



# A pragmatic approach to conducting a successful benchmarking expedition

## Case of Dubai Holding Group (DHG)

Successful  
benchmarking

59

Simmy Marwa and Mohamed Zairi

*European Centre for Total Quality Management (ECTQM),  
School of Management, University of Bradford, Bradford, UK*

### Abstract

**Purpose** – The purpose of this paper is to provide a conceptual framework for conducting a benchmarking visit/expedition.

**Design/methodology/approach** – Recent articles on the models of benchmarking are reviewed and used to construct a seven-step benchmarking visit/expedition framework that is subsequently tested by applying it to facilitate a benchmarking expedition for Dubai Holding Group (DHG) with United Utilities, Bradford and Bingley and the Marriot Hotel, all of the UK.

**Findings** – The paper finds that good planning and execution of the benchmarking visit are essential. How the visit is conducted influences favourably/unfavourably the outcomes of the visit/expedition. Capturing meaningful learning of best practices required a purpose-focused approach/framework to guide gathering, documenting and prioritising best practice evidences. The suggested 7-Steps framework, when applied, focuses actions towards realising and reaping the full potential of such visits/expeditions. The 7-Steps model enabled DHG to exhaustively collect, document and prioritise best practice actions from the three benchmarking partners thereby rendering the expeditions a success.

**Practical implications** – The success of a benchmarking visit's/expedition's outcome is contingent on the planning and training undertaken prior to the visit/expedition, how the visit itself is conducted and crucially, the usability and reliability of data and evidence gathered. Poor execution of a benchmarking visit even with good planning inevitably yields poor results and vice versa.

**Originality/value** – The paper contributes to knowledge by closing a knowledge gap and providing a framework that enables user organisations to fully realise the benefits of a benchmarking visit/expedition.

**Keywords** Benchmarking, Continuous improvement, Modelling

**Paper type** Case study

### Introduction

Benchmarking has variously been defined as a continuous, systematic process for evaluating products, services, and work processes of organisations that are recognised as representing best practices for the purpose of organisational improvement (Spendoli, 1992), emulating the best by continuously implementing change and measuring performance, (Zairi, 1996), and the practice of being humble enough to admit that someone else is better at something, and being wise enough to learn how to match them and even surpass them at it (APQC, 1993). Freytag and Hollensen (2001) argue that benchmarking is a strategy for implementing changes in organisations – a way of measuring operations against similar operations in order to improve business processes. Maire *et al.* (2005), assert that benchmarking has passed from a “continuous



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and systematic process of evaluation of products or services” (Camp, 1989) to a continuous process of identification, learning and implementation of best practices in order to obtain competitive advantage, whether internal, external or generic. Zahorsky (2003) defines best practice as the process of finding and using ideas and strategies from outside your company and industry to improve performance in any given area. Thus, best practice benchmarking (where effective benchmarking expeditions are part and parcel of the process) goes beyond mere standards and measurements against them and focuses on processes, thereby giving an organisation some opportunity to extend the search for best practice beyond their own confines (Fierkers *et al.*, 2000).

Several models of benchmarking has been developed and applied in various settings (Zairi and Youssef, 1995a, b; Kyro, 2004; Delbridge *et al.*, 1995; Maire, 2002; Buyukozkan and Maire, 1998; Brah *et al.*, 2000), all with varied steps or stages of the process. Depending on which model one is using, conducting a benchmarking visit is variously described as involving: collecting data and analysis of discrepancies, visiting them and seeing how they achieve higher performance, studying the best practices, collecting data/information, or analysing findings and making recommendations. Ordinarily, competitive benchmarking visits/expeditions are executed by either conducting a benchmarking visit(s) to a benchmarking partner(s), or by using secondary data. Benchmarking visits/expeditions may either be internally facilitated (using company staff) or externally facilitated (using external resources). Love *et al.* (1998) have argued in favour of using external facilitation and posit that it is useful for such “experts” to be used to complement the benchmarking team’s capabilities and expertise. Zairi (2003) asserts that planning is arguably the most important step in the whole benchmarking process, yet it is often neglected as organisations “want to get started”, by visiting others and regard planning as unnecessary time delaying activity. The practice results in “industrial tourism”, where such visits are conducted without any forethought as to why, how and what such visits will achieve. Thus, if benchmarking partners are not carefully considered, and purpose of such visits thought through thoroughly, then they become mere tourism and miss out any learning from these partners. Zairi (2003), aptly sums it up that the effectiveness of benchmarking will be judged by the impact it has on improving the business. The activity requires both resourcing to undertake the work and commitment to implement the findings judged to be best practice. Davies and Kochhar (1999) have identified lack of no formal benchmarking strategy, absence of any checklist/definitions, confusion of industrial tourism to benchmarking, lack of feedback/results into business plans and targets as amongst the causes of failure in successfully conducting benchmarking visits. Andersen *et al.* (1999) suggest usage of a generic benchmarking questionnaire during the visit(s) which should then guide the interviewers and help them make sure important information is not left out, while allowing for team members individual contributions in the benchmarking visit. They suggest performing benchmarking visits in teams so as team members can complement each other in terms of skills and interests and contribute to creating ownership in the implementation of bench actions once through with the expedition.

To facilitate benchmarking visits, Freytag and Hollensen (2001) have suggested that the data collection team needs to have uniform collection methods, build robustness in the questionnaire and benchmarking plan, be sure to specify the data at the proper aggregation level, and mail any questionnaires prior to a visit in order to

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provide time for the benchmarking partner(s) to prepare the data in the format requested. Moreover, the duo count a high degree of willingness and openness towards co-operation as critical if a benchmarking visit is to succeed getting beyond the problems of collecting valid and reliable information. Hinton *et al.* (2000) suggest that prior to conducting visits, attention should be paid to training of staff to undertake benchmarking in teamwork, communication and change management so as to make these team(s) effective. Love *et al.* (1998), see adequate communication and consultations amongst benchmarking team members (prior, during and after), recording of evidence at source (for future reference) and asking evidence for what is claimed as having been done as critical determinants of the success of a benchmarking visit. In sum, the success of a benchmarking visit is thus contingent on the planning and training undertaken prior to the visit/expedition, how the visit itself is conducted and crucially, the usability and reliability of data and evidences gathered.

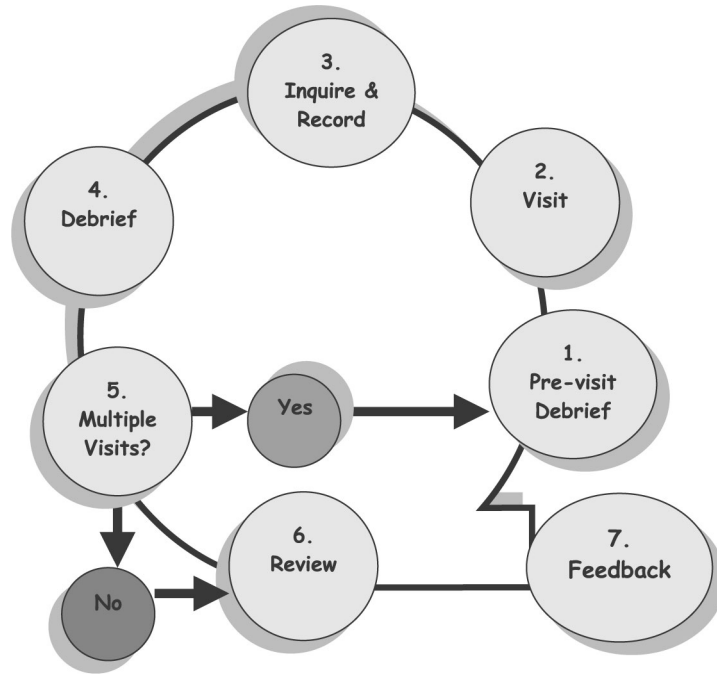
Dubai Holding Group (DHG) is a holding company that belongs to Government of Dubai, and has diverse business interests stretching from property development, hospitality, finance, education, Internet, healthcare, media, investments to cloth retailing (DHG, 2006). The company conducted a benchmarking visit in UK in 2006 that was externally facilitated by the European Centre of Total Quality Management (ECTQM). Having specified its benchmarking criteria/interests (i.e. leadership, policy and strategy; two of the EFQM model's enablers), ECTQM identified and facilitated the expeditions with three UK based partners: Bradford & Bingley (financial services), United Utilities (utilities) and the Marriot Hotel (hospitality).

### Research objective

It is essential that any benchmarking visit is focused if it has to realise the benefits associated with studying best practice organisations. While there has been a plethora of research works on benchmarking in general with several models developed, few if any have zeroed on how to conduct benchmarking visits/expeditions let alone developing a framework to facilitate such visits. There is therefore a knowledge gap, which this research seeks to close. The research thus sought to investigate how to successfully conduct a benchmarking visit/expedition.

### Methodology

Reference was made of available literature on theory and practice of conducting benchmarking visits. The knowledge lead to the consolidation and construction of a pragmatic framework for conducting benchmarking visits. The 7-Steps framework (Figure 1) was then applied during the DHG benchmarking visits/expeditions in the UK. Step 1 and steps 4 through to 7, of the model are essentially off-site steps (i.e. away from the benchmarking partner's site), whereas steps 2 and 3 are on-site (i.e. within the partner's site). Thus, virtually all the learning and/or capturing of best practice has to occur in steps 2 and 3 otherwise a valuable opportunity will have been lost and with it all the meticulous advance planning. As leadership, policy and strategy were central to this benchmarking expedition, questions to be raised with benchmarking partners were styled and structured to capture evidences of best practice in these enablers. Equally, observations typically focused on capturing evidences of best practices in these enablers. The expedition/visit to each of the benchmarking partner was conducted on a separate day.



**Figure 1.**  
The "7-Steps"  
benchmarking visit model

### Model discussed

The 7-Steps model places a lot of emphasis on and hugely appreciates the essence of advance planning, prior to the benchmarking visit(s). The visit itself is neither the starting point, nor the end of a successful competitive benchmarking exercise, given the positioning of benchmarking visits in different models. Inevitably, advance prudent planning and execution of initial steps prior to the visit(s) form the foundation upon which this model is premised. Thus, advance planning and execution of foundational steps prior to any benchmarking visit is absolutely essential. The benchmarking team needs to be carefully constituted and trained and made to understand the core issues, expectations and activities to be pursued during the visit(s). A pack of information that includes the specific questions to be asked during the benchmarking visit should preferably be dispatched in advance to allow the partner(s) to prepare adequately for the visit(s). Love *et al.* (1998) suggest that the following be included in the pack:

- covering letter;
- overview of the benchmarking organisation;
- the reason for undertaking the benchmarking project;
- details of the process being benchmarked, including key performance indicators (KPIs) and their definitions and descriptions;
- benchmarking code of conduct;

- data collection plan; and
- questionnaire seeking data from the benchmarking partner and a completed questionnaire by the benchmarking team reflecting their company's state-of-the-art of the process being benchmarked.

Accordingly, advance packs with the specified contents were sent in advance to all the benchmarking partners so as to prepare for the expedition.

### *1. Pre-visit debrief*

Prior to commencing the visits the benchmarking team was initially inducted for one day. The debriefing session, which essentially marked the first step of the 7-Step model, served several purposes: training (on benchmarking), team building (members had come from different sub-units of DHG), confidence building (empowerment and motivation), rehearsal of questions (be explicit on what to ask/observe) and role allocation (allocate tasks amongst themselves). The specific issues covered here included:

- Initial training of team – themes covered here included benchmarking models and steps, principles, etiquettes, code of conduct and benefits and mistakes. These gave the team proper grounding and readiness to face the tasks ahead.
- Briefings – the team was made to absolutely understand the essence of the benchmarking visit.
- Familiarisation with the benchmarking partner(s).
- Preparations – prepare a presentation to present to the benchmarking partner about DHG.
- Ensure that questions to ask were well articulated by all team members.
- Allocate roles – divide responsibility amongst team members clarifying on who will record, ask which questions, observe . . . etc.
- Decide on time – time is of essence in an expedition and the available time (based on initial agreement) should be allocated equitably amongst the questions to be asked. Obviously critical questions will demand more time than others. Where possible appoint a time-keeper and agree on how, warnings on time will be communicated to team members so as to stick to the plan and thereby cover all critical aspects.
- Benchmarking tool – develop a toolkit with which to record evidence – a computer-based log-book was developed for application.

Satisfied that the team would confidently face the task ahead, it was time to move on to the next critical step of conducting the actual visit.

### *2. Visit*

- (1) Arrive in time for the visit and observe etiquette.
- (2) Make presentation to the benchmarking partner about your company – salient features of your company and particularly your roadmap to excellence is valuable to mention.

- (3) Receive presentation – carefully receive and consider the benchmarking partner’s presentation while recording salient evidences of best practices and/or issues to seek further clarification later.

### *3. Inquire and record*

- (1) Seek clarification – discuss the partner’s presentation probing for further evidence and/or clarification of issues of concern noted in 2 above.
- (2) Interview – interrogate partner’s representatives by filing questions as predetermined during the pre-visit debrief.
- (3) Observe – while some members of the benchmarking team are interviewing, some should be observing around to capture evidences of best practice within.
- (4) Document at source – answers to interview questions should be rapidly documented possibly by more than one person (so as to afford comparability later on). The same should apply with observed evidences. Computer-aided toolkits may prove highly effective here, in storing evidence in the logbooks.
- (5) Mind time – as team interrogates partners it should mind time and avoid lingering on one issue while several aspects of the inquiry remain unanswered. Stick to the time plan as agreed during the debrief.
- (6) Provide pictorial view of the process – figures, flowchart, etc., so as to focus ideas and data collection methodologies.
- (7) Depart in time after the visit – and remember to thank the hosts.

### *4. Debriefing*

- (1) Discuss presentations – converge after the visit and discuss as a team about the presentations – yours and the partner’s, what went well/wrong and lessons learned for future expeditions.
- (2) Consider evidences – discuss the evidence captured during the visit in totality without being selective. Accept only that which by consensus is deemed good evidence.
- (3) Relate with own – consider how these evidences relates with your own situation particularly their relevancy to your organisation’s situation.
- (4) Identify gaps – find out variances/variations between your organisation situation and that of the best practice/partner.
- (5) Identify as documented approaches used to tackle similar flaws as yours within the partner organisation.
- (6) Rank the host of approaches as documented that are applied to tackle gaps/flaws on the basis of say relevancy, cost, expertise required, resource base, gestation period, company structure . . . etc.
- (7) Based on the ranking, consider approaches that are suitable in your own context in solving the gaps.

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### 5. *Multiple visits?*

- It should be clear from the outset, whether the expedition will involve multiple visits or not, so as resources are committed towards the same.
- Where the expedition involves more than one partner, it qualifies as a multiple visit and hence, the initial four steps have to be repeated for each of the partners. Otherwise, where only one partner is involved then such a repetitive process is undesirable.

### 6. *Review*

The review process involves considering:

- *Benchaction* – based on formal analysis and summary results from a single and/or multiple benchmarking visit(s) (as the case applies), an action plan should then be conceived to enable the company to close the gaps between self and the best practice partner(s).
- *Schedule action plan* – no benchaction is complete without a schedule of action plans detailing resource requirements to be committed within the specified time frame. Ideally, breaking up action into phases/stages eases subsequent implementation.
- *KPI* – the benchaction is not complete without clearly specifying the KPIs, which should guide implementation of corrective strategy besides serving as a yardstick gauging performance.

### 7. *Feedback*

- (1) The process of conducting a benchmarking expedition is not complete without, providing feedback to the partner(s). The feedback thus, makes the whole exercise mutually beneficial to both companies, as it provides the partner(s) as the case may be, with candid views of which aspects of their performances are superior and those that require some improvement. A copy of the report about the visit should be sent to each of the benchmarking partner before distribution – to allow the partner(s) to correct inaccuracies and/or modify sensitive and proprietary information where included.
- (2) *Reciprocity* – since the philosophy of benchmarking is premised on continuous improvement, it is often prudent to consider reciprocating generosity by extending an invitation to the benchmarking partner to your company at a future date. This may create useful business bonds that may potentially be mutually beneficial to the two organisations.
- (3) Remember to thank the partner(s) for their time and hospitality accorded during the visit(s). Being courteous demonstrates appreciation for the sacrifices made by partner(s) to accommodate and share experiences with yourselves.

Once a benchmarking expedition(s) is complete, it is imperative to evaluate its success. Such an assessment allows the benchmarking organisation to critically evaluate its commitments (time, resources, and personnel) against the potential benefits and decide whether it was good value for money. Accordingly, following the conclusion of the expedition, a survey was conducted amongst the DHG team members, and about 80

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per cent were positive that the expeditions were hugely invaluable, with practical approaches to fixing gaps in their subunits besides nurturing excellence.

### Research implications

The success of a benchmarking visits/expeditions' outcome is contingent on the planning and training undertaken prior to the visit/expedition, how the visit itself is conducted and crucially, the usability and reliability of data and evidences gathered. Usage of framework to facilitate benchmarking visits focuses actions towards learning and capturing evidences of best practice. Poor planning and execution of a benchmarking visit inevitably yields poor results and vice versa.

### Conclusion

Benchmarking visits/expeditions are a cost to businesses and should therefore be designed and executed with utmost care to achieve desired outcomes. Since it is true even in benchmarking expeditions that "what is sown is what it reaped"; no amount of groundwork preparations will secure desired outcomes from a visit without due regard to the execution of the expedition. Preparation and execution of a visit almost always influences (negatively or positive) the outcomes/results of a visit; it is actually the execution of the visit, which swings the outcome either way. Inevitably, lack of a robust approach to guide benchmarking visits explains why so many visits go wrong. Often successful benchmarking expeditions (properly planned in advance) would fail because of lack of a systematic approach to guide execution. Thus, the proposed 7-Step model should prove useful in facilitating and guiding benchmarking visits thereby enabling organisations to reap the full potential of their benchmarking visit(s).

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### Corresponding author

Mohamed Zairi can be contacted at: [m.zairi@bradford.ac.uk](mailto:m.zairi@bradford.ac.uk)