

APQC's Benchmarking Alignment Worksheet

Overview

For benchmarking to provide real value, an organization must ensure that its benchmarking activities align with its strategic objectives. APQC's benchmarking alignment worksheet helps teams accomplish this sometimes daunting task by providing a simple, straightforward format to write down the links between strategy, processes, measures, and benchmarking activities. Teams can use the worksheet on the following pages to determine which processes to address through benchmarking, to prioritize benchmarking efforts that have already been proposed or approved, and to select which performance measures to track and compare.

STEP 1

To fill out the worksheet, you must first identify the core strategic outcomes your organization wants to achieve. Write those in the first column.

STEP 2

After the desired outcomes have been listed and well defined, determine which operational outputs (e.g., mid- to high-level objectives, performance levels, critical success factors) contribute to the accomplishment of each strategic outcome. Write those outputs in column two. The outputs selected should be those most critical to your organization's ability to meet its objectives.

For example, if an organization wants to achieve what it defines as "top performing" status in working capital management, it must first reach top performing status in managing the financial processes related to managing working capital. The benchmarking team for that organization would put the goal of "top performance in working capital management" in the first column and list "top performance in financial processes" as an objective in column two. Any other objectives necessary to successfully manage working capital, such as accurately assessing market and customer needs, would also go in column two.

STEP 3

Once you identify those operational outputs, go one level deeper and, in column three, list the tactical processes that could enable your organization to reach the operational objectives. For the working capital management example above, processes like budgeting, forecasting, and market evaluation might contribute to superior financial management.

The organization must measure those tactical processes to monitor and compare performance levels. Therefore, column three also includes space to list significant measures that indicate how well those processes are contributing to the organization.

STEP 4

Once you have identified the key processes and their applicable measures, step back from the worksheet and assess the performance levels of those processes. See how they fit into your organization and which processes truly seem to correlate with and affect the operational outputs in column two. The processes that contribute the most to the organization's performance in those key areas should have first priority when developing benchmarking plans. Improving the processes with the biggest effects can lead to the largest overall performance improvements.

If this is your first foray into benchmarking, start with processes that will likely provide quick wins or that will be relatively simple to organize. To build support and buy-in, most benchmarking teams must achieve measurable results as quickly as possible. If stakeholders do not see results relatively quickly, the team may lose support and/or credibility. Start with small projects that will make a big impact and build up to larger goals.

STEP 5

For the processes selected for benchmarking, move to column four and describe the benchmarking activities you plan to initiate and which elements of the processes those activities will address. You may decide to insert an additional column between columns three and four if you need to break the selected processes down into sub-processes or specific process activities that need individual attention.

Once you have completed the benchmarking alignment worksheet, you should have drawn clear lines from high-level organizational goals all the way down to the tactical actions you will take to help the organization meet them. Anyone should be able to understand why you are pursuing certain benchmarking activities by looking at the relationships depicted on the worksheet. Linking process-level activities to organizational goals builds support for benchmarking initiatives and fosters a better understanding of the organization and how it works at all levels.

[Click here to download the worksheet in an editable Microsoft Word format.](#) *You will need to save the document on your computer to edit it.*



ABOUT APQC

APQC is the leading resource for performance analytics, best practices, process improvement, and knowledge management. The organization's research studies, benchmarking databases, and renowned Knowledge Base provide managers with intelligence to transform their organizations. A member-based nonprofit founded in 1977, APQC serves Global 1000, government, and nonprofit organizations. For information, visit www.apqc.org or call +1-713-681-4020.

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Organizational Outcomes (Strategies/Goals)	Operational Outputs (Objectives/ Critical Success Factors)	Tactical Processes and Initiatives	Scope of Benchmarking Activities
		Process:	Benchmarking Scope:
		Key Metrics:	Key Metrics:
		Process:	Benchmarking Scope:
		Key Metrics:	Key Metrics:

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