

# Benchmarking

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My 7 rules for  
benchmarking data...

When you benchmark, your area of analysis can change (customers, staff, regions, inputs, shelf, products etc) but I have found a few rules help in benchmarking successfully.

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## **1. Simplify the metric**

If you have control of the benchmark metric then the more simple the final metric the better for passing around the company.

## **2. Try to have multiple metrics combined**

When possible I try to have lots of factors combined into one number as it allows for a simple view but makes the data more robust. Just measuring the one metric (e.g. just sales) can send a business on a wrong trajectory.

### 3. Outline what you want from the process

There is so much data now it is vital to not measure for measuring sake. Decide the actions you want to take based on the data.

### 4. Engage the team

Great ideas most often come from the front line, telling your teams what you want to do will not only throw out ideas you had not had but will also increase successful implementation, team buy-in is vital.

### 5. Question if you have all the data

Exports from account packaging and ERP's are great but never forget the uncollected data. This is why I love collecting margin data from the shop/factory floor. The unknown data can be vital in seeing the real profit of a business.

## 6. Analyse the data to find errors

Once data is in a pretty BI report it is easy to not question the data. Always question the data. [Click here to see about the idea of having a 'data leader' in you business.](#)

## 7. Implement, monitor and update

When building the benchmark make sure you build in an easy way for the system to update and track the changes.

**If you would like to find out more about benchmarking and my other margin services please drop me a line ([rballard@alineacf.co.uk](mailto:rballard@alineacf.co.uk)).**

