

Why Benchmark?

Key Reasons are as follows:

1. **Referencing** - to run with the herd, you need to check your fitness, speed and direction against the pack. Most planning involves making assumptions. If you do not benchmark your planning assumptions against the planning assumptions of suppliers, rivals and funders, your planning risk remains bigger than it should be.
2. **Calibrating** - if the short term is incredibly volatile, benchmarking (recent) legacy performance sets a baseline reference point. For someone who gets lost, searchers return to the place last seen. Long run studies of deep markets help investors decide where to invest for long term benefit. A good way to anticipate a modest growth rate turning into an exponential curve is to benchmark older examples of exponential growth, not linear-growth-stage peers.
3. **Disturbance handling** - if your (board or customer lobby group) critics need silencing and need an objective opinion for a reality check, getting some independent benchmarking can help. People in the intelligence community and veteran forecasts both like multiple independent sources of verification (to the point of diminishing returns).
4. **Continuous improvement** - if your focus is efficiency over innovation, benchmarking comes into its own. Athletes routinely benchmark their latest performance against event-qualifying times, to discover what training and injury recovery regimes work best. if you are already best in sector, try benchmarking against those in other sectors, to give you new ideas for performance improvement - for a sports athlete, perhaps athletes in other sports have techniques to give you an edge against your own sports rivals.
5. **Business Flexibility** – this is an umbrella term for resilience, adaptability, agility and options management. By benchmarking your organisation's business flexibility, you know where to become more business flexible.

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