

Facilitating service-sector benchmarking

Benchmarking is a systematic, continuous process of searching out, learning from, and adopting best practices, and it helps explain the processes backing up excellent performance. Enterprises of all sizes in all sectors can benefit from benchmarking, and it has found enthusiastic acceptance within the APO membership. The Malaysian government developed its Malaysian Benchmarking Index as a successful strategy to encourage SMEs to share and compare their performance domestically and internationally. Lessons learned from benchmarking can improve performance in critical business functions.

After conducting research on service-sector productivity focusing on the retail and food and beverage (F&B) subsectors in 2010, several member countries suggested that the APO disseminate the results at a workshop to help them develop their own service-sector benchmarking indexes. Therefore the APO in cooperation with the Malaysia Productivity Corporation (MPC) held the workshop on Development of a Benchmarking Index for SMEs in the Service Sector Focusing on the Retail and Food and Beverage Industries in Kuala Lumpur, 19–23 December 2011. In addition to learning the previous research results, the 21 participants representing the public and private sectors, academia, and consultancies from 14 member countries identified key performance indicators and set criteria for best practices, benchmarking data, and information collection to establish a performance-benchmarking platform for SMEs in the service sector, particularly retail and F&B.

The sessions were coordinated overall by two MPC Knowledge Management Department staff, Director Shahuren Ismail and Manager Rokiah Aziz. International experts George Wong and Dr. Check Teck Foo provided



Participant Heru Prihandani Ramdhan explaining the retail industry in Indonesia.

the framework for extensive discussions and planning sessions by participants eager to clarify how they could put a benchmarking mechanism in place in their own organizations, especially after the observational visits to LSG Sky Chefs Sdn. Bhd. and the handicraft center Kraftangan Malaysia.

Many participants agreed with Sofia Leong Abd. of Malaysia, who suggested that future benchmarking workshops focus on additional subsectors, such as healthcare, fashion, hospitality, or logistics and transport. They also hoped that the workshop could become an annual event, which should include progress reports on efforts to establish national initiatives on benchmarking at the enterprise and sectoral levels by current participants to provide continuity, with new ones invited to give fresh perspectives on practical metrics and potential benchmarking partners. 🌀