

## **ICAG BUSINESS LESSONS (WEEK 13)**

### **Good morning**

This is **week 13** of the year 2022 in the Gregorian calendar. 39 weeks remain until the end of the year.

### **MONDAY MOTIVATION**

Without continual growth and progress, such words as improvement, achievement, and success have no meaning.

– *Benjamin Franklin*

### **FUNFACT OF THE WEEK**

Did you know that when one works 40 hours per week up until 65 years, one will work just over 90,000 hours in your lifetime? Probably because of the Industrial Revolution that allowed people longer and year-round!

### **MANAGEMENT QUOTE OF THE WEEK:**

Investing in management means building communication systems, business processes, feedback, and routines that let you scale the business and team as efficiently as possible.

- *Fred Wilson*

## **MANAGEMENT CONCEPT OF THE WEEK: MODELS OF EVALUATION – PART II**

### **3. BENCHMARKING**

It refers to the continuous process of measuring products, services and practices against the toughest competitors or the companies recognized as industry leaders (“best in class”).

It involves the process of setting standards or targets for products, services or work processes with reference to organizations that are recognized as models of ‘best practice’ for comparison.

A *benchmark* is an organization that provides the ‘best practice’ for comparison.

The purpose of benchmarking is to identify measures that need to be taken to improve or change, so that the organization becomes as good as, or better than, the benchmark.

### **The benchmarking process**

Benchmarking should be a continuous process, and it usually consists of the following stages:

- Identify aspects of performance that should be compared with a 'benchmark partner'.
- Select a suitable benchmark (a 'benchmark partner').
- Compare the product, service or process with the benchmark.
- Identify gaps in performance between the benchmark and the entity's own product, service or process.
- Identify changes that can be made to improve performance.
- Implement the improvements.
- Monitor the success of the changes in improving performance, and measure the benefits.

### **Benefits of Benchmarking**

- a. It can be used to identify aspects of performance that are weak, where improvements are necessary.
- b. It can be used to set targets for improvement that are realistic and practicable.
- c. It can be used to look at practices in companies in different industries, and to learn from them.
- d. It encourages continuous improvement; ie, benchmarking encourages managers and employees to make improvements, and to believe that changes are necessary.

### **Problems with Benchmarking**

- a. It might be difficult to identify a critical process where benchmarking could provide valuable information to help an entity improve its performance. Benchmarking might select processes that are not critical to performance. The value of any benefits achieved will therefore be small and insignificant.

- b. It might be difficult to obtain reliable information for comparison with a benchmark. Even when a 'benchmark partner' is identified for process benchmarking, it could be difficult to get the 'partner' to agree to a benchmarking exercise and then to obtain the required information.

### **Requirements for successful benchmarking**

- a. It is important to select key aspects of performance for benchmarking. These are the aspects of performance that have to be successful (and improved) in order to gain a competitive advantage over rivals.
- b. It must be continuous process, not a 'once only' exercise. Competitors do not 'stand still', and successful competitors will continually innovate and improve. It is essential to keep repeating benchmarking exercises in order to avoid falling behind again as the business environment changes.
- c. Benchmarking should be a method for becoming better than competitors, not just for closing the gap on competitors and 'catching up'. The aim is to be to achieve superior performance.
- d. When benchmark partners are used for process benchmarking, the collaboration should be open and honest. A company should be prepared to give more information to its benchmark partner than it is open to obtain from the benchmark partner.

### **TOP 15 EVENT IN THIS WEEK**

**28/03/2019** - European parliament bans single-use plastics, including cutlery and straws by 2021

**28/03/2017** - Britain introduces 1st new pound coin in 30 years with secret security feature inside to stop counterfeiting

**28/03/1995** - World's largest bank-Japan's Mitsubishi Bank & Bank of Tokyo merge

**28/03/1922** - 1st microfilm device introduced

**29/03/2017** – Prime Minister Theresa May invokes Article 50 of the Treaty on European Union, formally beginning the United Kingdom's withdrawal from the European Union

**29/03/2013** - UN regulation of international arms trade is blocked by North Korea, Iran, and Syria

**29/03/1961** - After a 4½ year trial Nelson Mandela is acquitted of treason in Pretoria

**30/03/2012** - American Mega Millions lottery hits a world record lottery amount of 640 million dollars

**30/03/2012** - Mastercard and Visa announce a massive breach in security with over ten million compromised credit card numbers

**30/03/1983** - New York Mercantile Exchange (NYMEX) begins trading in crude oil future

**30/03/1953** - Albert Einstein announces revised unified field theory

**31/03/1990** - Major riots occur in London and other British towns in protest against the new Community Charge poll tax laws

**1/04/2019** - US online sales overtake retail sales for the first time, with 11.813% online compared with 11.807% for general merchandise stores

**1/04/2004** - Google introduces Gmail: the launch is met with skepticism on account of the launch date

**1/04/1977** – Steve Jobs and Steve Wozniak found Apple Computer, Inc.

## **DID YOU KNOW?**

From **Monday, 4th April** to **Friday, 8th April 2022**, the April 2022 CA Professional Examination comes off. Candidates are urged to remain calm and remember to take necessary examination precautions. All the best in advance!

*Do have a blessed week!*

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