

# A-BENCHMARKING WE GO

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## *The problem with ideas*

Continuous improvement is a key practice in the lean system. Whatever we do currently, and however we do it, a better way is just around the corner. Lurking. Teasing. Hiding. To chase it down, we need ideas, preferably lots of them. Enough, at least, to corner the improvement and shed some light on it for study and experimentation. And then we need a solid mechanism for translating those ideas quickly into action. As the saying goes, there is nothing as practical as a good idea! PDCA, anyone?

For people to generate ideas, they have to be able to think about what they do. Simple, right? As a lean practitioner yourself, how often then do *you* sit down, tilt your chair (safely), free your mind of a million urgencies and try to let the creative juices flow? Or schedule team time to discuss a problem or opportunity? (Toyota insists they are different animals, by the way.) You see what I mean. And if you are immersed in production, with takt time as your living heartbeat, finding such moments *is* Mission Impossible.

I am sure you also have a good appreciation of some of the givens. Most importantly standardized work, which provides your baseline of practice and observation. No baseline, no comparison, as Aristotle admonished us 2,300 years ago already. If you can't replicate tomorrow what you do today, or if five people do it five different ways, work on that first. New ideas can wait until you can show that what you change produces an improvement and not simply another variant. Oh, and don't try to use what I just wrote as an excuse to continue unsafe practice; that sort of thing will have to stop at once.

Getting back to the ideas: There are lots of people working with you, which should mean that there are also lots of ideas. So why aren't the intellectual fireworks going off day and night? Why aren't brilliant colleagues engaging in spirited discourse with one another the moment they raise their heads from toil? There are many reasons for this, of course, but the one I want to pick out here is rather paradoxical: knowledge.

Knowledge captures the way in which we see the world. It provides meaning—and comfort—to what happens inside our heads and around us. It helps us recognize things for what they are. Knowledge is familiarity and ease. It gives us control and reduces uncertainty, surprise, and ultimately fear. Knowledge captures the status quo. In fact, it has a tendency to capture us *in* the status quo.

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So why is knowledge an obstacle to the constant generation of improvement ideas? Clearly, it's the sense-making that is at fault. What we know makes sense. What we don't know makes no or little sense. Why then would we venture beyond the realm of sense to seek out non-sense? With all the knowledge and experience in our heads, how would we even recognize things that make no sense? And what good would it do us if we could?

All perfectly reasonable questions (which is why I put them here). But we have left out something important: For we are not alone with our knowledge. Others have knowledge, too. In fact, what they know, they have typically acquired in their own, read: different, ways. Sense-making is personal, after all. It uses *my* perspective. Things don't simply make sense, they make sense to *me*, given my background and experience. Or yours. And that is reason for hope.

To get ideas flowing, we need to connect. We have to show others how we see things, and they have to share their knowledge in turn. If we apply this systematically as a learning tool, we are talking benchmarking, either within our work environment or without. Perhaps most significantly, benchmarking promotes broad dialogue at all levels of the organization about its purpose, values, beliefs, and practices. *Benchmarking provides us both a window and a mirror.*

### *The benchmarking process*

Benchmarking, you remember, helps us generate ideas for continuous improvement. As we overcome the uniqueness of our own perspectives, we gain insights directly. Indirectly, we learn to question our customary interpretations. All of this helps. But how do we go about benchmarking practically?

*Internal benchmarking* works from a basis of familiarity. We speak the same language as our colleagues, our sister plant makes similar products. It also lends legitimacy to shameless intellectual theft. Let's steal every single idea and practice and test it for its improvement value! Since we all work for the same company, that's cool. In fact, it's more than cool, because genuine interest in the ideas of others gives them a huge rush, a sense of self-worth, ultimately building a culture of mutual respect. Lean champions: Think about the power of questions as an everyday cultural development tool!

*External benchmarking* can be hugely beneficial, simply because the ideas of other companies, even industries, tend to be quite different from our own. So we must set aside our accepted notions and engage in terms of what they do and they think: The blinders of familiarity come off. This is how intellectual triangulation works. Your idea, plus my idea, plus the discovery of overlap, gaps, interpretations, preferences and so on can lead to new ideas both for the visitor and the host. That's why they let us in: The learning goes both ways. How, then, can we benchmark most productively?

Much depends on your purpose. In *adaptive benchmarking*, we are looking for valuable direct knowledge to drive immediate internal change through the

introduction of the good practices we observe elsewhere. Much of the time, we know our deficiencies and the benchmark is carefully selected for its expertise. While that sounds promising, it has its limitations, as the fit may not be the best, and what works for them may not work for you. Newer equipment, other suppliers, different training. You get the picture.

In *comparative benchmarking*, we seek to establish a more general and permanent knowledge baseline for performance comparisons. We use what we learn to chart our own, independent strategies for improvement rather than copying specific practices—which might not work that well in any case, given the differences in maturity between, if you want, the student and the teacher. If we take three days where they take two, we now know what we have to accomplish to compete, but we'll do it in our own way.

A special case of comparative benchmarking is *transformational benchmarking*, where we want to replace our current, conventional ways of working with a new, lean operational capability and strategic business partnerships in the value chain. *This form of learning drives not simply performance improvement but value delivery.* For the ultimate benchmark is not competitiveness with others but the expectation of your customer. With this insight we leave behind benchmarking as a tool to simply push competence into the organization and learn instead to pull out value. Now we are talking *lean!*

Let's get organized for successful benchmarking. First, we need to define our information needs, then design a proper process for that and finally decide how to use what we have learned.

(1) The *definition of information needs* is a complex task. If the problem that motivated us to go benchmarking is well understood, it may be possible to gather explicit quantitative data. Procedures, policies, techniques, methodologies, metrics are the usual targets, representing 'best' or 'world-class' practice—whatever that may be exactly. Personally, I'd settle for anything that is better than what I have myself, or I'll end up chasing some elusive obsession when I should be taking care of my customer.

When not working on a specific problem, a more interpretive and qualitative approach may be required, perhaps even going after tacit information, the taken-for-granted ways of doing things. That may take time and participation in actual work. In lean enterprise benchmarking, that is, in the transformational mode, typically more 'soft', cultural features may be of interest, so get ready to listen to stories, observe behavior and pay close attention to all visual documentation. But keep in mind that your own background will interfere with your learning by steering you to confirming rather than disconfirming information: You'll have to question your assumptions with rigor and seek out dialogue with your benchmarking team. Bringing a diverse team helps, as do good listening skills.

(2) With our preparation finished, the actual *information seeking* process can now begin. Information is gained from the explicit descriptions (and often incidental remarks) of your benchmarking host and from your on-site visual observation of work arrangements, behaviors and the management and control tools displayed.

However, not everything is reliable information, and what we see might have surprisingly divergent meaning. The usual precautions apply: Assess the validity of all information, its relevance and reliability, its recency, completeness and consistence. Probe into the self-interest of the information provider and the conscious or unconscious protection of sensitive practices. And be careful what you decide to copy—*caveat emptor!*

When you visit an internal benchmark, you have the advantage of dealing with collaborating partners who share your interest—even though competition between divisions and plants can be fierce. Observations and interpretations tend to be more correct and can be checked. Strategies, culture and language are similar, as will be performance measures and management practices. Setting specific information targets is a recommended practice, as is the use of structured protocols to create discipline. Finally, since lean enterprises react and develop to meet challenges from the fast-changing business environment all the time, decide how often the benchmarking process should be repeated. Indeed, some companies are now benchmarking continuously.

(3) Benchmarking *information use* begins with selecting what is of benefit, produces improved knowledge or leads to organizational action. Untangling information, interpretations and opinions takes a series of debriefing sessions, preferably organized around the topics defined in the preparation phase. Take your time over this, especially in view of the well-known bias of managers for action rather than reflection! The differing impressions, perspectives, and observations must be brought to the foreground to support first mutual understanding and then strategic decisions. Stay flexible, respect the needs of the different groups, and revisit your discussion from time to time as circumstances change and give relevance to other insights. So preserve all protocols, minutes and data for future reference and reinterpretation.

Enough said. Cooperation is the core of the lean enterprise. Equals meet to work and learn. Hierarchies dissolve and are replaced by networks of mutually supportive roles. Leadership pervades the organization wherever people are. Every practice is routinely examined for its potential to yield improved value. An exiting new world? Yes. The better *is* the enemy of the good.

#### FURTHER READING

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