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# **Environmental Business Symposium**

## **Benchmarking Overview**

**May 11, 2010**



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VP of Alliances, AME

# Discussion Roadmap

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- ❑ AME Overview
- ❑ The Lean Enterprise
- ❑ The Green Challenge
- ❑ Benchmarking and Change
- ❑ Benchmarking Capability
- ❑ Benchmarking Process
- ❑ Benchmarking Options
- ❑ Ethics
- ❑ Summary

# AME

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## Vision

To be recognized throughout North America as the professional organization where its members can learn to add ever-greater value for customers and stakeholders.

## Mission

To inspire commitment to enterprise excellence through shared learning and access to best practices.

## Strategic Goals

- Growth and Visibility
- Leadership
- Partnership and Products
- Networking
- Financial and Organizational Viability



# AME

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## Values

- Volunteerism
- Promote Shared Learning
- Promote Continuous Improvement
- Emphasize Best Practices
- Focused on achieving Excellence
- Known for Integrity & Trust
- To be Engaging & Welcoming

# AME Conferences

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*“The best investment I’ve made, I plan to bring my whole staff next year”  
President, Medium size company*

## Recent attendance

2007 Chicago ~2000  
2008 Toronto ~2500  
2009 Cincinnati ~2100

## Recent Keynoters

Larry King  
Steven Covey  
James Womack  
Mr. Mayor  
Mitt Romney  
Tom Peters  
Coach K

## 2010 Baltimore

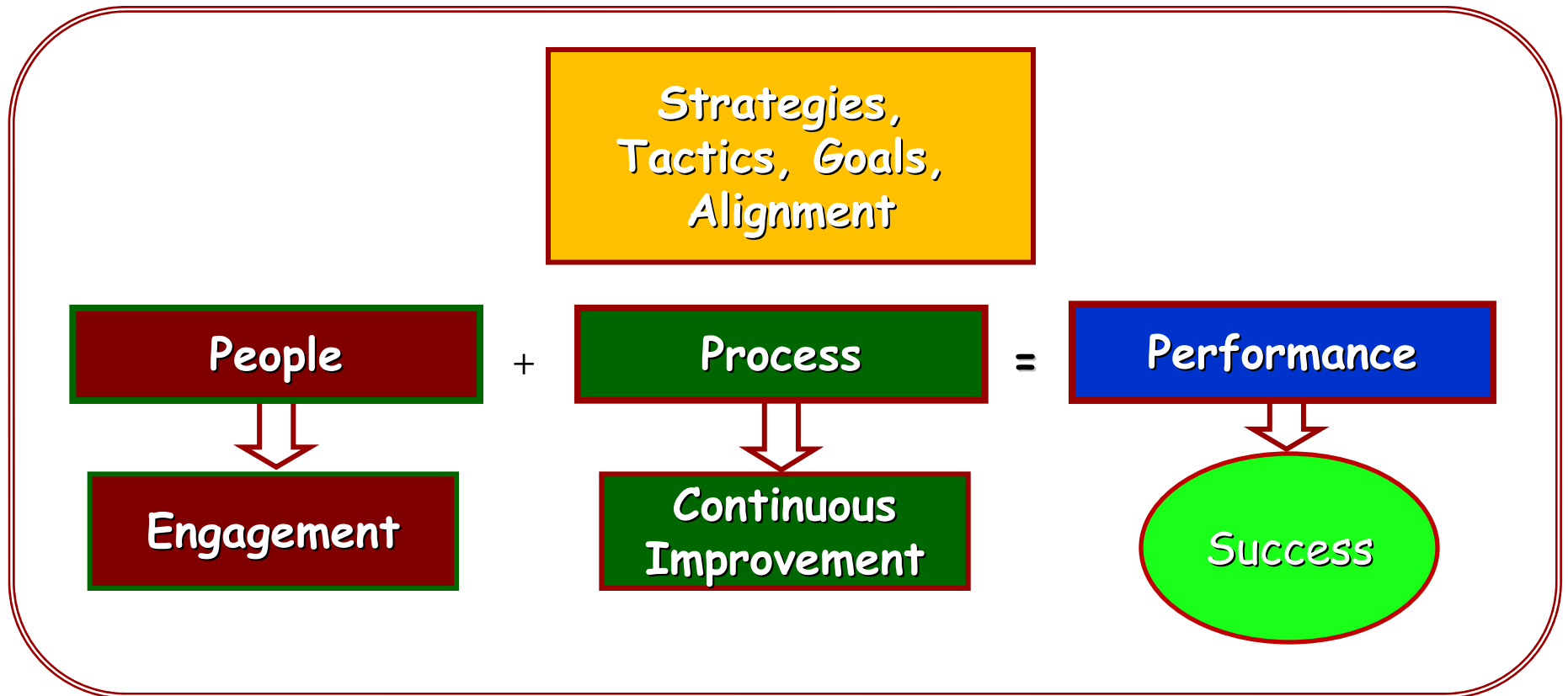
- 6 Keynoters-
  - lead by author Malcolm Gladwell
- 55 Best Practice Speakers
  - Practitioners Only
- 40 Plant Tours
  - AME selected and trained
- 15 Workshops
  - The Best Deep Learning

➤ **Nov 15-19, 2010**

➤ **[www.ameconference.org](http://www.ameconference.org)**

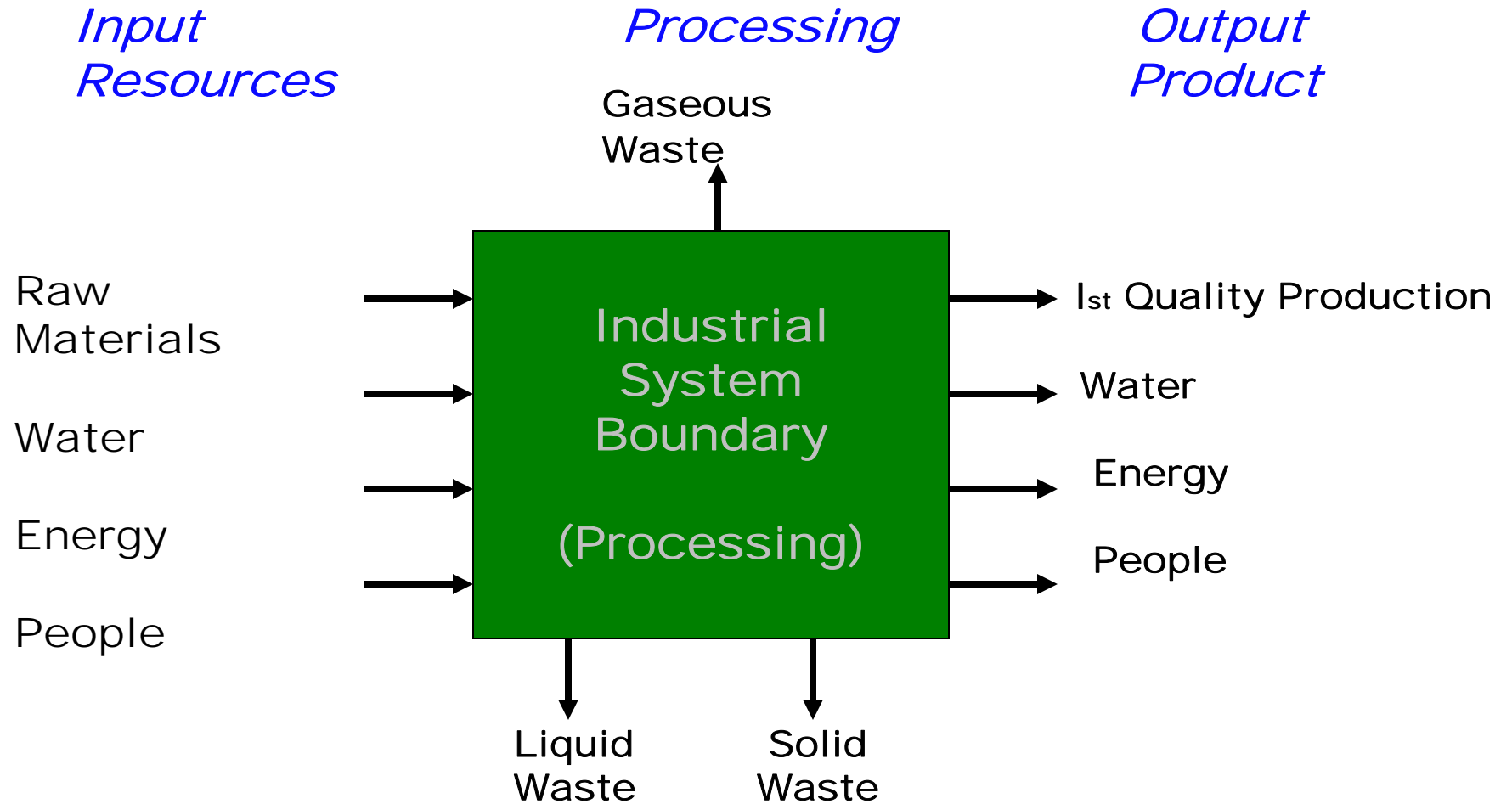
# Equation for Success

## Lean Enterprise



# Input and Output Processing Model

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# The Lean Enterprise

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**Basic Tenet of Lean – Reduce All Kinds of Waste by involving everyone**

- **Scrap & Rework**
- **Transportation**
- **Motion**
- **Wait Time**
- **Inventory**
- **Overproduction**
- **Overprocessing**
- **Underutilized Human Resources**

# The Need for Lean & Green

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## Pressures on American Business

- **Global competition leading to loss of manufacturing jobs in US.**
- **Greater pressure on companies to minimize environmental impact**
- **Growing trends to market focusing on environmentally friendly products**
- **B2B specifications, e.g., the Wal-Mart “scorecard”**

# Relationships Between Lean and Green

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## Lean

- **Optimize Material Use**  
→ **Less Scrap =**
- **Reduce Inventory**  
→ **Less Chemical Spoilage =**  
→ **Less Warehouse space =**
- **Reduce Overproduction**  
→ **Less Runtime =**
- **Reduce Transportation**  
→ **Less Fuel Consumption =**

## Green

**Reduced Solid Waste**

**Reduced  
Hazardous Waste  
Less utilities**

**Energy Savings**

**Reduced Air  
Emissions**

# Green Best Practices

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A **vigorous learning enterprise** will consider Life Cycle of Products & Services to:

- Maximize reuse of materials
- Reconfigure or refabrication of used material
- Recycle, usually by resmelting or chemical transformation
- Extract & refine virgin raw material

Source: Compression: Meeting the Challenges of Sustainability Through Vigorous Learning Enterprises, Robert W. Hall, Productivity Press, 2010

From a Benchmarking Perspective the question is;  
How do leaders do this and what are the Best Practices  
and Lessons Learned?

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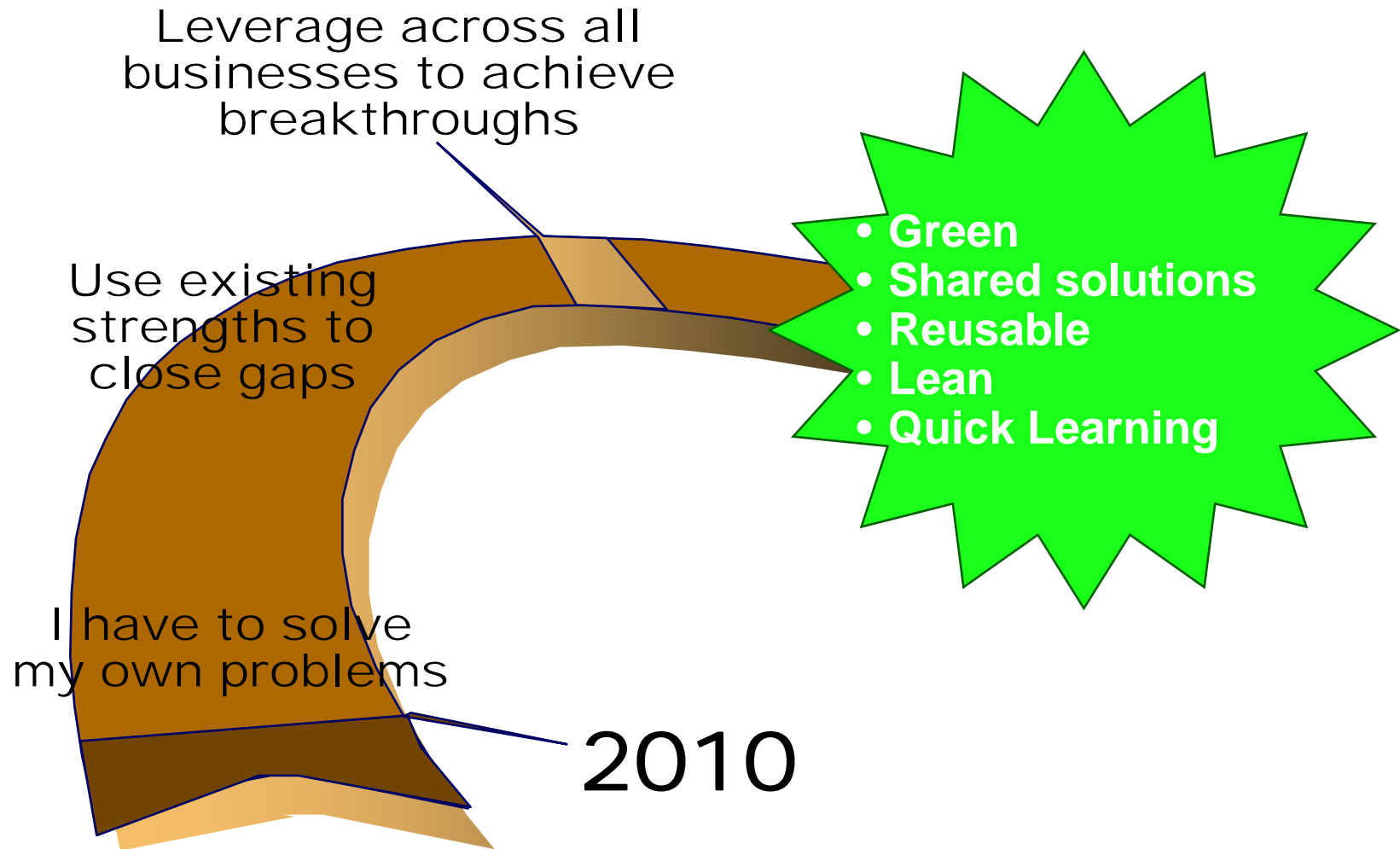
**Doing your best is not good enough**

**- W. Edwards Deming**

You have to measure and compare your performance to the leaders

# Benchmarking - Vision

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# Benchmarking Definitions

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1. The process of continually searching for the best methods, practices and processes and adopting or adapting the good features and implementing them to become the "best of the best."
2. Learning from others... **fast!**

## Benchmarking Benefits

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Benchmarking is a CI Tool to provide...

An efficient, effective conduit to world class knowledge and organizations...

Thereby providing inspiration, real world targets, and Best Practices to process owners...

In order to gain a sustained, competitive advantage.

From a Benchmarking Perspective the question is:

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- **How do leaders do this?**
  - **What are the Best Practices and Lessons Learned?**

**Answer:**

**Create a Benchmarking Capability that is very Proactive & aggressively searching and sharing Best Practices in the new Sustainability and Green Environment**

# Speed To Excellence

## Organizational Benchmarking Capability Matrix

Level	Management Culture	Benchmarking Focal Point	Process	Tools
5	<b>Benchmarking is</b> <ul style="list-style-type: none"> <li>• How we do our job</li> <li>• Learning &amp; Sharing are valued</li> </ul>	<b>Network across</b> <ul style="list-style-type: none"> <li>• Functions</li> <li>• Sites</li> </ul>	<ul style="list-style-type: none"> <li>• Awards</li> <li>• Recognition</li> <li>• Communication</li> </ul>	<b>Integrated Knowledge Sharing</b> <ul style="list-style-type: none"> <li>• Intranet</li> <li>• Extranet</li> <li>• Internet</li> </ul>
4	<ul style="list-style-type: none"> <li>• Expects Long Term Improvement</li> <li>• Stretch goals based on benchmarking</li> </ul>	<b>Team</b>	<ul style="list-style-type: none"> <li>• Coaching</li> <li>• Key Priorities</li> </ul>	<ul style="list-style-type: none"> <li>• Broadcast Messages</li> <li>• Intranet</li> <li>• Push</li> <li>• Pull</li> </ul>
3	<ul style="list-style-type: none"> <li>• Takes Action</li> <li>• Assigns Resources</li> </ul>	<b>Full Time Person</b>	<ul style="list-style-type: none"> <li>• Formal Training</li> <li>• Success Stories</li> </ul>	<b>Electronic Database</b>
2	<b>Sees Need to</b> <ul style="list-style-type: none"> <li>• Compare</li> <li>• Learn</li> </ul>	<b>Part time Benchmarking Starpoint</b>	<ul style="list-style-type: none"> <li>• Defined Process</li> <li>• 1st Success</li> </ul>	<b>Document Files</b>
1	<b>Operates on</b> <ul style="list-style-type: none"> <li>• Short Term Fixes</li> <li>• Profit Driven</li> </ul>	<b>None</b>	<b>Industrial Tourism</b>	<ul style="list-style-type: none"> <li>• Word of Mouth</li> <li>• Memos</li> </ul>

# Benchmarking Focal Point Responsibilities

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An External and Internal Focal Point for your organization to:

- Be a knowledge/skill source for Benchmarking/Best Practice sharing and transfer
- Work with process owners to fill gaps with Best Practices
- Be knowledgeable of Change Management process
- Nurture and deploy Benchmarking skills to all areas
- Add value by reducing the cycles of learning for occasional Benchmarkers
- Disseminate to process owners -- Knowledge Transfer & Reuse
- Provide contacts at other companies
- Help focus priorities to avoid redundancy

# So you need to Benchmark . . .

## What should you do?

1. Define your scope: process, current metrics, basic questions. Clearly state the concern.
2. How much time do you have to do your Benchmarking?

There are techniques that can help you based on 1 and 2 above. What's your timeframe?

- 1-2 weeks – Data Search
- 3-8 weeks – Quick Survey
- 8-12 weeks – Fast Track Benchmarking Study, may include 3-4 site visits
- 12+ weeks – Benchmarking Study including multiple site visits

## Your Options

### Data Search

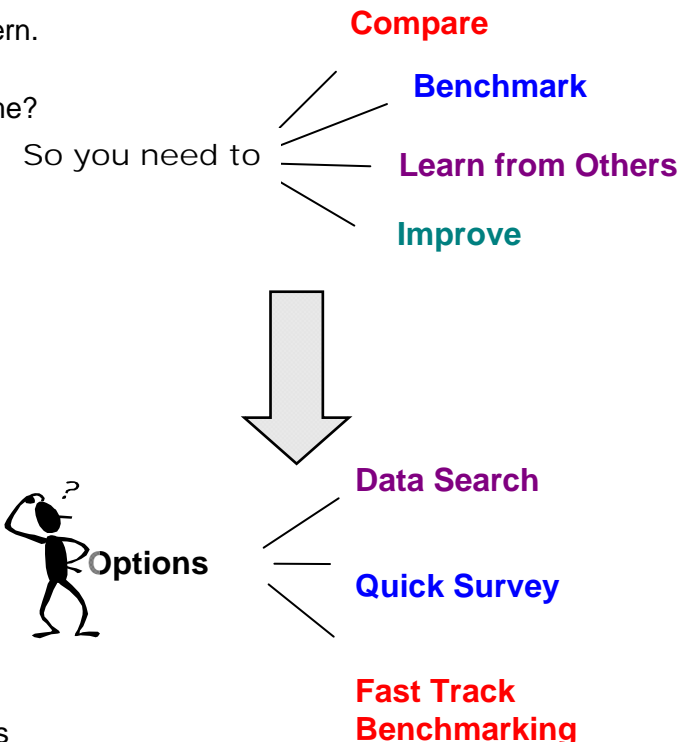
- You do yourself– Google, ASK
- Search Benchmarking Libraries
- Ask for help – AME BCoP

### Quick Survey

- Contact coach for help.
- Process:
  1. Generate 10-15 simple questions along with your answers
  2. Identify companies, peer contact list
  3. Generate cover letters and final surveys and help collect and analyze responses
  4. Realize other companies are busy too, and data collection is not instantaneous

### Fast Track Benchmarking STE Style

- Contact coach for help.
- Process
  1. Generate customized approach to meet your needs
  2. Define: process, team members, desire for site visits, sponsorship, commitment to change, clearly stated concern
  3. Identify output deliverable expectations



# AME -- Services -

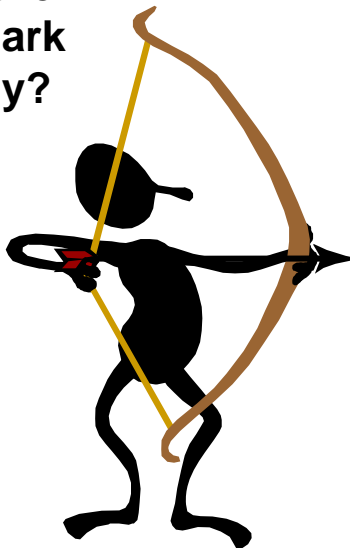
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## Data Search

### Input

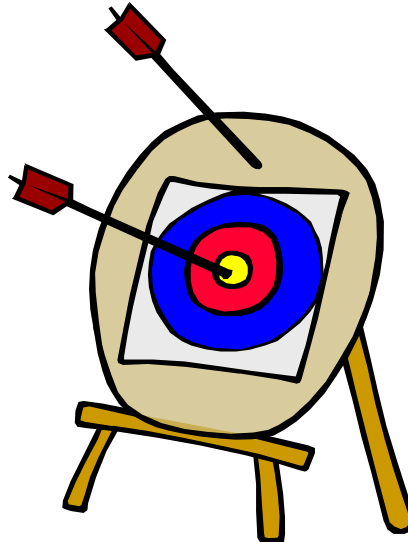
I need to compare for a meeting next week

- What's World Class?
- Who is the benchmark company?



### Type Info

Benchmarks  
Best Practice Companies  
Snapshot of Best Practices



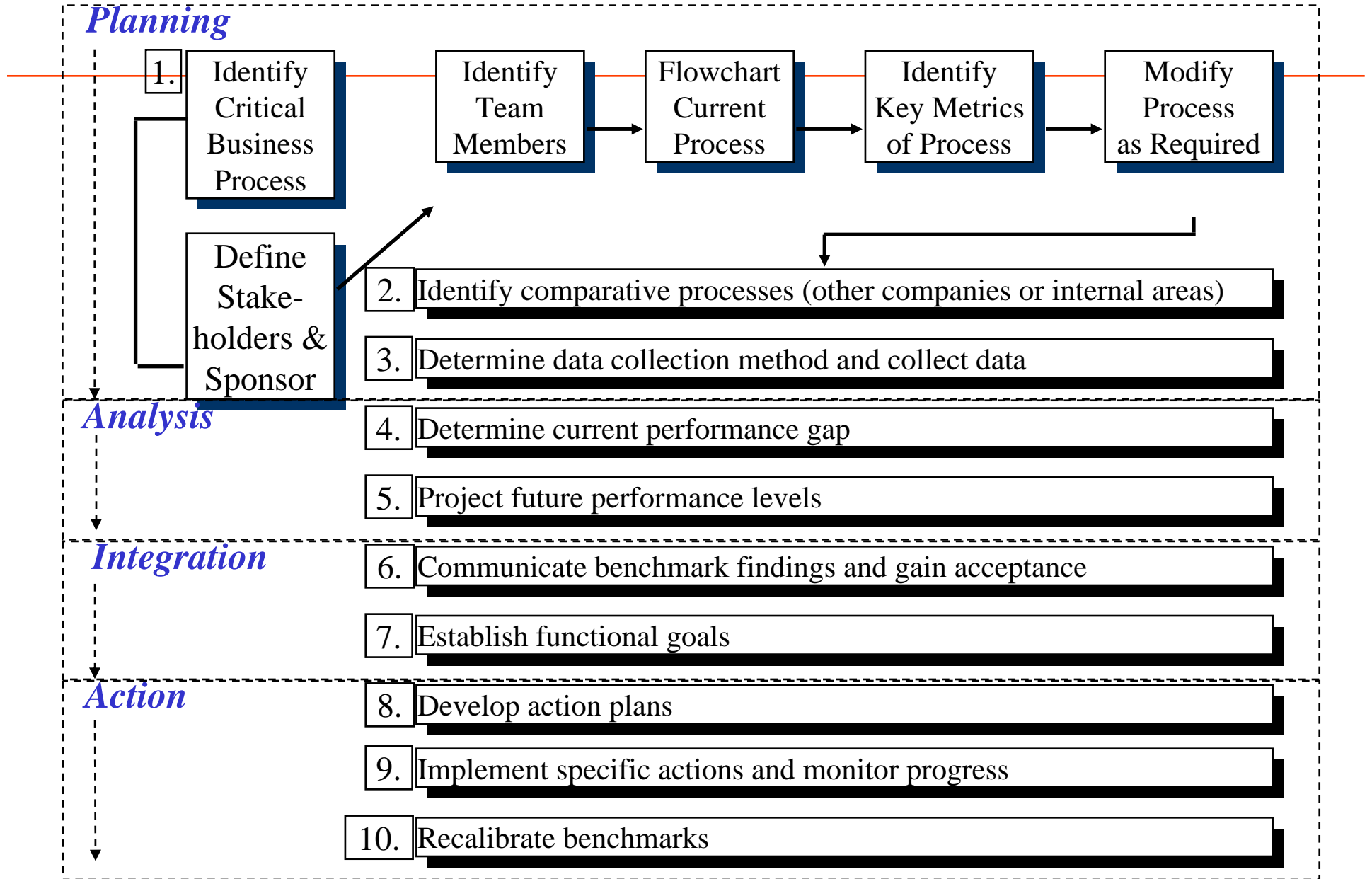
### AME Services

- Benchmarking Community of Practice (BCoP)
- BCoP Query Data Base
- BCoP Core Team
- Target Magazine
- AME Mfg. Excellence Award Winners

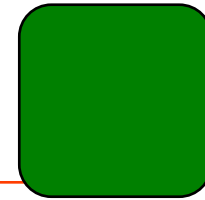
### External

APQC/BExchange/BNetwork  
Navy BMP  
Global Benchmarking Council  
Peers  
Internet Search

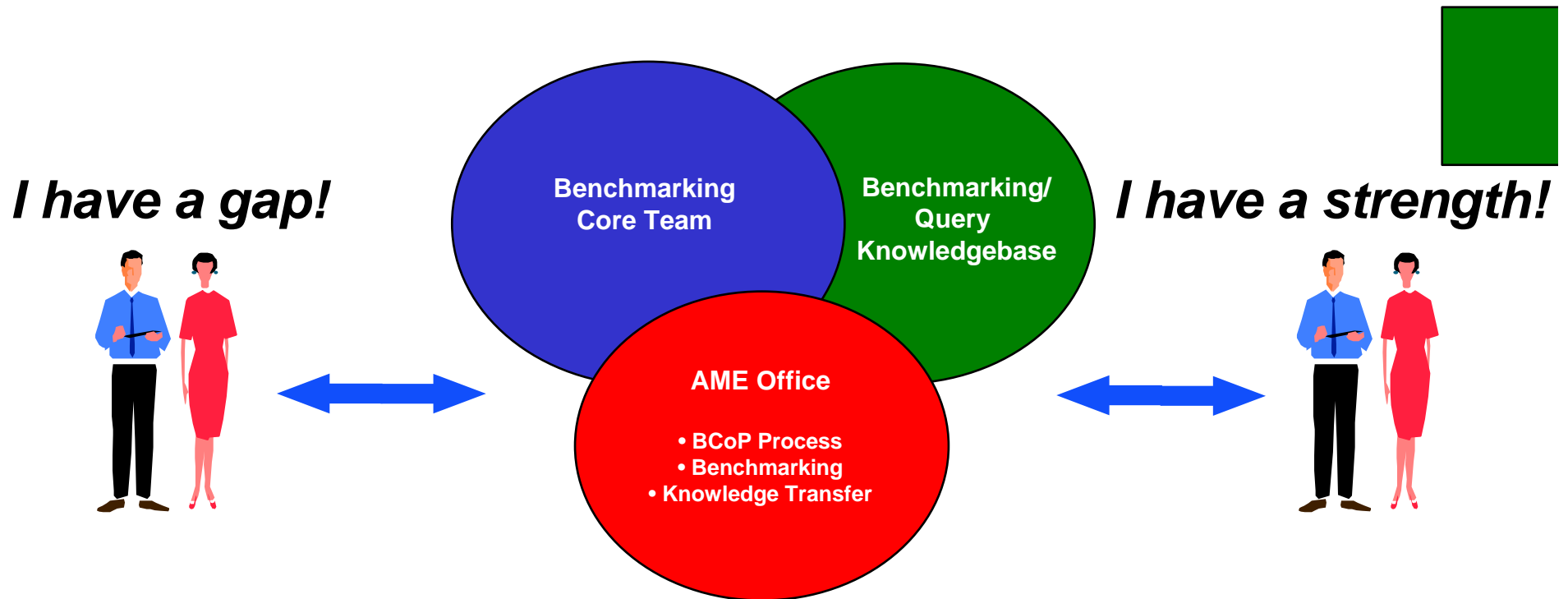
# STE Benchmarking Process



# AME Benchmarking A Structured Process



A structured process to promote benchmarking and reuse of proven solutions from Practitioners

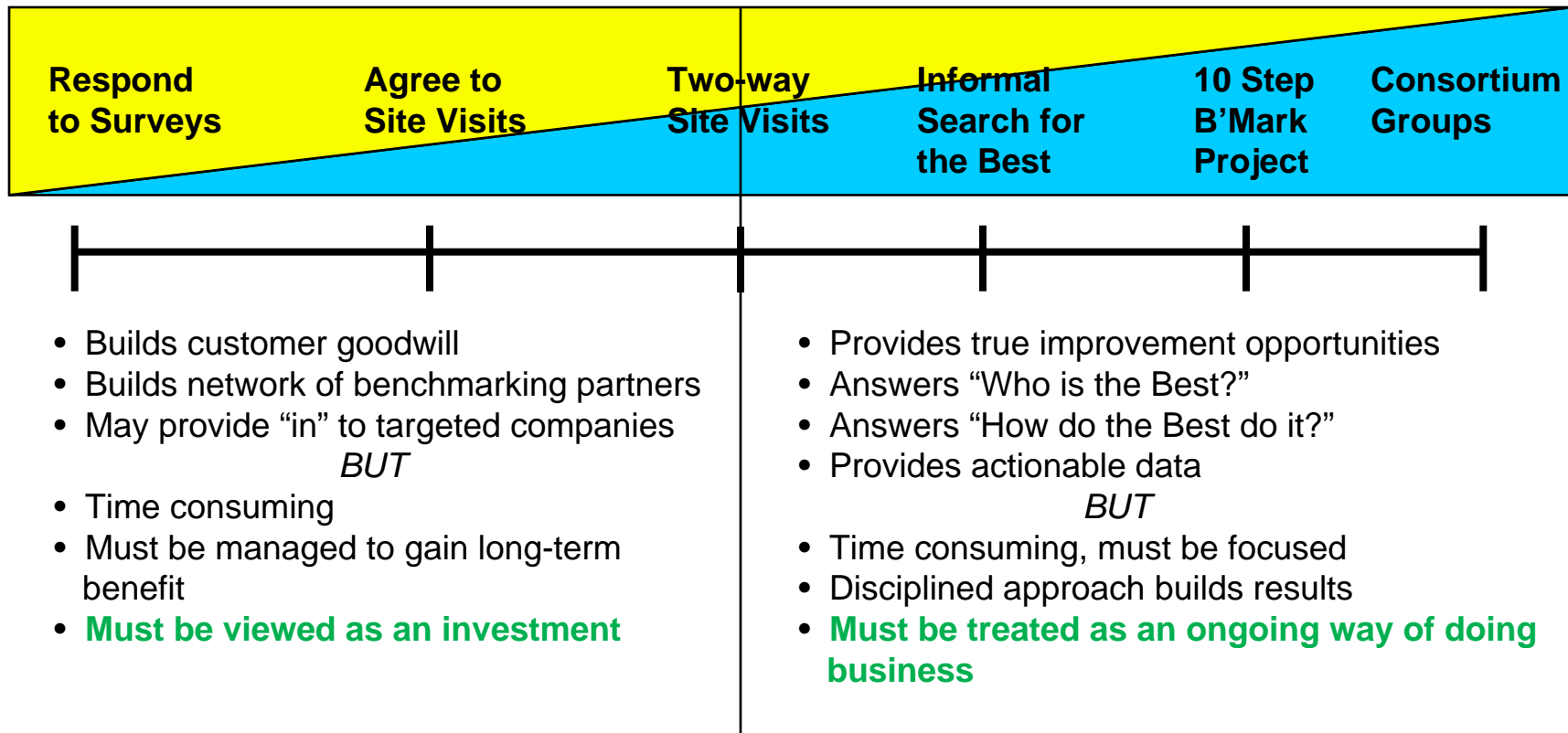


To join the AME BCoP contact  
Susan Chandler  
224-232-5980  
schandler@ame.org

# The Benchmarking Continuum

## Reactive

## Proactive



How Proactive are you?

## Benchmarking Deployment Principles

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- Understand your processes first.
- Follow the Benchmarking process.
- Use Benchmarks to establish “stretch goals.”
- Analyze opportunities to include Green elements in your business processes
- Take the initiative to identify, capture and reuse Green Best Practices.
- Benchmarking... a way of managing the business.

## Benchmarking Results

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Many times the Benchmarking Team will see someone else's performance and come to the conclusion

*"If they can... we can too!"*

## Benchmarks & Metrics

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- Benchmarks and performance metrics are essential to monitor “Continuous Improvement” and to set interim and long term goals
- **But the essence of Benchmarking is understanding the business process and the Best Practices that fuel the improvements**

# Ethics Guidelines for Benchmarking

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We are a member of the APQC International Benchmarking Clearinghouse and are governed by the Code of Conduct:

- Be willing to provide the same type and level of information that you request.
- Benchmarking should be mutually beneficial (i.e.; create a WIN-WIN situation.)
- Treat benchmarking interchanges as confidential to the individuals and companies involved.
- Use information obtained through Benchmarking only for purposes of improvement of operations or processes within the companies participating in the study.
- Handle and use the information gained through from your Benchmarking partner in a manner consistent with their wishes.

# Benchmarking Summary

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- The world is **changing** rapidly
- We must **learn faster** than the competition!
- A Benchmarking **focus** can add tremendous competitive advantage
- Making Green processes and Green thinking a top priority can drive your company to success and excellence!