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BENCHMARKING FOR SME

Requirements

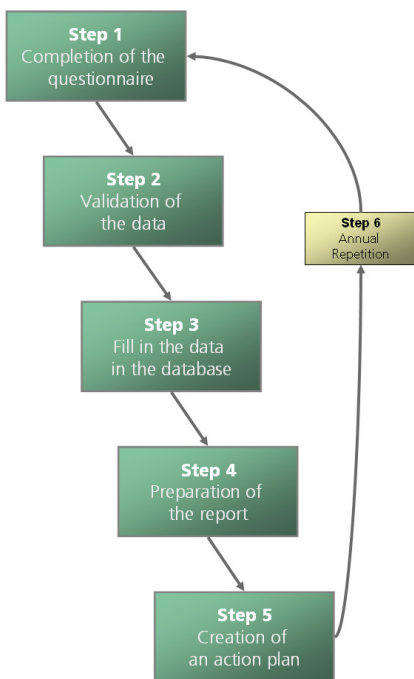
With 3.67 million enterprises and an employment rate of approx. 60 percent of all employees, SMEs are a very important factor of the German economy. During the last few years, the intensity of innovation and revenues from new products was decreasing in SMEs. Therefore, it is important to enable and support their productivity and innovation capabilities.

The identified potential of SMEs includes the open handling of performance assessments and improvement action plans. Benchmarking offers the possibility to overcome information deficits and identify improvement capabilities. Furthermore, Benchmarking focuses on effectiveness, comprehensibility and the evaluation of one's own position in the competition, especially for SMEs.

Procedure

The Benchmarking method for SME, »BenchmarkIndex«, represents a key figure comparison with competitors within the industry and serves the implementation of Best Practices in the enterprise. The basis of the comparison is a database, which was developed in 1996 in the United Kingdom. Today, the database consists of more than 100,000 enterprise profiles. It is possible to make national and international comparisons between SMEs in each branch. With the help of a standard questionnaire the relevant data of the SME is collected, validated and entered into the online database. The comparison is anonymous. The next step is the selection of the benchmark criteria (turnover/year, number of employees and standardised branch code) and the choice of a sample of enterprises in the database, which can be compared. Within a short time period, a final report is generated which looks at respective key performance indicators of the perspectives in the comparison.





BenchmarkIndex Procedure Model

Results / BSC-Model

In the report, the results are shown in four perspectives: finances, customers, processes as well as learning and development (based on the Balanced Scorecard model, BSC) and relevant key figures are generated. There is a graphical illustration of the results. During the composition of key performance indicators, it was taken into consideration that with a minimum amount of data the validity was as high as possible concerning the total enterprise and its partial aspects. The results of the report can be used to discuss and interpret the relevant strengths and open potentials in each compared sector of the enter-

prise. The outcomes of the Benchmarking allow further conclusions and the evaluation of relevant aspects and individual management practices of the enterprise.

As a result of the discussion with the management, a verified action plan is created to implement the changes. In the year after the implementation of the results, the BenchmarkIndex should be carried out again as a follow-up in order to guarantee continued success.

Benefits

The following benefits can be generated by Benchmarking, especially for SME:

Direct:

- Positioning within the own branch
- Identification of potential by comparisons and appropriate adaption of existing practices of other enterprises
- Definition of future success factors

Indirect:

- Benchmarking as a support of the requirements of the QS 9000, DIN ISO TS 16949 and ISO 9000:2008 for the safeguarding of quality standards in the enterprise
- Comparisons within the branch as a pre-examination for a bank rating respectively for ISO certifications
- Transparency and standardisation of processes and key performance indicators for process optimization

Offer for SME

There is the possibility to make a Benchmarking comparison for every SME. The offer aims at SME with up to 500 employees and up to € 100 million turnover per year. The service includes a comparison with enterprises within the same industry branch. As a result, the company receives a full Benchmarking report with formed and compared relevant key figures.

Ratios		relative	absolute	Performance Levels				
				Weakest	Weak	Median	Strong	Strongest
16	Sales Generated per square Metre (GBP/M ²)	14	216	162.18	772.58	1,360	2,270	14,540
17	Profit before Tax per FTE employee (GBP)	55	4,000	-2,900	440	3,400	7,672	23,000
18	Total Turnover per FTE employee (GBP)	74	120,000	20,700	60,468	90,988	124,377	407,000
19	Value added per FTE employee (GBP)	4	12,000	12,500	40,067	54,166	74,143	219,744

Exemplary Evaluation of the BenchmarkIndex