Benchmarking – America's Favorite Pastime

Whether we think consciously about it or not, we benchmark things all the time. Many of us begin the day with a casual benchmark from the morning paper: checking the baseball standings to see our team's rankings against the other teams. As a long-time fan of the St. Louis Cardinals, I am accustomed to bad news here. If your team is 10 games behind the first place team on the 4th of July, you know it is in trouble. You also know things must happen for it to win the pennant:

- Your team must increase its winning percentage
- The team(s) ahead in the standings must lose more frequently

Your team can control only the first option, but team management can project how many victories will be necessary to win the pennant by making assumptions about how many victories the other teams will have by the end of the season and comparing that to your current number of victories.

Once the target number of victories is set, the team must evaluate the strengths and weaknesses of its assets (players, coaches) and potential resources (revenue from sales and the owner's available wealth) to see if they are sufficient for the task. Strengths must be leveraged and weaknesses must be addressed to achieve the objective of winning the pennant. Remember that this whole series of events is driven by the team's overall performance benchmark, as expressed by the league standings.

The team's strategic plan must be reviewed continuously to develop new action steps if sufficient progress is not being made against the plan.

In order to succeed in increasingly competitive markets, your clients must also be able to develop strategic plans that are based on identification of their relative strengths and weaknesses when compared against their peers. That is the basis of business benchmarking, and your opportunity to provide the service.

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