Numerous successful organizations use benchmarking as a means to improve their competitiveness, as well as product quality. Although this practice may appear innovative to the outsider when examining modern organizations, it is actually an established process. "The Roman wine merchant who rode up the block to see how his competitor operated is an ancestor of today's benchmarking" (McCune, J. 12, 1994).

Benchmarking Defined

Benchmarking is more than comparing numbers between similar organizations. One type of benchmarking is termed competitive, where businesses compare a service or product to its competition, usually within the same industry. Process benchmarking, on the other hand, compares operational functions between companies and is not industry specific. Recently, process benchmarking has become more widely adopted than competitive benchmarking. Carey (1994) describes benchmarking as a:

sophisticated task that involves defining how a department in a company currently operates, what it needs to become the best at what it does, who has that information, and how to gather and translate that information into a working model for improvement (123).

Prerequisites for Benchmarking

There are multiple prerequisites for benchmarking to produce successful results in organizations. Potter (1994) believes that before benchmarking occurs, organizations should realize that they have to alter the way they currently conduct business. He also states that companies must totally understand their own processes involved in producing a product or service. Another key to successful benchmarking is to involve employees early on.

Steps for Successful Benchmarking

Once an organization has all factors needed for effective process benchmarking to take place, Grayson (20, 1994) cites five steps for success:

1. Prepare
2. Conduct research.
3. Select whom to benchmark.
4. Collect and share information.
5. Analyze, adopt, and improve current processes.

Selecting whom to share information with may present the greatest challenge, and each side must understand that mutual benefits are possible. Some organizations do not understand the value of benchmarking and can be uncooperative, but they may be tomorrow's losers.
"Future dinosaur companies think that they are so good that, as number one, they could only lose in a benchmarking exchange" (Grayson).

Improving current processes is a constant activity that does not produce immediate results. Discouragement may set in early if results are not realized early on. However, frustrations are inevitable, and one should realize that staying the course will produce measurable outcomes over time.

Applicability to AEM and CNMP

How can benchmarking improve Agricultural Environmental Management and Comprehensive Nutrient Management Planning? Tight fiscal policies have resulted in increased public scrutiny of agency programs. Moreover, managers of such programs are often required to gather result-oriented data for tracking performance. This data may be useful for program funders to monitor progress, but of little value for managers, who need useful information to deliver a better product or service. Through benchmarking, program data could be turned into useful information that managers need. One possible measure is cost per acre of watershed protection based on pollutant category. Another measure could be percent of funds spent on Best Management Practice implementation.

In addition to benefiting program managers, benchmarks can be established for farmers to evaluate environmental conditions on their businesses. Initially, certain measures designate which Tier II Worksheets farmers need to fill out. After farmers complete Tier II worksheets, an environmental performance report containing pertinent benchmarks can be generated to serve as an educational tool. This concept is similar to Cornell's Dairy Farm Business Summary, where benchmarks are used to evaluate factors contributing to farm profitability. Cornell's DFBS also incorporates an "expert system" to suggest processes for farm managers to improve profitability. A similar tool can be incorporated as a follow up to the environmental performance report.

A Result of Current Agricultural Benchmarking

Hundreds of farmers throughout New York State utilize the Dairy Farm Business Summary as a management tool for decision making. Arnold (1995), a DFBS user states:

When we did our Summary for 1992 we realized just how high our feed bill had climbed that year-grain purchased as a percent of milk sales (a common benchmark for dairy farms) was up to 38%... Seeing that figure, however, quickly brought us back into focus. We decided that spring of 1993 would bring a major change (1).

After the Arnolds made changes on their dairy farm, they used benchmarks to monitor how effective these changes actually were. Grain costs decreased to 22% percent of milk sales in two years, according to the Arnolds' DFBS. This result was achieved by utilizing rotational grazing, and hiring a pasture/feed consultant - a process put into place after competitive benchmarking indicated a need for improvement.

Prerequisites for Agricultural Environmental Benchmarking
Overall, benchmarking can improve program performance over time, as well as environmental conditions on farms. For environmental benchmarking to be effective, team members and farmers need to be aware of how the concept works. Farmers also need to understand which processes lead to improved environmental conditions on their farms, such as developing a nutrient management plan. When all parties involved realize that benchmarking is more than comparing numbers, measurable results can be achieved.

Works Cited


