

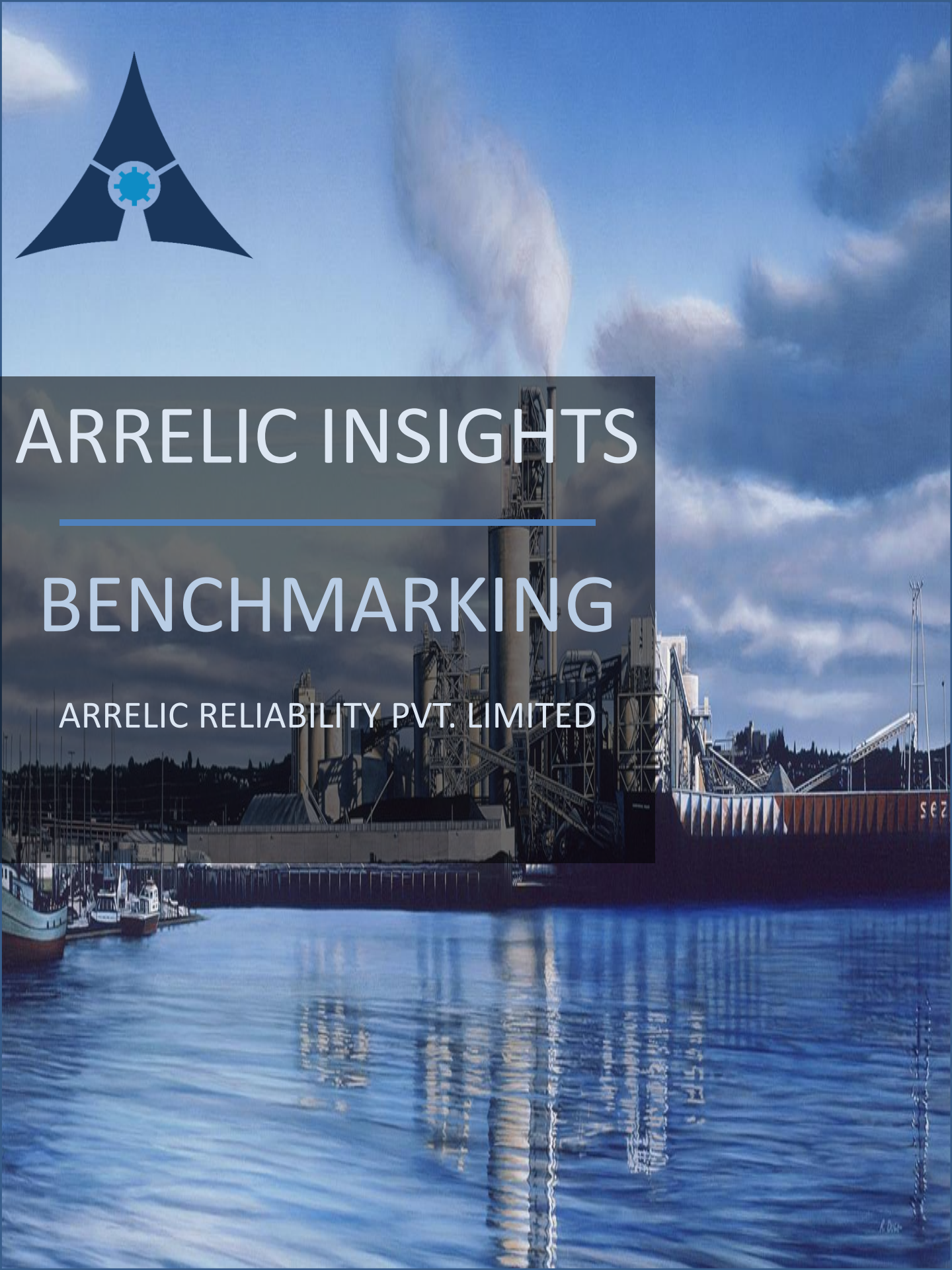


ARRELIC INSIGHTS

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BENCHMARKING

ARRELIC RELIABILITY PVT. LIMITED





Let's focus on the concept of benchmarking and the benefits of continuous learning for business owners. It's often amusing to hear business owners claiming that nobody knows their business better than they do. Many believe that they cannot actually improve their business by hiring an external professional. It's fundamentally disagreeable with this thesis but however one of the business owner is wrong. What if he hasn't heard about the new tools and techniques that are transforming the fortunes of his closest competitors? Could his business be performing significantly better if he doesn't really care?

He should! The real issue here is that we are all too often too close to the forest to see the trees.



We get hung up on the day to day activities and facts and kept discounting the external environment. Business owners need to have an internal and an external focus if they're to survive and thrive. They need to watch what the best performers are doing and to emulate early problem with their own improvements in their own business. If you just have a purely inward focus, you're cutting off the opportunity to significantly improve the financial and operational performance of your business. Take the time to look at your direct and indirect competitors and learn from them. Look at what the best companies outside your industry are doing and try to learn from them also consider reading new business books as a matter of habit and subscribe to business or industry magazines that teach you new tricks or educate you about what is happening beyond the four walls of your office. Embrace new technologies that can significantly alter the way you do business and have a hunger for learning and include new knowledge and direct client assignments and products. What new businesses are doing where users can enjoy the benefits of benchmarking against evolving best business practices?



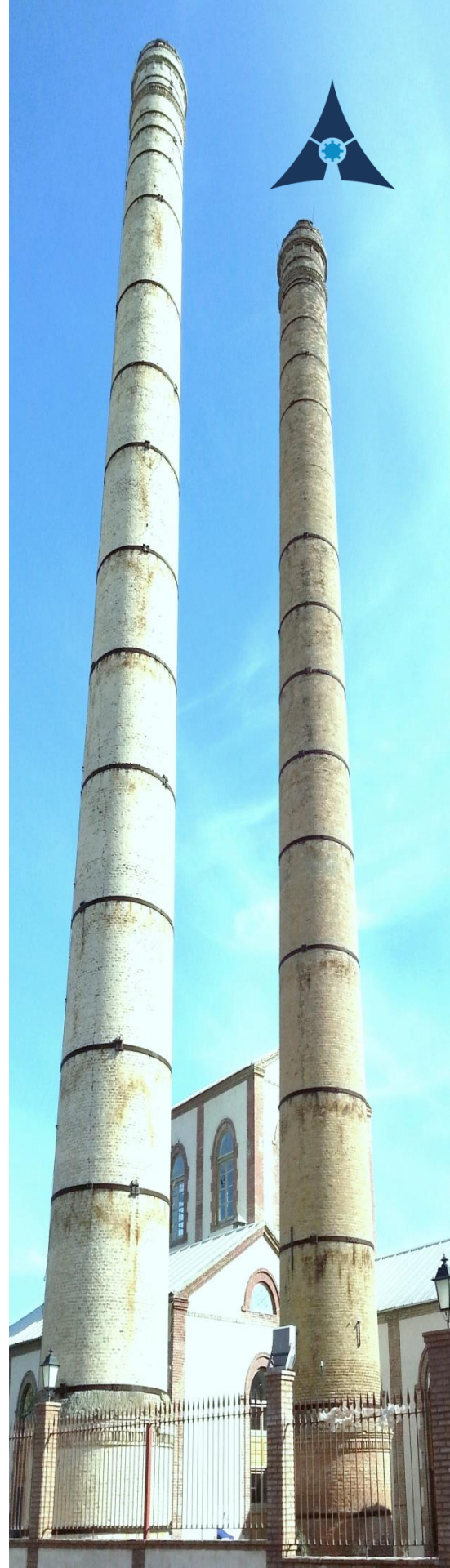
**Taking** you through what benchmarking is all about and how you can apply it to your business.

Firstly what is competitive benchmarking? Basically, it's the continuous process of comparing yourself against the industry's best. So why should anyone want to do this? The need to improve your business by comparing yourself against the industry's best players and you can find ways to improve your business and find weaknesses with which you can have a better look at. So let's go and have a look at my five-step approach:

Firstly, you want to determine what and why ?  
So what do you want to benchmark and why?  
For an example, for a managed service provider, we want to have a look at our customer satisfaction.  
We want to start with training our customers better and let's see how we compare against the industry's best. So in the next step, you've got to identify the driver . What drives customer satisfaction for your business? What I find is response times and your attention to detail is your number two.

The two biggest metrics that you want to be having a walker so third step is measure so you've got to make sure that those two metrics are measurable and you're actively sort of running surveys or asking your customers how you're doing in that regard fourth current situation so you want to get a standard that you can start from how are you currently doing from your customer satisfaction standard so again just ask. Your customers will see how you're doing currently so then we can see how you compare against the industry's best. So this step: who are you? who are you going to benchmark against? A lot of people like to pinch mark up against the industry's best.

You might want to benchmark against sort of a top player that's quite locally you decide oftentimes it's very hard to get this data though you can do some research on the internet sometimes public data is available on some of these metrics so MSP mentor does a few really good research papers for every piece but if you can't find the data it's really hard.





Recommendation is you have to be quite happy to get client's heartbeat. It is a business intelligence tool that lets you benchmark your performance against the industry's best industries average so you can improve your business. Across various questions you can see how you stack up against the best.



**The** topic for this insight is why benchmark your supply chain. This is not to question what benefit is there in benchmarking. For any supply chain, it is suggested that the three answers to this question. Firstly before embarking on any business improvement journey it's essential to understand what the destination is. Where am I going to end up? What's my target and what is the outcome? As Steven Covey put it in his book "The 7 Habits of Highly Effective People" habit number two is to begin with the end in mind. So, how do we determine the end when approaching the subject of supply chain performance. The end or the target can be set by comparing the performance of your supply chain to firstly other similar supply chains and more importantly to best-in-class. If we truly aspire to be the best and to provide an example of service that our customers acknowledge is the best then we need to know how good that is. We really need to know how high is the bar to use an analogy if your goal was to be the fastest man in the world that is the fastest time over 100 meters then what is the first thing that you'd need to know? The answer is you'd need to know the time you would need to know that nine point five eight seconds is the current world record.



The best with this knowledge all of the necessary planning training and preparation would be aimed at beating that record time . This is benchmarking against best-in-class . If however you did not have this information and we're simply competing against yourself looking inwards so to speak, you might be seeing improvement with training over time but you would always be oblivious to and very unlikely to which of best-in-class performance and so it is with supply chain performance benchmarking .

Reason number one is so that you can understand what best-in-class is and use this as a basis of determining the end so that you two can begin with the end in mind. Reason number two: Why benchmark? The supply chain is that analysis of the benchmarking success database suggests the best-in-class supply chains, operate at half the cost of their peers, half the total supply chain cost have a look at the chart behind me. No matter what the industry sector and there are six on the chart those that provide best-in-class service operate at half the cost of those that provide only average service in this case. Total supply chain cost is measured as a percentage of sales, so here is the counterintuitive truth about supply chain. The better the level of service provided the lower the cost. I say counterintuitive because typically we associate a higher cost with a better level of service for example we pay more for a better level of service on airplanes, we pay more for an improved standard of service in selecting a hotel but this is not the case for supply chains but why how can this be explained. There are three primary reasons for this as provided by our customers when we ask them that question reason number one is that they get things right the first time and they get it right the first time almost every time as a consequence of that there is no rework there's no expediting and there is no wasted cost in the process.

That's unnecessary so reason number two is that customers tell us you can't focus on the service and not see the cost a good example of that from one of our clients with where they required their warehousing operators to deliver you regardless of the level of service that was required but as a consequence of understanding that and seeing that level of service, they very quickly understood the cost implications of doing that as well. So you can't look at the service and not inherently see the cost of providing that service reason number three and reason number three, most of our clients claim there's a consequence of providing an excellence in customer service.





They're able to charge more as a result that more comes either in an additional service for the cost or in a lot of cases it came from simply increasing the unit cost to the market finally reason number three comes from the supply chain mantra' that you can't improve what you don't measure benchmarking is about comparing and understanding performance and therefore measurement is a critical ingredient in that process measurement comes first and an improvement may then follow once performance gaps are identified and plans made to bridge those gaps are put into place comparing your supply chain performance to other organizations with similar supply chains provides insight into where you need to improve it also provides numerical data reports and other details of what is best-in-class performance and how high is the bar as a result of a process improvement report provided by benchmarking success organizations are provided with such details as how my supply chain performs compared to other supply chains the areas identified for improvement an improvement plan and identified savings so to summarize the reasons to benchmark your supply chain are number one to understand how high the bar is what is the nine point five eight seconds equivalent for your business how good do we have to be to demonstrably be best-in-class number two because best-in-class supply chains operate at half the cost of their peers and number three you can't improve what you don't measure.





## About Arrellic

Arrellic is a fast-growing deep-tech firm aiming to bring the next level of IoT based sensor technology to transform the mode of manufacturing operation and maintenance practice of various industries with extensive expertise in Reliability Engineering, Predictive Maintenance, Industrial Internet of Things (IIoT) Sensors, Machine Learning and Artificial Intelligence. We provide a single ecosystem for catering all industry needs from Consulting to IoT and Analytics as well as providing Training and Development courses for different stakeholders. We aim to help manufacturing industries to improve their overall plant productivity, reliability and minimize total production cost by 25-30% by eliminating machine downtime, lightening management decisions by analysing the machine data with right mind and expertise; for a worry free operation.



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RELIABILITY  
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# For more queries

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