

Tool is used for determining whether the company

[Business](#), [Industries](#)



Tools considered here are Benchmarking and Pestle as they have shown great results. Let's take an example of Marriott International and how these tools are applied and what are the results. Benchmarking tool is used to compare performance of the business processes and products with the best performances of other companies inside and outside the industry. It is used for determining whether the company is performing particular functions and activities efficiently, whether its costs are in line with those of competitors, and whether its internal activities and business processes need improvement. It helps managers to understand the means of performing an activity, to learn how lower costs are actually achieved, and to take action to improve a company's cost competitiveness. Marriott International has a great reputation of service excellence, integrity and innovation. The reason why they are leading in the hospitality industry is because of their world class facilities like 24hr manned security, providing leisure and business environment for the customers, standard of living and other facilities. Location of hotels, easy accessibility, and convenience helps them gain competitive advantage against their rivals. Also involvement of skillful and educated employees & proper usage of water and energy helps them by giving better customer service and efficiency in organization respectively. They analyzed their performance against other rivals to improve their services to become leader in the industry. There are many benefits including reducing labor cost, common administrative systems, improving data center operations through consolidation and downsizing, IT planning, implementing new technology, bringing innovative ideas to the company and finally provide insights of how other companies organize their operations and processes.

Benchmarking has cons which can cause hindrances as it doesn't really measure the effectiveness of the processes that happen in organizations. If an organization is new or not experienced then the costs could be huge. A major disadvantage of benchmarking is complacency and arrogance. Many organizations relax after excelling beyond competitors' standards, allowing complacency to develop. The realization of having greater advantage soon leads to arrogance, when considerable scope for further improvements remains. Mostly companies use benchmarking as part of a broad strategic process.

The best-in-class form of benchmarking examines multiple industries in search of new, innovative practices. Although early work in benchmarking focused on the manufacturing sector, it is now considered a tool that can be applied to virtually any business. Pestle is again a simple and an effective tool used to identify the external forces that might affect an organization. It helps identifying the external factors that may change in the future, exploit the opportunities or defend against the threats, and assess the potential of a new market. Political: Political factors represent the way and extent to which government influences the business.

The factors that could affect Marriott would be danger of terrorism, international relations and political stability in popular tourist destinations. Economic: This refers to economic policies, economic structures and to what degree the economy impacts the business. The factors that could affect Marriott are slow economic growth in Asia and debt crisis in Europe.

Sociological: It relates to the cultural aspects, beliefs, attitudes that can affect

the business. People who have retired and old couples who love to travel still spend a lot of money for their hospitality.

Technological: This factor relates to the technological aspects, innovations, barriers and how it can affect the business. Marriott can be affected in the form of online rental services which let private individuals rent rooms which exclude hotel taxes as they have a much lower operating cost. Legal: This factor relates to the laws, regulation, legislation and how it can affect an organization. Factors that will impact Marriott is the status of services provided by private rental rooms who have been fined for violating rules and regulations. Environmental: This factor takes into consideration ecological and environmental aspects that can affect the business. Increasing prices of oil could affect the travel costs, therefore there will be less guests affecting the Marriott. Pestle provides a simple and easy to use framework for analysis while involving cross-functional skills and expertise. It also encourages strategic thinking in an organization which helps in the overall development of the personnel.

To maximize the benefits of pestle analysis it should be used on a regular basis to enable identification of trends. But users sometimes gather too much data instead of identifying the issues and taking actions against them. Due to cost and time shortage, the quality of external information is often restricted. Pestle focusses more on the current situation rather than long-term issues which are also important. In conclusion, both these strategy tools are very easy and useful. These tools provide efficiency and the effectiveness in order

gain advantage against other companies. Benchmarking and Pestle are heavily used in various companies as they provide them with great results.

Both have great potential to identify the issues and identify the gaps company's performance and introduce new ways to improve processes for higher performance.