

Benchmarking in the real estate industry construction essay

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Definition of the research subject

The economic state of affairs in Germany and the globalization have strongly changed during the past old ages the existent estate economic system. The alteration processes which will go on likely during the following old ages are come into force by increased competitory footings, but besides by new output opportunities. A alteration in the market state of affairs due to an increased competition were in many subdivisions the beginning ground for the execution of the benchmarking method. It`s used since the beginning of the 1890ss of the last century for illustration in the car industry, the mechanical technology industry, but besides logistics. a^zIn the general usage a Benchmark is something, after that should be striven.

Benchmarking can be described merely as the procedure to make this Benchmark. A Benchmark is a mention point of a mensural procedure ” (Siebert, Kempf, 1998, p. 8) . a^zA Benchmark is a comparative information, a measurement pole which points out which accomplishment and which consequence is accessible in a survey object. Benchmarking means a^zlearning of the best through a comprehensive comparing with subject ” (Topfer, 1997) . By reassigning these definitions to entrepreneurial activity, benchmarking is a method to set ends for the activity of the company. In the increasing planetary competition it becomes more and more of import for companies to mensurate their ain accomplishments non merely in the expected public presentation degree which is achieved or the degree of of import rivals, but to the several best public presentations in a international context. It is non a affair any more of bettering merely individual

accomplishment parametric quantities, alternatively, to accomplish competitory advantages, it's besides of import to better merchandises, procedures or organizational constructions.

In these demands benchmarking Begins (Sabisch, Tintelnot, 1997, p. 11) .

The purpose of this work is to bespeak definitions of possible application Fieldss of benchmarking for current and cardinal jobs. On the footing of the preparation of the taking inquiry and job preparation an overview of the province of the scientific discipline and engineering of benchmarking is given in general and in a existent estate context every bit good. In add-on to that it will be given in the last portion of this work a short overview of sanctioned methods of scientific research and as a practical illustration a presentation and critical analysis of selected theoretical accounts of benchmarking which are used in the existent estate subdivision and in undertaking developments.

2. Literature reappraisal and critical treatmentIn the current literature a assortment of definitions of benchmarking can be found. But all definitions are based on the theoretical attack to place the best solutions and on the orientation towards the best solutions:“ Benchmarking is the uninterrupted procedure of mensurating merchandises, services and practices against leaders, leting the designation of best patterns which will take to sustained and superior public presentation.

“ (Rank Xerox, NHS Benchmarking Reference Center)“ Benchmarking is a structural method for the designation of best public presentations, every bit good as of concrete schemes and end statements, including a logical realization of measurings in order to make the purposes. Benchmarking in

the broadest sense, aims to get rid of any non value lifting work " (Eiff, 1994, p. 865) .“ Benchmarking is a structured procedure of learning from the practices of others (internal or external) which are recognised as leaders (best) in these fields " (Camp, Grunwald, 1995, p. 149)“ Benchmarking is the methodical comparing of procedures and merchandises with better rivals. The comparative spouses will be found on the footing of similarities in their aim or in other administrations.

The purpose of benchmarking is to better aim procedures and merchandises significantly through the comparing with rivals " (Siebert, Kempf, 1998, p. 17) . Bogan and English quote Fred D. Bowers: " The 2nd individual to illumine a fire is world ' s first benchmarking (Bogan, English, 1994, p.

2) and speaks about rule of " Advanced Adaptation " . Benchmarking is hence based on understanding consequences and patterns to accomplish an advantage for themselves. The basic literature on the topic Benchmarking has appeared in the decennary before the millenary bend. Since that clip the indispensable theoretical footing work has received no new cardinal urge. The development of this scientific discipline took topographic point in specific countries, i. e. in the systematic application of subdivisions, maps and specific corporate procedures, or through the combination of this method with other direction tools, such as the Balance Scorecard (Siebert, 2002 ; Kreuz, 1997) .

But unluckily there are no critical analysis about the construct and the look " Best Practice " . Besides it is non explained how to mensurate " Best Practise

" . A possible solution is given by Bodmer, who suggested to speak about " Successful Practise " , which could be determined by a ten-point-questionnaire. (Farni, 2002, p. 6) . Because of the beginning of benchmarking as a methodological analysis, which shows in systematic stairss merely how to better something, but does non explicate what should be improved, a really wide scope of applications has developed, which can be barely shown extensively. The scope is from research and development about procurance up to logistics (Sabisch, Tintelnot, 1997) . Other countries of application are merchandise, procedure and scheme betterments (Kreuz, 1997 ; Camp, 1998) and in companies, sections and undertakings (Kreuz, 1997 ; Rau, 1999) .

Because of the structural simpleness and content indeterminateness of the methodological analysis a combination with many other direction methods is possible as for illustration Total Quality Management, Change Management, Balance Score Card, Knowledge Management etc. (Komus, 2001) . An of import distinction is whether benchmarking is used alone (e. g. , by new developments of merchandises and procedures) , or continuously (e.

g. , by promotions of merchandises and procedures) because the procedures must be aligned otherwise (Sabisch, Tintelnot, 1997, p. 17) .

Benchmarking is done as a standardized procedure, which is normally divided into several stairss (Camp, 1998, p. 307, 11-Step-Model ; Kreuz, 1997, p. 51, 7-Step Model) . These stage theoretical accounts do non differ fundamentally.

They all show a rule which can be easier described by the theoretical account which is used at the Fraunhofer Institute (Mertens, 2004, p. 39) . The five stages are each related to specific stairss and methods. The undertaking launch stage, “ nonsubjective ” is affecting the company ‘ s strategic aims and ends with an understanding on aims, which lead to the farther proceedings. The following “ Internal analysis ” is broken down into the current analysis of the trial objects, the mold and definition of parametric quantities, the development of relevant benchmarks and the making of a questionnaire.

This is specifying the frame in which at the beginning of the stage “ Comparison ” the resembling companies can be selected. Then is must be done a collection of informations from external beginnings, the realization of the comparing, the appraisal of the consequences and the designation of causes of the differences. The undertaking of the stage “ Measurements ” is to specify ends from the consequences of the old stage and to interpret them into concrete steps. The coordination of the ends and steps with the degrees of direction and the employees who have to implement them, is highly of import for the success of benchmarking.

The stage “ Implementation ” represents the concluding measure, which must be explained, managed and must be supervised (Mertins, 2004, p. 39)

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Figure 1: 5-phase-model of benchmarking (Mertins, 2004, p. 39)

The explained method of the individual benchmarking is the basic rule on which besides the uninterrupted process is based. In the uninterrupted benchmarking it is tried to do the steps in a circulation. To hold success in benchmarking, there are a figure of of import factors which must non be relevant for every procedure, but they could. The biggest and most frequent unfavorable judgment of benchmarking is that it leads non in bring forthing solutions or existent betterments but alternatively in copying solutions and standardizations. This unfavorable judgment is perfectly all right, because benchmarking clears precisely these options. But the unfavorable judgment is directed less against the method by itself, but against the incorrect usage of it. Benchmarking can merely back up purposes and can merely be every bit good as his users are able to utilize the method.

3.

Evaluation of methodological analysis

As the relevancy of benchmarking in general is and the scope of definitions are communicated, in this subdivision a brief rating of appropriate research methodological analysis will be done which could be used to look into the subject. Furthermore a short account and critical analysis of selected benchmark methodological analysis is given which are used in the existent estate sector and the undertaking development.

Appropriate research methodological analysis

Literature and informations reappraisal All beginnings like books, diaries, cyberspace etc. hold to be utilised for a comprehensive literature and informations reappraisal. Questionnaires The subject can be investigated by questionnaires with the participant in the markets. The advantage of questionnaires is an attack to the concern. The purpose of the questionnaires is to acquire some cardinal information in order to sort the asked parties into different bunch.

In order to acquire comparable and valuable informations it should be considered, the pick of interview spouse, information protection, cheque for unambiguousness to acquire valuable informations. For readying of an interview the questionnaire should be sent to the interview spouse in progress. Interviews Subsequent to the rating of the questionnaire should be an interview in order to reexamine the replies given in the questionnaire, finish the questionnaire, if replies were uncomplete, acquire profound information, look into disagreements or contradictions that have been found

in the questionnaire and to inquire motivations and grounds. An unfastened minded treatment besides answers inquiries, which have non been answered until now or related to the replies. In an interview it might be possible to acquire same information, which in fact of secretiveness and confidentiality the asked company would non give. Case surveyA instance survey is a peculiar method of qualitative research in the world (company/market) . In cooperation it provides a systematic manner of looking at procedures, behaviors, roll uping informations, analysing information, and describing about the experience. As a consequence the research worker may derive a sharpened apprehension of why the case happened as it did, and what might go of import to look at more extensively in future research.

In fact of information protection is besides a statement of confidentiality needed. Chosen methodological analysiss by the writersThe reviewed writers all investigated the subject with quantitative and qualitative attacks. All of them analysed informations obtained in different ways.

Some of these informations were primary informations received from interviews/questionnaires, other were based on secondary informations collected from information bases. In the followers as a practical illustration selected appropriate methodological analysiss of benchmarking will be shortly described.

Benchmarking in the existent estate industry

In the literature of the existent estate economic system few plants are found on the topic Benchmarking.

In the following the contrasting attacks of Reisbeck and Schone (Reisbeck, Schone, 2006) and Kyrein (Kyrein, 2002) will be discussed. Some few other theoretical accounts combine benchmarking with other methods of rating or direction. Based on the discussed rules of benchmarking Reisbeck and Schone have presented her design for a existent estate benchmarking as an instrument of the existent estate direction. Real estate direction is understood as a direction system which encloses the whole life rhythm of the existent estate and besides encloses undertaking development, undertaking direction every bit good as installation direction.

The suggested theoretical account of benchmarking is oriented to the standard practise and is based on the purpose to cut down costs and to optimize the outputs. The elaborate consideration of public presentation measuring systems has its focal point on the production of comparative parametric quantities in the context of different utilisation- , market- and location-situations of existent estates. The used public presentation measuring systems focus on the costs of use and make non take history to other of import parametric quantities for undertaking developments as for illustration funding, constructing cost or extra building costs etc. The construct of the existent estate benchmarking is an of import methodical part for informations gaining control, informations processing and benchmarking in the context of existent estate usage. It shows that informations gaining control, production of comparison and designation of cardinal figure related potencies are stand foring a large portion of the whole procedure.

The procedure of learning from the implicit in patterns and the controlling of the success are shown merely seldom. The categorization of the construct of existent estate benchmarking in the spectrum of possible applications of benchmarking is limited to the merchandise benchmarking. This is due to the fact that the construct was developed in the stage of the use of existent estates and focal points on cost-benefit considerations. Therefore, benchmarking can be used merely in footings of optimization and betterments. The work of Reisbeck and Schon shows that the systematic of benchmarking can hold valuable parts by work outing jobs of informations gaining control, production of comparison between existent estates and the shaping of mensurable purposes and schemes even in the existent estate sector.

An enlargement of the instruments for the usage in the undertaking development is still to be created. From the point of position of land development Kyrein has developed a construct of the a^zcomprehensive benchmarking " which takes into history the systematic thought. Systematic believing solves jobs from a planetary and linked point of position. (Top-Down-Approach) The specific facets and conditions are understood in the context of action and interaction and are formed to a consequence which is oriented to the users (Kyrein, 2000, p. 18) . Comprehensive benchmarking has to turn out the schemes of all spouses, corporate procedures and their maps and behaviors.

This attack shows a high incursion of different applications of benchmarking and obtaines a complexness which can be barely described in a short

manner. They are all combined in a systematic teamwork of the undermentioned points: Benchmarking of schemes (designation of concrete consequences in order to re-orient the procedure of development and realization of land)Benchmarking of corporate procedures (turning off from the functional and institutional thought towards a process-oriented administration in which the client and the user are in the focal point)Benchmarking of maps (little administrations)Benchmarking of behavior (active alliance of the behavior of the undertaking spouse to the vision)Besides Kyrein organises the benchmarking along a stage theoretical account of seven stairss as it is suggests by Kreuz. The theoretical account does non differ fundamentally from the above explained theoretical account. At the degree of the concrete undertaking development Kyrein creates, following to the construct of “ Frontloadings ” in the car industry, the vision of an farther benchmarking theoretical account.“ Frontloading ” is portion of the reorganisation of the procedures in the car industry to respond to planetary competition, this means for illustration shorter production times, to increase quality and to cut down costs for the development of new merchandises.

That the construct of “ frontloading ” can work, informations of accomplished procedures of developments must be made available for future undertakings, that they can be used in the beginning of other undertakings or stages. Due to this and supported by computing machines simulations of merchandises and procedures will be made possible. Kyrein defines as indispensable for benchmarking in the undertaking development:

Understanding of aim and other (external) corporate procedures Understand the major undertakings Imitating the best Deriving high quality A decisive advantage of benchmarking is for Kyrein the quantification of undertaking aims. Qualities and procedures can be defined on the footing of mention objects to acquire rapidly the feasibility of urban planning and proficient thoughts, to give parametric quantities to the planning, to hold parametric quantities during the planning stage in order to hold the possibility to mensurate the content and advancement of the planning stage (Kyrein, 2002, p.

232) . Both the attack of Kyrein every bit good as the attack of Schone were developed from concrete job definitions within the existent estate industry. But there are no farther systematic developments of benchmarking during undertaking developments.

Decision

By benchmarking merchandises, corporate procedures, services, methods, companies or the macro economic system can be analysed and compared.

The position on the aim activities offers the company the possibility to do alterations and to do a better public presentation in future. Continuous inventions can be made possible through the critical consideration of the current state of affairs of companies. Benchmarking ever pursues the purpose of a uninterrupted betterment of aim efficiency. In order to this purpose it must be learned to understand the rivals, to place better consequences other companies and to develop thoughts for the betterment

of ain constructions and procedures. Finally, the changeless inspiration to take a top place in the competition it will be initiated a uninterrupted betterment procedure. The company becomes a learning company (Siebert, Kempf, 1998, p.

43) . From the province of scientific discipline and engineering of benchmarking in general and in the existent estate industry in peculiar and the practical application of the method in undertaking developments it can be made the undermentioned decision: Benchmarking as a methodological development is based on the comparing with the bests in traditional acquisition methods. Benchmarking enables to place best patterns clearly.

Benchmarking is more than a pure comparing of parametric quantities of public presentation or the specification of public presentation ends. It differs from competency analysis through its systematic recording of qualified informations and the possibility of bettering public presentation deficiencies through a systematic attack, including execution and controlling. There is still no systematic theory of benchmarking and testing of benchmarking in undertaking developments. In add-on, there is besides a deficiency in a systematic amplification of possibilities for applications of benchmarking the undertaking developments. Benchmarking offers through legion attacks and the usage of different applications a assortment of benefits for companies. Benchmarking can take to concrete marks for betterments and indicates countries where it can be applied (Hildebrand, 1995, p. 244) .