Robert Camp is a leading authority on benchmarking and its use to obtain best practice knowledge and superior performance.

Based in Ithaca, New York, he is the Principal of the Best Practice Institute, an international research, education and consultancy organization focused on the capture, exchange and adoption of worldwide best practices through benchmarking.

Often referred to as “the father of benchmarking”, Camp spent 23 years at Xerox Corporation where he was responsible for expanding and intensifying benchmarking in all Xerox units, and directing the internal Xerox network charged with ensuring that customer satisfaction and business results improved through incorporation of best practices in products, services and business processes.

As the Xerox representative, Camp helped establish the International Benchmarking Clearinghouse in Houston, Texas, and he also currently serves as President of the Global Benchmarking Network, an affiliation of 20 benchmarking competency centres around the world.

His seminal book, Benchmarking: The Search for Industry Best Practices that Lead to Superior Performance, has been published in 14 languages.

Guru Interview:
Robert Camp

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Interview by James Nelson
Q: What are some of the most successful ways - both formal and informal - for executives and others within organizations to network with one another to learn more about what other organizations are doing?

Robert Camp:

I think it happens at several levels. At the very top, one of the things that occurs is executives of different companies sit on other companies' boards of directors. They hear and see and talk about what they are doing that they think has merit and they hear fellow board members talk about what their companies are doing. What often happens is that information is shared with the executives' managers. That sort of sharing acts as an incentive to consider another company's initiatives as a source of benchmarking. This sort of networking also occurs at many levels through membership in all sorts of trade associations as well as through the media. Business magazines, for example, foster networking indirectly by profiling young, emerging companies. If it's not done directly, it's certainly done indirectly in the sense that they write up who they think are these best emerging companies. So there are a number of ways for companies to become sensitized to the fact that there are better practices.

Q: Do most people who attend these meetings or belong to these groups think about their peers as potential benchmarking partners?

Robert Camp:

The sharp ones do. A number of other people just have not realized this is a golden opportunity to make connections and they ought to capitalize on it while they have the chance. There are key individuals in many organizations who force themselves to go outside, for example, to spend time with customer contacts. We had one at Xerox who happened to be one of our financial officers. He went to talk about his finance operations because he wanted to learn from other finance organizations. These people know that's one way they are going to be able to identify ideas to improve their own internal operations. They will invest the time to go and talk to customers and their counterparts, and actively look on it as a benchmarking exchange in which they are going to learn some things that will help them improve their operations.

There is one type of individual who will go and just casually listen and come back and say, "I heard this, so we need to do it." There is another type of individual who says, "I have gone and I've heard them say they are doing these things and I have an agreement now with the manager in that company that I can send in a benchmarking team to more carefully and thoroughly look into this." There is a difference. It is the latter approach which I think is going to pay off more handsomely. It is one thing to go out and pick up ideas. It is another to make the arrangements to follow through and do more formal benchmarking, to insure we have carefully understood what they were saying, do the comparisons, and come away with a very good understanding of what the differences in practices are so we can in fact act on them.

Q: Should formal contracts play a role in solidifying these partnerships?

Robert Camp:

Most formal contracts are not necessary. Generally contracts pose a certain difficulty because they can only be enforced for a certain period. In other words, a contract cannot specify an arrangement that will last for ever. Most confidentiality agreements only have lives of something like three years or less. When deciding whether or not to require one, the organization should ask itself what it is really gaining.

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Generally the biggest concern a company has is that a benchmarking partner will share information with another party, and that party will either inadvertently or without checking with the first organization reveal the information at some forum. The rule most benchmarking people are trying to establish and enforce is that partners cannot reveal information about another company unless their permission is expressly granted. What can happen without this agreement is a company goes to some sort of public forum and there prominently displayed is their name and their data and their information and their permission was not requested ahead of time. One way to get past that is to mask the identity of the organization. Even then it is always wise to get approval from another company if the intent is to share the information.

Q: When conducting benchmarking, is there an ideal number of partners?

Robert Camp:

The answer is less than many and more than one. One of the things you want to stay away from is designating one company as the best.

You may find one company that has many of the best practices you are looking for, but you need to find some confirming evidence. We recommend putting together a set of candidates, researching them, and then confirming a minimum of three and a maximum of six companies you would then benchmark. At that stage they are carefully selected. You have quite a bit of background material on them so you have, in effect, stacked the cards in your favour that these companies are very likely, if not almost assured, to have better practices. It will undoubtedly be an exceptional learning experience. We prefer not to say we just visited IBM, for example, and that’s all we visited.
Q: Would you describe the different types of benchmarking and their relative value to an organization?

Robert Camp:

I think there are four ways in which you can compare yourself with other companies: internally, competitive (meaning within the industry), functional best, and generic best. Internal benchmarking is the process of identifying who is the best within an organization at a particular practice. It involves constantly searching within the company to find out who has the best practices. That is a major activity for big companies.

Xerox, for example, operates in 65 countries around the world, so we had the option of looking for better practices within our own organization. We encourage people to do that not only because the information is internal and therefore not sensitive, but for another reason – if organizations are going to do benchmarking and do it well, the focus has to be on a specified and identified process, such as billing, collection, order taking, or logistics, to name a few. One of the things we want the teams within the organization to be disciplined in doing is making sure they understand their internal process before attempting to go outside. It just so happens that doing internal benchmarking is one of the best ways to accomplish that goal.

The prerequisite for doing benchmarking well, before you attempt to go outside, can be in great measure accomplished by internal benchmarking. While you may find some better practices internally – and that is a very valuable thing to do – one of the real values of doing internal benchmarking is to deliver on the first requirement of successful benchmarking, which is to define your own process. Part of what happens during this step is the team comes to a more refined understanding of the process itself, how well it is documented, what the performance measures are, and so on, before attempting to go out and look at others in their industry. We encourage organizations to do internal benchmarking first to confirm and validate what in fact are the key elements of their own work process.

Competitive benchmarking is the constant search and comparison among those in the industry. It is a competitive requirement. Organizations have to scan constantly what is happening in their industry. We view internal benchmarking as a first step, and competitive benchmarking as a second step.

Functional benchmarking comes third. This is a process, as the name implies, for identifying a particular business function such as the operation of a warehouse, a manufacturing plant, or an order entry group. To conduct this type of benchmarking, an organization will go to other manufacturing plants, other warehouses, other order entry organizations and make the relevant comparisons.

Generic benchmarking, which is the fourth step, encourages people to think "out of the box." It directs participants to disregard the function and simply ask, "Who is the leader in this process? What organization performs this function as a core process of its business?" If a high technology industry player is looking at a repetitive 30-day billing process, for example, whose core process is that? It’s certainly not the high technology industry’s core process. It’s a support process of some sort. But for those companies that have to maintain accurate records, like banks and financial institutions, it is their core process. So when performing this type of benchmarking, you want to look generically at companies for whom what you are examining is the basis of what they do.

I am told that in the health care industry by the year 2010, 70 per cent of all the surgeries will be performed on an outpatient basis. Hospitals typically have a fairly cumbersome admissions process. But if a patient is going to go in in the morning and come out in the afternoon, they need to implement a more effective admissions process. If healthcare providers were to conduct generic benchmarking to develop this process, they would need to ask what should the admissions process look like? Why couldn’t it look like the registration process at a hotel? Then they would realize even hotels don’t have the most efficient registration process; the typical registration process is not the most efficient way to get people to their rooms. Why shouldn’t the hotel industry be looking at what is being done in the car rental agencies, where you show up and there’s your contract all made out, your keys, and by the way, if you’re a member of their frequent user club, the contract and keys are already in your car.

You start to see some parallels across these generic processes that say in a hospital it may be an admissions process, and in a hotel it is a registration process, and in a car rental it is a different kind of registration process. What is the learning you could derive by looking across all of these? The bottom line for all these businesses is they want to get people either into a car or into a room in the most straightforward administrative way possible.

Q: In some organizations benchmarking teams may not have the unqualified support of senior management. In these cases, should the teams aim for rapid, early gains to generate management support?

Robert Camp:

I think two things are important. Number one, there needs to be some internal support for benchmarking; somebody who will build an internal competence in benchmarking, somebody who can be designated as the principal person for benchmarking. That person needs to take on the responsibility of becoming the competent individual people can go to for assistance.

The second thing is to collect some successful, internal case study examples of benchmarking. I think this is critical because it represents something they can showcase internally to the rest of the organization. It is a way of saying, "Look at what we have accomplished right here in our own company." The other reason internal case studies are important is that they will often form the basis of deciding what the organizational strategy regarding benchmarking is going to be more comprehensively.
Q: What are some guidelines for companies trying to identify, hire, or develop that internal competence, and more pointedly, what should an organization look for in a benchmarking champion?

Robert Camp:

If we’re talking about a person who is to be the primary source of benchmarking competence, the first thing to understand is you can grow these people internally. You can get people up to a competence level on this topic through various means. What you are looking for then is somebody who is first a well-respected peer within the organization, because this person is going to need some credibility with other members in the organization. They will need enough knowledge about the organization to start to point to places where, in fact, benchmarking probably would have done the organization a lot of good. They will also have to have the confidence of some of the senior managers to be able to go in and say, “You ought to get some of this started in your organization, and by the way, I’ll help you.” A well-respected peer is one primary ingredient.

“I would say that benchmarking people love to find a lead and then trace it to its source to find out the true meaning.”

Now, if the person can supplement being respected with some analytical skills, some basic interest in being innovative, inquisitive and so forth, the possibilities become enhanced. Some people like to solve crossword puzzles – effective benchmarking leaders are of that ilk. I would say that benchmarking people love to find a lead and then trace it to its source to find out the true meaning. They are also people who are constantly motivated to look for better ways of doing things. The basic personality traits are inquisitiveness, innovativeness and maybe the desire to be a researcher, although not in the sense of laboratory research.

Q: What is the most common reason benchmarking does not achieve results or is not pursued?

Robert Camp:

There is a litany of perhaps a dozen pitfalls and we’ve talked about a number of them. One of them is, obviously, no support within the organization. In today’s world of highly competitive industries, somewhere in the organization there’s somebody that is anxious about how they’re going to improve. You need to engage that individual and say, “maybe you ought to be doing some benchmarking.” It may not be true that every other word that comes out of the CEO’s mouth is “benchmarking.” But there are a lot of innovative people within the organization who want to be able to show they can improve their operations. The worst case scenario is that somebody probably has their back up against the wall and doesn’t know where to turn. These are prime candidates who will help get benchmarking started. Then it snowballs throughout the organization.

Q: It seems to be a case of internal marketing, i.e. the benchmarking champion needs to learn to position the practice as a way for the organization to achieve its goals?

Robert Camp:

The word benchmarking may not even be used, but there are some very, very telling questions senior executives may be asking that essentially spell out the need for benchmarking. For example, somebody comes to them and says, “We need to do x.” If the senior executive says, “Who else does this?” or “Who else did you compare yourself to?” or “Who else did you talk to when you dreamed up this idea?”, that’s a demand for benchmarking. Now you can get even more fundamental than that. Say you have a recommendation to build some high-rise automated fancy warehouse costing millions of dollars of capital money. The manager ought to be asking, “Before we spend this, what confidence do I have this is the right decision? How do we know this is the right decision? Who have you compared yourself to? Who else is doing this?” That is an absolute demand for benchmarking. Maybe the word doesn’t get used directly, but those are all essentially benchmarking questions.

Q: What key success factors should new benchmarkers be following?

Robert Camp:

I’d advise them to keep these points in mind:

• Take care to involve company directors, who may also sit on the boards of other organizations, in the benchmarking process.
• Encourage employees at all levels to consider their contacts and peers in other organizations as potential benchmarking partners.
• Don’t restrict any benchmarking project to just one partner.
• Benchmarking managers or champions don’t have to be hired – the right people can be “grown” internally.
• When you’re introducing benchmarking, listen for people in your organization who are asking benchmarking-type questions – questions that spell out the urgent need for benchmarking to happen.

July 2008.