



# Introduction

# Introduction to Benchmarking Success

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**Benchmarking  
Success**<sup>TM</sup>

*Igniting the flame of progressive thinking*

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# What do we do?

- BMS is about SC development and improvement utilising;
  - a Supply Chain Diagnostic and audit tool, and
  - an interactive information exchange through Business Improvement Peer Groups
- Where performance is compared to a Supply Chain Best Practice Model

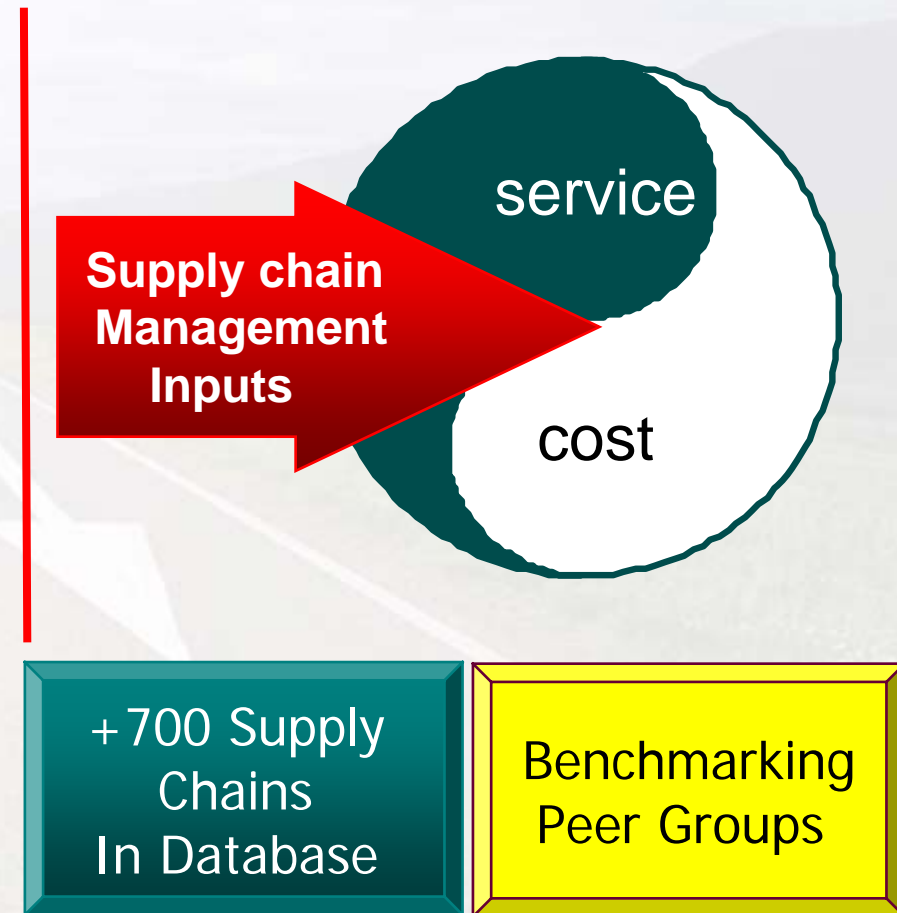


# The Benchmarking Success Model

Strategic supply chain overview that reviews current and best practice performance...

1. **Service delivered by and through your supply chain,**
  2. **Costs incurred across supply chain to deliver that service, and**
  3. **Management inputs deployed**
- are benchmarked with World Class Supply Chains from our database.

To provide a detailed Supply Chain improvement path that satisfies short term requirements as well as a long term path in the pursuit of world class performance.



# Key Product and Service Offerings

- ◆ **Benchmarking and Improvement Peer Groups – Advanced learning program.**
- ◆ **Strategic Supply Chain Audit Report (SCAR®)**
  - based on over 700 strong company supply chain database.
- ◆ **Sales & Operations Planning**
  - development, deployment and improvement
- ◆ **KPI Identification, Development, Deployment and Management. KPI Benchmarking.**
- ◆ **Coaching, training, mentoring and consulting.**



# Business Improvement Peer Groups

## Existing Groups:

### ◆ Fleet Management

- Major government and private vehicle fleets nationally, both passenger and diverse

### ◆ Distributors

- Members from a range of industries but with an import and distribution focus

### ◆ In development:

- Retailer
- Retail Supplier

### ◆ Supply Chain Elite Group

- A group of mainly manufacturers with well developed and integrated supply chains

### ◆ Industrial Products

- Manufacturers and distributors of products to industrial markets

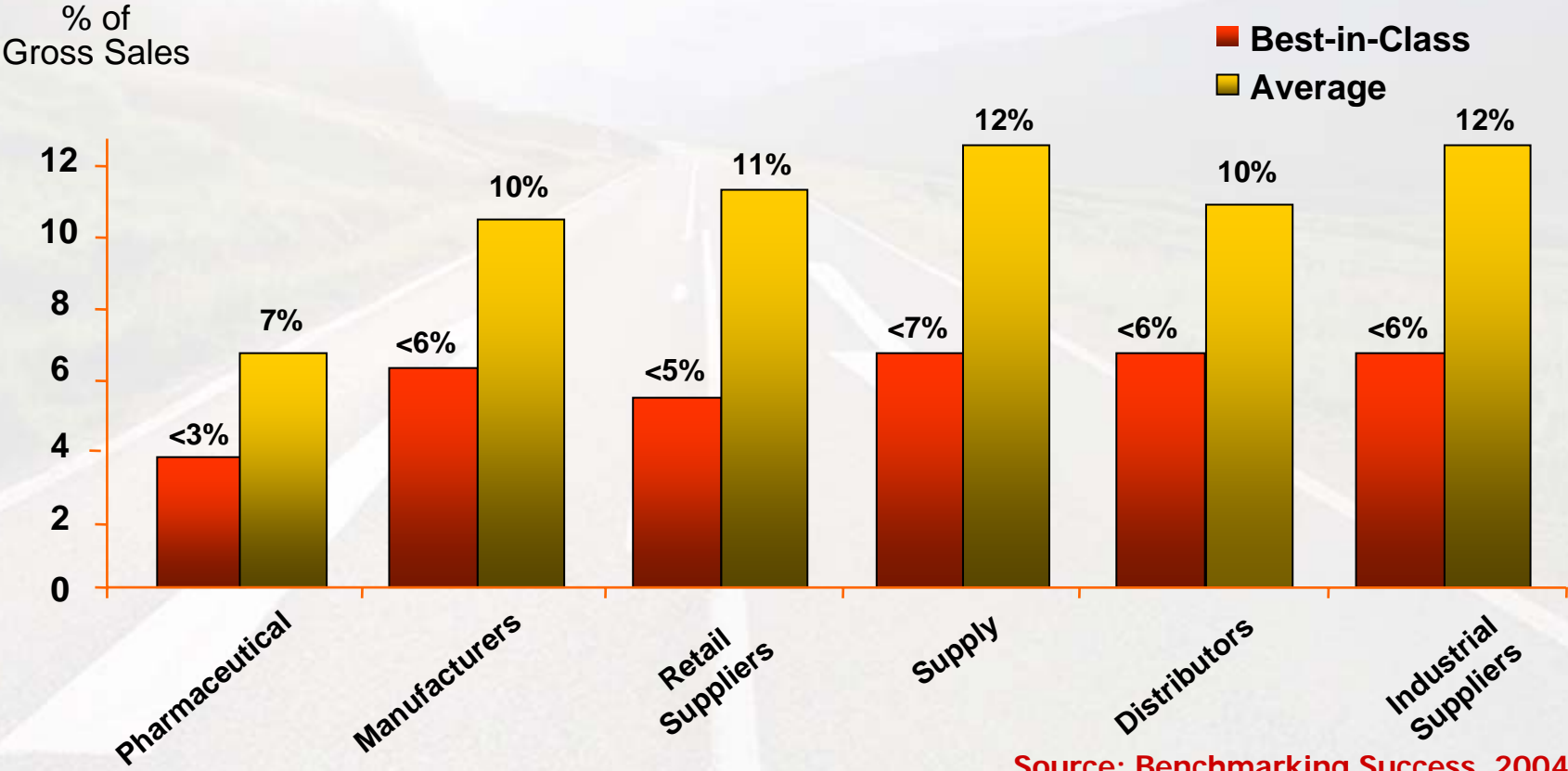
- Mining Suppliers
- Health Services



# Superior Performers Spend Less on Supply Chain

*Best practice performers have 4-6% lower total supply chain costs as % of gross sales*

**Total Supply-Chain Cost**  
(Procurement, Inventory Management, Inventory Carrying Costs, Warehousing, Transport and Customer Service)

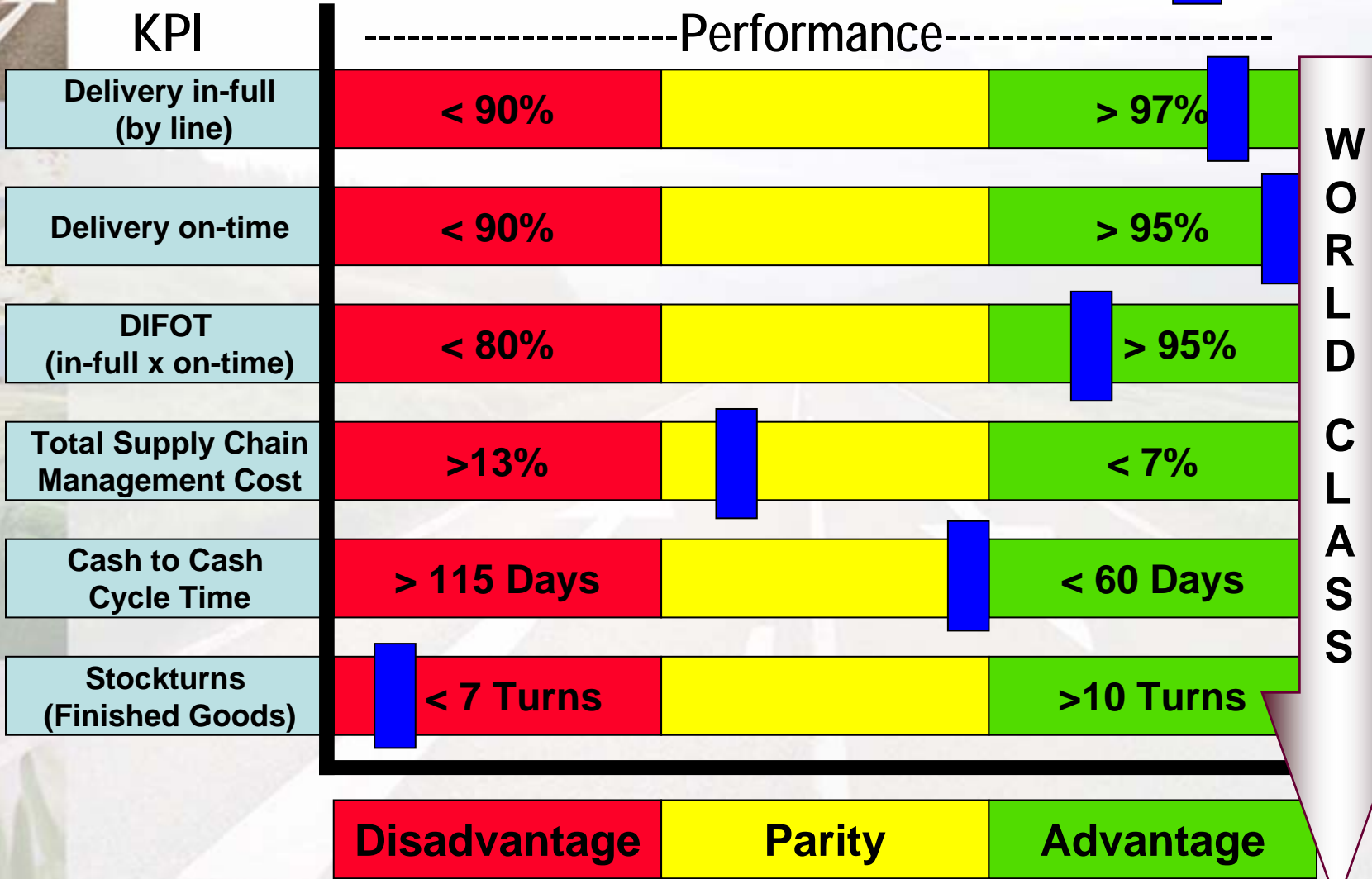


Source: Benchmarking Success, 2004.



# Champions Challengers™ - Level 1 Metrics

 = Company Result

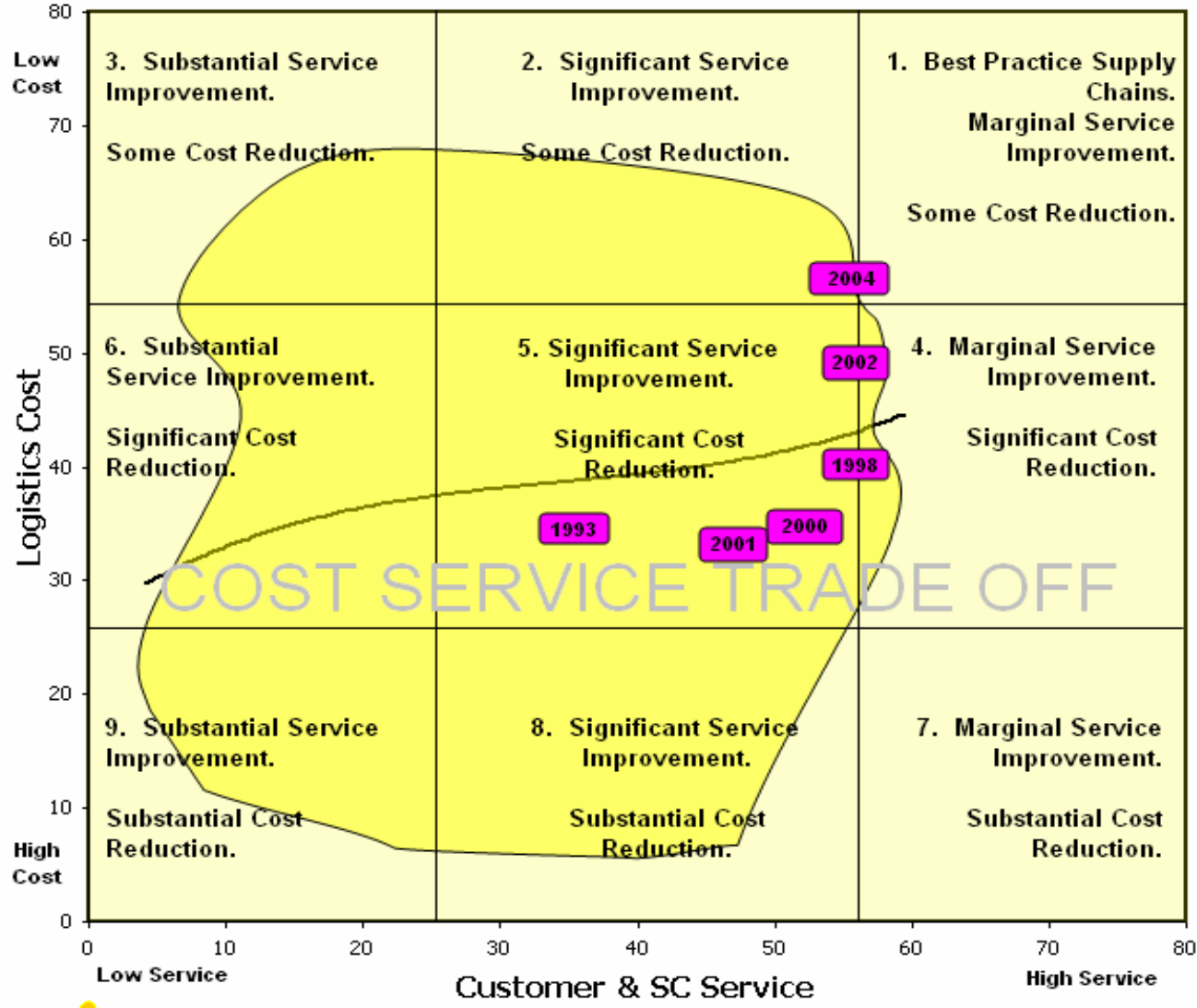


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Sample of 230 Retail Suppliers including:

- Kodak, CUB, Dulux
- Sara Lee Apparel & Household, Streets, Arnott's, Lever
- Rexona, HP, Cussons Boots, Clark Shoes,
- 3M, Hills Industries, McWilliams, SPC,
- Heinz, Pac Brands, Mico, Ansell, J&J, L'Oreal, Warner Lambert, Etc.

# Example of business improvement assessment over time using SCAR<sup>®</sup> Report



**Figure 2.1. Champions Challengers<sup>™</sup> Cost & Service Trade Off Chart - comparison with 240 Retail Suppliers.**

*"X is a low cost operation delivering high service compared to other retail suppliers."*

As the chart illustrates X 04 has moved to and maintained its world class service levels and reduced the cost base substantially over the 10 year period.

Service and costs were at their highest post ERP implementation.

= Outlines the spread of other organisation's positions on the Champions-Challengers chart.



# Benchmarking Success Database Industry Coverage



## Database Spread:

- Customer Order Fulfilment
- Sales & Operations Planning
- Purchasing
- Inventory & Warehousing
- Transport
- Customer Service
- Costs & Cash
- Fleet Managem't
- HR & Safety

**> 700 Supply Chains**

Australia-New Zealand-Thailand-Singapore-Hong Kong-China-Taiwan-Philippines-Korea-Japan-North America-Europe

