

Berlin, September 2004



Dear GBN-Members,

Today the GBN-Secretariat presents the second issue of the GBNewsletter.

After the first GBNewsletter we have collected and **received far more input** from our members and therefore we have doubled the number of pages. I hope that this issue will give you a good overview of the different activities our members are currently doing.

I am very happy to welcome **new GBN members** from Poland and Russia! We are currently in contact with organisation from other countries who like to join our network. I hope that the network will expand until our next meeting. Please help us to attract new members!

As change is the only permanent factor in business life, some **new people** have assumed the responsibility within our members organisations. I like to welcome all of you to the GBN Benchmarking Community and thank you for providing us with some background information about your professional carrer!

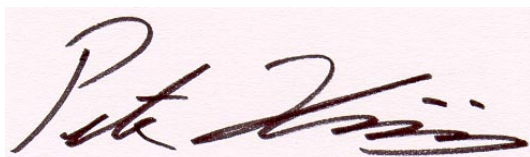
Currently we are preparing the **Annual General Meeting** on **November 18 – 20, 2004** in Berlin. We got already input and nearly all members are planning to participate at this Meeting to share their experiences with benchmarking and benchmarking services.

But one of the most important event will be the celebration of the **10th Anniversary** of our Global Benchmarking Network. I hope that we will have a nice celebration at our AGM in November.

We thank all who have contributed to the second issue by providing us with information and text. We appreciate any feedback as we aim to improve the content continuously.

Enjoy reading this GBNnewsletter!

Many thanks and best regards from Berlin, Germany



Peter Heisig

Chairman of the Global Benchmarking Network

www.globalbenchmarking.org

GBN Activities

Annual General Meeting & 10th Anniversary of the Global Benchmarking Network - Berlin, Germany, November, 18-20th 2004

The Information Centre Benchmarking will host the AGM as well as the 10th Anniversary of the Global Benchmarking Network. We will set now the agenda, your suggestions and ideas are welcome. Please let us know, if you will participate at the AGM or not.

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APQC Visit in June 2004

„How to accelerate the adoption of proven practices?“ This question took the center stage of the latest APQC Best Practice Transfer Consortium Benchmark Study. The study started with a Virtual Kick-Off Meeting on February 24, 2004 and finished with the Knowledge Transfer Session in June 2004. The final Report will be published by November 2004.

Peter Heisig – Chairman of the Global Benchmarking Network – attended the Knowledge Transfer Session which took place on June 15 and 16, 2004 at the APQC in Houston, Texas (USA).

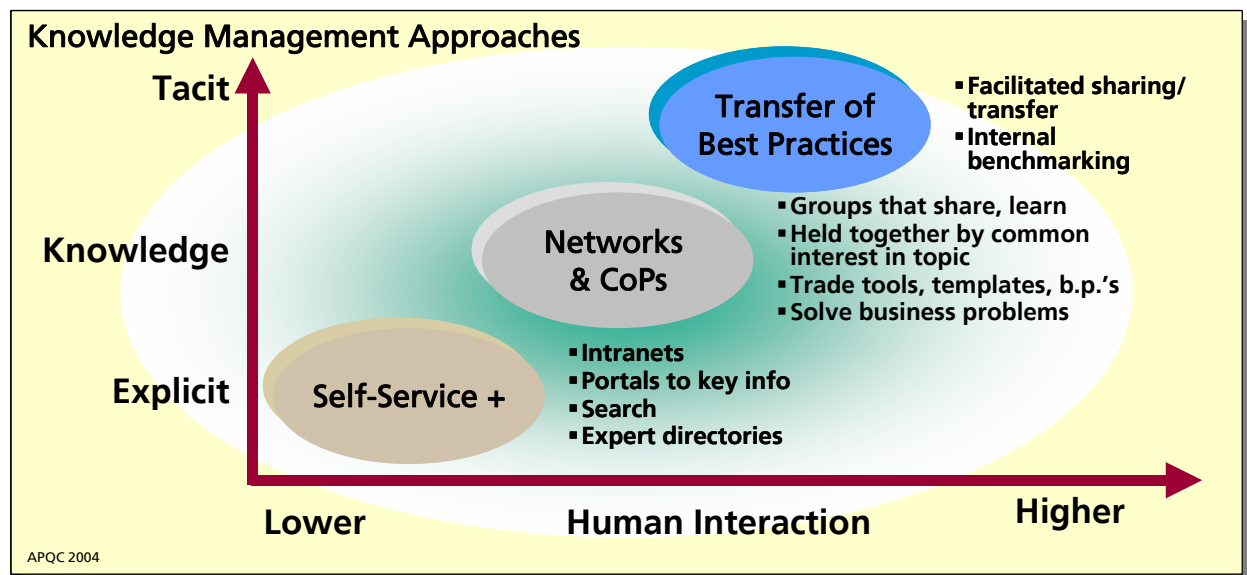
The study was sponsored by the following 21 companies:

- AstraZeneca plc
- Aventis Pharmaceuticals Inc.
- Bristol-Myers Squibb Co.
- BT Group plc
- ChevronTexaco Corp.
- Corporación Nacional del Cobre de Chile (CODELCO)
- Crown Castle International Corp.
- Electronic Data Systems Corp.
- Exxon Mobil Corp.
- Hewlett-Packard Co.
- Halliburton Co.
- Marsh Inc.
- Petróleo Brasileiro S.A. (Petrobras)
- Robert BOSCH GmbH
- Solvay S.A.
- State Farm Insurance Companies
- Statoil
- Virginia Department of Transportation
- UT M.D. Anderson Cancer Center
- U.S. Department of State
- Xcel Energy Service Inc.

As Best Practice Companies the following six companies have been selected:

1. Air Products and Chemicals Inc., USA (Virtual Site Visit)
2. BHP Billiton plc, Australia (Virtual Site Visit)
3. CEMEX, Mexico (Face-to-face Site Visit)
4. FORD Motor Company, USA (Face-to-face Site Visit)
5. Tata Iron & Steel Co. Ltd., India (Virtual Site Visit)
6. The ServiceMaster Co., USA (Face-to-face Site Visit)

The figures show how APQC locates the Best Practice Transfer with different approaches for Knowledge Management.



Meeting with Carla O'Dell on June 17, 2004:

Discussion about potential cooperation between GBN and APQC

In a Meeting with Carla O'Dell one day after the Knowledge Transfer Session Peter Heisig took the chance to discuss about potential opportunities of the cooperation between GBN and APQC. Please read his brief report to receive an impression about the future possibilities:

APQC take the initiative to elaborate an Open Standards Benchmarking Collaborative (OSBC) which aims to build a worldwide benchmarking database (PowerMARQ). The preparatory work is sponsored by some clients of APQC.

Mrs. O'Dell stated that the content of this database should be distributed by 40 % US companies, 40 % European companies and 20 % from Asian companies. You will find more information about OSBC and PowerMARQ on the APQC Website: www.apqc.org

I explained the aims and objectives of the Global Benchmarking Network and the current structure of our membership. Mrs. O'Dell was very interested in collaborate with the GBN.

I emphasised that the collaboration should be a win-win situation for both parts.

We agreed that I will inform the GBN Members about our meeting and we will start a discussion on how the GBN and APQC could cooperate in the field of benchmarking. Therefore I suggested to have a presentation by APQC during the next Annual General Meeting in November in Berlin.

Evaluation and GBN position

APQC is one of the leading benchmarking centres in the US with very close relations to the business and government. They are very business oriented and looking for their advantages. They have cooperated with the EFQM in order to enter in the European market. Several big European companies are members of the APQC. Nevertheless they have not expanded in Europe and have still difficulties to understand the European market.

I think that the GBN can have a very good position if we are showing our potential (members and access to companies) and act as distributed and united network of benchmarking centres.

Please sent us your experiences with APQC, comments and opinion about the cooperation with APQC.

Benchmarking Events, Conferences etc.

Conferences and Events which already took place in 2004.



58th ANNUAL QUALITY CONGRESS - TORONTO, ONTARIO, CANADA, MAY 24-26th, 2004

Further information can be accessed via <http://aqc.asq.org> or contact
Robin Mann R.S.Mann@massey.ac.nz

Australasia's Inaugural Benchmarking Conference - Auckland, New Zealand, March, 16 – 17th 2004: Conference, 18-19th 2004: Workshop

Further information can be accessed via www.coer.org.nz/conference or
contact Robin Mann R.S.Mann@massey.ac.nz

Planned Conferences and Events in 2004.



9th World Congress for Total Quality Management - Abu Dhabi, United Arab Emirates – September, 27-29th 2004.

Further information can be accessed via www.world-congress.ae

EFQM forum 2004 - Berlin, Germany, November, 15-17th 2004

Further information can be accessed via www.efqm-forum2004.org

GBN-Members



Czech Society for Quality

News:

The CSQ has launched the new electronic journal “**Quality Perspectives**” www.perspektivyjakosti.cz. In this e-journal you will find information about the CSQ and other news from the world of quality.

Benchmarking services:

Benchmarking: Paired benchmarking, Consortium benchmarking studies

Education: Open course “the benchmarking foundations”, In-company benchmarking courses, preparation of the benchmarking consultants.

Information: Access to www.benchmarking.cz including benchmarking and self-assessment on the basis of questionnaire in the Electronic Data Archive, information about projects, etc.

Networking: Searching of partners for benchmarking, Round tables, Workshops, partnership in projects, etc.

Benchmarking within the automotive supplier network:

For the first stage of the project, the database access to benchmarking has been chosen, and the **BenchmarkIndex** has been used as a “tool”, i.e. the database of the British DTI (Department of Trade and Industry). The database access has been provided through co-operation with the Centre for Competitiveness of Dublin. Thirteen companies took part in the first stage of the project. Benchmarking through BenchmarkIndex was based on two questionnaires Core Questionnaire (**financial and non-financial data**) and QCD (**Quality-Cost-delivery**) Questionnaire approved for the automotive sector in Great Britain.

The questionnaire comprises comparisons based on eleven production parameters. An excellent performance has been demonstrated by companies in the following parameters:

- Effective use of process management was excellent to 100 % of companies.
- Added value per direct employee was also excellent to 100 % of companies.

Here are some areas for improvement of participated firms:

- At first 91 % of the companies failed providing excellent quality supplies.
- Stock turnover for more than a half of companies constitutes their weaknesses.

More information and presentations from workshops can be found on www.benchmarking.cz.

Prepared projects:

Customer satisfaction measurement in banking sector and Benchmarking for Automotive (second stage).

For further information please contact Katerina Myšková at:

myskova@csq.cz



Institut du Benchmarking

News:

As you might have already noticed, Jacques Errard will retire from his current position. Moreover, this is the reason why Jacques will leave also the GBN. He started Benchmarking in mid nineties. After having left IBM he founded the Institut du Benchmarking in 1996. Within the GBN he was an active member who, for example, generated the "methodologies applied by GBN members" for the GBN Action Plan. With Jaques Errard a close friend and an acknowledged expert in benchmarking is leaving the GBN. In the name of all GBN-Members we would like to say: Thank you very much, Jaques!



Information Centre Benchmarking (ICB)

News:

Our newly developed approach for benchmarking the national science, research and technology landscape in countries in transition (e.g. Indonesia, Vietnam and Serbia-Montenegro) has been applied for the third time during the last year. As already mentioned in last years GBN Newsletter, it is a method to gain information and to establish ways how innovation and technology policies can support decentralization processes and an efficient technology and R&D transfer, in order to strengthen the national innovation system of these countries. With the three applications it could be shown that our approach is obviously attaining good results for all organisations, companies and governmental authorities involved in the respective projects.

Benchmarking projects and services:

At present the ICB is concerned with a benchmarking project in the **area of procurement**. Project partner is a large organisation of the German research community. In addition we are executing a benchmarking project with a German supplier of wiring harnesses for the automobile industry.

Beyond, the ICB has recently supported the foundation of a new benchmarking centre in Poland. The Centrum Benchmarking Polska (www.benchmarking.com.pl) was built up in cooperation between ICB

and a Germany based internationally operating company from the area of technical certification.

Conferences:

ICB has recently started the planning for a new conference on benchmarking, which is to take place in rooms of the Fraunhofer IPK, Berlin in spring 2005. All ICB and GBN Members will be informed in time about the actual date and program of the ICB conference on benchmarking.

For further information please contact Holger Kohl at:

holger.kohl@ipk.fhg.de



Excellence Ireland Quality Association (EIQA)

News:

Due to a process of change, there are no benchmarking news at present. This will change as soon as the internal reorganisation is completed.

Conferences:

National Quality and Business Excellence Conference is planned for the 30th September 2004, The Berkely Court Hotel, Dublin.

Excellence In Safefood Conference is planned for the 30th September 2004, Jury's Hotel, Dublin.

Changes in the organisation:



Since the 1st of January 2004 Mr. Paul O'Grady is the new Managing Director of Excellence Ireland. Prior to joining Excellence Ireland Paul O'Grady, Chairman and co-founder of Trust5 was Director of Group Operations at ABN-AMRO responsible for finance, IT, back office operations within Treasury, Stock-broking and Corporate Finance. He was also a member of the Country Management team, which determines the strategic direction for ABN-AMRO in Ireland, the European Financial planning Group and part of a small team assessing the E-Commerce and shared service options for the Bank worldwide.

For further information please contact Paul O'Grady at:

pogrady@eiqa.com



The Benchmarking Club

2004 - NEW PRODUCTS

1. **Benchmarking Study** - report of a benchmarking project with information general overview on the issue, benchmarking data analysis, insight on best/good practice emerged in the CIG ,key findings and lessons learned about the CIG

Already published

- Internal Communication: Processes and tools
- HR Measurement
- IT security

2. **Benchlearning Day**

One day functional benchmarking for companies in a start up phase of a business process, to learn how to do it the "best way". It is both a training and a benchmarking task.

- overview on the subject (introduction at the subject, present national and international trends, key issues to focus etc.)
- presentation of two "good practices"
- comparison of data, things to do and don't.

Before the seminar the participants fill a questionnaire of self evaluation on the process. Results are presented and compared vs good practice.

Talent management. How to select, manage and develop key people in companies". Good practice: Costa Crociere, Fiat and Mac Donald's.

2004 Common Interest Groups (cigs) :

- HR Measurement: how to measure efficacy & efficiency
- Total Reward Strategy
- Employee motivation
- FA Measurement
- IT Security
- Production planning
- Budgeting
- KPI for continuous improvement
- Data privacy: data management
- Management of new labor contracts' 'Biagi Law' (new kinds of flexible contracts to employ people).

Benchmarking one to one :

- knowledge management
- Intranet management
- E-learning
- sales forecast (only pharmaceuticals companies)
- professional training policies and indicators
- how to turn from a top down organization model to a flat one based on competences and project management.

For further information please contact Chiara Narcisi at:

c.narcisi@businessinternational.it



Centre for Organisational Excellence Research

Benchmarking projects and services:

One just starting is benchmarking how national business excellence award bodies develop and deploy business excellence models in their nations. This is on behalf of SAI-Global, the custodians of the Australian Business Excellence model.

The Benchmarking and Performance Improvement Resource (BPIR.COM) has been vastly improved over the last year, with a new homepage and a search facility. Also, soon it will have a name change to the Business Performance Improvement Resource to recognise that it is more than a benchmarking resource. We have now over 5000 individuals worldwide using the resource and partners in nine countries.

Conferences:

We organized Australia's Inaugural Benchmarking Conference. It attracted over 100 Delegates and Bob Camp was a keynote speaker.

We participated at the Annual Quality Congress (Toronto), World Quality Congress (Dubai).

Publications:

Mann, R.S. & Grigg, N (2004), Helping the kiwi to fly: creating world-class organisations in New Zealand through a benchmarking initiative, Total Quality Management and Business Excellence Journal, Vol. 15, No.5-6.

For further information please contact Robin Mann at:

R.S.Mann@massey.ac.nz



Swedish Institute for Quality

News:



Since September 2004 the new responsible for the Swedish Institute for Quality (SIQ) is Mr. Jerry Karlsson. Mr. Karlsson was the president of the company Lidköping Machine Tools AB. During his time as president the company was part of the SKF Group. His previous position has been as president of HSSA Sweden AB which is a development company within Volvo Technology Transfer (Volvo Group). During the eighties Jerry Karlsson had several manufacturing management positions within Volvo Aero. Jerry have a masters degree in mechanical engineering from Chalmers University of Technology in Gothenburg.

For further information please contact Jerry Karlsson at:

jk@siq.se



TECTEM Benchmarking Center

News:



The new responsible for TECTEM is since January 1st Prof. Dr. Thomas Friedli. Since January 2004 Mr. Friedli is a Managing Director of the Transfer Center for Technology Management (ITEM-HSG) and since July 2004 he is an assistant professor for Technology Management at the University of St. Gallen. Professor Friedli has published various scientific articles and conference papers and he worked as an expert in several benchmarking projects, e.g. Commercialization of industrial Services (2002), Management of Collaborations (2003) and Professional Industrial Service Management (2003-04).

Topics:

We have the impression that risk management on a corporate level dealing with business risks could be a good topic all over europe.

Benchmarking projects:

We just finished a BM Project in **Service Management** for industrial enterprises. The identified and visited successful practice companies were Hilti, Rieter Textile, IBM, Carl Zeiss and Unaxis.

Besides we are in the middle of a BM Project in the automotive industry dealing with ramp-up process. This project is done in cooperation with the WZL in Aachen and the Kühne Institut für Logistik in St.Gallen.

Actually we are preparing another BM Project dealing with the internationalization of value chains with a special module about business in China.

We are actually developing a new product aimed at the needs of SMEs. Hopefully we will start a special **SME BM Product** in September.

For further information please contact Thomas Friedli at:

Thomas.Friedli@unisg.ch



Small Business Services

Management Best Practice

News:

The Management Best Practice Unit of the Small Business Service was disbanded at the end of March 2004 and the Benchmark Index was transferred to DTI. The DTI will be continuing with a much lighter touch with the main thrust of delivery being undertaken at the regional level.

I took this opportunity to leave the Department and set up my own company BCS Management Services. This has the objective of 'Delivering solutions and opportunities to intermediaries offering management and business services'. This company started at the beginning of July and I attach the company logo for your information and use as and when appropriate.

Topics:

There are two areas of interest at present:

The first is the **area of productivity improvement** and identifying those enablers that have the greatest influence and secondly a move towards much more **analysis of aggregate data to establish major trends**.

Conferences:

I organised and chaired a conference on the 'Engagement of Companies'. For too many years now the really good material and tools

available to the knowing companies, are missed by the majority. There is a need to speak to companies in a language that they understand and to answer the question 'What's in it for them?'

Various offerings were presented including a new card game 'Buiz Quiz', an animated four minute film on Business Excellence, a new web site www.qualityjourney.co.uk and a revised Business Excellence Module for the Benchmark Index calibrated with EWFQM award winners.

Although the audience was given all of this the purpose of the conference was to ask them how they could make their individual offerings more acceptable to the large number of companies who never engage in benchmarking or business improvement.

I participated in several Conference Board of America events including the European Communications Board meeting which was held in London and a major Productivity Conference held in Amsterdam.

Publications:

A report entitled '**Enablers of Productivity**' which uses the Benchmark Index database to confirm the various enablers and also to look at the effect on results was published recently. It is interesting to see that absenteeism has less effect on manufacturing than it does on the service industries. It shows that companies with a high number of complaints also have high productivity. It calls into question the flat structure theory and shows the initial adverse effect of marketing on service companies.

For further information please contact Terry Pilcher at:

BCSMgt@aol.com



Public Sector Benchmarking Service (PSBS)

News

The Public Sector Benchmarking Service (PSBS) membership is now approaching 11,000 with over 3,000 additional contacts requiring PSBS publications.

The hottest topic at the moment is **efficiency / performance improvement**.

Benchmarking projects and services:

The PSBS is now operating a **Benchmark Healthcheck**. The Healthcheck allows members to benchmark against validated private sector organisations in financial, human resource and quality areas.

Conferences:

The PSBS has organised three events this year, all in London.

- Sir Ken Robinson, a Senior Advisor to the J Paul Getty Trust in Los Angeles, gave a talk on '**Innovation in the Public Sector**'.
- Professor Richard Scase, one of Europe's leading futurists, presented a seminar entitled '**Britain in 2010: Future Scenarios and Their Implications for the Public Sector**'.
- Elaine Sihera, a leading expert on Diversity, lead a workshop entitled '**Managing the Diversity Maze: Lessons for the Public Sector**'.

All three events were well attended (total attendees numbered over 500).

Publications

The last two editions of PSBS News have been forwarded to GBN members. Any back editions are available from the PSBS.

For further information please contact Barbara Topping:
barbara.topping@hmce.gsi.gov.uk

GBN New Members

To acquire new members, the GBN-Secretariat have had intensive interlocutions and exchange of emails with the following companies and organisations this year. Particularly with regard to Russia und Poland the conversation was very successfully.



RWTÜV Polska Sp. z o.o.

website: www.rwtuv.pl

For further information please contact Stanislaw Pater at:

s.pater@rwtuv.pl



Russian Organisation for Quality (ROQ)

The Russian Organisation for Quality (ROQ) created the department "Business Excellence" on June, the 28th 2004. The Vision of ROQ is to become an internationally recognized leader in benchmarking and in activity of training, introduction, exchanging of best practice and methods of quality management among enterprises and organisations in the Russian Federation.

A specific benchmarking approach has to be developed.

Current members: more than 1000

Website (ROQ): www.mirq.ru

Standards and Quality Advertising and Information Agency (AIA): www.stq.ru

Top of Russian quality (ACQ): www.100best.ru

Please also take a look at the GBN Admission Questionnaire, which was send on August, the 3rd 2004 by the Secretariat to all GBN-Members.

Since 2004 Yuri Samoylov is the is the Executive Director of the Business Excellence Department of the Russian Organization for Quality.



From 1975 Mr. Samoylov was a serviceman of the Russian Air Force. In 1986 he was an engineer of commercial service and economist of commercial exploitation of international airlines, Regional Commercial Directorate for Trans-Siberian and Trans-Asian Airlines of Aeroflot International Commercial Department. From 1988 Yury held top managerial posts in daughter companies of Aeroflot in Russia and abroad, and in various Russian – American joint companies. Furthermore he was the General Representative of Aeroflot, Krasnoyarsk Airlines, director of Representatives Division and Director of Representatives Department at the "East-Line" Airlines. He worked in

Thailand, Hong Kong, Singapore, Malaysia, India, USA, Great Britain, Germany, Hungary, and Switzerland. Yury Samoylov was a member of working groups on Russian investment projects together with foreign financial institutions and banks of Europe and the United States.

For further information please contact Yury Samoylov at:
usamoylov@mirq.ru.

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