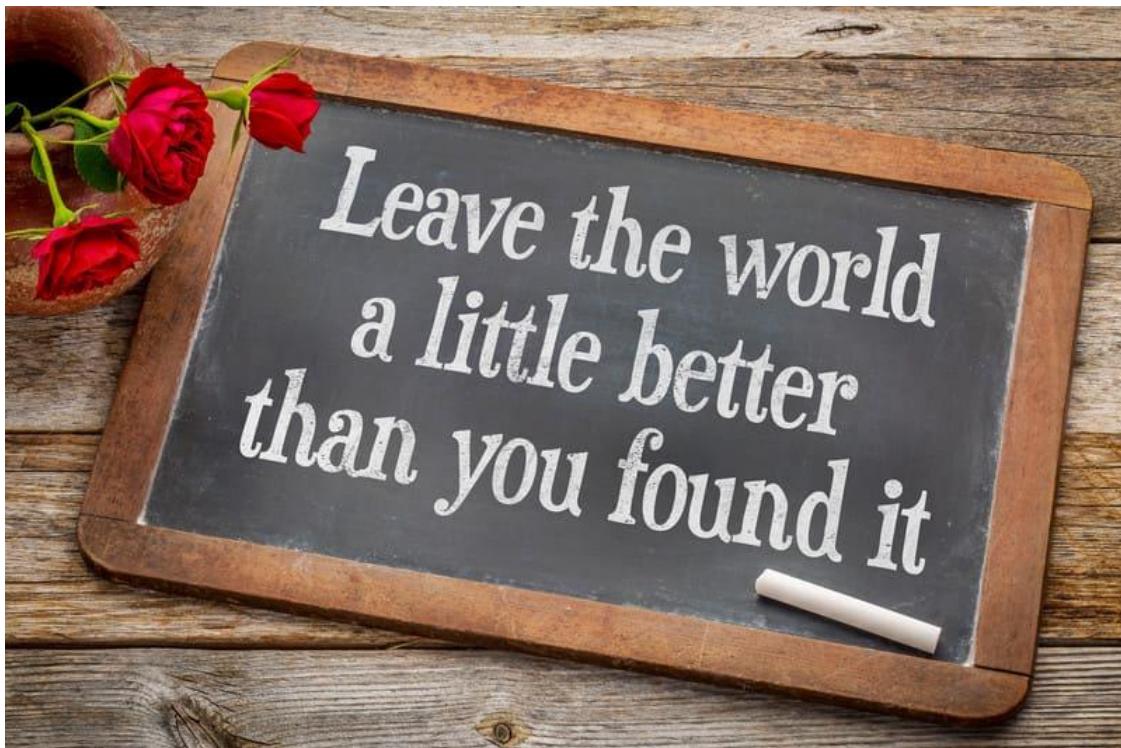
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