



Australian Government
Australian Trade Commission

Benchmarking: a tool for TPO Competitiveness

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How Austrade defines benchmarking

- Central instrument to improve the performance of an organisation
 - Comparisons can be an important driver of performance
- Internal and external functions are benchmarked
 - Find an organisation from which to learn
 - Study how it achieves its results
 - Make plans to improve own performance
 - Implement plans
 - Monitor and evaluate results
- Benchmarking is used by Austrade to identify and implement best practice



Benefits to Austrade of benchmarking

- Allows a wide range of performance indicators to be studied
- Assists in identifying priorities for improvement
- Allows performance shortfalls to be clearly seen
- Uses performance indicators at a variety of levels

Downsides to Austrade of benchmarking

- Not spending enough time up front to get the right framework of performance indicators
- Not defining the data items correctly and consistently
- Not collecting the data accurately

Austrade's view of benchmarking

- An ongoing activity and we must always be looking for the right opportunity
- Enables us put in place new and improved systems to better service the needs of clients and produce the best products and services
- Leads to an increase in business outcomes

How does benchmarking work?

- Enables past information, known as “lag” information, to be evaluated while also looking forward and assessing “lead” information
- Can use qualitative and quantitative research techniques
- Can also use options such as
 - Client retention, satisfaction and the quality of client relationships
 - Staff satisfaction
 - Supplier relationships
 - Re-engineering analysis
 - Process mapping
 - Quality control variance reports
 - Risk analysis
 - Financial ratio analysis
- The technique to use depends on what is being benchmarked

Austrade's scope for benchmarking

- Covers 3 main business areas:
 - Organisation: business process effectiveness
 - Key Performance Indicators
 - Bench marking against other TPOs

Organisation: business process effectiveness

- Austrade's performance is tied to the funding received from the Australian government
 - Staff are measured on individual performance outcomes
- Austrade supports an increasing number of small to medium business enterprise exporters while continuing support to larger companies
 - Processes, information systems, organisational structure and modes of service delivery have had to change
- Austrade sets performance targets in overseas regions and local offices in Australia
 - Requires tightly focused measures to make big impact in markets
 - Business process results are compared between regions on a budget/outcome basis



Key Performance Indicators (KPIs)

- Austrade uses numeric KPIs for all major business objectives. Key benchmarking criteria include:
 - Number of Australian exports we assist
 - Number of EMDG recipients we assist (applications and grants paid)
 - Number of successes we assist in rural and regional areas
 - Export Impact: number of clients and dollars
 - New Exporter Development Program (NEDP) and the export impact – number of clients we assist



Key Performance Indicators (KPIs) (contd)

- Key benchmarking criteria also include:
 - Sustainable Export Measures
 - Outward investment impact: number of clients and dollars
 - Client satisfaction
 - Community awareness of the importance of the government's trade and international business facilitation activities through Austrade
 - Proportion of Australians who believe that exports make a major contribution to the economy



External benchmarking

- Customer satisfaction survey
 - Clients rate their experiences in an annual telephone survey or via online
 - Satisfaction and performance measured against service standards
 - Areas of improvement identified
- 2005/06 – 88% of established exporters and companies rated Austrade as good, very good or extremely good
- 2005/06 – 88% of new exporters and companies rated Austrade as good, very good or extremely good



Internal benchmarking

- Examines the proportion of Australians who believe that exports make a major contribution to the economy
- Newspoll conducted an annual community awareness survey:
 - 2005/06 – 83% of Australians believe exports make a contribution to the economy
 - 2005/06 – 67% of Australians were aware of the importance of the Australian government's trade and international business facilitation activities through Austrade
 - 2005/06 – 77% of Australians were aware of Austrade



Benchmarking results

- From internal and external benchmarking exercises, Austrade can now benchmark against overall business objectives

Benchmarking against others

- Austrade shares experiences with other TPOs to discuss best practice and understand how other TPOs approach clients
 - Websites provide new campaign information
 - Discussions are conducted with other TPOs to look at servicing offers
 - Information is shared at forums such as this
- Australian Business Export Awards provides another form of benchmarking
 - Benchmarks across export sector for last 40 years
- World TPO Awards
 - Recognise national trade promotion organisations
 - Focus on tangible changes and verifiable achievements of TPOs



Summary

- Benchmarking is a tool used to set standards of commercial excellence and produce outcomes
- It is easily understood by staff and stakeholders
- It provides a link between strategy and measured performance
- Methodology used to collect and measure performance data must be thorough and rigorous
- Austrade's benchmarks are now predominantly based around the outcomes of its clients