

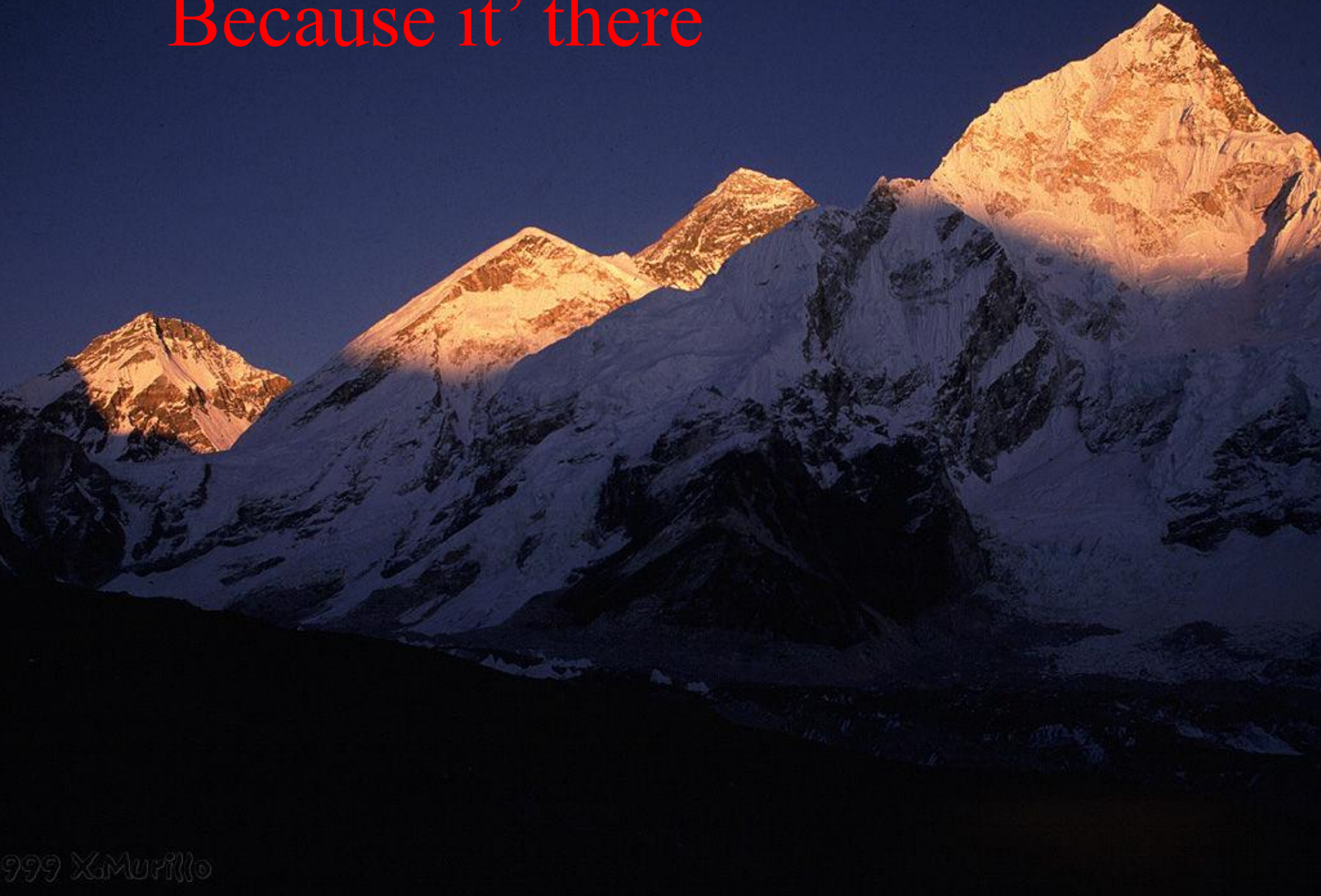
# A presentation on benchmarking

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Indian Institute of Metals, Delhi

15<sup>th</sup> Sept, 2017

Because it' there



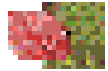
# **Objective of the Presentation**

- **Appreciation and understanding of the concept of benchmarking**
- **Understanding our position vis a vis competitors in various functional areas**
- **Proposing a roadmap for initiating benchmarking process in the organization**
- **Understanding where do we stand in our journey to being world class**
- **Understanding what the world class companies do!**
- **Provoking a thought process on how to be a world class organisation**

# Introduction to Benchmarking

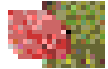


# **Origin of Benchmarking**



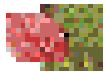
**Sun Tzu ( the art of war)**

**If you know your enemy and know yourself**







**Your victory will not stand in doubt**

**You need not fear the result of a hundred  
battles**



**Japanese saying: dantotsu; striving for the  
best of the best**

# **The History of Benchmarking**

-  In 1970s Japanese engineers stormed US industry
-  Xerox had 90% market share of copiers
-  In late 1970s cannon copiers were available in USA –not only outperformed Xerox copiers but were much cheaper
-  The reaction at Xerox was first disbelief and then panic

# **The History of Benchmarking**

 Xerox responded immediately with a company-wide effort to improve quality and lower costs – “Leadership Through Quality”

 It had three basic elements :

- Employee Involvement
- Quality Improvement Process
- Benchmarking



# What is Benchmarking?

- 🌹 “A *continuous process* of measuring products, services and practices against the toughest competitors or those companies recognised as industry leaders” (Camp 1989)
- 🌹 “...an external focus on internal activities, functions, or operations in order to achieve continuous improvement” (McNair and Leibfried 1992)
- 🌹 “ the on-going search for *best practices* that produce *superior performance* when adopted and implemented in ones organisation” (Bogan and English 1994)



# Operational definition of Benchmarking

**Structured Process**

Benchmarking is a **process** of continuous measuring and comparing a firm's **business processes** against its **competitors** to obtain information that will help to **identify its strengths and weaknesses** and then to take **appropriate measures** to **eliminate weaknesses**.

**Comparing business processes, not only performance measures**

**External focus**

**Learn from others**

**Org Change**

# **Operational definition of Benchmarking**

**Therefore benchmarking is about comparison of your own institution against others. It also involves measuring, comparing, learning from others and improvement. So types of benchmarking can be defined based on:**

**Whom it is compared against ?**

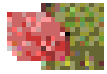
**And**

**What is being compared ?**

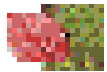
# **Types of Benchmarking** **(against whom?)**

-  **Internal benchmarking:** Compares against best within the same the Organisation
-  **Competitive benchmarking:** Compares against best direct Competitors
-  **Functional benchmarking:** Compares against companies that aren't necessarily competitors but perform related task within same technological parameters .
-  **Generic benchmarking:** Compares against the best regardless of industry/market

# Types of Benchmarking (against what?)



**Strategic benchmarking:** seeks to identify winning strategies (Cricket match, winning the toss, pitch etc)


















**Performance benchmarking:** focuses on comparison of organisations' competitive positions in terms of factors such as costs and prices (Batting in the first inning)

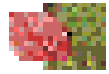


**Process benchmarking** analyses the discrete work processes involved in a range of business systems to identify the most effective operating practices (Batting in the second inning)

# Recommended combinations for better results

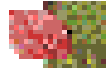
	Internal Benchmarking	Competitor Benchmarking	Functional Benchmarking	Generic Benchmarking
Strategic Benchmarking				
Performance Benchmarking				
Process Benchmarking				
Value/ relevance	 High	 Medium		 Low

# **Benchmark V/s Benchmarking**

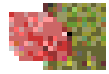


## **Benchmark**

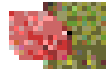
A measured “best-in-class” achievement. This Performance level is recognized as the standard of excellence for that business process.



Processes are the underlying basis for producing benchmark results

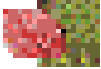





“What” without “how” is an empty statement



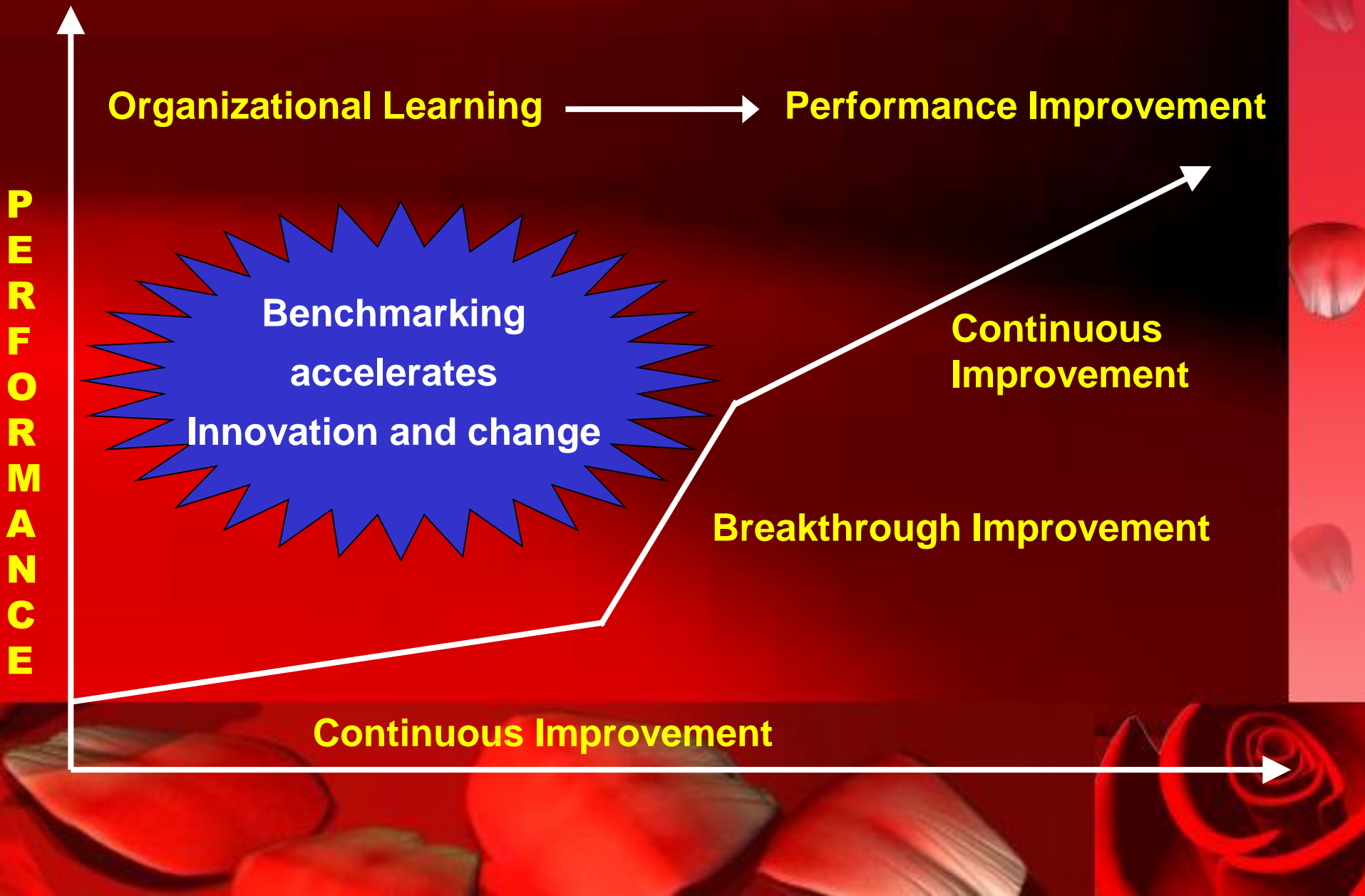
We have to emphasize on both to achieve excellence

# **What Does Benchmarking Do ?**

-  Benchmarking mirrors the continuous improvement efforts that may already exist in an organization.
-  The determination of benchmarks allows one to make a direct comparison. Any identified gaps are improvement areas
-  It helps to blend continuous improvement and breakthrough improvement into a single change management system.
-  In general, it is the application of what is learned in benchmarking that delivers the marked and impressive results so often noted.



# Benchmarking is a Continuous Learning Process



# **Benchmarking for Competitiveness**



# Mirror, Mirror on the wall!







# **Measures of Competitiveness**

-  **Growth & Profitability**
-  **Cost of Operation**
-  **Customer Satisfaction**
-  **Operational Efficiency**

# Operational Efficiency



# **Coke Ovens**

-  **Coal pre-treatment**
-  **Carbonising Time**
-  **PLL, PLD & PLO**
-  **Coke Properties**

# Sinter Making





# **Sinter Making**



**Sinter Productivity**



**Sinter Strength**

# Iron Making



# Iron Making



**Blast Furnace  
Productivity**







**Coke Rate**

# Steel Making








# **Steel Making**

-  **Oxygen Blowing Practice**
-  **Tap to Tap Time**
-  **Converter Lining Life**
-  **Casting Speed**

# Rolling Mills

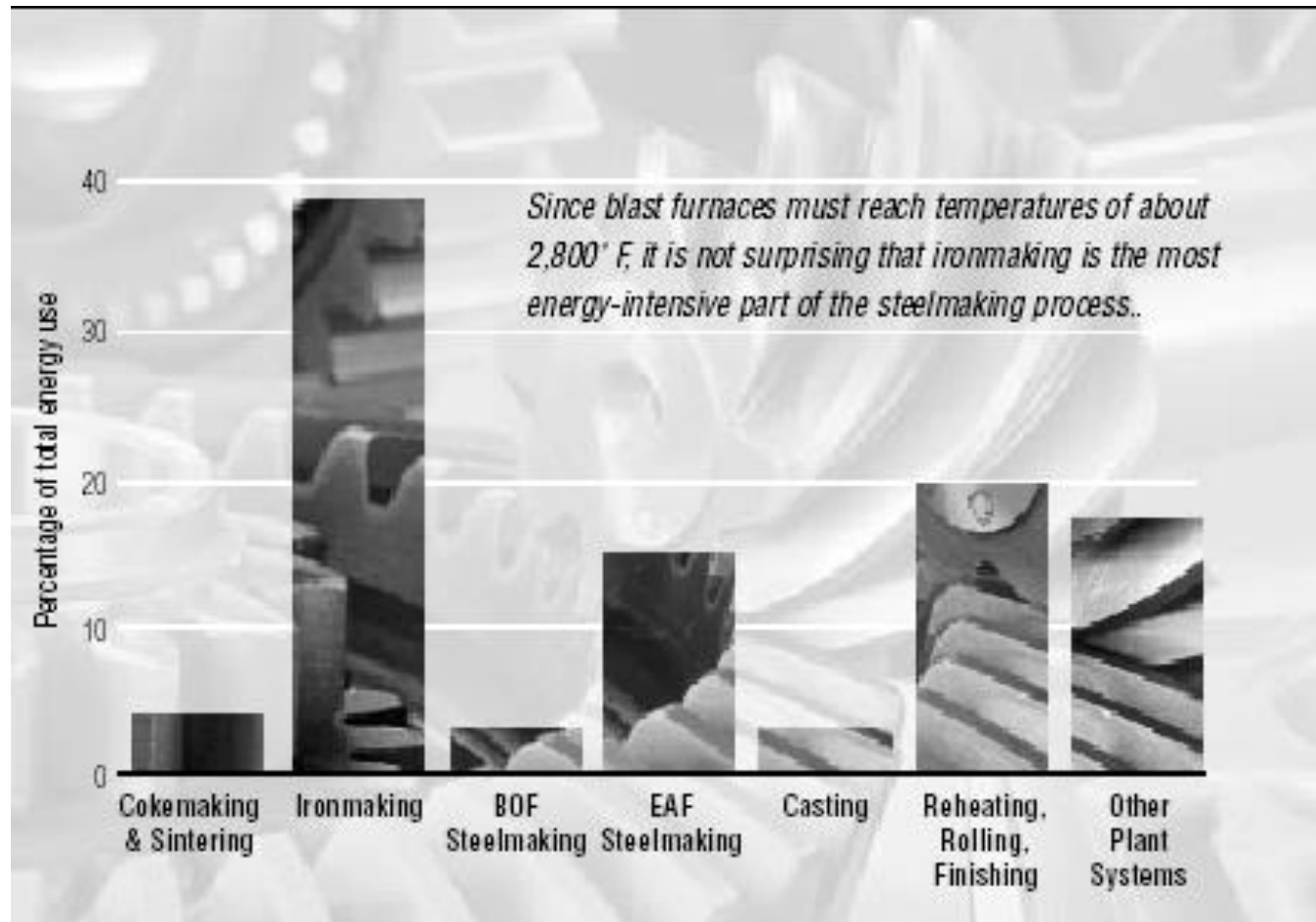


# **Rolling**

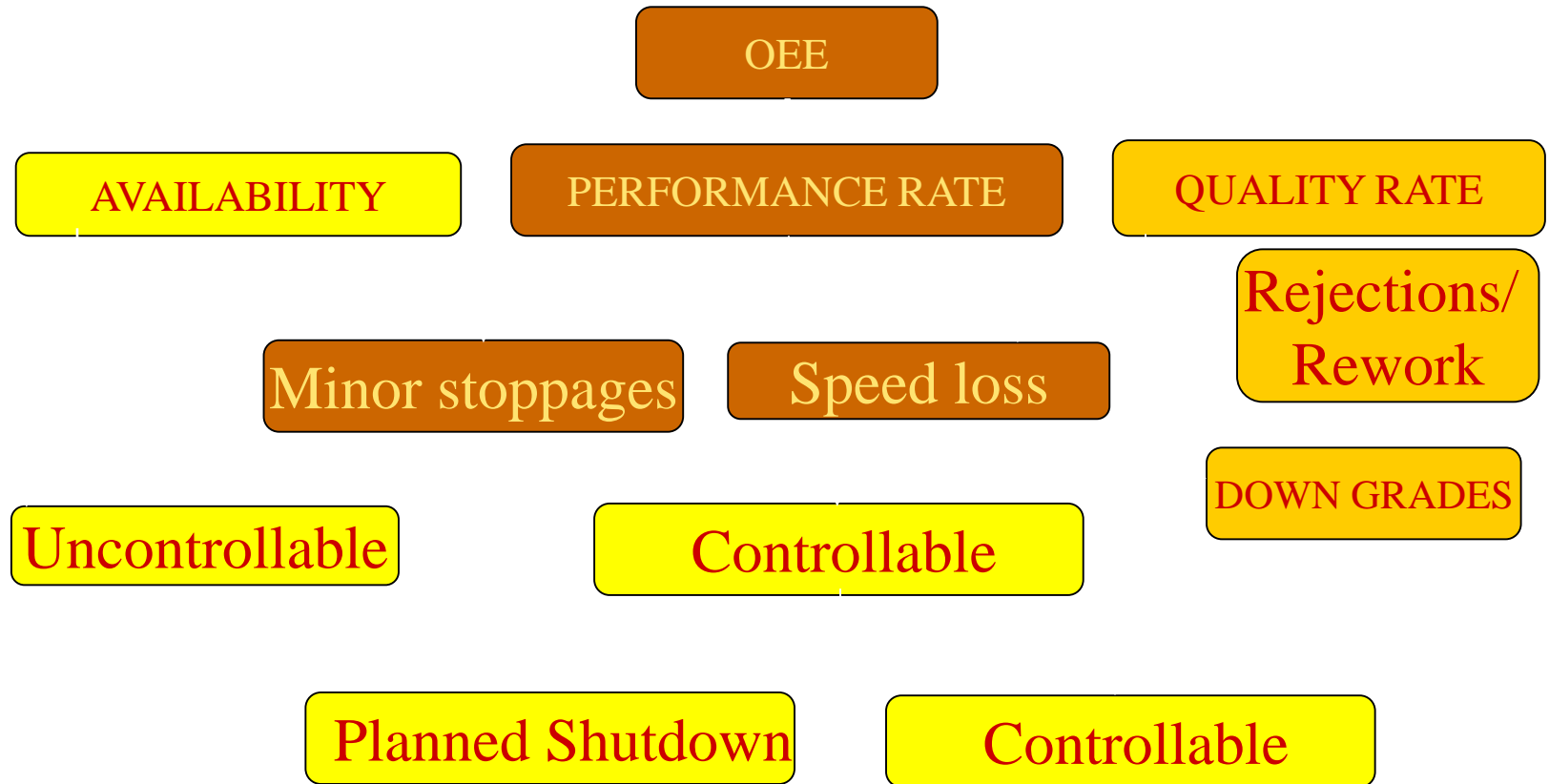
-  **Mill yield**
-  **Oxygen Blowing Practice**
-  **Tap to Tap Time**
-  **Converter Lining Life**
-  **Casting Speed**



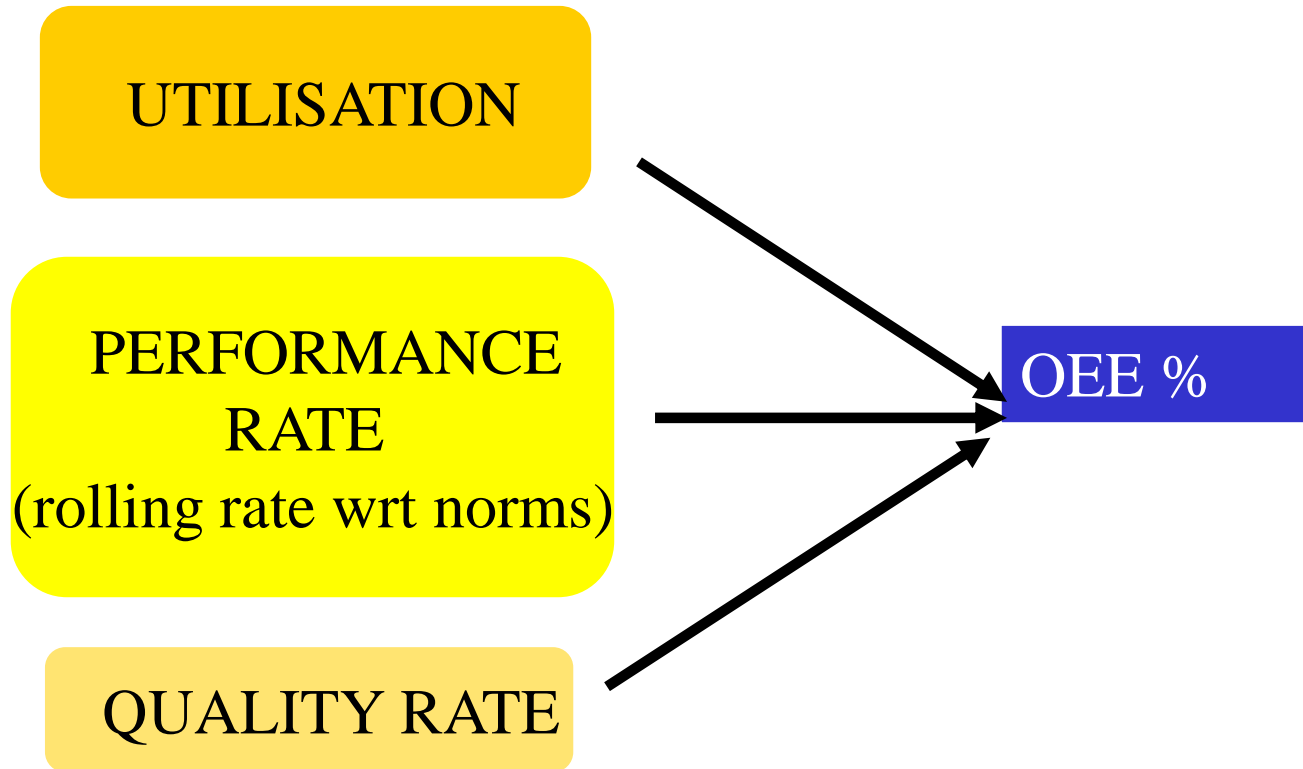
# Energy Use By Process



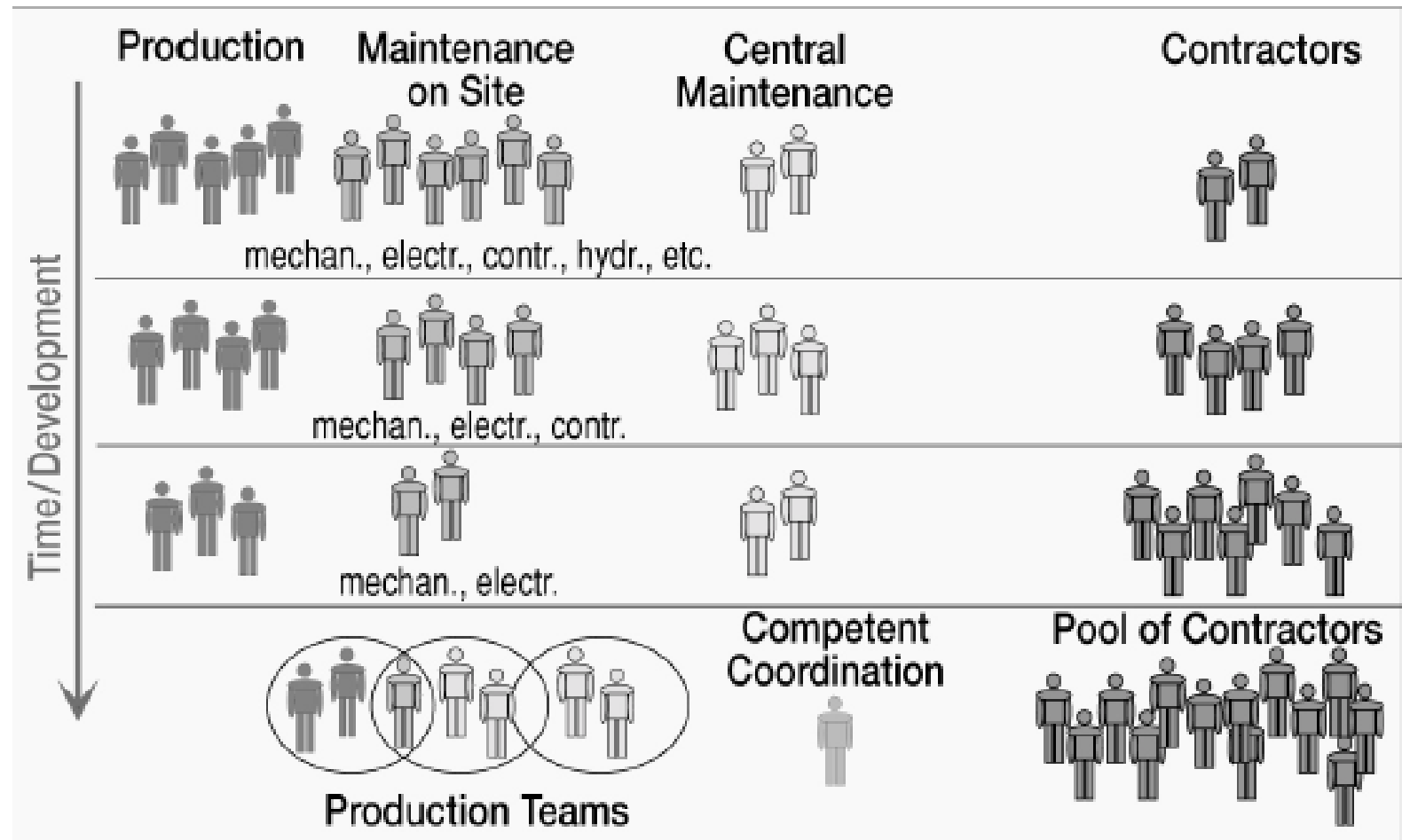
# Overall Equipment Efficiency



# Overall Equipment Efficiency



# Changing Maintenance Structures

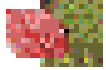


**Production plants are being run more reliably by bundling the responsibilities for plant, products and costs in smaller, more manageable and decentralised operational units**

# **ENVIRONMENT**

<b>Sl.No.</b>	<b>Parameters</b>	<b>Global B.M.</b>
<b>1.</b>	<b>Water Pollutant discharge (Kg/TCS)</b>	<b>0.15 (corus)</b>
<b>2.</b>	<b>Stack emission (SPM) (Kg/TCS)</b>	<b>0.40 (corus)</b>
<b>3,</b>	<b>CO2 emission (t/TCS) (with power generation) (After taking slag credit)</b>	<b>-- 1.2 (corus)</b>
<b>4.</b>	<b>Solid waste utilisation (%)</b>	<b>99.97 (corus)</b>

# **HR Practices**



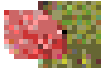
**Manpower cost**



**Employee productivity**



**Employee Satisfaction**

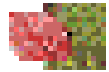


**Empowerment and team building**

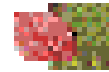
# **Employee Satisfaction : Industry practices**



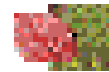
**Variable Compensation Package**



**Career development plans**



**Suitable motivation and rewards schemes**



**Compete for employer of choice**



**Team building and empowerment**

# **Benchmarking Projects to get going**

## **Which Projects?**

- Getting started - What to benchmark
- Form Cross Functional Team. Train
- Scope the study
- Document the processes identified

- Identify whom to benchmark
- Determine Data Collection Method
- Collect Data

**Plan**

**Collect**

**Adapt**

**Analyse**

**CFT for  
12-18 weeks**

- Communicate the findings & gain acceptance
- Refine / Revise performance goals
- Action plans to monitor progress

- Determine & Understand Competitive Gaps
- Analyze Gaps
- Project future performance



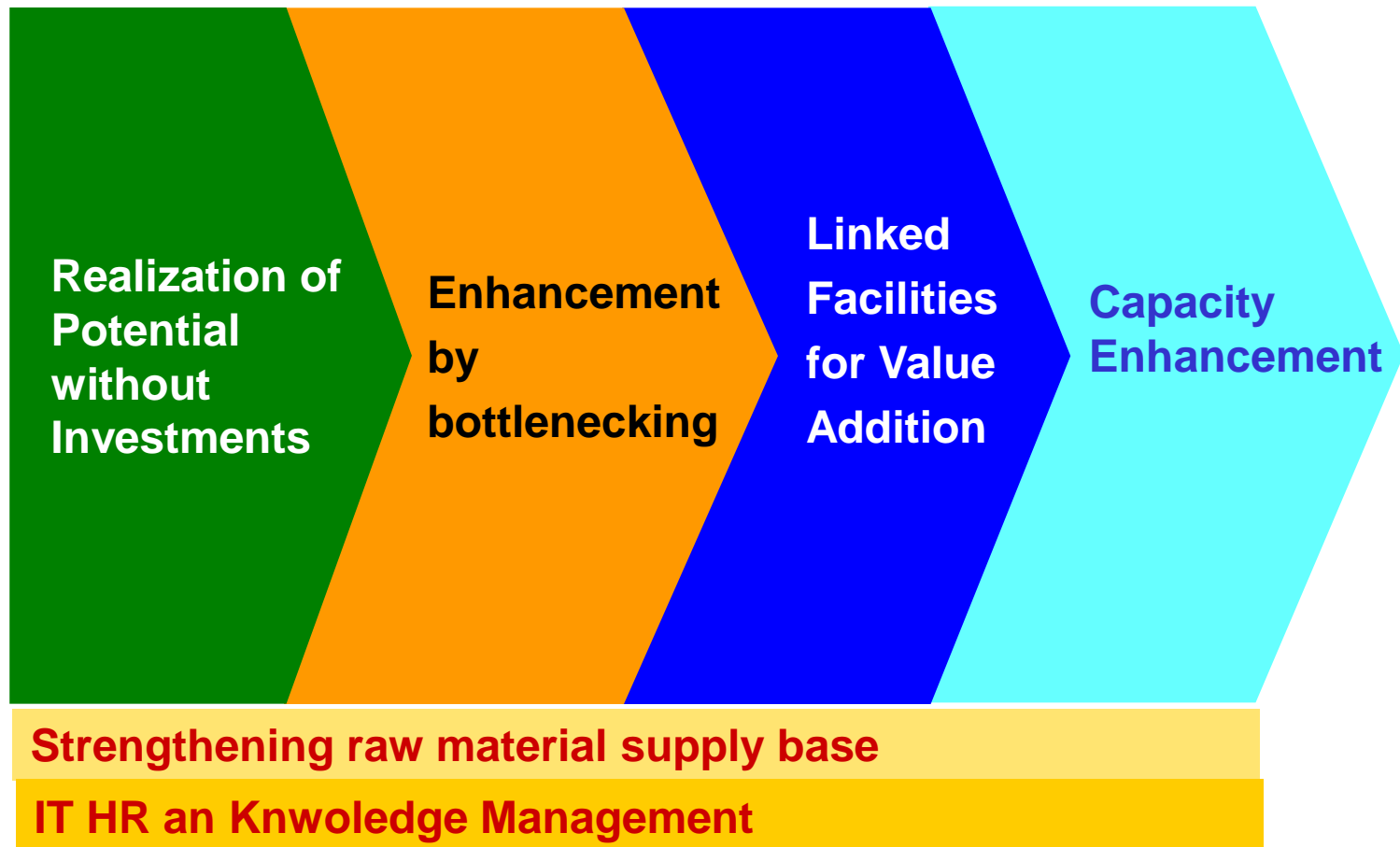
**Start a reward scheme for Benchmarking Projects**



**The journey ahead.....**



# **STRATEGY FOR GROWTH**



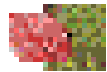
## **Benchmarking for eliminating internal weaknesses**

**Benchmarking Is the practice of being humble enough to admit that someone else is better at something, and being wise enough to learn how to match and even surpass them at it. It is a tool to understand and learn best practices.**

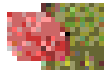
# **What World Class Companies Do?**



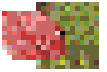
# **What world class companies do?**



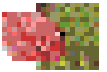
**Have a shared vision and values and drive the organisation to achieve that vision**



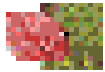
**Prepare for a continuous change**



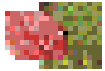
**Build systems**



**Drive overall excellence**



**Visual Quality leading to Visual factory**



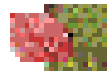
**Lean & efficient manufacturing**



**Build soft assets : Knowledge Management**

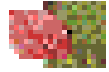


**Corporate Sustainability**

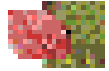


**Team building and empowerment**

# **Each culture is different**



**Japanese are methodical and improve continuously**



**Americans are impulsive and improve sporadically**



**In India we need hand holding**



**Indians also look for a leader : Individual or a small team**

# **Key to Global competitiveness**





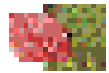
**“The dynamics of good organizations for national development”**

**Extracts from speech of Dr A.K.Azad President GOI to RSP employees on 15.05.2003**

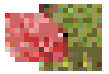




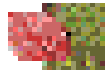
# **Key to Global competitiveness**



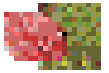
**The economic strength is powered by competitiveness.**



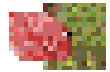
**The competitiveness is powered by knowledge power.**



**The knowledge power is powered by Technology.**



**The Technology is powered by resource investment**

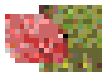


**The Resource investment is powered by return on Investment**

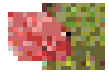
# **Key to Global competitiveness**



**Return on Investment is powered by Revenues**



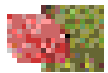
**The Revenues are powered by Volume and repeat sales**



**Volume and repeat sales are powered by customer loyalty**



**The customer loyalty is powered by Quality and value of products**

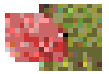


**Quality and value of products are powered by Employee Productivity**

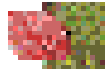
# **Key to Global competitiveness**



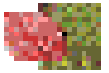
**The Employee Productivity is powered by Employee Loyalty.**



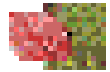
**The Employee Loyalty is powered by Employee Satisfaction.**



**The Employee Satisfaction is powered by Working Environment.**

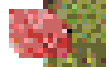


**The Working Environment is powered by management stewardship.**

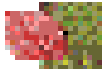


**Management stewardship is powered by Invisible leadership.**

# **Key to Global competitiveness**



**What is that Invisible Leadership ?**



**Invisible leadership is exercising the vision to change the traditional role from the commander to the coach, manager to mentor, from direction to delegation and from one who demands respect to one who facilitates self respect**



**For a prosperous and developed India, the important thruster will be the growth number Invisible Leader**



**Will this race grow ?**

**A Question from Ex President of India to Steel fraternity**

**Thank You**

