

Benchmarking – Proces identifikácie ukazovateľov

Benchmarking - Process Performance Indicators

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Abstract: Dimensions typically measured are quality, time and cost. In the process of best practice benchmarking, management identifies the best firms in their industry, or in another industry where similar processes exist, and compares the results and processes of those studied to one's own results and processes. In this way, they learn how well the targets perform and, more importantly, the business processes that explain why these firms are successful. The paper focuses on managerial tool - benchmarking, explains its basic mission as the process of comparing one's business processes and performance metrics to industry bests or best practices from other industries.

Keywords: business processes, benchmarking, process of performance

JEL classification: G 31

1. Introduction

In the current global environment, it is increasingly difficult to ensure long-term success company. The globalization of the world economy is causing significant changes in the conditions. Business not only in Slovakia but also abroad. Globalization is still a significant trade liberalization, integration of subjects into larger units with significant international environment, internal culture or agreement establishing strong economic areas. Today time enterprise can not trust their momentary performance, but must seek and find cause permanent increase.

Performance measurement - the process of supporting the development of the company, using an evaluation of the performance indicators systematically trying recast to change in order to maintain long-term competitiveness. In today's dynamic business world companies has a very difficult position. Market calls for maximum performance, optimal adaptation, as well as prospective prospects. Companies' performance is becoming a very hot topic today. If companies want to achieve top position and maintain a competitive advantage, they need to set such control system that can ensure controlled use of their resources towards achieving the vision.

2. Process Performance Indicators

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Understanding and measuring the performance of companies is under the strong influence of economic development and to become competitive. In the present stage of the customer economy, requiring a high degree of satisfying the needs and expectations of customers, companies increasingly feel a stronger need to increase their efficiency and effectiveness. Deal with only short-term aspects of company performance is not enough. The enterprise must try not only to long resist the competition, but to overtake it mainly.

On this basis, we distinguish:

- operational performance – operational excellence company measured its competitive processes. For the development of operational performance is characterized by pressure to reduce costs, increase quality, and shorten operating times. To improve operational performance are used many methods and tools (ABC, Six Sigma).
- strategic performance – an organization's ability to achieve its strategic objectives. These include the development of operational performance determined by strategic indicators.

Attention of Slovak managers focus more on operational performance and short term orientation. If the Slovak companies want to be competitive must systematically increase the efficiency of their processes and synergy in achieving compliance with the dynamics of the development of the business environment.

Performance indicators are internal indicators used by the organization to monitor, understand, anticipate and improve performance also anticipate perception by external

customers. Depending on the character of the organization may include performance indicators:

- The overall image of the organization: number of customer awards and nomination for prizes, extensive media coverage
- Products and Services: competitiveness, extent of disagreement, claim, logistics indicators, residence time in the market, and so on.
- Sales and sales services: complaints, response time to suggestions,
- Loyalty: duration of the business relationship, number of complaints and compliments, volume of new and lost business cases, stability of customers.

Subdivision of indicators for measuring performance is different, the most comprehensible subdivision for praxis is expressed in the following table, where indicators are subdivided into two main groups according to their mission of manufacturing process indicators on production and non-production processes.

Table 1 *Process indicators on production and non-production processes*

Performance measurement indicators of manufacturing processes	Performance measurement indicators non-manufacturing processes
<ul style="list-style-type: none"> ▪ Productivity per worker, ▪ Productivity of the machine, ▪ Capital productivity, ▪ Overall equipment effectiveness, ▪ Capability indexes of machines and processes, ▪ Number of working hours to output, ▪ Standards fullfilment of machinery and staff ▪ Number of suggestions to improve the production per worker. ▪ Proportion of downtime on the available machine capacity ▪ The value of work in progress ▪ Number of days inventory in production ▪ Turnover of material ▪ Proportion of non-conforming product to the output ▪ The structure of intermediate duration process ▪ Number of hours to perform ▪ Flexibility in responding to changes in production ▪ Return on equity ▪ Operating return on sales ▪ The share of newly created value sales 	<p>A: performance measurement of process design and development of product</p> <ul style="list-style-type: none"> ▪ Time of introduction of a new product on the market, ▪ user effect of the use of new products, ▪ Organization profit in consideration to the cost of design and development ▪ Change in rate of customer value <p>B: performance measurement of maintenance processes of infrastructure</p> <ul style="list-style-type: none"> ▪ The average execution time of one maintenance intervention, ▪ Number of maintenance staff to the number of production workers, ▪ Proportion of equipment downtime for repairs and maintenance to the available capacity of the workplace ▪ The average time from the defect after removal ▪ Workload volume of maintenance staff ▪ Proportion of outsourcing on total performance of maintenance ▪ The effectiveness of maintenance

	<p>C: performance measurement of purchase processes:</p> <ul style="list-style-type: none">▪ The average cost of searching for an eligible supplier▪ volume performance per one purchase employee,▪ Inventory turnover, average commitment of stocks▪ The volume of loss on performance caused by divergent supply <p>D: performance measurement of sales service processes:</p> <ul style="list-style-type: none">▪ The speed of response to announced customers disagreement▪ Proportion of new demands for service to the overall requirements at a time▪ Share of after guaranty service costs to total costs of servicing▪ Average time of guaranty▪ Capacity utilization of service workers
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As can be seen from the table above, the choice of indicators is broad, it is logical that in practice, the used indicators are a combination of universal and special characteristics. To select the most appropriate indicators must be met not condition of their abundance, but the quality and relevance ability of indicators. The following procedure is recommended:

- precisely define the process or product which performance properties would we monitor and measure,
- brainstorming applied for the selection of performance measuring indicators,
- selection of the most appropriate indicators (maximum information value ability about the performance, without increasing amount of work on their application),
- proposal of mathematical relations for the calculation of indicators and their interdependencies,
- determining the sources of information inputs.

Competitiveness is the core of the success or failure of a business. Competition is one of the key indicators of performance. As reported by H. Sedláčková, "Competition has gained

global nature, competitive rivalry has higher intensity." (Sedláčková, 2000) In view of the constantly changing business environment conditions a new concept of competition also requires new approaches.

To ensure the quality of all business processes is necessary to apply a range of appropriate methods and tools. Some methods are applicable to the identification and transformation of customer requirements, other to the quality of newly developed products, a large range of methods are formed by methods for securing and managing implementation processes and so on. In general, each process in the company may use a variety of methods, tools and techniques of quality. Quality methods widely used existing methods and tools used in other management disciplines. To ensure continuous analysis of the company's own position in a competitive environment we use a method of quality-benchmarking (Chodasová, Tekulová, Králik, 2016).

3. Concept Benchmarking

Benchmarking is one of the analytic-synthetic methods of quality management. The concept of benchmarking is derived from the English word benchmark which in translation means levelling brand to which the measurements relate. Usually the term is used in geodesy. In the literature we can meet with multiple definitions of benchmarking, which we approaching it from different perspectives (Kozubíková, 2015) . The basic principle of benchmarking aptly characterizes the definition:

„Benchmarking is a systematic and continuous process of comparison and measurement products, services, processes and methods of organizations with those who have been recognized as suitable for this measurement (Model competitors) in order to define targets to improve its own activities.

Based on the above definitions, we can say that benchmarking is a continuous process, which emphasizes the need to integrate the observed results and findings. Basis Value of benchmarking is that it is the evaluation comparison which aims at enhancement. Evaluation is the backbone of competitive benchmarking, which must include:

- knowledge of the quality level of the object,
- solution to improve the quality of the object.

It follows that benchmarking is a tool for improving internal processes and is an active part of quality management (Kucharčíková, 2013).

Each resource supports quality management presents benchmarking as part of its procedures to achieve business success. Often it is not just one process, but the whole range of

practices, methodologies inside and outside the organization - from strategic management approach to first-line management. Ultimately, the results of benchmarking reflect in :

- in better decisions (based on better information and facts)
- in setting challenging targets,
- increase in customer satisfaction,
- in accelerating the process of change,
- the elimination of wasteful activities,
- in cost savings,
- in motivating own staff to continuously improve,
- improving competitiveness in a competitive market position.

Benchmarking is now widely used method that helps managers to find and improve ways to strengthen and improve their practices. It can be concluded that benchmarking is part of the strategic analysis that:

- is a key element of any strategy for quality,
- is an important source of learning,
- closely related to self-esteem,
- is part of the process analysis,
- impact on the achievement of competitive advantage.

Selection of key resources and their assessment in relation to the best competitor benchmarking allows company management to better understand what is happening in their environment and influence as well the new ways of assessing competitive advantages in terms of growth their own performance, enhancing efficiency and improving quality.

4. Conclusion

With the increasing openness and integration has increased the importance of mutual comparison individuals, organizations, countries and regions. Especially with regard to ensuring the long-term progress is the objective assessment of the current situation, opportunities and abilities compared to competitors. Competitiveness - a concept that has ceased to be something new and unknown - it is still difficult to measure. This is primarily related to its complexity as well as specificity. Competitive examination focuses primarily on the identification and description of the decisive factors.

Performance indicators are internal indicators used by the organization to monitor, understand, anticipate and improve performance also anticipate perception by external customers. The use of modern approaches to the company management across all management structures is a requirement for a well-run company and the asset that gives the

future conditions of constant continuous development and improvement of all management and executive activities of the company. Among the most effective methods (although in the current Slovak business practice few implemented) seems to be the benchmarking, which may have extreme importance for the organization. Provides models destined to excellence. Its aim is to set goals so that the organization could start a realistic picture of improving and to understand the changes that are necessary for improving not only on the basis of internal assessment, but also in the context of societal conditions in which it carries on business.

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