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Strategic Benchmarking for Facility Managers

Benchmarking - Just another over-hyped business concept or a real tool that can help you to improve? We believe it to be the latter - but only if done correctly. If you benchmark, remember these rules:

- *Understand how and why a partner organization uses the established benchmark*
- *Not all benchmarks are applicable for your organization*
- *If you benchmark, full disclosure is the rule.*
- *When benchmarking, compare apples to apples, not apples to oranges.*
- *Don't benchmark dollars, benchmark processes (the dollars will follow*)

What can be benchmarked? Just about anything you wish to improve including:

When examining the business of facility management the following benchmark comparisons are commonly analyzed:

- *Operating costs*
- *Utility costs*
- *Percentage of workorders closed on time*
- *Planned maintenance versus reactive maintenance*
- *Janitorial costs*
- *Cubicle size per employee (title / function)*
- *Utilization rates*
- *Occupancy cost / square foot (or by employee)*

One of the great advantageous of benchmarking is its ability to challenge traditional approaches and structures in an organization. As a consulting firm, we often devise new processes that are met with resistance from the client. To erase the resistance (or fear?) we use examples of best in class organizations that have implemented the process we are discussing. It amazing how quickly the resistance fades once a client realizes that others are using this process with success and may even have a competitive edge because of it!

One way resistance manifest's itself is through excuses. Sometimes these excuses are legitimate. For instance, most people (and as a result, organizations) attempt to justify poor performance through variables that deviate from the benchmark case study. For instance, if a gap analysis identifies a potential 27% cost savings in janitorial, but the client resists the data because they have correctly identified a variable. Their facility is comprised of 12,000 square feet more vinyl flooring than the subject facility. Of course, vinyl flooring is more expensive to maintain and a legitimate variable has been discovered. This variable caused a "false positive" that should have been accounted for and removed so the objection can be minimized.

The key: Compare apples to apples, not apples to oranges. When you have established a baseline (your costs) and you find a best in class target, find out what they do, how they do it and who helps them do it. You now have a means to copy the best in the business and reap the rewards without all the hard work.

Why is benchmarking so important?
It's been said that if you can't measure it you can't improve it. If you don't know where you're at, you won't know if you're going in the right direction. If you don't know where you're headed, any destination looks as good as the other. A benchmarking analysis will provide you with a baseline of where you are at and a goal for achieving best in class

performance. Without benchmarking you cannot truly move towards a culture of continuous improvement.

How do you Benchmark

A lot of work goes into a benchmarking study, but to summarize the sequence of events, follow these seven steps:

1. Decide what you want to measure
2. Figure out where you are right now. This is your baseline
3. Locate compatible benchmarking partners
4. Perform a gap analysis (difference between your baseline & theirs)
5. Develop a plan for improving your practice based on the best practices of your benchmark partner
6. Manage the implementation
7. Start over at step 1 with another benchmarking partner