CUSTOMS INTERNATIONAL BENCHMARKING

BENCHMARKING MANUAL

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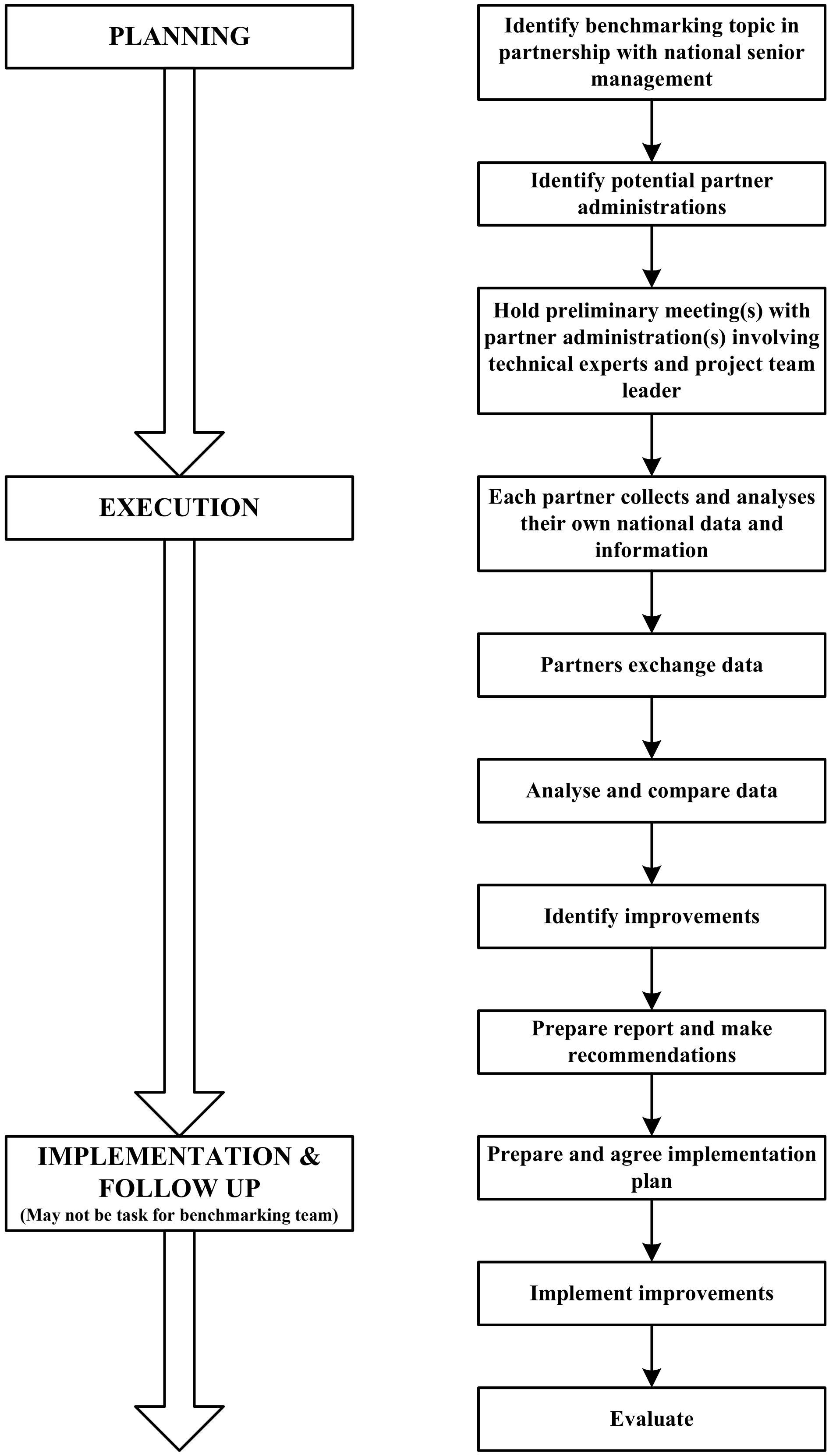
CONTENTS

SECTION 2 - RESULTS OF BENCHMARKING ACTIONS BY MEMBERS

[To be added by the WCO members]

OVERVIEW OF BENCHMARKING METHODOLOGY



EXECUTIVE SUMMARY

About this Benchmarking Manual

Section 1 of the Benchmarking Manual is a practical guide to help Customs administrations carry out international Customs benchmarking exercises. It includes information and guidelines for all participants in benchmarking projects. Section 2 contains results of benchmarking studies conducted by WCO members. Both the structure and content of this Manual have been designed to be similar to the European Commission's "Customs Benchmarking Information and Guidelines" document, which was of considerable assistance during this Manual's preparation.

This manual explains that the overall aim of benchmarking in a Customs context is to improve efficiency and effectiveness in national Customs administrations by comparing procedures or processes with the same or similar procedures or processes carried out by others, then identifying and implementing best practice. It **IS** :

- a process used to seek specific information based on the practices, procedures and processes carried out by other Customs administrations, in order to compare them;
- a collaborative process – that means sharing information on processes and measures that stimulate innovative practices and improve performance;
- a technique which helps us to improve processes, efficiency, effectiveness and/or economy; and
- initiated and carried out by the Customs administrations concerned.

The manual stresses that benchmarking of Customs processes and procedures should **NOT** be seen as :

- mandatory as it is not enshrined in legislation;
- a method of surveillance or a means of checking up on the activities of others; or
- a means by which a third party monitors your performance, e.g. assesses the extent to which you have/have not fully implemented legislation or an international agreement.

Chapter 1 provides an overview of the concept of benchmarking and outlines its benefits and challenges for a Customs organization. This chapter is useful for those who wish to understand the reasons for benchmarking and what benchmarking actions hope to achieve. There is also a section explaining where further information and advice can be found.

Chapter 2 includes practical guidelines on how to plan a benchmarking action, emphasising the need to set clear objectives and agree timetables. It outlines the essential requirements of the planning process, as well as detailing the steps to follow when carrying out a benchmarking action. A section on reporting describes the format of a typical benchmarking report.

Chapter 3 discusses the follow up issues of implementation and evaluation, including the different types of impact changes can have. It highlights the importance of implementing the best practices and procedures identified through the course of the benchmarking action.

(2) SECTION 1

CHAPTER 1 – GENERAL INFORMATION

Benchmarking – Improving ourselves by learning from others

1.1. What is benchmarking?

Benchmarking is a process that uses systematic research, analysis and comparison to identify and learn from good or better practices in other organizations. It is assuming a growing importance within public organizations, including Customs administrations, that increasingly wish to benchmark service delivery and policy functions as part of a process of continuous improvement. The philosophy of continuous improvement is now widely accepted as a corporate objective by many Customs administrations and is also embodied in the strategies of international organizations, including the World Customs Organization.

Benchmarking is not an enforcement tool to make administrations comply with legislation or other measures. Instead, Customs administrations can choose to use benchmarking to develop themselves, to contribute to continuous improvement and to creating (or maintaining) the world class service that all public sector organizations strive to provide. Benchmarking need not always be used to solve existing problems – it can also be used to agree best practice before new systems or procedures are introduced.

The very essence of benchmarking is to strive to be the best. Benchmarking can indicate performance levels - quantitative measures of results or outcomes - as targets to be achieved. Identifying best practices demonstrates how these targets have been achieved and should serve as a learning opportunity for Customs administrations to improve and approach – or even exceed – these benchmarks.

However, the benchmarking process need not always require the measurement of performance using hard, quantitative, measures. Sharing experiences and descriptions of the practices or procedures used by the benchmarking partners can be sufficient to highlight where major improvements could be made. Therefore, benchmarking also makes it possible to **compare the working methods and not the performances** of Customs administrations.

Benchmarking can be:

- ***External***: used to compare one specific process with a similar one outside your administration. For instance: you could compare how the Customs administrations of your own and other countries control warehouses. External benchmarking can involve comparing your administration's processes with those of a non-Customs organization either nationally or internationally.

- ***Internal***: used to compare one specific process within your own administration, for instance: comparing how Customs offices inside your organization control warehouses. You could carry out an internal benchmarking exercise to try out benchmarking before attempting an international benchmarking exercise.

The flowchart at page 4 outlines the basic benchmarking methodology that is described in more detail in Chapter 2 of this document.

1.2. Why benchmark – what are the benefits?

Customs administrations world-wide are required to meet the challenges of the globalization of trade and the dangers of the spread of fraud and criminality. Benchmarking can be a useful mechanism to help Customs services meet these challenges and become the most efficient and effective Customs services in the world since it allows for the continuous improvement of procedures and working methods. The use of this technique can accelerate change and restructuring by using tested and proven practice. Benchmarking demonstrates in measurable terms why one approach is better than another. The key benefits of benchmarking are:

- **Partnership** - Working together as partners is a vital aspect that can increase co-operation and the common interpretation and application of Customs law, conventions, treaties and agreements, e.g. of a common trade agreement.

- **Opportunity** – A benchmarking programme gives Customs administrations the opportunity to study, absorb and implement good practice already tried and tested by other Customs administrations.

- **Focus** - Benchmarking techniques support the detailed analysis of specific processes and procedures, and can be targeted at predetermined priority areas in a planned and clearly defined manner.

- **Delivery** – Benchmarking is a well-established management tool developed by industry. It is effective in making an impact on performance and meeting the challenge of delivering outcomes that contribute to continuous improvement.

1.3. Conditions necessary for benchmarking

Benchmarking is more than just comparing, it is about the awareness, ambition and willingness to change, and **actions should be undertaken only when an administration is open and prepared to embrace change.** For benchmarking to be successful it is helpful to have the right conditions present in your administration. 'The right conditions' means the attitudes of people at all levels - not just at DG level but at all relevant working levels. If the attitudes are right, the benefits this process has to offer will be maximized. You need to be prepared to :

- **Commit** - at the highest level in your organization to improvement*;*

- **Search for better practices** - never be sure that you are the best and be prepared to look for organizations that may be better than you in carrying out certain processes or procedures*;*

- **Compare** - target precisely the process you want to benchmark and fully understand how your organization carries it out, identify agreed measures of performance, then share findings with your partner(s);

- **Change -** if someone is better than you by accepting new ideas and insights into achieving tasks; and

- **Implement** - close performance gaps by adopting an implementation programme for the improvements identified by the benchmarking exercise.

1.4. Key issues in planning and execution of a benchmarking action

Key areas that should be considered in the planning and execution of a benchmarking action include the following :

- Identification of priority areas for action;

- Careful and considered selection of a limited number of partner administrations;

- Agreement of mutually agreed realistic and attainable objectives, capable of being measured on a like-for-like basis;

- Agreement on whether – or to what degree - the benchmarking exercise will focus on the comparison of results (outcomes, e.g. efficiency, effectiveness, economy, quality) or on the comparison of processes (how things are done);

- Agreeing a project timetable and work agenda and respecting the timetable;

- Careful selection of benchmarking team members;

- Agreement on which external stakeholders (if any) need to be involved and how to avoid any confidentiality problems;

- Commitment to implement recommendations where appropriate.

1.5. Barriers to successful benchmarking

The barriers to successful benchmarking can include :

- **Lack of clear, visible and consistent management support.** High-level commitment for improvement from the top management is necessary to overcome resistance and to support activities. The project is less likely to be successful if it is perceived that senior management are not fully committed to benchmarking and timely implementation of results.

- **Lack of an adequate co-ordination and management infrastructure.**

- **Failure to fully understand and document your own processes.** Unless your own processes are completely understood, analysis of performance gaps is impossible and understanding of the reasons for best practices unlikely.

- **Failure to analyse findings clearly**. Benchmarking consists of different elements and procedural steps. It has to be supported by research that establishes quantitative indicators and qualitative analysis of best practice.

- **Being overambitious in the scope of the benchmarking exercise.**

- **Refusal to dedicate the required staff and resources.** It is important to ensure that the required human resources are available to complete the task.

- **Inadequate information about how to adopt the agreed best practice and make it work.**

- **Lack of skilled resources to make and manage recommended changes resulting in the failure to implement best practice.**

1.6. Further help and advice

There are many commercial benchmarking web sites on the Internet and benchmarking textbooks are also available. Public sector organizations are also sharing knowledge about good practice and Annex A contains a list of available facilities that may be of help to administrations planning or undertaking benchmarking exercises.

The following chapters give guidance in how to overcome challenges and to ensure that any benchmarking action undertaken by your administration is carried out in an effective and meaningful manner.

CHAPTER 2 - GUIDELINES

A Planning & Execution Checklist is provided at Annex C. The purpose of the Checklist is to provide a simple way of ensuring that all the key activities and issues have been or will be dealt with during the planning and execution phases of the benchmarking exercise.

A: Planning

2.1. Introduction

Before starting a benchmarking exercise or formal proposal for consideration by prospective benchmarking partners it is essential for the initiating administration (i.e. the administration wanting to propose and lead the benchmarking exercise) to undertake some planning and preparation work. Project control software (e.g. Microsoft Project) can be used to help with planning and managing benchmarking projects if you feel comfortable using it, but it is by no means essential.

It will be highly desirable for your administration to appoint an official to act as a national benchmarking contact point. This person could co-ordinate all the benchmarking activity within your administration and could be the first point of contact for benchmarking enquiries, either from within your administration or from overseas.

2.2. Subject

The subject should be :

- relevant to the national administration;
- clearly supported by senior management;
- specific and concrete;
- ideally, of interest to all the participants in the exercise.

Remember that benchmarking need not always be used to solve existing problems – it can also be used to agree best practice before new systems or procedures are introduced.

If you are doing your first benchmarking exercise, it may be prudent to focus on a topic that is neither complicated nor wide. You may wish to carry out an internal benchmarking exercise in a test environment as a pilot to gain experience. Benchmarking studies that try to cover a very wide subject area, e.g. the overhaul of the entire Customs administration of a country, would be very difficult to manage and keep focused because of the vast amount of data and analysis involved. Therefore, it is always best to select benchmarking subjects that are as specific and as well-defined as possible. Do not be afraid to drop plans or discontinue work where the subject is found to be incompatible with benchmarking.

2.3. Objectives

You should be aware of the overall objectives of the benchmarking exercise. The objectives should be defined in such a way that evaluation of the exercise by the participating members can be clearly and easily carried out. Expected results should be concrete and measurable in either the short term or medium term.

2.4. Identification of partners

When you wish to initiate a benchmarking exercise always try to find partners that you know or believe to be best in class in the subject you wish to focus on. The organizations in Annex A may be able to help you do this. Identify and link to other Customs administrations, other Government departments, ministries or agencies - or even private sector organizations, where appropriate - who have already made step changes in their service delivery or who have expressed an interest in benchmarking the subject of interest to you. Prior to the first contact with a prospective benchmarking partner ensure that :

- an outline description of the topic to be benchmarked is drafted;

- senior management, and any national benchmarking contact point, in the initiating administration are informed and involved in the planning process from the very beginning, and that they are aware contact with partners is beginning.

Ideally there should be not more than three partners involved in a benchmarking action. This is because the administrative burden of exchanging information and co-ordination will probably become excessive and out of proportion to the likely benefits. When asked to participate in an exercise you should be willing to benchmark a subject with another country, even though you may not see immediate value to your own organization. Remember :

- potential benchmarking partners will seek out who they perceive has the best, or better practices,

- if you expect co-operation from others you must practice it yourself, and

- it is rarely the case that someone learns absolutely nothing from a benchmarking exercise.

2.5. Degree of participation of partners

There are two different degrees of participation in a benchmarking exercise. Some partners will wish to be fully reciprocal partners, i.e. they will both supply information and also have an interest in gathering/receiving information from other participants.

In other cases, partners will be passive – they will be willing to assist the country initiating the benchmarking exercise by supplying information but will not be able themselves to participate more fully, e.g. they may choose not to participate in site visits or contribute to the drafting of the final report.

Even in this latter case there is still a benefit in them participating because of the value to be obtained by the initiating administration from the information they supply.

2.6. Guiding principles

It is recommended that the participating benchmarking partners should be familiar with and agree to observe a set of Guiding Principles. An example of these can be found at Annex B. If the benchmarking partners agree, these principles could form the basis of a formal agreement between the parties that governs the conduct of the benchmarking exercise.

2.7. Duration of the exercise

A timescale for each step should be agreed. Ensure that realistic periods of time are allowed for partners to obtain information and data from within their administration: for example, unless only very simple information has been requested, it would not be unreasonable to allow one month for this. Allow sufficient time for preparation before site visits as well as for documents to be translated into your own language.

2.8. Funding

The WCO has no authority to make funding available to members for the purpose of carrying out benchmarking exercises. Therefore, the costs of benchmarking exercises must be borne by the participants themselves and/or their sponsors.

2.9. Communications

Identify all the stakeholders who may have an interest in the exercise. Internal stakeholders can include senior mangers, headquarters and regional managers and staff, who may be responsible for policy issues or are operational staff carrying out the process being benchmarked. Consider whether there are any external stakeholders, e.g. businesses or international organizations, that need to be involved and whether disclosure of information to them will require data or reports to be "blinded" to respect the confidentiality requirements of the Guiding Principles (see Annex B). Decide which of the stakeholders need to be consulted during the exercise and which need only to be kept informed of progress and outcomes. Agree how, and by whom, stakeholders will be consulted or kept informed.

For international exercises it is important that all participants agree what language will be used during meetings (e.g. site visits) and for the final report.

2.10. Preparatory meeting

It will most likely prove useful for the initiating administration to have a preparatory meeting with the partner administration(s). It is important to share a clear understanding of the subject, objectives, timetable, working methods, language and reporting procedures from the very beginning. The preparatory meeting should result in agreement on :

- whether to proceed with the benchmarking exercise;
- a formal plan concerning the benchmarking action;

- which administrations are willing to be benchmarking partners.

2.11. Formal plan

The plan should

- contain an outline, identifying the work to be undertaken;
- indicate the working language to be used at meetings and in the final report;
- clarify and specify the objectives;
- clarify and specify (as appropriate) the performance measures (results) and/or the process comparisons to be used;
- indicate the number and location of planned meetings;
- indicate the names of the participants if known;
- specify a time scale for the project;
- indicate the estimated costs of the project;
- define and apportion the cost of the various actions amongst various partners.

All participating administrations should consider the formal plan and give their agreement to undertake the benchmarking exercise and to fulfil their responsibilities as partners.

2.12. Benchmarking team

A benchmarking team will need to be created in the initiating administration and the partner administration(s). The national benchmarking contact point, if appointed, should be involved in the selection of the team, and each team should have a clearly identified leader and each member should have a specific task and responsibility. The team leader in each administration is responsible for :

- ensuring that work progresses in accordance with the timetable;
- drafting the final report and overseeing the contributions of others as required (ownership and responsibility for the task of issuing the final report rests with the team leader in the initiating administration);
- dissemination of information internally within the Customs administration about the project;
- ensuring adequate human resources are allocated over a sufficient period of time in consultation with the benchmarking contact point and senior management;
- ensuring that the benchmarking team has the necessary knowledge about the approach to the work, including the methodologies of benchmarking and technical knowledge of the particular subject to be benchmarked;

- being involved in the evaluation of the exercise with senior management and the national benchmarking contact point, if appointed.

At least one team member should be familiar with the methodology of benchmarking. That person need not necessarily be from the Customs administration – a benchmarking expert from another department or from outside the public sector could perform this role. He/she is responsible for following the benchmarking project in order to guarantee that each phase of the exercise is carried out according to the Benchmarking Guiding Principles (ANNEX B), for steering the partners towards better working methodologies and to train the benchmarking team in technical aspects of benchmarking. There should be one or more team members who are experts in the particular subject to be benchmarked.

Depending upon the circumstances, it may not be necessary to create a dedicated, full-time, benchmarking team. Instead, a team could be formed using people who retain their existing jobs but who collaborate as necessary to fulfil the demands of the benchmarking exercise.

2.13. Visits to other administrations (site visits)

All benchmarking exercises involve the gathering and exchange of information and/or performance data. In addition, in most cases (but not all, see paragraph 2.5) there is a benefit in each participating administration visiting the other(s) in order to carry out site visits. During site visits, benchmarking teams visit the place(s) where the practice/procedure being benchmarked is operated. The benchmarking team members can ask questions to clarify anything that is unclear.

Always consider during the planning stage whether site visits would be helpful and, if so, where they could take place. If it is agreed to include site visits in the benchmarking exercise, the team leaders should liaise with senior management at the location(s) that the visits will take place to ensure that the proposed timing of the visit(s) is convenient and that the necessary support and co-operation will be available to the benchmarking teams for the duration of the visits.

2.14. Evaluation

During the planning process benchmarking partners should consider agreeing to a follow up evaluation exercise being carried out, after an agreed interval following production of the final report. The report should be drawn up jointly by the various benchmarking partners. It should report on the success of the benchmarking exercise, what benefits they had derived from the benchmarking exercise, the value of the improvements being made, extent to which agreed recommendations are being implemented and any difficulties they may have encountered in implementing the recommendations in the report.

B: Execution

2.15. Introduction

Having completed the planning process and agreed which administrations will participate, the benchmarking exercise can be carried out in accordance with the agreed timetable. It is a fundamental requirement that benchmarking teams fully understand what their own organizations do in practice. This means going beyond the theory (i.e. the written instructions to staff and the public notices) to discover what actually happens in the workplace. Benchmarking teams may need to visit workplaces and interview staff to ensure that their level of understanding is sufficient to enable them to explain to their benchmarking partners what happens in their own administration.

2.16. Collecting and analysing information and data

The partners carry out this task in parallel with one another. To be able to carry out benchmarking, you should have a detailed description of the process to be benchmarked. Each partner must ensure that they collect the correct information and analyse the data to ensure that it correctly represents the performance measures etc. agreed previously. To facilitate this, consider sending to your partners a written description of your process – and a flowchart of processes if appropriate - together with a list of questions that you would like your partners to answer to aid your understanding of their processes.

If you intend to compare performance indicators, ensure that you have a clear understanding of the formula behind the indicator. If alternative data to that agreed has to be supplied because it is the best available, make sure that you provide adequate definitions and formulas that will enable the substitute data to be understood and interpreted.

Consider gathering information from outside organizations, e.g. from private sector companies or chambers of commerce, who are clients of your administration because they are either users of or are affected by the procedure being benchmarked.

When reviewing findings, draw up comparative descriptions, tables, charts etc to support the analysis process. Make sure that comparisons are of like with like and do not be tempted to alter the data to make it appear more favourable than it really is. Remember that qualitative and quantitative analysis can both be relevant. Identify differences and gaps in performance and seek explanations for them to ensure that comparisons are meaningful and credible. Where necessary, normalize the measures used, that is, apply correction factors to take account of reasons for differences in performance other than inefficiencies, so that any comparisons are on a strictly "like-for-like" basis.

The benchmarking partners should consult each other over anything that seems to be unclear.

2.17. Visits to other administrations - practical arrangements

A decision about which benchmarking partners will make visits to others should have been agreed during the planning stage. The initiating administration will be most likely to want to visit the partner administration(s) but fully reciprocal benchmarking partners (see paragraph 2.5) will also wish to conduct site visits.

A checklist or questionnaire may be sent in advance by the visiting delegation to the host delegation in order to address the key issues in the area to be benchmarked. This way the host administration can ensure that issues identified will be discussed during the visit. Consider providing a glossary of any terms used that might not be clearly understood by partners or which may have different meanings in different organizations or countries. Indicate if alternative data or information could be accepted in cases where the data etc. requested is not available. In such cases clarify that the person providing the data should also provide relevant definitions and/or formulas.

A timetable and working agenda should be agreed, outlining the people to be met and the Customs offices to be visited.

A contact person should be agreed, usually the team leader, to assist with logistical arrangements such as transport, office accommodation, meetings etc.

While on site, the visiting delegation should get every opportunity to study the process or working practice, and ask questions to improve their understanding. Both the time and a suitable venue should be available to study documents and to meet officials who can improve the understanding of the process.

There should be an evaluation meeting at the end of the visit, in order to ensure that all objectives have been met and that the visiting delegation has fully understood the process.

2.18. Recommendations

When making recommendations, examine the feasibility of making the improvements in the light of the conditions that apply within your own organization so that only feasible recommendations are made. However, do not be dissuaded from making recommendations that are demanding or innovative.

Make sure that the reasons behind the recommendations are clearly explained, supported by a cost/benefit analysis if appropriate.

C: Reporting

2.19. Introduction

The benchmarking partners should prepare a joint report, which contains all the performance data and analysis and the teams' conclusions on what constitutes good or better practice. However, as explained in paragraph 2.9, an additional version of the report may need to be prepared for issue to third parties in which specific names, places or other information has been omitted to avoid confidentiality difficulties. It is often helpful to hold a final meeting of the benchmarking partners to discuss any residual problems (e.g. with the wording used) and to agree the report formally.

2.20. Report template

The report template attached as Annex D could serve as the basis for the final reporting, but this should only be treated as a suggestion, and may be expanded or cut down as required.

The report template covers the following issues:-

Introduction (Section 1)
This section can contain a description of the issues agreed during the planning process, in particular the overall **objectives** and specific (measurable) objectives.

Summary of Report (Section 2)
This section should outline the main finding and recommendation in summary format. It could include observations made in identifying "good practice" relating to the respective concepts as well as findings and conclusions for the partners involved.

Description of the procedure being benchmarked (Partner A) (Section 3)
A short description by partner A of the background, legal base, purpose and current status of the procedure by the partners may also be appropriate to aid understanding. It may also be useful to include a case study to show the process from start to finish to assist in understanding the procedure.

Description of the procedure being benchmarked (Partner B) (Section 4)
A short description by partner B of the background, legal base, purpose and current status of the procedure by the partners may be appropriate to aid understanding. It may also be useful to include an example of a case study to show the process from start to finish to assist in understanding the procedure.

Comparisons/differences of the procedures and how they are operated (Section 5)
The findings to be shown are those that arose in the course of the project including the results of comparing indicators and data, stating the relevant reasons. (These reasons could be policy driven, legislative or cultural). It may be appropriate to include the results of comparing the answers to any list of questions, showing the different systems and why there may be differences in the approaches taken by different administrations.

Benchmarking conclusions (Section 6)
Here the practices, procedures etc. that are to be regarded as “Best Practice” should be outlined. This section should show clearly the identified best practice in the administrations. Findings could also include procedures or approaches identified by the participants during research or discussion that are not currently practised by the participating administrations, but are still considered to represent best practice.

Other findings (Section 7)
Other important issues relating the project may require highlighting in the report. These could include changes in the objectives or the identification of other benchmarking actions.

Recommendations (Section 8)
The recommendations from the exercise should be clearly stated. In the case of several recommendations, they should be ranked according to priority.

CHAPTER 3 - FOLLOW-UP

3.1. Introduction

The production of the benchmarking report does not mark the end of the exercise, although it may be the point at which the benchmarking team is disbanded because their specialist expertise and input is no longer needed. The benchmarking report's recommendations should first be considered by senior management (and possibly by the operational staff responsible for the issue that was benchmarked) so that the improvements that are to be implemented can be agreed. The cost of implementing changes and the expected benefits should be presented so that only cost-effective changes are made. After improvements have been implemented the benchmarking process and the results achieved should be evaluated.

3.2. Implementation plan

It is important that each participating administration begins work on the implementation of the recommendations identified and accepted by management to ensure that the benefits of benchmarking are realised. A national implementation plan should be drawn up and agreed with the senior managers responsible for the subject of the benchmarking exercise, taking into account a cost/benefit analysis of the proposed changes.

It is at this stage that the real benefit of benchmarking actions can be realised. The benchmarking action should have identified, in a structured and analytical manner, the best or better practices that could be adopted by the participating administrations. The best or better practices will fall in to one of two categories, depending upon whether they will have only a national impact or will have an international impact.

- **Changes having national impact.** Benchmarking partners are able to implement these changes within their own administrations to adopt best practice. When planning implementation, consideration should be given to the differences in how separate Customs administrations work, including cultural and policy differences, to ensure no problems arise.

- **Changes having international impact.** Where agreed best practice identifies ways to improve the working of an international agreement, convention or treaty, the partners should agree to place their recommendations before the international organization responsible for the administration of the agreement concerned.

3.3. Evaluation

Once the improvements identified by the benchmarking exercise have been implemented an evaluation exercise should be conducted. Evaluation is important because it will highlight the extent to which the benchmarking exercise was of value in the improvement process and may help to determine the extent to which benchmarking might be of assistance in the future.

The evaluation can be conducted by each participating administration individually or all the benchmarking partners who could agree to work together to conduct a joint evaluation.

The evaluation should focus on two main areas :

- the benchmarking process itself and what lessons can be learned from it. The lessons learnt should be shared with others involved in similar work both nationally and internationally; and

- the success of the benchmarking exercise measured against the objectives agreed at the outset and the overall improvements in efficiency and effectiveness achieved as a result of implementing improvements.

It is recommended that benchmarks be re-considered periodically in the light of changes in those conditions that impact on performance and good practice.

ANNEX A – FURTHER HELP AND ADVICE

- **United Kingdom**
  Public Sector Benchmarking Service : The PSBS is a focal point for managing information on benchmarking. It provides a service for all public sector organizations inside and outside the UK by providing information, advice and guidance material. You can contact the PSBS as follows:
  Telephone: 00 44 207 865 4949
  Fax: 00 44 207 865 5700
  E-mail: psbs@hmce.gsi.gov.uk
  Website: www.benchmarking.gov.uk

- [Other country]
- [Other country]

ANNEX B - GUIDING PRINCIPLES

BENCHMARKING GUIDING PRINCIPLES

These Guiding Principles are offered as a guide. Agreement to adhere to them will contribute to efficient, effective and ethical benchmarking and act as a confidence building measure between the participants.

1. Preparation

Prior to making an initial benchmarking contact demonstrate commitment, efficiency and effectiveness by being prepared. Make the most of your benchmarking partners' time by being fully prepared for each exchange or visit.

Before any benchmarking contact, especially the sending of questionnaires, obtain advice and clearance to proceed on content from policy owners in your administration; if appropriate, take legal advice at this stage (e.g. on data protection issues).

Help your benchmarking partners prepare by providing them with an agenda and (where appropriate) a questionnaire prior to benchmarking visits.

2. Contact

Respect the corporate culture of partner administrations and work within mutually agreed procedures.

If it is preferred procedure, use benchmarking contacts designated by the partner administration.

Agree with the designated benchmarking contact how communication and responsibility is to be delegated in the course of the benchmarking exercise. Check mutual understanding.

Obtain an individual's permission before providing their name in response to a request from other contacts.

Avoid communicating a contact’s name in open forum without the contact’s prior permission.

3. Information acquisitions and exchange

Communicate fully and early in the relationship to clarify expectations, avoid misunderstandings, and establish mutual interest in the benchmarking exchange.

Be willing to provide the same type and level of information that you request from your benchmarking partner, provided that the requirements of Part 6 *Legality* is observed.

Do not ask partners for data outside the agreed scope of the study.

Do not put pressure on partners to provide sensitive data or cause the benchmarking partner to feel that they must provide such data to keep the process going.

Consider providing a glossary of any terms used (e.g. in questionnaires) that might not be clearly understood by partners or which may have different meanings in different organizations or countries.

Consider using an experienced and reputable third party to assemble and "blind" sensitive data.

Be honest and complete.

4. Confidentiality

Any information obtained from a benchmarking partner should be treated as you would treat any internal confidential communication.

Benchmarking reports must not be communicated to third parties, without the prior consent of the benchmarking partners who shared the information. When seeking prior consent, make sure that you specify clearly what information is to be shared, and with whom.

5. Use of information

Use information obtained through benchmarking only for purposes stated and agreed with the benchmarking partners.

6. Legality

If there is any doubt on the legality of an activity, you should take legal advice.

Refrain from the acquisition of information by any means that could be interpreted as improper including the breach, or inducement of a breach, of any duty to maintain confidentiality.

Do not disclose or use any confidential information that may have been obtained through improper means, or that was disclosed by another in violation of a duty of confidentiality.

Do not pass on benchmarking findings to another organization without first getting the permission of your benchmarking partners and, if requested, without first ensuring that the data is appropriately "blinded" and anonymous so that the participants identities are protected.

7. Completion

Follow through each commitment made to your benchmarking partner in a timely manner.

Endeavour to complete each benchmarking study to the satisfaction of all benchmarking partners

8. Understanding and Agreement

Understand how your benchmarking partner would like to be treated and treat them in that way.

Agree how your partner expects you to use the information provided, and **do not** use it in any way that would break that agreement.

BENCHMARKING PROTOCOL

This Protocol describes recommended good practices for benchmarking teams and their working methods.

Benchmarking participants should :

- Know and abide by the benchmarking Guiding Principles;

- Have at least a basic knowledge of benchmarking and follow a benchmarking process;

- Before initiating contact with potential benchmarking partners :

    - Identify what to benchmark
    - Indicate key performance variables to study
    - Recognize superior performing administrations
    - Complete a rigorous internal analysis of the process to be benchmarked.
    - Prepare a list of questions, and share these in advance, if requested.
    - Possess the authority to share and be willing to share with benchmarking partners.
    - Work through a specified contact and mutually agreed arrangements.

- During face-to-face site visits/meetings :

    - Provide a meeting agenda in advance
    - Be professional, honest, courteous and prompt
    - Introduce all attendees and explain why they are present
    - Adhere to the agenda
    - Use an agreed working language and do not use jargon
    - Be sure that neither party shares proprietary or confidential information unless prior approval has been obtained from the proper authority
    - Share information about your own process, and, if asked, consider sharing study results with a wider audience
    - Offer to facilitate a future reciprocal visit
    - Conclude meetings and visits on schedule
    - Formally acknowledge the contribution and assistance given by your benchmarking partner by the sharing of their process with you

IMPORTANT NOTICE

These Guiding Principles are not legally binding. They are for guidance only and do not imply protection or immunity from the law.

ANNEX C - PLANNING & EXECUTION CHECKLIST

The purpose of this Checklist is to provide a simple way of ensuring that all the key activities and issues have been or will be dealt with during the planning and execution of the benchmarking exercise.

Key people

	Name	Postal Address	Telephone number	Fax number	E-mail address
National BM contact point					
Senior manager who gave approval					
Your BM team:					
BM Team leader					
• Team member 1					
• Team member 2					
• Team member 3					
Your BM partners:					
• contact person 1					
• contact person 2					
• contact person 3					

Key dates

Activity	Date
Senior management approval given	
BM team formed	
Potential BM partners identified	
Preparatory meeting with BM partner(s) takes place	
Budget calculated, source of funding found and authority to spend obtained	
BM exercise begins	
Information exchange between BM partners takes place	
Site visit(s) take place	
Final report of BM exercise issued	
Evaluation starts	
Evaluation complete	

Key issues

Make sure that you carry out the following :

Planning

- Clearly define the subject of the exercise
- Define the objectives for the exercise and the criteria that will be used to assess success
- Agree the approach – will you be comparing results/outcomes (hard measures of effectiveness, efficiency, economy, quality) or processes (how things are done)
- Identify and select potential partners; agree if partners will be fully reciprocal or passive
- Produce a plan for the exercise
- Identify all stakeholders, both internal and external, who need to be either consulted or just kept informed of progress and outcomes
- Agree the language to be used at international meetings and for the final report
- Assign financial resources and appoint a benchmarking team
- Obtain commitment, support and approval of senior management

Collecting information and data

- Agree with partners to apply the Benchmarking Guiding principles
- Fully understand your own procedure – make workplace visits if necessary
- When gathering data, obtain the definitions and formulas that will enable the data to be interpreted
- Send to your partner(s) a written description of your process and a list of questions for them to answer
- Agree a programme of site visits (where applicable) and ensure the purpose of the visits is clear

Analysing the findings

- Collate information and data and produce comparative descriptions, tables etc
- Seek explanations for performance gaps
- Ensure comparisons are meaningful and credible
- Identify only realistic improvement opportunities

Making recommendations

- Ensure that recommendations are feasible
- Explain <u>why</u> recommendations are being made

ANNEX D - REPORTING TEMPLATE

Note: Only the most appropriate and relevant sections of this template should be used depending on the type of process and procedure being studied

1. INTRODUCTION

2. SUMMARY

3. DESCRIPTION OF THE PROCEDURE BEING BENCHMARKED (PARTNER A)

3.1. Background and legal base

3.1.1. Purpose of the procedure

3.1.2. How Partner A operates the procedure

3.1.3. Future developments

3.1.4. Impact on business, the public and other Customs administrations

3.2. Case study

4. DESCRIPTION OF PROCEDURE BEING BENCHMARKED (PARTNER B)

4.1. Background and legal base

4.1.1. Purpose of the procedure

4.1.2. How partner B operates the procedure

4.1.3. Future developments

4.1.4. Impact on business, the public and other Customs administrations

4.2. Case study

5. COMPARISON/DIFFERENCES OF THE PROCEDURES AND HOW THEY ARE OPERATED

5.1. General findings

5.2. Description of the main differences in the procedures and their operation

5.2.1. Findings for the customer/client

5.2.2. The internal administrative procedures of partners

5.3. Explanation and result of the comparison

6. BENCHMARKING CONCLUSIONS

6.1. General descriptions

6.2. Best practice in the system of partner A

6.3. Best practice in the system of partner B

6.4. Other practices or procedures

7. OTHER FINDINGS

8. RECOMMENDATIONS

SECTION 2 - RESULTS OF BENCHMARKING ACTIONS BY MEMBERS

Country	Subject	Main Recommendations	Contact details Name/Address/Telephone/Fax/Email
UK	Customer service aspects of freight movement	**Customs Import Documentation** • Abolish paper Customs declarations • Abolish separate valuation declaration • Replace licences with Personal Identification Number system **Simplified Import Procedures** • Make simplified procedures the norm (b) Clearance Time • Remove delay in computer clearance process • Review examination rate (c) Repayment Times • Automate and/or use risk assessment (d) Service Standards • Build in continuous improvement • Review regularly	Keith Day/Dick Sloman International Benchmarking Team Public Sector Benchmarking Service HM Customs & Excise 7th Floor East New King's Beam House 22 Upper Ground London SE1 9PJ United Kingdom Phone: + 44 207 865 5641 or 4863 Fax: + 44 207 865 5700 keith.day@hmce.gsi.gov.uk richard.Sloman@hmce.gsi.gov.uk
UK	Detector dogs	**It is good practice to have:** • Regional management structure • Licensing dog/handler teams • Multiple sources of supply • Breeding programme	Keith Day/Dick Sloman International Benchmarking Team Public Sector Benchmarking Service HM Customs & Excise 7th Floor East New King's Beam House 22 Upper Ground London SE1 9PJ United Kingdom Phone: + 44 207 865 5641 or 4863 Fax: + 44 207 865 5700 keith.day@hmce.gsi.gov.uk richard.Sloman@hmce.gsi.gov.uk

Country	Subject	Main Recommendations	Contact details Name/Address/Telephone/Fax/Email
Germany, Netherlands and the Czech Republic	Integrity/ corruption prevention "In step with practical experience"	Best practice • Incorporate repressive and preventive measures in legal norms and binding regulations • Identify and analyse work areas and activities that are susceptible to corruption • Adopt corruption prevention measures in line with the specific risk of the activity • Control bodies and reporting channels as basis for an effective corruption prevention system • Take action to raise awareness of and understanding of the problem of corruption among the public and in the workforce • Supplement and support corruption prevention measures with comprehensive security management Further specific recommendations for action on all the above best practice recommendations	Benchmarking team a) Jürgen Franzen Oberfinanzdirektion Köln Wörthstrasse 1 – 3 50668 Köln Tel : +49 221 91640 108 Fax : +49 221 91640-27 Poststelle@OFDK.bfinv.DE b) Drs G.J.M. Pruim Directie Douane Laan op Zuid 45 Postbus 50 964 3007 BG Rotterdam Tel : + 31 10 290 4885 Fax : +31 10 290 4985 Dirdouan@worldonline.nl c) Karel Kucera MF-Generálni ředitelstvi cel Budějovická 7 140 96 Praha 4 Tel : +420 24 148 0576 Fax : +420 24 148 0577 Kucera@cs.mfcr.cz