

BENCHMARKING FOR LOCAL GOVERNMENT - A PRACTICAL GUIDE

**Produced by the Local Government Ministers' Conference
Benchmarking Project**

Benchmarking for Local Government - A Practical Guide

What is Benchmarking?

Benchmarking is the process of measuring an organisation's performance and practices in key areas and comparing them to other organisations, to find ways of achieving better results.

In every industry, there are ways of doing things that are recognised as the industry standard practices. However, every industry has its leaders - organisations that perform above these standards. They have achieved "best practices" as demonstrated by their results in quality, customer satisfaction, cost and responsiveness.

The aim of benchmarking is to discover what the "best practices" are that lead to superior performance. Local government can achieve greater efficiency, effectiveness and accountability through benchmarking.

Councils Who Care Will Compare

Benchmarking is widely accepted in the private sector. As a practical tool for achieving positive results its potential is unlimited. With new expectations of the performance of local government, councils are also being encouraged to look at ways of implementing changes in their practices. Benchmarking provides them with one of their most useful options.

Benchmarking can help your council to achieve:

- a greater success in understanding and meeting customer needs
- the establishment of goals which relate to strategic council needs, are realistic and create worthwhile challenges
- a deeper understanding of performance measures and the development of true measures of productivity
- a greater awareness of industry "best practices" and the desire to equal or surpass them
- improved competitiveness.

A Complement to Other Improvement Initiatives

Benchmarking works closely with other improvement initiatives such as customer service, strategic planning, self-directed work teams and enterprise bargaining.

When these initiatives are combined within a Total Quality Management framework for continuous improvement, significant and lasting change can be achieved.

It is crucial that councils employ a multi-faceted approach to continuous improvement; benchmarking is an important tool in that approach.

Benchmarking provides a clear external focus and encourages organisations to define more challenging performance goals than they might otherwise have defined by simply looking at past performance.

A Complete Package

Benchmarking for Local Government - A Practical Guide explains why benchmarking is invaluable to councils aiming to achieve higher levels of efficiency, effectiveness and accountability.

More than that, it provides, in an easily accessed form, all the materials your benchmarking team will need to bring about significant improvements in the productivity of your council. The information is geared to meet the needs of everyone involved in the process.

The detailed, step by step approach of the package is based on the results of extensive trialing with councils throughout Australia.

The guide comprises nine, fully detailed modules, supplied as Word for Windows or files on 3.5" diskettes.

A Benchmarking Teams Handbook which can be used as a workbook as well as an explanatory guide is included.

The materials can be customised by adding your council logo and name where appropriate to the hard copies.

Your Questions Answered

Question 1. The Council is already doing things well. Why do we need to benchmark?

Answer. Benchmarking makes you look outside your council's operations to identify better ways of doing things.

Question 2. Does benchmarking result in improvements other than cost cutting?

Answer. Reducing costs is an important objective of benchmarking. However, there are other equally important goals including:

- increasing service levels to ratepayers and other customers;
- improving the quality and responsiveness of our services;
- making the job easier and quicker for staff .

Question 3. To what extent is benchmarking applicable to local government?

Answer. Benchmarking can be applied to any organisation in the private and public sectors. The special needs of local government can be wholly assimilated into a benchmarking project.

Question 4. Is it necessary to involve all staff in benchmarking?

Answer. Yes. Small teams of staff drawn from the service being benchmarked will undertake most of the work in a benchmarking project. Supervisors and managers will take part like everyone else.

Question 5. What is the function of a benchmarking co-ordinator?

Answer. The Benchmarking co-ordinator is a member of the council staff who helps the benchmarking teams by:

- arranging training
- helping teams to keep to schedule
- organising specialist support from other areas such as Finance.

Question 6. What training will be necessary and when will this take place?

Staff will be trained in all key benchmarking methods when they are about to commence a benchmarking project.

Question 7. How does customer service fit in with benchmarking?

Answer.

Benchmarking focuses on the customer as one of council's top priorities, whether the customer is external to the Council (eg the ratepayer) or internal (eg other departments you work with). Customer service training helps to achieve that focus. Benchmarking measures the results of customer service efforts, in quality and customer satisfaction measurements, and compares your council to other organisations.

Question 8. What will benchmarking mean to ratepayers?

Answer.

Benchmarking will result in:

- better service to ratepayers
- lower costs

Question 8. Will benchmarking mean more work for me?

Answer.

Staff on benchmarking project teams will have additional tasks to complete because of the demands of the project. However, participation in a benchmarking project team provides an opportunity for staff:

- to learn new skills
- to demonstrate their existing knowledge
- to use their initiative.

Contents of Benchmarking for Local Government - A Practical Guide

Module 1: Contents

- The purpose of the guide
- How to find what you want
- Contents
- How to customise the guide for your council

Module 2: Benchmarking and Local Government

- What is “benchmarking”?
- Why benchmark in local government?
- How do other improvement initiatives fit in with benchmarking?
- The benchmarking cycle
- Glossary of terms

Module 3: Your role in benchmarking

- Councillors
- Senior management
- Quality Manager
- Benchmarking Team Leader
- Finance staff
- Frequently asked questions and answers
- Chief Executive Officer
- Department managers
- Benchmarking Co-ordinator
- Benchmarking Team Members

Module 4: Organising and managing benchmarking projects

- Getting started
- Organising for benchmarking
- Choosing services to benchmark
- Forming benchmarking teams
- Planning and managing the benchmarking project

Module 5: Analysing existing processes

- Defining the service scope
- Mapping the service process
- Choosing performance indicators
- Testing the service definition and performance indicators
- Collecting data
- Fix the obvious - now!

Module 6: Forming benchmarking partnerships

- Identifying and contacting likely benchmarking partners
- Making contact
- Site visits










Module 7: Implementing changed processes

- Analysing benchmarking results
- Identifying “best practices”
- Implementing changes
- Assessing improvements
- Re-benchmarking

Module 8: Case studies

Module 9: Team Handbook

Its simple to find out what you want to know

If you want to...		Go to...
Find out what benchmarking is and how it applies to local government		Module 2
Find out about your role in benchmarking.		Module 3
Learn how to organise and manage benchmarking projects.		Module 4
Analyse existing processes and develop key performance indicators for benchmarking.		Module 5
Find out how to form benchmarking partnerships and compare performance with other councils.		Module 6
Learn about how to implement changed processes as a result of your benchmarking project.		Module 7
Review service definitions, performance indicators and data from the pilot project.		Module 8
Train a benchmarking team in the benchmarking process and its methods.		Module 9: The Team Handbook
Refresh your memory about the benchmarking process		The Quick Reference Guide

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Technical Details

The guide, team training handbook, data collection worksheets and quick reference guide are supplied as Word for Windows on 3.5" high density computer diskettes. An index of the files on disk is shown in Module 1.

Contacts

The materials in this Guide were created by Australian Continuous Improvement Group Pty Ltd for the Local Government Ministers' Conference Benchmarking Project.

The Local Government Ministers' Conference comprises all the States' and Territories' Ministers for Local Government, the Commonwealth Minister for Local Government the New Zealand Minister for Local Government and the Australian Local Government Association. The Local Government Ministers' Conference meets several times each year and funds projects aimed at improving the efficiency, effectiveness and accountability of Australian local government.

For further information about benchmarking in local government contact any of the following organisations.

Australian Local Government Association

Tel: (02) 6281 1211 Fax: (02) 6122 9401

Australian Quality Council

Tel: (02) 9901 9999 Fax: (02) 9906 3286

Institute of Public Works Engineering Australia

Tel: (03) 9686 3833 Fax: (03) 9690 4217

Local Government Professionals

Tel: (03) 9686 3833 Fax: (03) 9690 4217