

Remington Rifle Company: Benchmarking

Description

In the course of conducting market research in the 1980s, Remington Rifle Company uncovered an unexpected problem with one of its products. Customer feedback revealed that Remington's target audience wanted shinier rifle cartridges. To Remington's plant managers, this request seemed inconsequential, particularly since Remington had a long-standing reputation for excellence in its industry. Following the "if it ain't broke, don't fix it" line of thinking, these managers were reluctant to tinker with their casings. The Remington marketing executives, however, impressed upon them the value and importance of responding to customer feedback, and engineering teams were soon put to work on the problem. Unfortunately, their initial efforts to find a solution were unsuccessful.

Their fortunes changed, thanks in small part to logistics. Right down the road from the Remington plant in Arkansas was a Maybelline cosmetics plant that produced lipstick cases with shiny finishes. In light of the similarities in size and shape between the rifle shells and the lipstick cases, Remington employees decided that perhaps their counterparts in the cosmetics industry could offer them some insight into their own predicament.

The on-site benchmarking visit paid off. By investigating the best practices in the cosmetics field, Remington was able to solve its own production puzzle and satisfy the interests of its customers.

Learning Points

When trying to do anything better, study how those who are world class do it. By systematically studying the best practices of other organizations' operating procedures, successful strategies, and winning tactics, an organization can accelerate its own improvement. Others may have already solved the same or a similar problem.

One key to success is to consider those organizations that may have similar processes, but that may be in an entirely different business or industry. We often discover new ways of doing things that are more creative than those ideas that are traditionally discovered within our own industry. Studying others outside our own industry, a process known as *functional benchmarking*, is where most organizations find the biggest breakthroughs to adopt and adapt to their own organization.

Discussion Questions

Question: What are the advantages of benchmarking?

Answer: An organization that benchmarks:

- identifies world-class organizations, products, business practices, and especially their business processes to emulate
- determines the gap between its own operation and that of the best-practice companies
- strives to close the gap immediately and then overtake the benchmark by adopting and adapting the best practices of all the best companies
- systematically and continuously integrates knowledge about best practices into the organization's products and services to stay world class

Question: What do you see as the challenges of benchmarking?

Answer: Benchmarking requires an openness to new ideas and a recognition that others may do "it" better.

- It can be difficult to admit that your own organization (or department) is not the best.
- If benchmarking results are used as a performance evaluation tool, the benchmarking team may begin benchmarking against poor performers, in an effort to look better.
- Some organizations may resist learning from other organizations, especially outside their own industry.
- Many organizations believe they are the world-class leaders and that there is nothing to learn from others.
- Benchmarking requires a significant time commitment: time to study your own internal processes and time to look outside the organization.

Question: How do you identify benchmarking partners?

Answer: When identifying potential benchmarking partners (those who are excellent in the area you are benchmarking), consider:

- high-performing sister divisions
- direct competitors with high profitability, market share, and growth
- companies outside your industry
- suppliers and customers
- potential competitors, i.e., upstarts

Question: What might be some of the problems in adopting practices used by other organizations?

Answer: Some may try to copy best practices from another organization exactly "as is"; the key is to adopt and adapt best practices that will fit your own organization's style and culture.

Question: What processes, products, or services in your own organization would be good candidates for benchmarking?

Answer: Responses will vary. Probe: Why are these processes good candidates? How would a benchmarking project get started in your organization? What would you hope to learn?

Question: How can you find best-in-class benchmarking partners outside your industry?

Answer: Focus your research on the functional area you are trying to improve, regardless of the industry. Start at the library, since at least 80 percent of the information you are looking for about a benchmarking partner is available through good library detective work. American Quality and Productivity Center in Houston has a benchmarking database. Also check the business press (e.g., *Financial World*, *Business Week*, and *Fortune*), consultants, industry associations (e.g., American Electronics Association), etc.