

Benchmarking Clubs

A Guide for Small and Diaspora NGOs

INTRAC



PEER LEARNING PROGRAMME

1. What are benchmarking clubs?

Benchmarking clubs can be defined as a group of people coming together to learn about how to push their boundaries of performance to new and higher levels through mutual support and peer challenge. Benchmarking clubs are a vehicle through which a group of likeminded organisations seek to increase their levels of performance or set benchmarks in the sector in which they operate. These clubs are driven by a desire to continuously improve, innovate and achieve greater heights in terms of performance and contributing to good practice in the sector or across sectors.

Benchmarking clubs are a core element of the Common Ground Initiative Peer Learning Programme (CGI PLP). Benchmarking clubs have been used successfully in the business, public and increasingly in the development sector. Two Benchmarking Clubs have been provisionally established for the PLP consisting of a group of 3 - 7 people.

The groups will meet every 6-8 weeks to discuss members' performance related issues and reflect on processes that contribute to high performance or organisational best practice. In structured half-day sessions, participants will take it in turns to present their case on performance and how they match best practice applicable in the sector.

Possible topic areas for benchmarking

- Advocacy and influencing
- Financial management
- Operational management
- Fundraising and communications
- Governance and leadership
- Human resources management
- Monitoring and evaluation processes
- Organisational strategy and programme planning
- Partner capacity building
- Managing partnerships
- Accountability to constituencies

The presenter will indicate how his/her organisation measures up to best practice and high performance levels in the selected area. Summaries of best practice drawn from surveys and benchmarking studies in the development sector will be circulated to club members.

Each club will have a preparatory session to work on indicators of best practice and high performance that will guide presenters when assessing how they perform in relation to high levels of performance achieved by other organisations similar to them.

The members of the club will assist the presenter to think through some of the issues of how they fall short to good practice and achieving high performance. Club members will pose challenging and critical questions to enable the presenter to think outside the box in order to clarify where the shortfalls are in the organisation, and provide information on good practice and performance. The presenter will develop a 'roadmap' to address gaps in the organisation that impede higher performance. Some key features of benchmarking are:

- People challenge and support each other
- A climate of confidentiality and openness is created within the group
- People seek solutions to real work issues and use real experience
- People are encouraged to be explicit

2. What can I get out of being part of one?

The benefits of being a member of a benchmarking club are that they:

- Help to prevent complacency and inertia within the organisation and its staff, by setting 'stretch' goals and stimulating new ways to plan for the future
- Remove the need to 'reinvent the wheel' – by working together with other club members on examples of best practice, organisations can avoid having to 'start from scratch' in addressing challenging areas
- Lead to 'outside-the-box' thinking, encouraging organisations to look for ways to improve that come from outside
- Force organisations to examine current processes, which can often lead to improvement in itself
- Accelerate change and restructuring by using tested and proven methods and creating a sense of urgency when gaps are identified
- Maintain focus on core issues of common concern
- Promote the emergence and evolution of a 'learning culture' in the organisation
- Allow the organisation to focus externally and constantly capture opportunities and counter potential threats
- Overcome the 'not-invented-here' mind-set by offering evidence that ideas invented outside the organisation can and do work.

3. How do they work?

The following is a process that a benchmarking club may follow in order to achieve the maximum benefit from the sessions:

Preparatory session

- PLP consultants will provide brief summaries from selected literature and surveys on best practice and distribute to participants beforehand.
- Introductions of participants, and introduction to benchmarking clubs (90 minutes).
- Participants select an area for benchmarking. This could be any of the Comic Relief highlighted capacity building areas, or topics within these areas (20 minutes).
- Using the summaries distributed beforehand, as well as their own knowledge and experience, participants discuss and agree on key indicators for high performance or best practice in a given area (60 minutes).
- Members give an indication of the area they want to present on.

First Benchmarking Session

- A club member presents on how their organisation measures up to good performance in the selected area making a case for their organisation and providing evidence (40 minutes)
- Other club members interrogate the presenter in order to understand where the presenters' organisation is, the challenges they face and how they plan to improve on performance. The interrogation will be informed by the good performance and benchmark indicators. Club members reflect on the discussion and share their understanding of the performance gaps existing in the presenter's organisation. (15 minutes)

- The presenter provides an indication to club members what he/she thinks are the performance gaps and how far they are from good practice in the area. The presenter then indicates the issues to be dealt with and gives an indicative work plan to take back to the organisation (10 minutes).
- A second presenter presents their case, following the steps as above.
- The whole group reflects on the session, and summarises what went well and areas that need improvement.

Ongoing Benchmarking Sessions

- At the following meeting the first presenter from the previous session shares with members the progress they have made and highlights any outstanding challenges and how they plan to address them. They also share with members their experience towards improving organisational performance. (20 minutes)
- Another club member presents on how their organisation measures to good performance in the selected area, making a case for their organisation and providing evidence (40 minutes)
- Other club members question the presenter as detailed above (15 minutes).
- The presenter to give an indication to club members what he/she thinks are the performance gaps, indicates the issues to be dealt with, and gives an indicative work plan, as detailed above (10 minutes)
- The second presenter from the previous session feeds back on their progress, as above (20 minutes).
- Another presenter presents their case, following the steps as above (40 minutes + 15 minutes + 10 minutes)
- The whole group reflects on the session, and summarises what went well and areas that need improvement.

4. What does the presenter have to do?

The presenter speaks about the selected area, highlighting how their organisation performs in comparison to high performance and best practice. He or she will:

- Present on the selected issue and giving a background on it, and reasons why the issue is important
- Give an indication of how far their organisation is from achieving best practice and high performance as understood in the sector
- Indicate how they measured the indicators agreed for performance and best practice
- Highlight the challenges they have faced to improve performance, how these challenges have been handled, and reasons for remaining areas in which the organisation still lags behind best practice.
- Receive questions from members and address those that he/she is comfortable with
- Decide on the issues and priorities to take forward to improve performance and share these with members
- Update members on progress at the next meeting

5. What makes a good performance issue?

For the purposes of the benchmarking club sessions, performance issues that are to be presented by club members should relate to organisations' internal functioning to make them effective in achieving their goals, or internal processes that impact on performance and

organisational efficiency. For example an issue could be one of the capacity building areas identified in the OCAT assessments. These include governance and leadership, management and financial systems, inclusive programme design and implementation, and M&E systems.

It would be important for the presenter to be conversant with the issue that he/she will present and that he/she can act fairly as a representative of the organisation in regard to the issue being 'benchmarked'. It is expected that the presenter will take responsibility for the actions aimed at improving the organisation's performance and is in a position to influence the decision making processes within the organisation in the area being discussed.

6. What do members do?

Club members who are not presenting are expected to listen attentively and after the presentation of the case ask questions. Non-presenting members should:

- Listen actively and attentively
- Watch for non-verbal cues, such as body language, hesitations
- Be attentive to the feelings as well as the words of the presenter
- Do not intervene (unless an agreed part of the process)
- Ask questions that encourage the presenter to understand the problem for him/herself more clearly
- Be prepared to probe and challenge the presenter as critical friends
- Be always supportive, encouraging and empathetic
- Give feedback appropriately, honestly, and with discretion
- Make reference to known good performance and practice
- Observe the agreed 'ground rules' for conduct of club members

The aim of the discussion is to assist the presenter in: having a critical appreciation of factors contributing to high performance and best practice, and enabling him/her to critically reflect on the challenges of achieving higher performance.

Asking the right questions is important as it will help the presenter to challenge his/her own assumptions, and be open to new ideas to help his/her organisation move towards best practice, and make a contribution to improving performance in the organisation. Please refer to the Action Learning Sets Guidelines for more on listening skills and how to ask questions in this context.

7. What does the facilitator do?

In the benchmarking club, the role of the facilitator is to hold the session together and allow for effective discussion and participation of the club members. The facilitator will try to ensure that:

- The discussion remains focused on the subject matter of the day
- Club members' questions help the presenter to appreciate gaps in performance
- Club members pose challenging questions to enable the presenter to think outside the box
- Club members see themselves as 'critical friends' and are able to tap into resources indicating good practice elsewhere
- That the session is constructive and productive

8. What are the ground rules of meetings?

To enable the benchmarking club members to build on their knowledge of good performance and practice the following two basic conventions or 'ground rules' have proved most useful.

i. Only One at a Time (OOAAT)

Only one person at a time in the set presents an issue. The others give attention and help, entirely for her/his sake. The space belongs to the problem presenter. The presenter's perception of the issue will be enriched by critical questions posed by other members, probing deeper the issue, posing strategic questions to enable presenter to have a bigger picture of the issue presented and compelling the presenter to think outside the box. The members can draw on experiences of best practice and give examples of high performance achieved in one's organisation or elsewhere in a dispassionate manner that could apply in the case of the presenter. The problem-presenter alone is in focus.

ii. Critical Friend Approach

In the benchmarking club, members are seen as 'critical friends' to each other to support the process of becoming high performers and setting benchmarks for best practice. Members' questioning should be challenging, in order to widen the horizon of thinking through the issues that impede higher performance in presenter's organisation. Members do not have to agree with what is presented and could critically explore issues with a view of encouraging new ways of thinking and taking risks, giving examples of good practice and performance.

Members can also come up with other ground rules to ensure benchmarking sessions are effective.

9. What is needed for Benchmarking Clubs to work well?

There are a number of factors to consider in order to ensure that members benefit from attending benchmarking club sessions.

Members representing their organisations on the benchmarking club must have full support of their senior managers for the sessions to work well. This will ensure that members are able to take time to make the necessary preparations when presenting their case and will have responsibility to follow through with action plans to implement identified changes.

Members should be in a position to articulate processes underlying performance (for example, processes in delivering a specific service), in order to identify weaknesses in their systems in comparison to best practices in processes of high performing counterparts in the sector.

A set of indicators for best practice and high performance should be in place to guide members in setting benchmarks that participants are expected to work towards. In selecting the indicators of best practice, it is important to identify and select indicators that are appropriate to the sector in which you are working.

Benchmarking findings must be treated as confidential to the individuals and organisations involved. Such information must not be communicated to third parties without the prior consent of the Benchmarking partner who shared the information.

10. Where do Benchmarking Clubs come from?

Robert C. Camp is considered the inventor of the Benchmarking Method, which was developed during his time work at Xerox. He wrote his first book on benchmarking in 1989 and the benchmarking methodology has been used widely in the business world. Robert Camp outlined in his book the process of learning from and adopting practices from competitors who are high performers.

You can read an interview with Robert Camp about the origins of benchmarking here:
<http://www.cforc.org/newsdata/news.asp?StoryID=76>

Further Resources for Benchmarking

INTRAC (2010) Organisational Capacity Assessment Tool
<http://cgi-africa.org/resources/>

The NIDOS effectiveness tool
http://www.nidos.org.uk/downloads/NSATdownload_1.pdf
<http://thegoodpracticesscompass.ning.com/page/the-principles>

Practical Quality Assurance System for Small Organisations
<http://www.oneworldtrust.org/csoproject/images/documents/INTL13a.pdf>

International Statement of Ethical Principles in Fundraising
<http://www.oneworldtrust.org/csoproject/images/documents/INTL20.pdf>

Accountability Self-Assessment for Staffed Private Foundations
<http://www.oneworldtrust.org/csoproject/images/documents/uploading%20from%20MH/USAM27.pdf>

Keystone Performance Surveys: NGO Partner Survey 2010
http://www.keystoneaccountability.org/sites/default/files/Keystone%20partner%20survey%20Jan2011_0.pdf