



Why benchmark – the search for superior performance

In difficult trading conditions such as those facing the UK's recruitment industry at present, competition becomes more intense. Company leaders know that their immediate priority is to focus their business in order to maintain superior performance and deliver the necessary results. Therefore one of the main challenges facing managers in this situation is to perform better than their toughest competitors.

Benchmarking provides a simple, robust, management tool that is accessible by the non-expert and provides executives with the capability to understand the drivers in their own operation compare it to those of others and then determine the practices that underpin superior performance. It is not all about financials (although they are important, of course) but also seeking excellence in areas of management (e.g. staff turnover) and business best practice (e.g. reducing client defection).

Pioneering work in manufacturing industries shows how Benchmarking can lead companies to step changes in performance that gives them strategically important advantages. Whilst this work has helped a wide range of companies, the facility to undertake this work in the recruitment industry is woefully lacking. Not only is there a general reluctance to exchange information, there is also no reliable information against which the relative performance of their business can be judged.

Crucial first steps for the recruitment industry are to identify both what the key measures of current performance are and also just how good current performance is. This will enable companies to concentrate on setting realistic and achievable targets for improvement in critical business areas, providing improvement and competitive advantage.

Improving corporate excellence and thus gaining an advantage over competitors is the mission of Benchmarking. In a fragmented industry such as recruitment, faced with a fast evolving marketplace, the availability of a reliable, independent, industry-specific source of comparison enables management to improve business performance and value. Among the business benefits for Benchmarking are -

1. Facilitates continuous performance improvement
2. Stimulates process efficiency and effectiveness
3. Adds a very valuable external perspective
4. Focuses an Organisation on what really matters

In order to deliver these benefits the Recruitment Industry Benchmarking ("RIB") Index initiative has been established with inevitable benefit for the members.

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