

## Project Reports: Industry and Services

### First Workshop of APO Best Practice Network

26-28 November 2001, Singapore

#### BACKGROUND

1. At the APO study meeting on the establishment of a Best Practice Network held in Singapore between 24 and 27 April 2001, the participants agreed that a best practice network could be set up among the APO member countries. The network will generate knowledge on global best practices that will be useful for NPOs in helping their customer organizations achieve best practice performance standards. It will support the transfer of best practice knowledge to customers of NPOs and position the NPOs as leaders in this knowledge transfer. The APO Best Practice Network will assist customer organizations of NPOs to:
  - a. identify where global best practices reside;
  - b. gain useful knowledge on global best practices that will help them to achieve superior performance;
  - c. augment their own best practice networks or learning circles within their own countries by accessing the APO Best Practice Network for global knowledge; and
  - d. learn how to acquire and apply best practice knowledge, including how to do benchmarking.

The APO Best Practice Network will, as a start, conduct demonstration best practice projects in key topic areas of interest to customer organizations of NPOs.

2. Upon the recommendation of the above APO study meeting in April, the Inaugural (First) Workshop of the APO Best Practice Network was held in Singapore between 26 and 28 November 2001. Twenty (23) participants from sixteen (15) member countries participated in the network meeting, and contributed to the deliberations. Resource inputs were provided by Mr. Bruce Searles, Accredited Delivery Partner and Mr. Anton Benc, Director (Benchmarking Partnerships) of Australian Quality Council, Prof Jong Dae Kim, Professor of Kookmin University, Republic of Korea, and Mr. Darshan Singh, Director (Benchmarking) of PSB Singapore. In all, there was fruitful deliberation on the common framework, methodology, and topics to be adopted for the demonstration projects to be undertaken by the network, the training design for the training module on the methodology, and the specific follow-up actions by the selected working group members over the subsequent five months after the workshop meeting. The list of participants and resource persons are attached as Annexes A and B respectively.

#### SUMMARY OF ISSUES AND RECOMMENDATIONS

##### Topic Selection

1. At the First Workshop of the APO Best Practice Network held in Singapore between 26 and 28 November 2001, the participants identified 8 possible topics for demonstration projects. These topics were in the broad areas of balanced scorecard performance management system, HR Management and Customer Service. The areas were

selected based on the following criteria developed at the workshop:

- a. Consistency with the strategy and goals of the best practice network (e.g. generate useful knowledge base on global best practices, and support transfer of global best practices);
  - b. Attractiveness to the participating NPOs and their customer organizations (e.g. impact on their core competencies and alignment to their business excellence/quality frameworks);
  - c. Attractiveness to and accessibility of the participating best practice organizations (e.g. availability/level of support of best practice organizations and level of confidentiality in topic area among the best practice organizations); and
  - d. Potential impact and benefits to the network and its participants (e.g. magnitude of expected benefits and the likelihood of adaptability of the best practices in the topic areas by the participating organizations).
2. During the funnelling exercise to identify specific topics in the 3 broad areas, the major principle used was that the selected topics should come from customer organization's voice and reflect their interest and buy-in. The eight topics identified in the three broad areas are:

*Balanced Scorecard*

- Application of Balanced Scorecard in Organization

*HR Management*

- Competence Management (e.g. staff induction, values development, learning, creativity development, career path planning, etc)
- Performance Management System (e.g. performance evaluation and feedback, value analysis, etc)
- Human Resource Strategies for Staff Retention

*Customer Service*

- Understanding Markets and Customers (e.g. market/customer segmentation, determining market/customer needs, etc)
- Customer Relationship Management (customer contact management, customer feedback management, managing customer information, etc)
- Customer Service Delivery (e.g. portfolio pricing, on time in full delivery process, service standards, etc)
- Enablers for Customer Service Employees (training and development, rewards and recognition, staff empowerment, management support process and policies, etc)

## **Methodology Framework**

1. The workshop decided that a consistent and comprehensive methodology framework for best practice benchmarking across countries should be adopted for the demonstration projects. Each participating organization in the demonstration project will receive a Best Practice Benchmarking kit on this methodology. Project participants will be trained to use the methodology.
2. The methodology, which is based on proven methodologies used in USA, Australia and experienced Benchmarking organizations in Asia, covers the following four phases:
  - a. Planning phase involves the scoping of the project topic for benchmarking,

the development of the data collection instrument, the collection of data, and the training of participants on the approach to be adopted for best practice benchmarking.

- b. Analysis phase covers the identification of strengths and learning needs of participating organizations as well as the identification of external benchmark organizations for learning purposes, if required.
  - c. Integration phase involves the sharing of knowledge and learning from best practices, and the development of action plans by the participating organizations based on the learning.
  - d. Action phase involves the implementation of the action plans by the participating organizations and the monitoring of improvements made.
3. The specific steps, thrusts, tasks, responsible parties, inputs and deliverables for each phase of the methodology framework are shown at Annex 1.
  4. For the implementation of the methodology, it was decided that the methodology should contain templates for data collection, analysis, and decision-making. Also, the template should be actionable enough for the team to bring to the site for actual tasks. It was also recommended that the template set should be flexible enough for the purpose of customisation for each specific project.

## **Marketing Strategy**

1. The marketing strategy of the network should be directed at securing the buy-in and participation of the customer organizations of NPOs in the demonstration projects. Based on this strategy, a common marketing framework to be adopted for the demonstration project was developed at the workshop (See Annex 2). This framework defines the marketing steps, tasks, responsible parties, inputs and deliverables for each task.
2. It was agreed that a **General Marketing** brochure should be prepared by the Working Group for the demonstration projects. The Working Group consists of representatives from participating NPOs that are already involved in benchmarking activities. The general marketing brochure is to be used by the NPOs to create awareness among their customer organizations on the APO Best Practice Network and the benefits of benchmarking and best practice learning across countries. More importantly, it is to be used to gather feedback from these customer organizations on which of the 8 broad topic areas (as agreed at the First Workshop) that they are interested and willing to benchmark across countries under the demonstration projects.
3. The contents of the General Marketing brochure to be designed for marketing and inviting participation from the organizations across different countries would cover the following:
  - What is the APO Best Practice Network?
  - What are the objectives of the Network?
  - Why should an organization participate in the network's demonstration projects?
  - What are the 8 topic areas identified for the demonstration projects?
  - Methodology adopted for the demonstration projects and the role of the APO Network
  - Feedback Form to gather feedback from target customer organizations on which of the 8 topic areas they would like to benchmark under the demonstration

projects.

4. Each NPO could customize the contents of the general marketing brochure to suit the marketing needs in its own country.
5. After gathering the responses from customer organizations, Working Group members of each NPO are to collate the responses for their NPOs by the first week of Mar 2002, and provide the following information to the other Working Group members through the APO Extranet site (e-Group) for the Network Working Group:
  - a. the top 3 broad topic areas out of the 8 broad topic areas selected by their customer organizations
  - b. the number of customer organizations interested in benchmarking on each of the 3 selected topic areas
6. Based on the feedback from the customer organizations of Working Group NPOs, the Working Group would then select the 3 topic areas (out of the 8) for the demonstration projects. **Topic-specific marketing brochures** for each topic area will be prepared by the Working Group in March 2002. These brochures could contain the rationale for benchmarking in the topic area (Why the topic area is becoming important), possible items/specific areas that can be benchmarked under the topic area, an overview of the methodology to be adopted for benchmarking, the benefits of benchmarking across countries in the topic area, the commitment required from the participating organizations, the code of ethics for participating organizations, and a response slip for organizations to indicate whether they would be participating in the benchmarking project. The NPOs in the Working Group could customize the materials in the topic-specific brochures to suit the marketing needs in their own countries.
7. Using the topic-specific marketing brochures, the Working Group members from each country should reach out to their target customers to get their buy-in to participate in the demonstration projects in the 3 topic areas. For each country participating in a demonstration project, there should, preferably, be at least 2 organizations from that country participating in the project. Hence, for example, if six countries participate in a demonstration project on one of the three topic areas, then the total number of organizations who would participate in the project for that topic area will come to 12 (6 countries x 2 organizations for each country).
8. The identification of target customer organizations, for participation in the demonstration projects, could preferably be based on the following selection criteria, amongst others:
  - Organizations that have a culture for improvement. These organizations could have implemented various improvement initiatives such as TQM, ISO certification or human resource development programs, and are actively engaged in a journey towards organizational excellence.
  - Organizations that are committed to improve their competitiveness (for example, organizations looking towards the global/regional markets for their growth or facing intense competition from foreign players in their own markets).
  - Organizations that have a good reputation, image or influence in the industry or industry association in the country, and can help promote the concept of Benchmarking and the role of NPO/APO in this context.
9. After marketing the specific topics to their target customer organizations, each country in the working group should report on the following to the Working Group (through the APO Extranet site for the Working Group) in April 2002:
  - Demonstration project or projects (by topic area) in which the country is

participating.

- Name of organizations from the country participating in the project or projects.

### **Value Proposition**

1. The design of the entire Benchmarking initiative should be aimed at linking the participating organizations from each NPO through the APO Best Practice Network for the purpose of performance improvement through best practice knowledge sharing.
2. The value proposition to the participating organization in the Best Practice Network should involve the following:
  - Focussing on key performance gaps;
  - Identifying best practices from other companies across countries, and making improvements to the organization's systems and processes;
  - Creating a consensus to move an organization forward; and
  - Making better decisions from a larger base of facts.





### **PREPARATORY WORK**

1. Before commencing the demonstration projects at the second workshop of the APO Best Practice Network in May 2002, some key steps will have to be undertaken. The Working Group members have been assigned to administer these preparatory steps.
2. The Working Group will undertake the following preparatory work:
  - a. Methodology Framework - Consolidate the draft framework agreed upon at the first workshop, and develop the details of the methodology down to the activity level. The Working Group should also enrich the methodology with the development of templates. The templates will determine the way of working during each project. Also, using the templates would ensure a quality standard and consistency throughout the project. Normally, there are two categories of template: one for collecting data, and the other for data analysis and decision making. The template is more than a work sheet; actually, it should be based on benchmarking knowledge gathered from the experiences of benchmarking practitioners.
  - b. Training Package - The design structure of a training package for a train-the-trainer-training program on the methodology as well as the contents for this package would be finalised by the Working Group. The contents of the package should be consistent with the purpose of the network and its methodology framework. The purpose of this training package is to train selected representatives from the NPOs and participating customer organizations on the methodology, so that they would be able to train others in their country or organizations who are participating in the projects.
  - c. Marketing - The Working Group should finalise the marketing framework for the demonstration projects. It should also prepare the general marketing materials for the demonstration projects as well as the topic- specific marketing materials to support the marketing efforts of the NPOs in securing the buy-in of their customer organizations to participate in the projects.
3. The action plan of the Working Group on the above preparatory work is attached at Annex 4. Specific members of the Working Group have been assigned primary or support responsibilities for the different areas of follow-up actions.

## RESOURCE NEEDS OF NPOS

1. The workshop also discussed the resource needs of NPOs that are not currently providing benchmarking/best practice services to their customer organizations or have only recently started to provide these services. These NPOs need to build up their competencies in this area before they could participate actively in the activities of the Best Practice network.
2. The key resource needs of these NPOs were identified in three areas namely training, promotion, and information (See Annex 5). Under training the NPOs need assistance in terms of developing a pool of competent benchmarking trainers, training materials on benchmarking and knowledge on benchmarking methodology as well as related areas such as process mapping and questionnaire development.
3. In the area of promotion, the NPOs have to create awareness among their customer organizations of the need to benchmark and learn from best practices for the purpose of continuous improvement and innovation. Success stories on best practices also need to be shared with customer organizations so that they would appreciate the benefits of best practice learning. 4. In the area of information, the NPOs need to facilitate best practice information sharing amongst their customer organizations. This can be done by establishing mechanisms such as local best practice networks among their customer organizations and promoting the benchmarking code of ethics to facilitate information sharing. The NPOs also have to build up their best practice information dissemination capabilities by providing best practice information services including a database on best practices.

## ANNEX

-  [Methodology Framework for Best Practice Projects](#)
-  [Marketing Framework for Best Practice Projects](#)
-  [Action Plan for the Demonstration Project Working Group](#)
-  [Proposed Areas of Assistance for NPOs that have not yet started Benchmarking/Best Practice Services](#)

**Annex 1**

**METHODOLOGY FRAMEWORK FOR BEST PRACTICE PROJECTS**

PHASES	STEPS		TASK	RESPONSIBILITY	INPUTS	DELIVERABLES
	No					
<b>Planning</b>	1	Scope the project topic	Confirm scope and measures for topic	F - Provide inputs on scope and measures D - Finalize scope and measures G - Assist	Inputs from participating customer organizations, NPOs and experts	- Scope, Measures and Definitions
	2	Collect Data	- Identify the data collection process - Develop the data collection tools - Commence data collection	F - Identify data collection process with assistance from G D - Develop data collection tools based on inputs from F and assistance from G B - Collect Data A - Facilitate data collection process	Inputs from participating customer organizations, NPOs and experts	- Data collection Process and Tools - Data Collection initiated
	3	Train Benchmarking Teams	- Conduct short training session for benchmarking teams from participating organizations. Training session will cover concept of benchmarking, code of conduct and methodology adopted including the data collection process and tools.	A - Conduct Training session B - Assign benchmarking team to attend training session	- Training materials - Finalized scope and measures of Project - Finalized data collection process and data collection tools	Benchmarking Teams trained to apply the methodology

<b>Analysis</b>	4	Identify and verify high level performers & learning needs	<ul style="list-style-type: none"> <li>- Identify strengths and areas of opportunity of participating organizations</li> <li>- Identify external benchmark organizations (if necessary)</li> </ul>	<ul style="list-style-type: none"> <li>D - Prepare report on comparative data</li> <li>B - Confirm strength &amp; areas of opportunity</li> <li>A - Assist B, and identify external benchmark partners if necessary</li> </ul>	Data collected from B through the use of data collection tools	<ul style="list-style-type: none"> <li>- Report on comparative data done</li> <li>- Strengths and areas of opportunity of participating organizations identified</li> <li>- External benchmark partners identified</li> </ul>
<b>Integration</b>	5	Share knowledge and learn from Best Practices	<ul style="list-style-type: none"> <li>- Organise learning workshop strengths, leading practices and address further learning</li> <li>- Conduct site visits</li> </ul>	<ul style="list-style-type: none"> <li>A - Conduct sharing workshop locally</li> <li>D - Conduct sharing workshop at APO Network level, and facilitate site visits</li> <li>E - Conduct Site Visits</li> <li>B - Attend workshop</li> <li>B - Documents learning and best practice as a standard template</li> </ul>	<ul style="list-style-type: none"> <li>- Report on comparative data</li> <li>- High level performers and learning needs identified</li> <li>- External benchmark partners identified</li> </ul>	<ul style="list-style-type: none"> <li>- Sharing workshops conducted locally and at APO Network levels</li> <li>- Site Visits conducted</li> <li>- Learning and best practices documented</li> </ul>
	6	Action Planning	<ul style="list-style-type: none"> <li>- Participating customer organizations to develop action plans for implementation</li> <li>- Organise action workshop for participating organization to share learning &amp; recommendation and action plans</li> </ul>	<ul style="list-style-type: none"> <li>B - Develop recommendations as well as action plan and seek approval from management</li> <li>A - Conduct Action Workshop locally</li> <li>D - Conduct Action Workshop at APO Network Level</li> </ul>	Findings from sharing workshops and site visits	<ul style="list-style-type: none"> <li>- Recommendations and Action plans developed and approved</li> <li>- Action workshops conducted locally and at APO network level</li> </ul>



<b>Action</b>	7	Implement plans and monitor performance	<ul style="list-style-type: none"> <li>- Implementation of respective actions by participating organizations</li> <li>- Monitoring of implementation</li> <li>- Report on impact of actions taken and improvements made to performance</li> </ul>	<ul style="list-style-type: none"> <li>B - Implement Actions, and monitor implementation</li> <li>B - Report on impact of action taken &amp; improvements made in performance to a standard template</li> </ul>	Action plans of B, and findings from Action workshops	<ul style="list-style-type: none"> <li>- Actions implemented</li> <li>- Monitoring of Implementation done</li> <li>- Impact Reports done</li> </ul>
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**Legend**

- A - Participating NPO in own country
- B - Participating NPO Customer Organization in own country
- C – Among NPOs globally
- D – NPO Working Group
- E – Among participating customer organizations globally
- F - Among participating customer organizations and NPOs globally
- G – Resource Persons/Subject Matter Experts

## Annex 2

## MARKETING FRAMEWORK FOR BEST PRACTICE PROJECTS

PHASES	STEPS	TASK	RESPONSIBILITY	INPUTS	DELIVERABLES	
	No					
<b>MARKETING</b>	1	Confirm proposed topics for network projects	Confirm broad topic areas and proposed list of specific topics under each area	C	Inputs on topics gathered by NPOs from their customer organizations based on the needs of these organizations	Eight proposed topics agreed at the November 2001 Workshop on the APO Best Practice Network
	2	Set up a Working Group among the participating NPOs for the best practice network projects	A - Decide on composition of working group B - Decide on action plan to market and prepare for the implementation of the network projects	C	Actions that need to be taken to market and prepare for the implementation of best practice projects based on the experiences of participating NPOs and resource persons	Working Group composition and action plan agreed at the November 2001 Workshop on the APO Best Practice Network
	3	Create Marketing kit	Develop general awareness marketing kit, including a survey to get feedback from customer organizations on which of the topics identified in Step 1 that they are interested in benchmarking under the best practice network projects	D - Develop materials A - Customize material locally in own country	Material from the APO Nov. 2001 workshop	Completed general marketing kit
	4	General market awareness	Create general market awareness of APO best practice network	A - Undertake general marketing	Completed general marketing kit	Market understanding of APO Best Practice Network and market feedback on which of the possible topics are of greater interest for benchmarking among organizations.

	5	Prepare topic-specific marketing kits	Develop topic-specific marketing kits for 3 selected topics. These topics will be selected by the Working Group based on market feedback on topics of interest at Step 4	D - Develop materials A - Customize material locally in own country	Selection of 3 topics by Working Group based on market feedback at Step 4	Completed topic specific marketing kits. Each kit could, among other things, include the broad approach/timeframe adopted for the network project, examples of specific issues for benchmarking under the topic, code of conduct, and the benefits or value for participating customer organizations
	6	Focused marketing of topics to target customer organizations in each country	Conduct a range of marketing activities including workshops, brochures, briefings, articles in publications, and individual contacts. The target customers could be organizations (both large organizations and SMEs) that have a foundation in productivity improvement or business excellence, and are committed to improving their competitiveness	A - Undertake marketing & feedback to Working Group	Topic-specific marketing kits	Generate list of interested and committed organizations (with contact name/details) for the 3 topic areas
0	7	Follow-up Marketing	a. Ongoing follow-up to attract other interested customers	A - Undertake follow- up & feedback to Working Group.  A - Identify subject matter experts to support the benchmarking on the selected topics in their own countries.  D - Continually update marketing kit. Identify subject matter expert for the selected topics at the APO network level	Status of response from the focused marketing at Step 6	Build up the list of interested & committed customer organizations for the 3 topic areas

	8	Sustain the commitment of participating organizations	Continually communicate and provide feedback information to committed customers	<p>A - Maintain the energy and enthusiasm among committed organizations</p> <p>D - Provide support where appropriate</p> <p>D- Prepare and circulate the research kit on the selected topics to participating customer organizations through their NPOs</p>	Committed organizations and updated materials	Maintenance of commitment to participate
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**Legend**

- A - Participating NPO in own country
- B - Participating NPO Customer Organization in own country
- C – Among NPOs globally
- D – NPO Working Group
- E – Among participating customer organizations globally
- F - Among participating customer organizations and NPOs globally
- G – Resource Persons/Subject Matter Experts

**Annex 4**

**ACTION PLAN FOR THE DEMONSTRATION PROJECT WORKING GROUP**

ACTIVITY	PRIMARY RESPONSIBILITY	SUPPORTING ORGANIZATION	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL
<b>Methodology Framework</b>							
Consolidate Draft	Singapore	Thailand					
Completion down to Activity level							
Share and refine							
Enrich template development							
Review and Packaging							
Publish and Activate methodology							
<b>TRAINING PACKAGE</b>							
Design Structure of Training Materials	Philippines	Malaysia					
Collection of existing training materials							
Contents Development							
Review							
Finalize (Packaging)							
<b>MARKETING</b>							
Marketing Framework (Strategy and Contents Design; Value Proposition and Contents Design)	India	Korea					
Preparation of Marketing Materials		Japan					
a. General Marketing Document/s		Taiwan					
b. Topic Specific Marketing Document/s							
Marketing and Buy-in of Topic Package*							
Confirmation of Customer Participation*							
<b>*per country</b>							

**Annex 5**

Proposed Areas of Assistance for NPOs that have not yet Started (or recently started) Benchmarking/Best Practice Services

<b>NEEDS</b>	<b>DELIVERABLES</b>	<b>COUNTRIES WHOSE NPOS REQUIRE ASSISTANCE</b>
<b>Training</b>		
Material	Reference Materials (including business cases)	Sri Lanka, Mongolia, Indonesia & Fiji
Benchmarking Methodology	Methodology, process mapping, questionnaire development	ALL
Competent Trainers	Methodology, process mapping, questionnaire development	All except Philippines & Fiji
<b>Promotion</b>		
Awareness Campaign —To create awareness program to gain wider acceptance and support from customer organizations	Awareness Campaign Programs and promotion materials (forums, TV plugs, success stories, posters etc.)	Mongolia, Philippines, Indonesia & Vietnam.
Promotion of Best Practices —To encourage customer organizations to learn from best practices	Best practices information, success stories	Philippines, Sri Lanka, Mongolia, Fiji & Bangladesh.
<b>Information</b>		
Facilitate information sharing	Develop information sharing mechanisms with customers such as networks, and promote the benchmarking code of ethics for information sharing.	Indonesia, Mongolia, Fiji, Bangladesh & Vietnam
Information dissemination capabilities	Database and information services	Indonesia, Mongolia, Fiji, Bangladesh & Vietnam.