

# Benchmark GPS

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## 2010

# Benchmarking

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- *“Benchmarking is the search for industry best practices that lead to superior performance.” (Robert C. Camp)*
- *“Benchmarking involves drawing conclusions about an organization’s performance from comparisons to other organizations, industries and/or best practices” (Jed Rubin)*

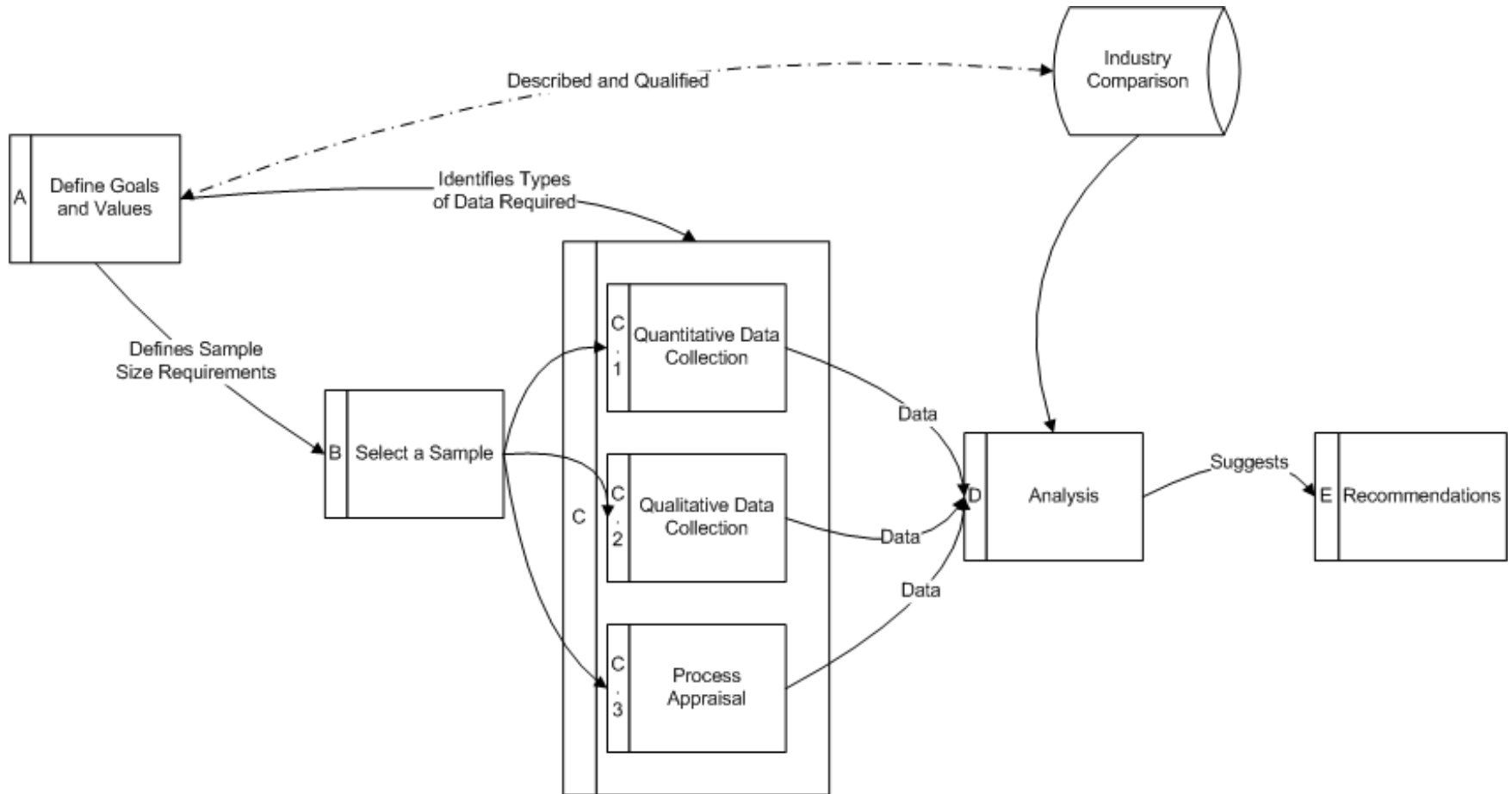
# DCG's Performance Benchmark Process

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- A baseline is a measurement of how an organization is performing at a specific point in time. Baselines provides:
  - self knowledge and
  - a proverbial line in the sand.
- Benchmarks compare an organizations baseline against a new baseline and/or industry baselines



# DCG's Benchmark GPS Process



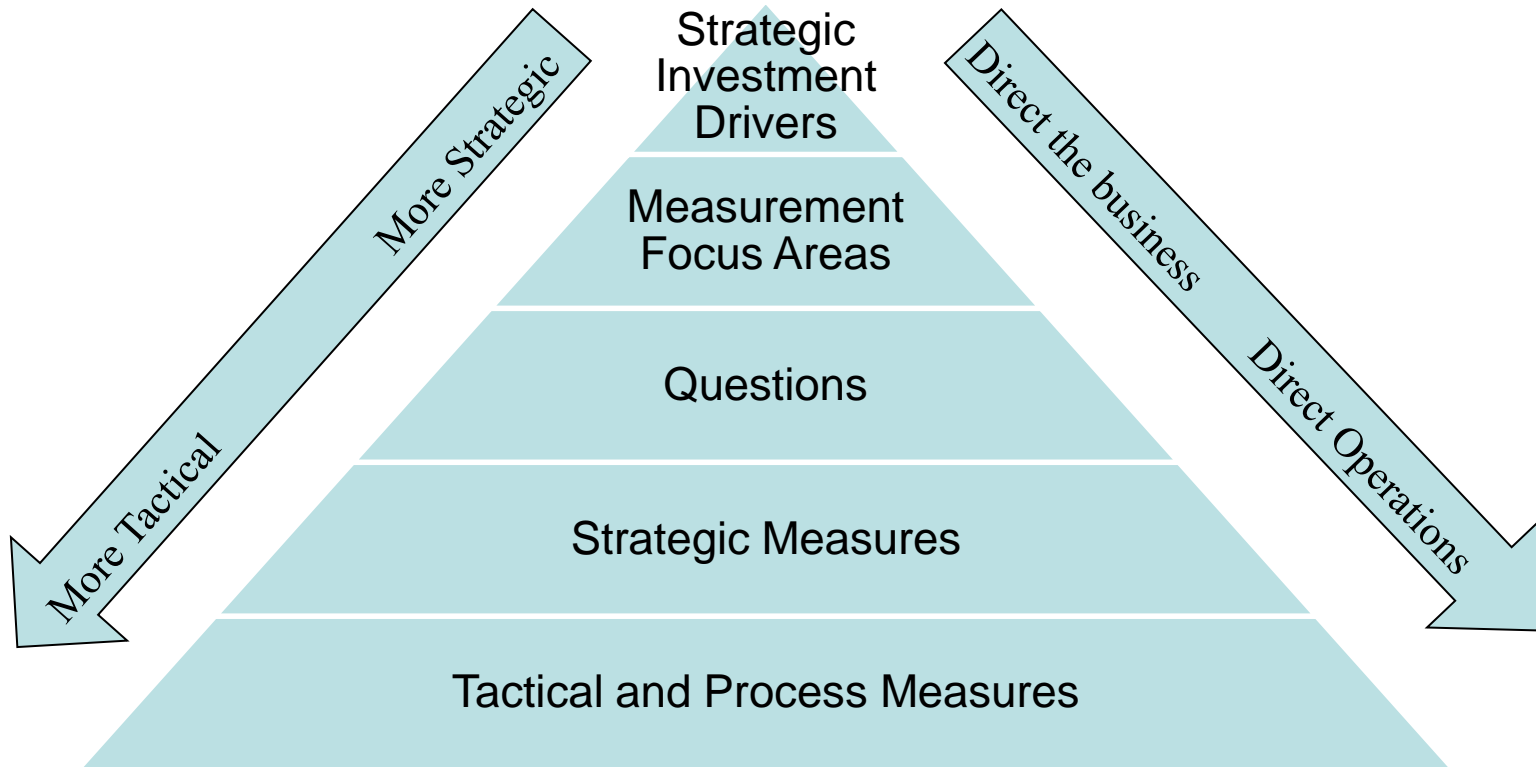
# Why We Want To Know

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- Knowing something is only the beginning of an equation that culminates in action.
- Awareness helps provide a spotlight of attention that filters unwanted information.
- If you are not able or interested in taking action, you really do not want to know.



# Goals Structure Hierarchy



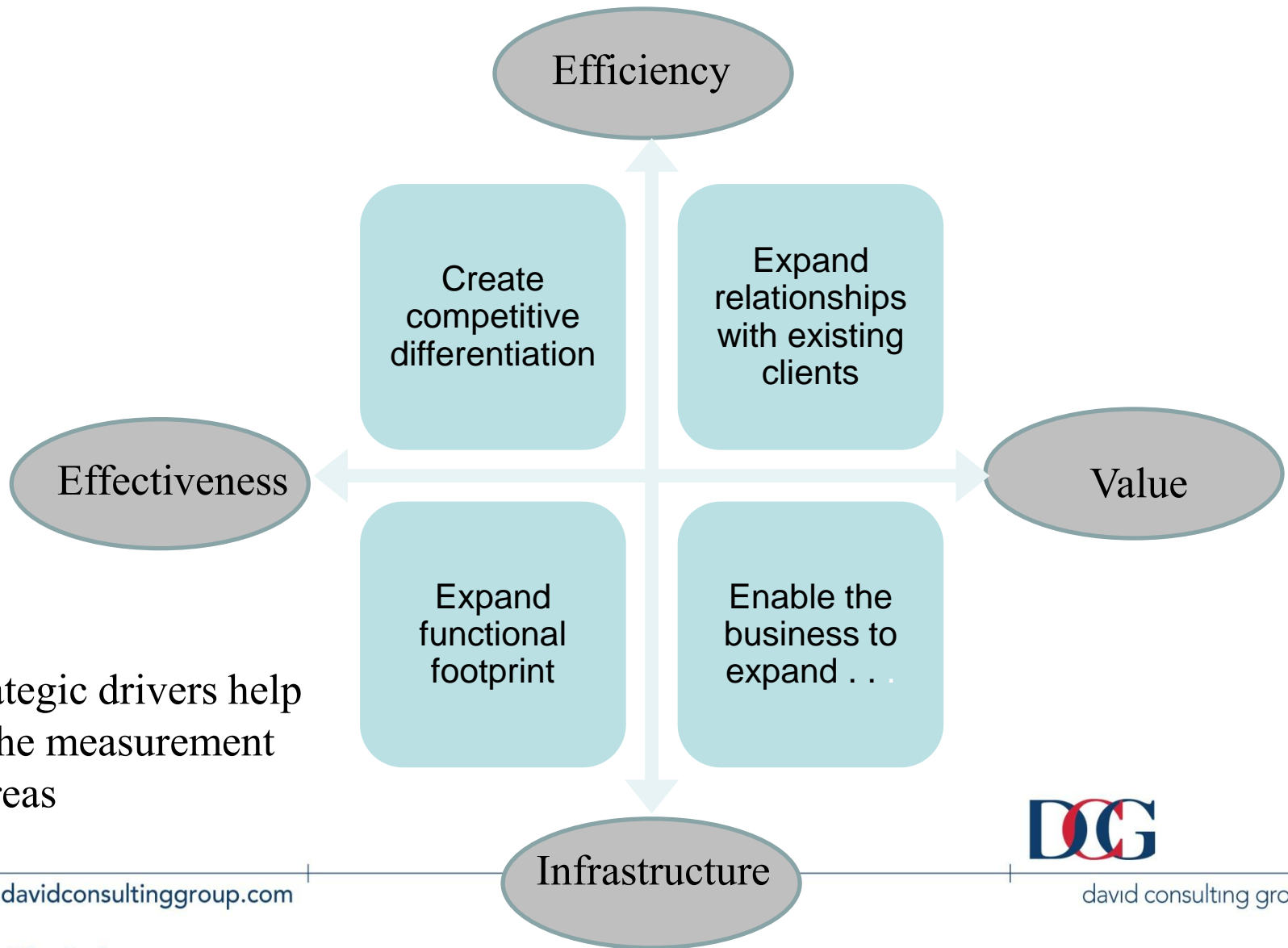
# Goals

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- **Goals:** The goal defines why the organization is doing the baseline/benchmark which will drive sample size and the types of data to be collected. Goals need to be defined either by the organization's senior management or by the specific stakeholders that will consume the baseline/benchmark output.
- **Values:** During the goals definition we need to qualify what they are going to be compared against; e.g., select appropriate sources for benchmark comparison, or a pure baseline where there is no comparison to industry data and any resulting recommendations will not be quantified based on external expectations.

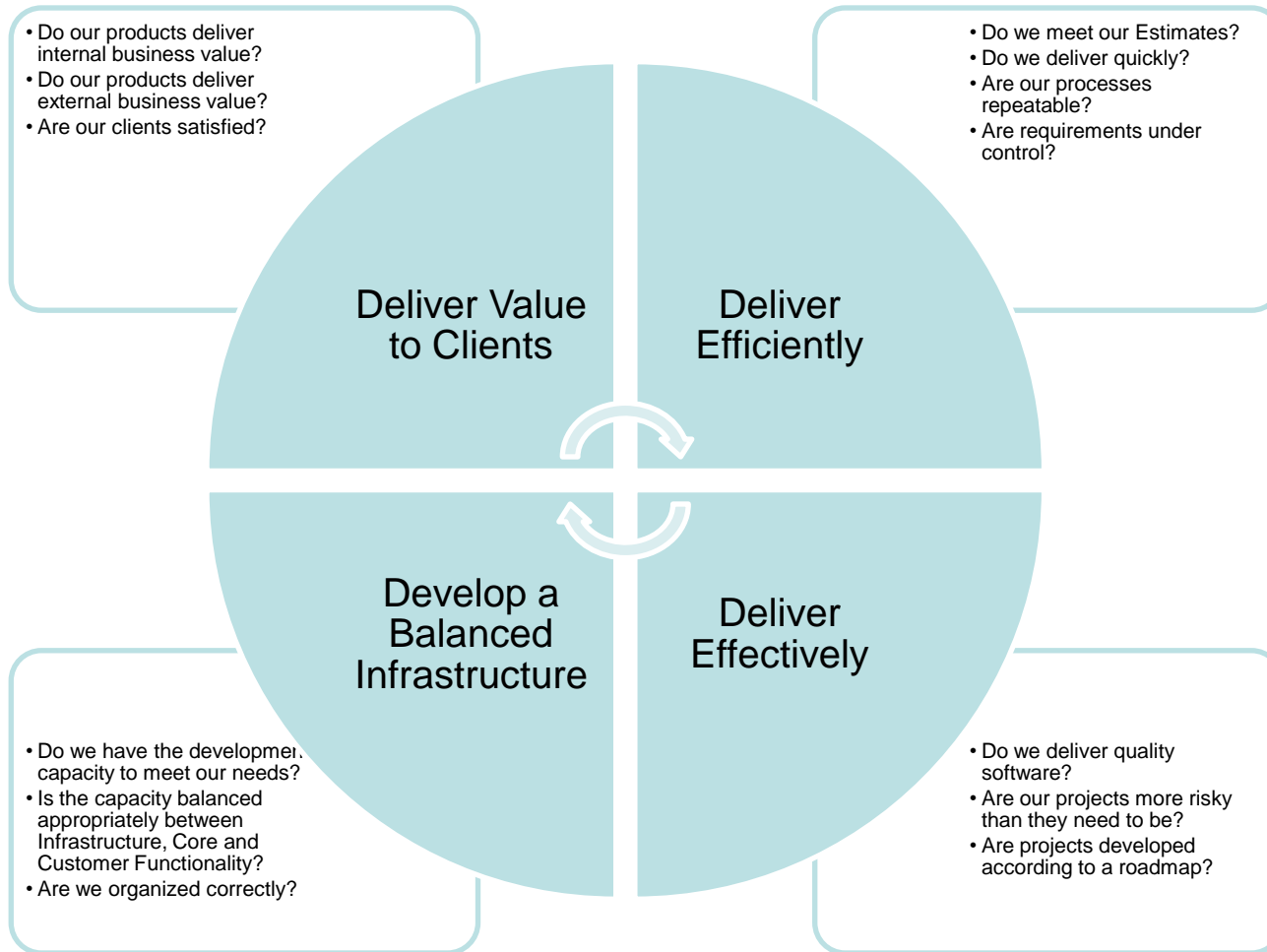


# An Example of Strategic Investment Drivers



The strategic drivers help define the measurement focus areas

# Measurement Focus Areas and Questions Example



Focus areas define the questions that need to be answered to understand performance

# Select a Sample

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- The projects (or applications) in the sample will be driven by the goals selected for the benchmark. The goals are used to define the pool of projects from which the sample is drawn. The size of the sample will be driven by the need for statistical significance and the perceived level of variance. Random samples have the highest degree of validity however relevance is equally important. Generally samples of less than 10 projects / applications might be indicative but rarely are statistically significant.

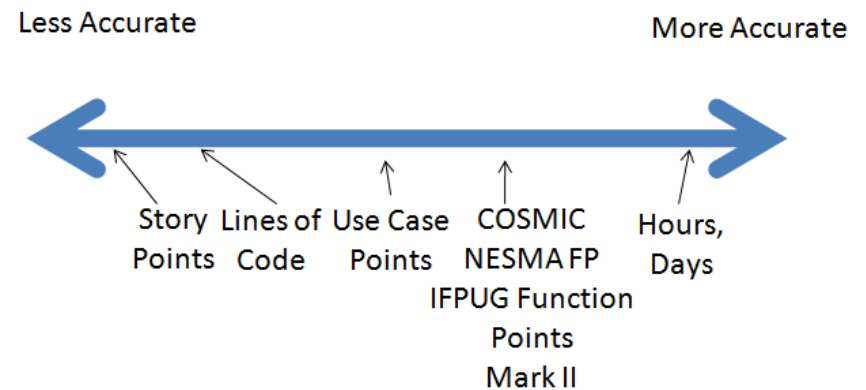
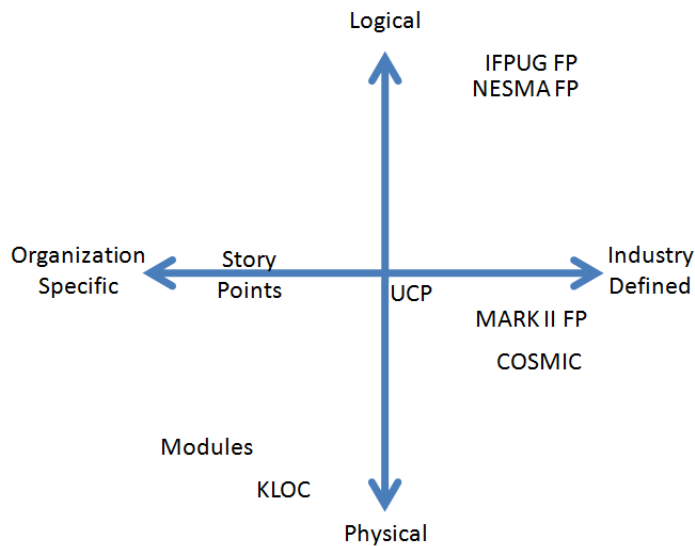
# Data Collection

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- **Quantitative Data Collection**
  - Numbers
- **Qualitative Data Collection**
  - Behaviors
- **Process Appraisal**
  - Processes

# Size . . .

**Paraphrasing Winston Churchill, “It has been said that Function Points are the worst form of measurement except all the others that have been tried.”**



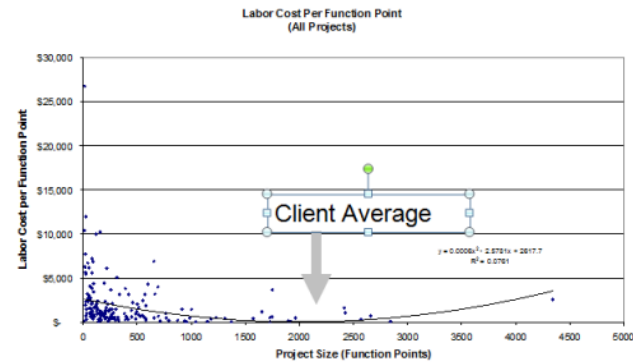
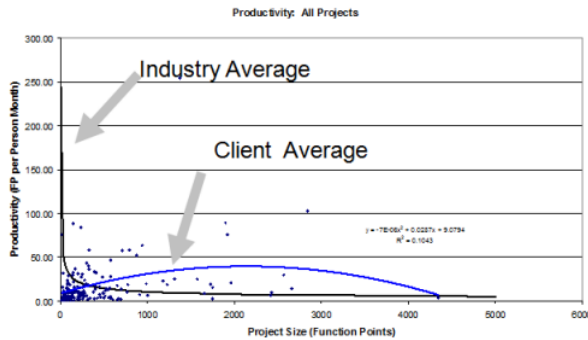
# Analysis

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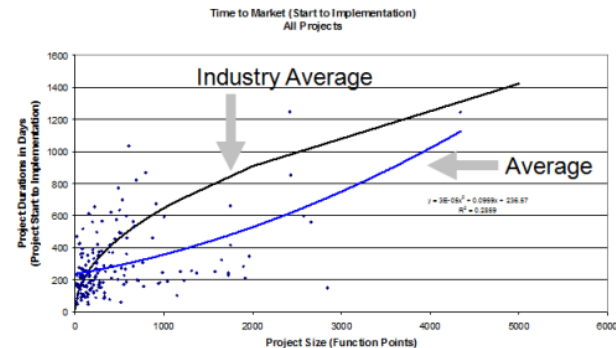
- Analyze the data collected to develop an understanding of performance.
  - Deep analysis is performed to determine whether there are relationships between elements of the attribute data and the quantitative data.
  - The linkages provide the quantitative basis for the recommendations and the basis to trace anecdotal stories (actual incidents and organizational studies) to the recommendations.
  - Identification of process strengths and weaknesses and associated performance levels will be included in the findings and serve as the basis for the recommendations.



# Graphical Output of Benchmarks



- Baselines and Benchmarks are being used to identify and harvest process improvement opportunities

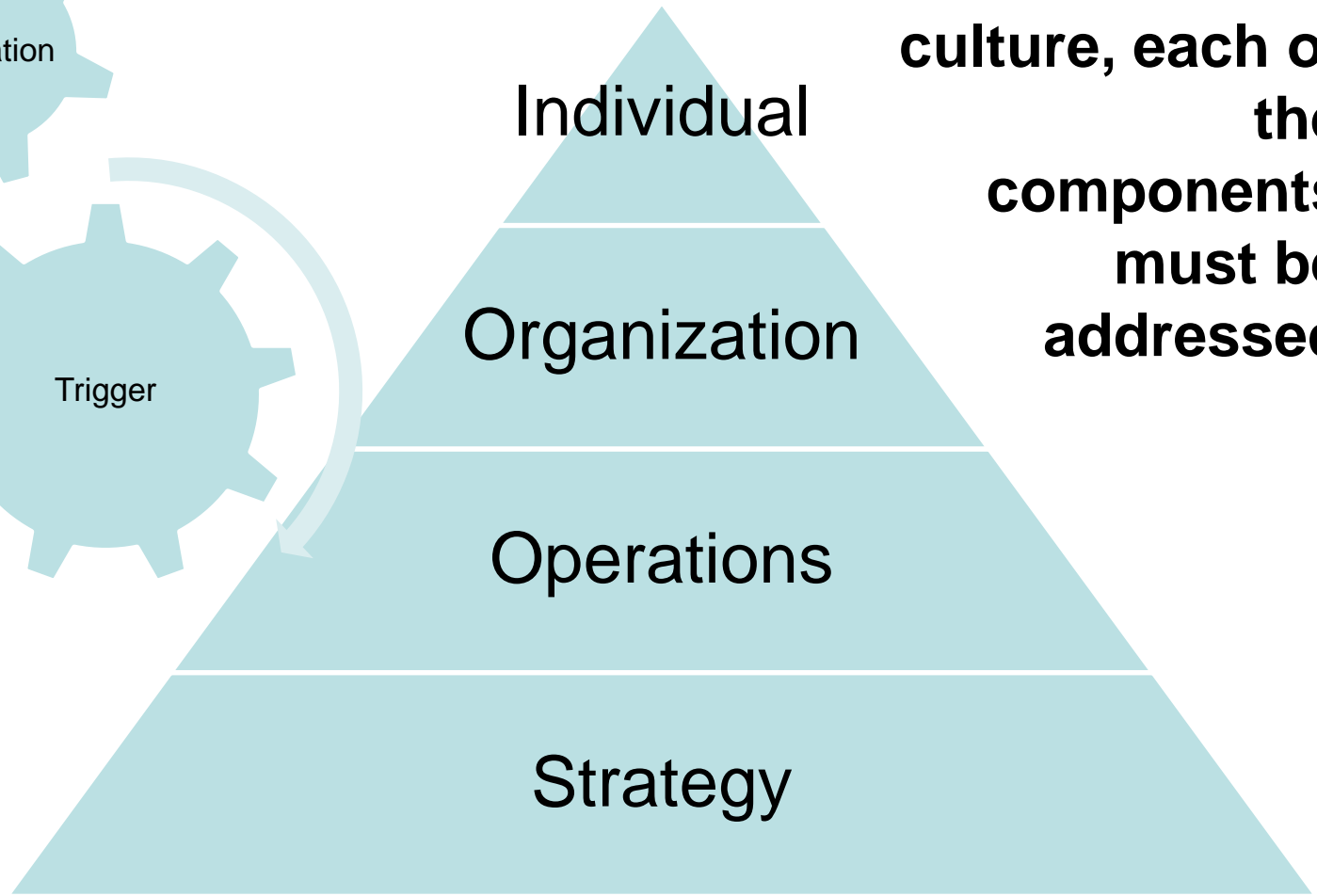
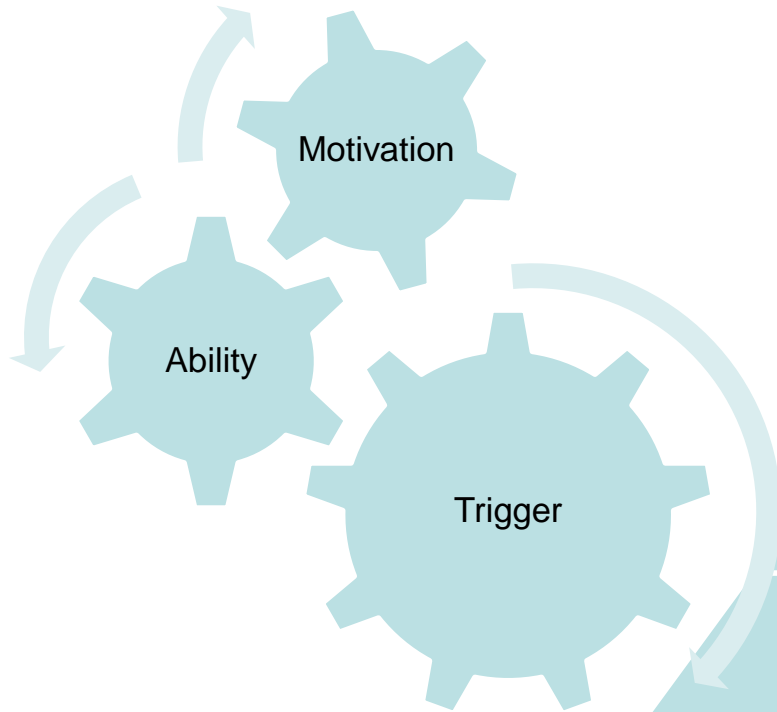


# Recommendations

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- Based on the data, analysis and original goals define a set of recommendations (quantitatively based) that meet the client's needs.
  - Leverage the statistical data developed during the analysis to quantify the impact of the recommendations.
  - Deliver recommendations at the same time as the benchmark results.

# Requirements For Change



**To transform culture, each of the components must be addressed**

# Why Measure and Benchmark, Reprise

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The principal benefit of a metrics program is improved *control* of the project; metrics furnish an overview of progress against plan, provide early warning of problem situations, and enable management to take corrective action.

George H. Wedberg, *Pro-Active Metrics*, Crosstalk 8/98