



Leadership And Corporate Accountability

Lecture 10



Step-2

◎ Bill-” Since we know where our inputs and outputs are coming from, shouldn't we consider measuring that are important to our internal suppliers and customers too?” ..

2) Establish process measures

◎ Consider measures outside the process

◎ Measures of your external customers should influence the choice of process measures to benchmark (even though it is distant from customers contact)

Step-2

- ◎ Measures of your internal suppliers and customers requirement. Since their performance is linked to yours, your measures should be linked as well
- ◎ ATO, Inc internal customers are the shipping and warehouse department and their internal suppliers are component installation area and inventory department.

Step-2


- ◎ Link supplier and customer measures with in-process measures.(fig)
- ◎ Seth's benchmarking team took the interview of both internal suppliers and customers.
- ◎ As the team looked back they concluded based on the flow chart, internal suppliers and customer measures.
- ◎ They concluded that the total time for the process varied due to several reasons.

Step-2

- ◎ Seth's decided to benchmark three measures
- ◎ Time for completion.
- ◎ Downtime
- ◎ Number of reworks
- ◎ Verify that measures match objectives
- ◎ For example, if a group's goal was to increase productivity, they would need to look at measures such as time quantities of output, cost per unit




Step-3 Identify who to benchmark

- ◎ Conduct general research
 - ◎ Choose the level to benchmark
 - ◎ Internal
 - ◎ Competitive and noncompetitive
 - ◎ World class
 - ◎ Seth's team considered their ATO's plant in northwest region and best in class Bestco, Inc.
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Step-4 :collect the data

- ◎ It's time to gather information on the performance level of your benchmarking target and how they manage their processes.
 - ◎ Three main sources
 - ◎ Internal
 - ◎ Public information
 - ◎ Other companies: this is the most exciting part, we actually go out and discover new ideas and make careful observation.
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Step-4

- ◎ The techniques for gathering benchmarking information.
- ◎ Using a questionnaire
- ◎ Conducting a benchmarking site visit
- ◎ Using a questionnaire: things to remember
- ◎ Include a detail information of the process
- ◎ List task included
- ◎ List problem or concerns relating to it



Step-4

⊙ Including information and questions on the how the process is measures and performance criteria

1. Quality
 2. Time
 3. Cost, etc.
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Step-4

- ◎ Focus on process improvement the benchmark target has developed
- 1. What kind
- 2. How
- 3. Cost versus the best result
- 4. Technical difficulties
- 5. Determine the area of support for the process like training, methods, technology,
- 6. Staff background and documentation methods

Step-4

- ◎ Conducting a benchmarking visit:
- ◎ Prepare for the visit
- ◎ Organizational climate
- ◎ How many and who will be going
- ◎ How will the visit be conducted
- ◎ Who will take notes and how
- ◎ Document the visit

Process	Your Process	Organization #1
Product or services that is produced (output)		
Key characteristics of output		
Measures that will be compared		
Measurement data (findings, comparisons)		
Gaps between our process and another organizations' (positive or negative)		