

# **BENCHMARKING CODE OF CONDUCT**

- **Be willing to give what you get**
- **Respect confidentiality**
- **Don't refer without permission**
- **Be honest**
- **Follow through with commitments**
- **Keep it Legal**

# BENCHMARKING CODE OF CONDUCT

## **PREAMBLE:**

Benchmarking - the process of identifying and learning from best practices anywhere in the world - is a powerful tool in the quest for breakthrough and continuous improvement.

Benchmarking Success encourages all organisations and individuals involved in benchmarking to abide by this Code of Conduct. Adherence to these principles will contribute to efficient, effective, and ethical benchmarking.

## **BENCHMARKING CODE OF CONDUCT:**

Individuals agree for themselves and their company to abide by the following principles for benchmarking with other organisations.

- 1. Principle of Legality.**
  - 1.1 If there is any potential question on the legality of an activity, consult with your corporate counsel.
  - 1.2 Avoid discussions or actions that could lead to or imply an interest in restraint of trade, market and / or customer allocation schemes, price fixing, dealing arrangements, bid rigging, or bribery. Don't discuss costs with competitors if costs are an element of pricing.
  - 1.3 Refrain from the acquisition of trade secrets from any means that could be interpreted as improper, including the breach or inducement of a breach of any duty to maintain secrecy. Do not disclose or use any trade secret that may have been obtained through improper means or that was disclosed by another in violation of a duty to maintain its secrecy or limit its use.
  - 1.4 Do not, as a consultant or client, extend one benchmarking study's findings to another company without first ensuring that the data is appropriately blinded and anonymous so that participants' identities are protected, nor without first obtaining the permission of the parties to the first study.
  
- 2. Principle of Exchange**
  - 2.1 Be willing to provide the same type and level of information that you request from your benchmarking partner to your benchmarking partner.
  - 2.2 Communicate fully and early in the relationship to clarify expectations, avoid misunderstanding and establish mutual interest in the benchmarking exchange.
  - 2.3 Be honest and complete.

## BENCHMARKING CODE OF CONDUCT

### 3. **Principle of Confidentiality**

- 3.1 Treat benchmarking interchange as confidential to the individuals and companies involved. Information must not be communicated outside the partnering organisations without the prior consent of the benchmarking partner who shared the information.
- 3.2 A company's participation in a study is confidential and should not be communicated externally without their prior permission.

### 4. **Principle of Use**

- 4.1 Use information obtained through benchmarking only for purposes stated to the benchmarking partner.
- 4.2 The use of communication of a benchmarking partner's name with the data obtained or practices observed requires the prior permission of that partner.
- 4.3 Contact lists or other contact information provided by Benchmarking Success in any form may not be used for purposes other than benchmarking and networking.

### 5. **Principle of First Party Contact**

- 5.1 Respect the corporate culture of partner companies and work within mutually agreed procedures.
- 5.2 Initiate benchmarking contacts, whenever possible, through a benchmarking contact designated by the partner company.
- 5.3 Obtain mutual agreement with the designated benchmarking contact on any hand-off of communication or responsibility to other parties.
- 5.4 Obtain an individual's permission before providing his or her name in response to a contact request.
- 5.5 Avoid communicating a contact's name in an open forum without the contact's prior permission.

### 6. **Principle of Preparation**

- 6.1 Demonstrate commitment to the efficiency and effectiveness of benchmarking by being prepared prior to making an initial benchmarking contact.
- 6.2 Make the most of your benchmarking partner's time by being fully prepared for each exchange.
- 6.3 Help your benchmarking partners prepare by providing them with a questionnaire and agenda prior to benchmarking visits.

### 7. **Principle of Completion**

- 7.1 Follow through with each commitment made to your benchmarking partner in a timely manner.
- 7.2 Complete each benchmarking study to the satisfaction of all benchmarking partners as mutually agreed.

## BENCHMARKING CODE OF CONDUCT

### 8. Principle of the Understanding and Action.

- 8.1 Understand how your benchmarking partner would like to be treated.
- 8.2 Treat your benchmarking partner in the way that your benchmarking partner would want to be treated.
- 8.3 Understand how your benchmarking partner would like to have the information he or she provides handled and used, and handle and use it in that manner.

### BENCHMARKING PROTOCOL

#### Benchmarking Partners:

1. Know and abide by the Benchmarking Code of Conduct.
2. Have basic knowledge of benchmarking and follow a benchmarking process.
3. Prior to initiating contact with potential benchmarking partners, they have determined what to benchmark, identified key performance variables to study, recognised superior performing companies, completed a rigorous self-assessment, and are willing to share information.
4. Have developed a questionnaire and interview guide, and will share these in advance if requested.
5. Work through a specified host and mutually agree on scheduling and meeting arrangements.

When the benchmarking process proceeds to a face-to-face site visit, the following behaviour are encouraged:

- Provide meeting agenda in advance.
- Be professional, honest, courteous and prompt.
- Introduce all attendees and explain why they are present.
- Adhere to the agenda.
- Use language that is universal, not one's own jargon.
- Be sure that neither party is sharing proprietary information unless prior approval has been obtained by both parties, from the proper authority.
- Share information about your own process, and, if asked, consider sharing study results.
- Offer to facilitate a future reciprocal visit.
- Conclude meetings and visits on schedule.
- Thank them for their time and sharing.

## BENCHMARKING CODE OF CONDUCT

### ETIQUETTE AND ETHICS

The following guidelines apply to both partners in a benchmarking encounter:

- In benchmarking with competitors, establish specific ground rules upfront, e.g. "We don't want to talk about things that will give either of us a competitive advantage, but rather we want to see where we both can mutually improve or gain benefit."
- Do not ask competitors for sensitive data or cause benchmarking partners to feel they must provide data to keep the process going.
- Use an ethical third party to assemble and "blind" competitive data, with inputs from legal counsel, in direct competitor comparisons. (Note: When cost is closely linked to price, sharing data can be considered price sharing).
- Benchmarking Success should check with legal counsel if any information gathering procedure is in doubt, e.g., before contacting a direct competitor. If uncomfortable, do not proceed, or sign a security / non-disclosure agreement.
- Any information obtained from a benchmarking partner should be treated as company confidential".