Over view of implementing benchmarking program in company marketing essay

Benchmarking is one aspect of performance management that is used to check and analysis the activities and elements of any organization. It is used to search for best practices of any activity that organizations needs to develop. Moreover, it is not an independent technique as it is considered to be a natural progression from the implementation of total quality management. Successful organizations assess themselves against the best in their category and benchmarking is used as tool for doing that.

Benchmarking Implementation:

In order to implement performance management system in an organization it is important to do a benchmarking. As a senior manager in a telecommunication company (Etisalat) I was requested to by the CEO to do a benchmarking program to improve the performance of the company as it is fallen below target. The performance point that I was requested to check is the customer satisfaction that was fallen below the expected target that was set by the company's management based on the latest survey done on the market and decrease in number of subscribers, who moved their service to the other market competitor.

The benchmarking process does not vary significantly with the three categories of partners selected: internal organisations, direct competitors, or non-competitors. Therefore I am going to compare the customer satisfaction in the telecom company with Emirates Airlines. The reason why I choose Emirates Airlines is that it is a very large multi-destination flight company with a very large number of passengers. Etisalat was established in 1976 with a low number of landline subscribers and increased to 100 million subscribers in the world. Emirates Airlines established in 1985 with 260, 000

passengers that year. The number of passengers increased dramatically to 27 million till March 2010 and 108 world destinations. That shows how customers with the service provided by Emirates Airlines in a short period and while other big airlines are going bankrupt during the world financial crises.

The reason why we should go for benchmarking is to improve methodologies that result in high productivity and lower costs. Benchmarking is particularly helpful in validating proposals for change. Moreover, it often results in creative imitation and the adoption of new practices that overcome previous industry barriers. Furthermore, this search for diversity and for innovative breakthroughs applied.

There are eight steps in order to do a benchmarking are:

Select the subject.

Forming the team and the project road map.

Performance indicators and drivers.

Selecting partner.

Data collection.

Analysis.

Integration and action.

Benchmarking process:

Select the subject

Based on the point highlighted by Etisalat's CEO, there is a problem in the customers' satisfaction that was targeted this year. Customer satisfaction is a measure of how products and services supplied by a company meet customer expectation Based on the market survey and problem investigation, we found that problem is due to the following:

Quality of service.

Customer support.

Incident handling.

Productivity.

Pricing.

After investigation and looking at the problem from another angle, we found the reason beyond losing customers satisfaction is concentrating on the development projects and reducing the operational costs in order not to lower down the impact of the world financial crises and compete with the competitor (du) from productivity point of view.

In order to solve the problem of losing customer satisfaction, a movement has to be done in order to provide more qualitative after sale service and that can be done by spending more on developing the operational processes and spending more on operations as well as the employees as employees

satisfaction is the key towards customers' satisfaction. Moreover I am going to concentrate on Etisalat customer's satisfaction in the UAE only.

Forming the team and the project road map

A team needs to be formed and a project road map developed. These are integral activities in the subject selection step. The team that I created includes 5 members are experts and represent the various functions affected by the project. The teams composed of staff personnel who are capable of setting recommendations that meet significant resistance during implementation.

Each team member will work on studying the each of the below causes, visit the related sections, highlight the drawbacks and set recommendations for:

Quality of service.

Customer support.

Incident handling.

Productivity.

Pricing.

And I am going to follow-up and manage this project as a team leader.

Performance indicators and drivers

This part begins with the documentation of processes and practices associated with the subject. The primary goal is to identify the vital few performance indicators that confirm superior performance and to identify

those processes and practices that drive performance. This search for cause and effect will be followed by the identification and documentation of internal process variables and attributes. That is a major part that each of the team members will have to take an ownership in order to study each of the processes & practices and complete its documentations.

Selecting partner

The selection of partners often involves the use of external data and information sources. Partners fall into two general categories: other internal units and external organisations. External organisations may include direct competitors; Industry peers that serve a different market; Companies that serve the same market in a related but different industry; Organisations outside my industry that performs similar functions. As I mentioned above, I decided to choose Emirates Airlines, an organization outside telecom industry and serve the same market. Moreover, Emirates has great initiatives to develop its services that are provided to the passengers. Therefore, Emirates Airlines is almost receiving a yearly awards for its services such as best airline from Business Traveller Middle East Awards 2009, Best In-flight Entertainment from Skytrax Airline Excellence Awards 2009, Outstanding Food Service by a Carrier Middle East 2009 from Pax International Magazine Readership Awards, etc.

Data collection

Data collection can be the most difficult step in the Benchmarking process. The primary objective is to gather information and data to confirm superior performance and to uncover best practices without burdening the partners with long, time-consuming data collection methods. Although data and

information are collected in establishing baseline measures and in selecting partners, the majority of the data for most projects are collected in this step. The following table shows a summarized comparison between the points that lower down the customers' satisfaction of Etisalat and compare it with Emirates Airlines.

Etisalat

Emirates Airlines

Quality of service

Medium

High

Customer support

Low

High

Incident handling

Low

High

Productivity

High

High with value added services

Pricing

Average

High

Advertisement

High for newly released products

High

Promotions

On going

On sessions

Loyalty program

Available

Available

CRM

Low

Medium

Analysis

The objective of the analysis step is to identify the best performing

organisation and to determine the reasons for the superior performance. The

performance indicators define the benchmark standard and the gaps in performance for each participant. The processes and practices of the best organisation are the benchmark performance drivers that each partner will try to creatively imitate. Identifying this cause and effect relationship between performance drivers and the resultant measures is the most challenging part of benchmarking.

When we look at the above comparison table in the data collection part, we can find that there are some differences in the services provided by the two organizations. If we start with the quality of service, we can find that Etisalat is providing medium quality of service. For example, for the old and stable services like mobile service and internet the quality is very good, but if we look at latest services like eLife the quality is very low. While in Emirates Airlines, it is always high even for new destinations.

Customers support and incident handling in Etisalat is very low as the customers whenever they want to raise a complaint or have inquiry, mostly they will be forwarded from a section to another or from a call centre number to another without having a single point of contact. Moreover, whenever you dial the call center, you have to wait on the phone for more than 10 minutes till someone pick the phone and register your complaint that if it is required advance troubleshooting, the case will not be solved in less than one day and may continue for a month. On the other hand, Emirates Airlines representatives will answer your inquiries clearly and are very helpful to handle your complaints with ownership.

The productivity in Etisalat is very high, however due shortage in advertisement and products information sharing for all the products, most of the products are messed by the customers and even the employees. Moreover, the advertisement done by Etisalat is only for the newly released products. However for Emirates Airlines, it is high as the customers is always loyal to the airline and may keep it as the first choice for travel anywhere and he is always expected to have more value added services in flight entertainment.

The prices of Etisalat product are average compared to the quality of service provided to the customers, but the customers will always see it high as the after sale services are low. The prices of Emirates Airlines are high, but the service the passenger is receiving before, during and after the flight is high.

The Customer Relationship Management (CRM) in Etisalat is very low and only done by sending updates to all customers through email and SMS for the new products. On the other, Emirates Airlines are send a monthly newsletter to all their customers by email, normal postage, to keep them updated with all the changes, offers and new destinations. Sometimes, they are requested to provide a quick feedback on a questionnaire.

Integration and action

The objectives of the integration and action steps are to obtain organisation buy-in, initiate projects to close gaps and implement plans developed in these projects. So based on the analyses done above the organization has to rectify the problems that leads to losing customers satisfaction. Some of the recommended suggestions are:

1. Encourage Face-to-Face Dealings

2. Respond to Messages Promptly & Keep Your Clients Informed

3. Be Friendly and Approachable

4. Have a Clearly Defined Customer Service Policy

5. Attention to Detail

6. Anticipate Your Client's Needs

7. Honor your Promises

To be effective, Benchmarking works best in an environment in which teamwork and management support is evident. Teams need to focus on results as measured by performance indicators, but the organisation must change the performance drivers to achieve benchmark standards. Target setting alone, without changes in the organisation culture, other structural factors, processes, and practices, can only bring temporary relief.