CHAPTER ONE

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Benchmarking is comparatively new management technique for quality control and improvement. It is in fact, an aspect of Total Quality Management – (TQM) which focuses on improved customer relations and patronage. Through quality control, it tries to satisfy customer utility in the product by improving on the quality of the product according to customer’s prescriptions. (Jenzeen, 2004:218)

As a matter of origin, it is a technique that began with the Ranx-Xerox Company in the United States of America, over its non-challant attitude of the competitors from Japan. The company erroneously thought that Japanese products were inferior as such commanded less patronage in the market. But the story was different in the market as Japanese kept improving on the quality of their products by conducting customer reaction survey.
Information technology initiatives with organizational goals and processes. It harnesses the company’s power of technology to drive and sales aid marketing success.

It is aimed at helping the company understand marketing productivity across multiple dimensions which includes marketing processes, critical skill sets marketing technology enablement, performance measurement and marketing organizational structures. It provides effective and innovative practices that companies use to deliver education of the product or services or idea to their customers. It helps to plan customers’ reactions through effective wholesale and retail distribution. It serves as a valuable operational compass to guide any company’s efforts to creating a best in class marketing communication’s system, increase customer satisfaction as well as building strong customer relationships.

According to Yuri (1998:56), benchmarking is the customer way of transacting business. It aims at satisfying the customer, and project him as king, taking note of his complaints, directing production and services to suit his yearnings and aspirations. To Onwutebe (1999:10), Benchmarking has the ability of
transforming the entire framework of the company by constant evolvement of policies that will ensure customer patronage, delivered and maintained in such a way that the organizational are better achieved.

According to Rice (1996:96), the whole essence of Benchmarking is to increase the final returns to the inputs of business by ensuring well maintained customer patronage, which in turn ensures continuity of the business. To Akpa (2000:96), Benchmarking is the sole of business. Without it a company might forget production, because the customer is not taken care of. This buttresses Nwaogu’s view (2000:51), that benchmarking is the backbone of continued business. To Anthony (1998:522), benchmarking implies taking the customer along whether in service or manufacturing sector. Christopher (1996:28) maintains that benchmarking charted the course for any businessman to follow. It helps the customer achieve his aim, and the company maintained a successful career plan and successions planning system.

According to Bill (2000:20), every company manager should aim at having own corporate benches to meet company needs,
identifying and implementing innovative systems and practices that other top companies had used to derive performance. This latest assertion of Bill Clinton ushers in the spirit of Benchmarking. It learns from others, the overt and covert tricks of success and reasons for failure and applies as well as modifying them for excellence in one’s chosen profession.

According to Emil (1996:28), borrowing a leader does not have to be follow people from the same profession. Techniques of success in a different field have to be carefully studied and applied to ones profession for success. This is all about Benchmarking. Re-echoing Emil, Watson (1990:54) notes that Benchmarking aimed at achieving superiority over competitors by aiming at achieving superiority over competitors by aiming at wider market control by constantly comparing with external environment.

According to Blendell et al (1986:10 –15), benchmarking entails metricity. To that is meant a quantitative comparison of planned objectives with achievement. This helps to note areas of deviation so as to make amends. Every business has the sole natural tendency of maximizing earnings, profits and rendering of
quality services which yield revenue to the business. To this extent, management relies on the dexterity of marketing to create avenues for productive growth in the economy. One of such marketing strategies is Benchmarking.

According to McDavis (2004:62), Benchmarking is a comparative concept of achieving superiority. It aims at outwriting other competitors by production of quality services. It challenges the members of the industry for better performance. According to Deenkwo (2008:39), benchmarking is not unnecessarily comparative. This is because it collects relative data from better performing firms in the industry for better comparison. Benchmarking identifies with the best practice in the industry, matches production to meet challengers. It aims at achieving organizational goals through the establishment of achievable goals.

1.2 **STATEMENT OF THE PROBLEM**

Benchmarking as marketing techniques compares other vibrant sector and positions the organization on a better keel for competition. As a strategy, it is geared towards increases the market share by improved competitive strength. This has a lot to
do with information communication technology and statically competitive comparative analysis. This has not however been the case in most manufacturing firms which are meant to champion the cause of Benchmarking. This could be probably be to poor managerial communication, poor strategic management, poor market share analysis, poor information technology orientation as well as remote firm location.

Despite the advantages of benchmarking as a technique of improving productivity and marketing, many firms have not come to embrace its uses. Ignorance to the usage, doubt whether it can improve market interest, distrust that it can optimize earnings, disbelief that it maximizes resource inputs, not too sure of its global approach as a marketing technique.

1.3 **OBJECTIVES OF THE STUDY**

The purpose of the study is to evaluate, the use of benchmarking as a competitive marketing technique among soft drink bottling companies. The objectives derived from this purpose include:

1.3.1 To know the extent of use of benchmarking as marketing technique by soft drink companies.
1.3.2 To assess the extent in which the use of benchmarking can improve marketing strategies of soft drink companies.

1.3.3 To study the extent benchmarking can optimize earnings in soft drink companies.

1.3.4 To harness how benchmarking can maximize resource inputs among soft drink companies.

1.3.5 To investigate the global use of benchmarking as a marketing strategy.

1.4 **RESEARCH QUESTIONS**

The following research questions are raised for the study:

1.4.1 What is the extent of use of benchmarking as marketing techniques by soft drink companies?

1.4.2 How could the use of benchmarking as a means of improving marketing strategies of soft drink companies be assessed?

1.4.3 To what extent can benchmarking optimize earnings in soft drink companies?

1.4.4 How could benchmarking be harnessed with respect to resource maximization among soft drink companies?
1.4.5 To what extent is benchmarking being used as a marketing strategy globally?

1.5 RESEARCH HYPOTHESES

The study shall be testing the following research hypothesis:

$H_1$ Benchmarking significantly improves upon other known marketing techniques of Coca Cola and 7Ups Bottling Companies.

$H_2$ The use of benchmarking as a marketing technique significantly increases the market share of Coca Cola and 7Up Bottling Companies

$H_3$ The use of Benchmarking as a marketing technique highly increases earnings in Coca Cola and 7Ups Bottling Companies.

$H_4$ There is significant relationship between the use of benchmarking and maximization of resource inputs in Coca Cola and 7Up Bottling Companies

$H_5$ There is significant correlation between the use of benchmarking and globalization of the services of Coca Cola and 7Up Bottling Companies.
1.7 SIGNIFICANCE OF THE STUDY

This study shall benefit the management of both Coca Cola and 7Up bottling companies in strategizing to improve their market shares. It shall also improve their individual and collective services.

Benchmarking is an area every modern manufacturer, may every businessman would like to venture into. This projects presents sample opportunity to businessman who would like to improve upon their clientele. The principles as enunciated in this research work would help researcher further. Management on any business as well would find project very rewarding in fashioning out customer policies. This goes to further state the usefulness of the project to investors and entire business community.

1.7 SCOPES AND LIMITATION OF STUDY

The study is carried out in Enugu State at 9th Mile Corner. Two companies are studied: Nigeria Bottling Company and 7Up Bottling Company. To relevant data from the respondent was difficult. The respondent are Managers, Supervisors, Clerks and
Informed Factory Workers. The implication the time for completion of the research work was unduly prolonged.

1.8 DEFINITION OF TERMS

**Benchmarking:** Improving competitiveness of an organization.

**Re-engineering:** Restructuring the production process or operation process towards efficiency.

**Constructability:** Quality management in the construction industry.

**Value Management:** Optimizing the value of any organizational resource.

**Total Quality management:** Maintaining a good quality of both product and services.

**Synergy:** Groups work towards efficiency.

**Brainstorming:** Solving a problem by teamwork.

**Management-by-objectives:** Involving concerned worker in the decision-making.
REFERENCES


CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 COMPANY PROFILE

1. **Nigerian Bottling Company (NBC)**

   NBC is the maker of soft drink products like: Coca Cola, Sprite, Fanta, Tonic Water, Bitter Lemon and Bottled (Plastic) Water. Its Headquarters is at Lagos with Major branches at Enugu and Aba in the East. It has marketing outlets round the nation in remotest area. Its capital structure is:

   - Expatriate Mother company in USA 40%
   - Nigerians 60%

2. **Seven Up Bottling Company (7UP)**

   7Up is a soft drink Company headquartered at Lagos, with branches all over Nigeria in the East, it has plants at Enugu (9th Mile) and Aba in Abia State and Onitsha. Nevertheless, it has Minor branches as marketing outlets called Depots in Major and Minor cities. Its products include: 7Up, Pepsi, Mountain Dew and Mirinda.
2.2 THEORITICAL FRAMEWORK

Every body in the business world tries to maximize earnings. This leads to strategies to optimize results by seeking to earn a large chunk of the market. Many others in the same industry try to compete favourably for the same market. It becomes a war of wits. This is the game plan of competitive Benchmarking. It tries to follow the lead in any industry. By so doing, it borrows the patterns and strategies of the best leaders in any organization.

In the telecommunication industry progression, the upsurge of many new firms has made it imperative for each firm to think out ways of remaining competitive. That explains according to Peter (2007:10), benchmarking can be successfully applied to beef up marketing techniques of firms as well as their innovative ideologies. To this, he advances the theory of competitive Advantage in which benchmarking helps firms to discover their competitive edge over others. This entails that firms both productive and service would be in evolving ideas that more appeal to customers in order to gain greater market share.
2.3 BENCHMARKING AS A MANAGEMENT PHILOSOPHY OF IMPROVED PATRONAGE

In 1996 Michelle Smith, an Irish swimmer, confounded the swimming world by winning three gold medals at the Atlanta Olympic Games. When asked about the secret of her success she said, among other things, that she had learned the training methods of track and field athletes and applied these to her swimming training programme. Michelle Smith’s experience is not new. Other athletes have also looked outside their own sports for new techniques that have formed the basis of every successful training programmes. Emil Zatopek, who was the only man ever to win three long distance athletic gold medals at one Olympic games, learned his techniques from the Arm. Others athletes such as Ron Hill, one of the world’s greatest marathon runners, used the carbohydrate loading diet invented by Swedish physiologists to improve his performance. Others are said to have lived on a diet that include turtle blood and ground rhinoceros horn.
What is common in all these experience is that individuals look outside the scope of their own sport or disciplines to find ways of improving. They were using the training methods already accepted in their own sports but these were not really succeed they needed something else. They needed a competitive edge.

Parallels for this can be seen in industry. For example, when Henry Ford II was faced with rescuing a failing business he took new methods of organizing his central motors. However although there are examples like Ford, industries and companies are generally reluctant to look beyond their own sphere in order to examine its own systems and methods of working and make the necessary improvements. It also needs to look at its own industry to learn the best methods from it and to achieve those best practices itself.

Finally, it needs to look outside its own industry to learn the best methods from other industries and to try to achieve those best practices also. This process of looking outside one’s own sphere, be it to other divisions, companies or industries, is basically one of comparison. It would be pointless investigating other companies if the information gathered was not used as a
standard against which to measure one’s own performance. Once this comparison is made, however, and a performance gap established, it can be used as a basis for setting goals aimed at the improvement of one’s own practices edge. For reasons of competitive fear, lack of resources or simple conservatism, organizations tend to rely on the tried and trusted methods that exist within their own limited spheres. This is not to say that these tried and trusted methods are worthless. Michelle smith was an international swimmer even without the track and field methods she introduced into her programme.

The message therefore is that the search for superiority is a three-layered pyramid of success. In the case of the athlete it means they first must do the best they can. Second they must do the best that others in their filed can, by studying the training methods of other athletes. Finally they must do the best there is by looking to the outside physiology, psychology and nutrition and apply these to their own training programmes.

This ideas also applies to the management of a company. In order to gain competitive edge a company. This pyramid of success based on the comparison with other is the basis of
benchmarking. Benchmarking is the comparison of practices either between different departments within the company, or with other companies in the same industry, or finally with other industries. The aim of Benchmarking is to achieve superiority.

**Fig. 1: Benchmarking: The pyramid of Success.**

![Pyramid Diagram]

**Source:** Zerox Management Studies, Tokyo, 2001.

**PRINCIPLE OF BENCHMARKING**

What makes benchmarking different from other management techniques is the element of comparison, particularly with the external environment. However benchmarking is more than simple comparison and before
defining it formally it is worth considering its other essential ingredients.

**IT IS STRUCTURED**

Some managers will instinctively compare their departments or companies with others. Comparison may also happen inadvertently when, for example, trade Journals publish league tables or statistics. This however is not benchmarking. Benchmarking is a management technique aimed at achieving superiority. As such it must be a formal and structured approach that is planned, implemented and monitored.

**IT IS ONGOING**

The business environment within which a company operates may change quickly. New products progress and techniques constantly emerging and in order to maintain a position of superiority companies must respond to these changes. For this reason benchmarking, in order to be effective in reaching its aim of superiority must be a continuous process.
THE COMPARISON IS WITH BEST PRACTICE

If a company simply compares itself with others it will not necessarily improve. A critical factor in benchmarking therefore is the search best practice with which to compare. It is only by benchmarking against best practice that superiority can be achieved.

BENCHMARKING AIM IS ORGANIZATIONAL IMPROVEMENT THROUGH THE ESTABLISHMENT OF ACHIEVABLE GOALS

Benchmarking against best practice illustrates to a company the difference between its own practice and best practice. As such it allows the gap in performance to be gauged and for targets to be set aimed at closing the gap and eventually achieving superiority. Taking these essential ingredients into accounts, benchmarking can therefore be defined as:

“A process of continuous improvements based on the comparison of an organization’s processes or products with those identified as best practice. The best practice comparison is used as a means of establishing achievable goals aimed at obtaining organizational superiority”, (Mohá, 2009:20).
HISTORICAL DEVELOPMENT

The meaning of the words ‘benchmarking’ or ‘benchmark’ are known to most people in the construction industry as a level against which other heights are measured. However in management the world been used in a broader context of setting standards with to compare for a considerable period of time. Even the work of Taylor who, as far back as the 1800s, encouraged the comparison of work processes, has been compared with benching. The term benchmarking is also used extensively in the computer industry to illustrate a level of performance of software or hardware.

The word benchmarking as defined above is a new management techniques ‘invented’ by the Xerox Corporation in Japan for the same price that they could be made in America and they wanted to find out why. The therefore bought the rival copiers, striped them down and analysed their component parts. This process proved a successful means of improvement and Xerox therefore extended the use of the benchmarking techniques to all business units and cost centers of the company. The non-manufacturing departments within Xerox initially found difficulty
in applying the benchmarking techniques, since as they only dealt in business processes they had no product to strip down and compare. However they eventually recognized that processes were the means by which the final product was delivered and that these processes could equally be compared with the external environment as a means of bringing about improvement.

Despite its success at Xerox, benchmarking remained outside of the public domain for some years. Two events helped to change this. First was the book written by Robert Camp in 1989. Camp had worked with the benchmarking initiative at Xerox for seven years and in 1989 formalized his ideas in Benchmarking: The search for Industry Best Practice that leads to Superior Performance. Second was in 1992 when the Malcolm Baldrige National Quality Award, which is a prestigious quality award given to American companies, introduced a category of benchmarking and competitive comparisons as a criterion of the award. These two events therefore brought the subject of benchmarking into the public domain in the USA.

The increase in importance of benchmarking in the USA was followed by an increased interest in the UK and in Europe. In
the UK for example the Department of Trade and Industry development a business-to-business exchange progeramme offering visits to Uk examples of best practice in manufacturing and service industries. For initial fee companies may visit the best organization with the objective of transferring best practice to their own organization. The European Foundation for Quality management now or other industries. Naturally these three types of comparison would involve different procedures and would, in additions, offer different benefits and disadvantages. For this reason they are generally classified as three distinct types of benchmarking, each of which is examined separately below.

Before this examination however, another concept, central to the ideal of benchmarking, must first be discussed. This is the concept of the business process.

Any organization is broken down into a series of functions. In business terms function refers to the performance of a particular section of the organization such as marketing, estimating or buying. All functions have an output or deliverable. In the case of estimating, the business processes may therefore be the decision to tenderly, the obtaining of subcontractor quotes
or the final submission of bill. Within these processes there will also be sub-processes. In the case of final submission of bid, these sub-processes might include the checking of sub-contractor bids, the calculation of attendance on sub-contractors, the addition of contingency, the addition of overheads and profit and submission to the client. A process differs from a function in that it is a state of being in progress or that which converts inputs. The sum total of the outputs of all the processes is the product or deliverable of the function. The sum total of all products delivered by all functions is the product, which in the case of construction is the completed building.

In the example above the output of the estimating function can be viewed quantitatively in the amount of projects won as a percentage of those bid for. This could then be compared with other contractors to see if there was a performance gap. This type of quantitative analysis in benchmarking is called a metric. The problem is that even when a metric indicates that a performance gap exists it gives no indication of why. If on the other hand the business process were analysed, the reasons for the performance gap would be clear from the outset. Most
benchmarking texts therefore recommend that processes be examined in performance to metrics.

This however leads to a tautological problem of how a company can know there is a performance gap unless they examine the metrics first. This is where benchmarking requires a shift in the usual mode of thinking. For reasons that are beyond the scope of this text, metrics and concentration on them as a means of improvement, can tend to misdirect effort. If on the other hand the business processes and sub-processes are viewed as pieces of a Jigsaw, with the picture being the function products and ultimately the final products, then it can be seen that an improvement in all the processes, or at least those most critical to the success of the organization, will lead to an improvement in the final product. Processes give products. It can therefore be assumed that the best possible processes will lead to best possible final products.

In manufacturing some benchmarking may still be based on the comparison management and in this text, the world benchmarking is assumed to related to the process only. In this context there are three types of benchmarking.
INTERNAL BENCHMARKING

This is the comparison of different processes within the same organization. As outlined earlier, an essential component of benchmarking is the search for best practice in the external environment. If this is so, then why would an organization carry out internal benchmarking? The answer to this is fourfold. First, it is possible that within the same organization business processes will vary. This may be for reasons of location or may be historical, the company having been subject to take over bids or mergers. Internal benchmarking gives the organizations an understanding of its own performance level. It allows best practice that exists within the organization to be identified and installed company wide. The second reason is that internal benchmarking provides the data that will be required at the ‘external’ benchmarking stage.

Third, internal benchmarking, by encouraging information exchange and a new way of thinking; ensures that the process of benchmarking is understood by those who will be involved in later ‘external’ benchmarking exercises. Finally, benchmarking is based on the examination of the business process, as such
comparison with other divisions of the same company, although internal to the organization, may provide a comparison that is external to the process under consideration. An example of international benchmarking would be a construction company comprising a major works division, a housing division and refurbishment division, comparing the way the three division deal with the hiring of plant.

**COMPETITIVE BENCHMARKING**

This is a comparison between the processes of companies operating within the same industry. The big advantage with this type of benchmarking is applicability. It is highly relevant to compare the marketing operations of two companies offering the same product and working within the same client base. The problem however with competitive benchmarking is that because we are dealing in process, the best practice of a competitor is not necessarily good enough. A particular construction company may, for example, have an excellent reputation for design and build projects. There is however no direct follow-on from this that their estimating processes are any better than others. As a result benchmarking such processes will not creates superiority. In
order to identify best practice in the business process, it is sometimes necessary to go beyond the sphere of one’s own industry.

**GENERIC BENCHMARKING**

This compares the business processes of organizations regardless of the industry they belong to. Some business processes are common to all industries: purchasing and recruitment are two examples. The advantages of generic benchmarking are that it breaks down the barriers to thinking and offers a great opportunity for innovation. It also broadens the knowledge base and offers creative and stimulating ideas. The disadvantages are that it can be difficult, time-consuming and expensive.

Before moving on to examine how the technique of benchmarking operates, two other items need to be considered. The first is whether internal benchmarking is prerequisite to competitive benchmarking and whether that in turn is prerequisite to generic benchmarking.

The basic answer to this is no. The benchmarking pyramid of success shown earlier is an ideal situation, all organizations
should fully understand both their own processes and those of their industry before they begin to examine those of other industries. However it is possible, although not recommended, that a company could carry out a generic benchmarking exercise without having carried out either internal or competitive benchmarking. In addition, a company may carry out only internal benchmarking without recourse to the other two types.

The second item which needs to be mentioned is that not all current benchmarking texts use the same terminology and this may cause a certain amount of confusion. Table 2 summarizes the different terminology used in some of the major benchmarking texts. The fact that different terminology is used to describe what is essentially the same does not matter. The important item is that an organization makes the technology, it is most comfortable table with and uses this consistently. The choice may or may or correspond with the terminology of this text summarized in Table 2.

Figure 3 below shows that as the type of benchmarking moves from internal to generic the level difficulty, the time taken and cost incurred increase along with the creativity and the
opportunity for improvement. Conversely when moving from the generic internal benchmarking, cost, time and difficulty decrease as do relevance, ease of data collection, applicability and transferability of results.

**Table 2: BENCHMARKING TERMINOLOGY**

<table>
<thead>
<tr>
<th>Author</th>
<th>Within the product</th>
<th>Production-to companies</th>
<th>Different industries in the same industry</th>
<th>Functional Benchmarking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camp Spendolin</td>
<td>Internal</td>
<td>Competitive</td>
<td>Functional competitive (Generic)</td>
<td>Generic functional</td>
</tr>
<tr>
<td>Karlof &amp; Osibiorn</td>
<td>Internal</td>
<td></td>
<td>External</td>
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<tr>
<td>Blendell el at</td>
<td>Internal</td>
<td></td>
<td>Competitor and functional</td>
<td>Generic</td>
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<td>Copling</td>
<td>Internal</td>
<td>External or Best practice</td>
<td>External or best practice</td>
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<tr>
<td>Watson</td>
<td></td>
<td>Reverse Engineering</td>
<td>Competitive</td>
<td>Process</td>
</tr>
<tr>
<td>Peters</td>
<td>Internal</td>
<td>Benchmarking</td>
<td>Benchmarking</td>
<td>Benchmarking</td>
</tr>
<tr>
<td>This text</td>
<td>Internal</td>
<td>Not applicable</td>
<td>Competitive</td>
<td>Generic</td>
</tr>
</tbody>
</table>
2.4 THE PROCESSES OF BENCHMARKING

Although the methods suggested by the major texts for implementing benchmarking studies are numerous, all the methods contain the same essential ingredients. Thus research suggests a nine-step approach to benchmarking, as shown in figure 3 and each step of this approach is examined separately.

<table>
<thead>
<tr>
<th>Ease of data collection</th>
<th>Creativity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevance</td>
<td></td>
</tr>
<tr>
<td>Transferability</td>
<td>Competitive</td>
</tr>
<tr>
<td>Difficulty</td>
<td>Internal benchmarking</td>
</tr>
<tr>
<td>Applicability</td>
<td>Cost opportunity for improvement</td>
</tr>
<tr>
<td>Cost</td>
<td>Difficulty</td>
</tr>
<tr>
<td>Time</td>
<td>Time</td>
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</tbody>
</table>

Figure 3: TYPES OF BENCHMARKING

STEP 1: DECIDE TO BENCHMARK

The free market is dependent on the customer being able to choose between alternative suppliers. This means that when an organization suppliers goods and services that are not wanted, or not of an acceptable standard, customers will not buy them and
the company will go out of business. This same freedom of choice does not exist within an organization. The internal nature of the environment means that where goods, or more likely services, are offered by one department to another, there is no alternative available if that service proves to be unsatisfactory. What this in effect means is that although a company may appear profitable and geared to user needs, there may in fact be scope for improvement within the internal processes of the organization. Improving these internal processes will increase efficiency and ultimately improve the standard of the final product.

**SPEED OF CHANGE**

Today’s business environment changes more rapidly than ever before. In the construction industry new procurement method, new products and new clients are constantly coming to the fore. All of these exist in the external environment. A company that does not look to the outside for these will be overtaken by the pace of change, stagnate and eventually go out of business. One of the essential ingredients of benchmarking is comparison with the external environment and as such the
technique forces a company to constantly appraise the changing situation of the industry.

**FREE EXCHANGE OF INFORMATION**

In Britain business culture is such that information is not exchanged freely and there tends to be a underlying assumption that most information is confidential. This is totally different from the business culture that exists, for example, in the Benchmarking therefore provides a ‘safety net’ for those processes which are not exposed to market forces. As illustrated above, efficiency decreases with distance from the final product, and this is the major reason for carrying out benchmarking. However there are other reasons, some of which are outlined below:

<table>
<thead>
<tr>
<th>Decide to benchmark</th>
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<tbody>
<tr>
<td><strong>What items to benchmark</strong></td>
</tr>
<tr>
<td><strong>Which company to benchmark</strong></td>
</tr>
<tr>
<td><strong>Establish performance gap</strong></td>
</tr>
<tr>
<td>Set targets</td>
</tr>
<tr>
<td>Implement</td>
</tr>
<tr>
<td>Monitor</td>
</tr>
<tr>
<td>Ste new target</td>
</tr>
<tr>
<td>Best practice achieved</td>
</tr>
</tbody>
</table>
Fig. 4: NINE-STEP BENCHMARKING APPROACH.

USA, where information is freely exchanged. The onset of the ‘information age’ will undoubtedly require a shift in the way information is regarded in Britain and the use of benchmarking encourages a freer exchange of information.

EXTERNAL FOCUS AND MEETING OF CUSTOMER OBJECTIVE

In order to stay in business the main objective of any company must be to meet customer requirements. However, as with change customer needs and markets are external to the company. An internally focused company cannot understand its customer needs and cannot therefore meet the demands of its markets. Benchmarking encourages the external focus required to meet customer objectives.
THE RECOGNISED IMPORTANCE OF THE PROCESS

After World War II the need to provide high quantities of consumer goods was the main objective of manufacturing companies. Even in the construction industry emphasis was on the provision of large amounts of accommodation, both for residence and industry. This situation has changed gradually over the last 30 years. Japanese industry was quick to recognize this change and began producing goods of a much higher quality than its competitors, resulting in a huge expansion of Japan’s manufacturing base. Examination of Japanese methods of manufacture showed a much greater emphasis on the processes, which ultimately deliver the products. British industry is now initiating this with initiatives like TQM, reengineering and benchmarking, all of which recognize the importance of improving the final product through examination of the process.
HIGHLIGHTING THE PERFORMANCE GAP ILLUSTRATES THE NEED FOR CHANGE

Traditional methods of business evaluation tend to compare the performance of individual department within the same company. Alternatively performance evaluation is based on a comparison with previous years of against a forecast of predicted performance. This type of evaluation is internally focused. Since the measure being used is either the best the company has at present, or the best they have achieve in the past, such an approach may encourage companies to fall short of the performance they are in fact capable of achieving. The true measure of a company’s performance can really only be gauged by comparison with its competitors. Benchmarking, by operating in the external environment, illustrates the true performance gap. In doing so it highlights the need for, and the motivation for, change.
BEST PRACTICE REVEALS HOW CHANGE CAN BE ACHIEVED

In benchmarking the term ‘metric’ is used to describe the quantifiable output of a process. For example, two construction companies will have different processes for the calculation of a tender sum based on a bill of quantities. One of the metrics that results from these processes may therefore be the ‘hit rate’ of successful tenders. If the two metrics were compared, a performance gap could be highlighted, but what use is this information in isolation? Benchmarking discourages the use of metrics as a means of comparison since they only show the performance gap. If however one of the contractor’s processes had been identified as best practice, then the metric largely becomes irrelevant. Processes deliver output, in this case the tender sum. Selection of the best possible process will therefore automatically lead to the best output. It is not therefore necessary to concentrate on the metric. A further advantage of concentrating on the process is that unlike the metric, which only indicates the performance gap, it shows why that gap exists. As a direct consequence it show how the gap can be closed.
Benchmarking the process therefore not only highlights the problem but also provides the solution.

**BEST PRACTICE INDICATES WHAT IS ACHIEVABLE**

An obvious question to ask in relation to benchmarking is why stop at best practice? In the same way that benchmarking against a company’s best internal practices may be encouraging it to fall short of its potential, then so may be the benchmarking of best practice. There is no direct follow-on that external best practice is the best that could possibly be achieved. In addition, in following the best practice of another company, there is an argument that a company is lagging behind instead of leading from the front. The answer to these arguments is twofold. First, benchmarking stresses process and within an organization there may be hundreds of processes and sub-processes. A company is therefore following only in regard to processes, the combination of which will give it business superiority. Second, benchmarking best practice shows what it is achievable, if a company were to aim higher than best practice there can be no guarantee that could be achieved.
BENCHMARKING PROVIDES AN ENVIRONMENT FOR CHANGE

As outlines earlier, benchmarking requires a shift in business culture. In order to be effectively implemented it requires a change in the way information, internal business processes and competitors are viewed. The problem with this is that with most organizations there is an intrinsic reluctance to change. Advocates of benchmarking argue that the actual process of benchmarking itself can help to overcome this resistance. Because benchmarking is a creative process that investigates how other organizations carry out their business processes, it acts as a catalyst to change. Because benchmarking clearly shows when a performance gap exists, it also helps to motivate employees towards making the change necessary to close the performance gap.

BENCHMARKING IDENTIFIES THE TECHNOLOGICAL BREAKTHROUGH OF OTHER INDUSTRIES

This is often given as one of the advantages of benchmarking and the example usually cited is that of barcodes. Although this was first a technological breakthrough of the
grocery industry, barcodes are now also used in libraries, hospitals, and security and identification systems.

**BENCHMARKING ALLOWS INDIVIDUALS TO BROADEN THEIR OWN BACKGROUND AND EXPERIENCE**

People operating in a particular industry tend to adopt the business culture of that industry. Although this is necessary in order to work effectively within that industry, the business culture may also present restrictions and stifle change. Working with other organizations and industries illustrates that there is more than one way of carrying out any task and that existing methods can almost always be improved.

**BENCHMARKING FOCUSES ON THE OBJECTIVES**

Benchmarking highlights the performance gap and sets targets aimed at closing that gap. These targets then become a focus or objective for those involved in the benchmarking process. When all staff are focused on the same objectives, goals are more likely to be achieved
THE INDUSTRY BEST IS THE MOST CREDIBLE GOAL

One of the problems with implementing successful manufacturing techniques in the construction industry is the claim that the construction industry is different and not conducive to the application of manufacturing techniques, however successful they may have been. A business process however exists regardless of industry, and focusing on the best practice of such processes provides a credible goal which can be recognized as achievable. Even for the construction industry:

STEP 2: WHAT TO BENCHMARKING

This is probably the difficult part of benchmarking. It is maybe for this reason that the main benchmarking texts do not concur on what in fact should be benchmarked. This text has stressed that one of the fundamentals of benchmarking is process, however not all of the texts agree with this. Peters for example defined three levels of benchmarking strategic, operational and statistical. Strategic benchmarking deals with benchmarking culture, people, skills and strategy. (Pastore also agreed that benchmarking deals with benchmarking methods, procedures and the business process. (This is also called process
benchmarking). Finally statistical benchmarking is the numerical or statistical comparisons of company performance.

This idea that more than the process can be benchmarked only succeeds in complicating what is essentially a simple issue. Best practice culture cannot be benchmarked. Even if it could there would be little purpose in doing so, since culture cannot be changed easily, if at all. Culture, including the subculture which may exist within an organization, is an intangible asset. In addition there is a close relationship to the type of product a company makes and its corporate culture. As such there is little purpose in benchmarking culture when the products offered are likely to remain different. Making a separate category of benchmarking to deal with purely statistical or numerical comparisons also complicates the issue. As explained earlier, the numerical measure of performance or metrics is an output of the process. Comparison of these metrics achieves, little other than stating a performance gap exists. As benchmarking is defined as a process of improvement, such statistical comparison alone could not be called benchmarking, Jenny Jonah (1982:15).
There is of course a strong possibility that the technique or benchmarking will develop and it may, at some future date, be feasible what some aspects of corporate strategy or even of people may be benchmarked. However in the context of this work and, the researchers believe, in the current and accepted context of benchmarking, the technique embraces only the comparison of products or processes. In the narrower context of construction management the term benchmarking includes the comparison of business processes only, the final product (the building) being too diverse and complex to facilitate meaningful comparison. (Tennison 1993:14).

**HOW THEN IS A BUSINESS PROCESS DEFINED?**

Any business activity can be seen in three stages. There is an inputs, a processes and an output. The combination of these outputs leads to the final products. For the purpose of organization and administration certain outputs are achieved by grouping them into a business function. Figures 5 and 6 show how this idea operates in the case of a building contractor. Figure 5 shows how the company organize itself into functions, within which processes take place. Figure 6 shows in detail the
processes and sub-processes that take place within the ‘subcontractor management function.

In figure 6, project management is the business function and sub-contract management is a process within that. Within this process there are, among others, the sub-processes of sub-contract tendering and site-work. Within the process of tendering there are further sub-processes of keeping an up-to-date tender list and obtaining tenders. These sub-processes take a certain input in terms of resources and in addition produce an output. In this case the output is the completed tender list and the tenders received from the sub-contractors. The sum of all these outputs is the process output, the sum of which is the function output. The sum of all the function outputs is the final product that is, the completed building. This is the basis of benchmarking: to improve the process so that the final product is improved.

The problem that arises however is that as an organization may have hundreds or even thousands of sub-processes, how to decide which ones should be selected for benchmarking? There are various ways this can be done and these are outlined below:
Figure 5: THE FUNCTIONS OF A CONTRACTING ORGANIZATION.
### TABLE 9: PROCESSES CONTAINED WITHIN THE SUB-CONTRACT MAIN FUNCTION

<table>
<thead>
<tr>
<th>Process</th>
<th>Sub-contract</th>
<th>Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Input</td>
<td>Sub-processes</td>
<td>Output</td>
</tr>
<tr>
<td></td>
<td>Sub-contract tenders</td>
<td>Sub-contract tender</td>
</tr>
<tr>
<td></td>
<td>Updating tender list</td>
<td>up to date tender list</td>
</tr>
<tr>
<td>Office</td>
<td>Obtaining tenders</td>
<td>Tenders received</td>
</tr>
<tr>
<td>Plant</td>
<td>Sub-contract sitework</td>
<td>Sub-contract sitework</td>
</tr>
<tr>
<td></td>
<td>site setup</td>
<td>site operational</td>
</tr>
<tr>
<td>Equipment</td>
<td>Payment</td>
<td>Payment made to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sub-contractor</td>
</tr>
<tr>
<td>Materials</td>
<td>Repairing defects</td>
<td>Defects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>repaired</td>
</tr>
</tbody>
</table>

**Resource: Administrative Studies 2003**

**IDENTIFY THE PRODUCT OF THE BUSINESS FUNCTION**

As explained earlier the organizational or administrative divisions within an organization are its business functions. These can be a good starting-point in deciding what to benchmark, since business functions tend to be much more visible than business processes. It may for example be known that
contractors X has excellent project management. Another contractor, aware his own project management is poor, may use this benchmarking exercise. Investigation of the process within that function may lead/him to conclude that his real problem is his sub-contractor management. He may therefore choose to do a detailed analysis of his sub-contractor-management process and compare it with the more successful contractor. Identifying the superior product function therefore leads to the superior process which produces it.

The problem with this approach is there is no definite boundary between function and process. Sub-contract management had been given the title of process in the example above but it could equally be describe as a function. Although the division of process and function is often obvious, there is also a grey area where no definite distinction exists. In such circumstances the only answer is experience of the organization, industry and management.
CRITICAL SUCCESS FACTORS OF BENCHMARKING IN 7UP BOTTLING COMPANY AND NIGERIAN BOTTLING COMPANY

It is necessary to observe that thrives well in bottling companies. This is due to their competitive nature they produce many product of different test and values. Each product necessitate very many different patronages which entails different market shares, different strategic management techniques, different awareness creation and market penetration strategies as well as various information communication technology techniques.

In 7UP Bottling Company the product are produce after extensive market survey. The prospective customers are meant to assess the value added to each product by continually patronizing it. This opens flurry of criticisms as to be acceptability of each product where the general acceptability decreases over time in any place assessed the company adds less value and consequently reduces income base. 7UP Company has many product with differing range of acceptability. Nwajei (2010:91) observes that market survey conducted on the ability of 7UP Company to Benchmark its product is most favourably
disposed in Mountain-Dew and least in Limca. That implies that Mountain-Dew is mostly patronize and Limca least inmost areas.

There is high knowledge of Benchmarking and its application in Nigerian Bottling Company. Most of the product of NBC have gained global acceptability because of its multi-national status. However, acceptability varies as the product. As Tunji (2010:101) observes, a market survey conducted shows Fanta and most preferred product, while Chapman is least preferred. In fact Chapman is off the product line of NBC because of negative acceptability. This is made possible by benchmarking which duly criticized the value add by each product.

Within any organization there are critical factors. These are those factors, which, if not operating effectively, will damage the operation of the organization. In the case of the house-builder, marketing may be a critical success factor, whereas in the civil engineering division of a major contracting organization, a critical success factor may be completion of project on time. Identification of these factors can be a good starting-point for benchmarking. In addition to being critical success factors, items
selected for benchmarking must be those in which an improvement will make a significant different to the overall performance of the company. For example a contractor may know that turnover is a critical success factor but if the company is already operating at capacity an improvement in that area may not substantially benefit the organization. Critical success factors can be likened to the Pareto rule which states that 80% of the result is based on 20% of the activities. For benchmarking purpose the critical success factors are those 20% activities. It is surprising how few construction managers do actually understanding the critical success factors of their own organization. As a result when organizations get into difficulty managers embark on cost-cutting exercises, as this is the only way they can see of improving performance. They believe that reducing cost while maintaining output automatically adds value. In reality such exercises achieve-little other than deflating morale and reducing the quality of service offered.
2.5 BENCHMARKING TERM

STEP 3: WHICH COMPANIES TO BENCHMARK?

The answer to this question is simply yet very difficult. The simple part is that the comparison or benchmark company is one whose processes are best practice. The difficulty is how to find out who these companies are. In some functions, such as marketing, finding out who is the industry best can be quite straightforward. In the case of house-building particularly, information on sales, advertising and brochures can be collected easily. In addition sites can be visited and show-homes and site marketing examined. If resources are available house purchasers can be surveyed and a marketing consultant employed to analyse the results. Once all available information is collected, a judgment of best practice can be made.

In the case of a civil engineering division of a major contractor the process of identifying best practice becomes much more difficult. The product, not being something that the general public purchase, is further removed from the market place. The number of finished products is limited, there are no brochures
and little data about projects in the public domain. Howe then can be information regarding best practice be obtained?

The only way to establish leading companies in specific function or process is through a collection of data. Most of the benchmarking texts give a list of sources of information to locate best practice companies and the major sources are reproduced below:

- Special awards and citations
- Media attention
- Professional associations
- Independent reports
- Word of mouth
- Consultants
- Benchmarking networks
- Internal information
- Company information
- Company sources
- Library
- Experts and studies
- Questionnaire by mail and telephone
➢ Direct sites
➢ Focus groups
➢ Special interest groups
➢ Employees, customers and suppliers
➢ Foreign data sources
➢ Academic institutions
➢ Investment analysis
➢ The internet
➢ On-line data base
➢ Journals.

**STEP 4: ESTABLISHING THE PERFORMANCE GAP**

Once best practice has been identified the company who owns it needs to be approached to be a benchmarking partner. To most construction management professionals this presents the biggest problem of benchmarking, in that there is a reluctance to approach other companies or competitors. Likewise there is also a reluctance on the part of the company approached to give information which will be used as a basis for improving their competitors. As outlined by spendolin most people employed in
private enterprise see it as their role to beat the competition, not train them.

This attitude is understandable, after all it is based on years of industrial practice. However in reading all the sections of this one item should by now be clear. That is that all of the concepts presented, be they TQM or value management, require some sort of cultural shift in the way the construction industry operates. Markets in all industries have changed beyond recognition since the early 1980s. markets are now global and customer-focused. The construction industry has been slow to recognize this but external competition means it cannot ignore it any longer. If the industry is to survive, it must change. A part of this change will undoubtedly demand some degree of co-operation between companies.

There are no definite rules on how a company should be approached with a request to become a benchmarking partner, this is a question for the individual company concerned. However the critical factor is that it is a partnership. Both parties should expect to gain something from the experience, even if it is how to conduct a benchmarking exercise.
Having identified best practice and entered into a benchmarking partnering agreement the next step is to fully document the process that is under study. There are many methods of doing this, such as flow charts or process diagrams. Space does not allow a detailed examination of them here, but all good management methods usually explain these techniques thoroughly.

In earlier stages of this chapter the use of the metric or quantification of the process output was discouraged. However now that a thorough examination of the process is documented the metric can be used. In some instances use of the metric can be highly relevant examples are tender hit rates, projects completed on time or claims made by sub-contractors. In some instances however it may be sufficient to simply document the process and compare the processes under study. The movement of a tender within an organization is a good example. Where a metric is used it can take several forms: ratio, cost per contract, cost as a percentage of turnover. Whichever method is used the company will form one of the three judgments about its own
performance of a particular process in relation to that of the benchmarked company.

Parity: that both companies have equal performance. Positive performance gap: that the company under study is in fact performing better than best practice. Native performance gap: that the company under study is performing below the level of been practice.

**STEP 5: SET TARGETS**

The most likely outcome will be that company performance is below that of the benchmarked company and that there is a negative performance gap. In such instance the company will need to devise how the gap will be closed. Unless the gap is small and can be closed in one company incentive, it will be necessary to get a target aimed at achieving the best practice in a series of stage.

It is not the intention of this text to give a detailed account of the procedures for goal-setting within the organization, since these can be found in any good management text. Suffice to say
the target must be planned, realistic and achievable. It must be communicated to staff and require their participation.

**STEP 6, 7 and 8: IMPLEMENT-MONITOR-SET NEW TARGET**

The next stages of the benchmarking process require that the plan to achieve the first target be implemented and monitor followed by the setting of a new target. Once again procedures for doing this are not included here since they can be found in most management texts. In addition most companies will have their own procedure for implementing plans and monitoring progress. Lack of inclusion here is not intended to reduce the significance of these stages of the benchmarking process. They are of course vital to its success. A plan that be made and not implemented is worse than no plan at all.

**STEP 9: BEST PRACTICE ACHIEVED**

Best practice achieved means the company has achieved parity with the benchmarked company. However the benchmarking process does not end here. As outlined earlier benchmarking is a continuous process. Like TQM it is something a company has, not something a company does once in a while.
In order to achieve superiority a company needs best practice in all of its major processes. It can only achieve this by constantly looking for further improvements.

The first section of this chapter has looked at the steps to be taken in a benchmarking study. The second section deals with items relevant to the implementation of the study.

Benchmarking, unlike value management, is not necessarily a team activity, it could be carried out by an individual. However in the interest of sharing the workload and also as an aid to acceptance and communication of the benchmarking, a team is the recommended approach.

There are various formats of a benchmarking team.

**WORK GROUPS**

These are groups that already exist and may comprise members of an existing department or group.

**INTERDEPARTMENTAL GROUPS**

These are formed by bringing together people with particular expertise in the area required. These teams will generally disband after the benchmarking study is complete.
AD HOC TEAMS

These are more flexible and made up of any person interested in joining the benchmarking group. Group members may come and go. Benchmarking groups of this type will not work well unless the company is a mature benchmarking company such as the Xerox Corporation.

BENCHMARKING CODE OF CONDUCT

The American Productivity and Quality Centre’s International Benchmarking Clearing House and the Strategic Planning Institute Council of Benchmarking have developed a code of practice for benchmarking. It contains nine basic principles as outlined below.

LEGALITY

This principle excludes anything contrary to restraint of trade, such as bid-rigging.

EXCHANGE

Benchmarking should ask another company for information that they themselves would be unwilling to share.
CONFIDENTIALITY

Nothing learned about a benchmarking partner from a benchmarking study should be shared with anyone else.

USE

Information gained from benchmarking studies should not be used for any purpose other than process improvement. Advertising is the most obvious example.

FIRST-PARTY CONTACT

The first contact at the company to be benchmarked should be the person responsible for benchmarking, not the person in charge of the process.

THIRD-PARTY CONTACT

Company contracts should not be shared with other companies without first gaining permission.

PREPARATION

Benchmarking partners should not be contracted until all preparatory work is complete.
COMPLETION

Commitment to benchmarking partners should not be made unless it can be followed through to the completion of the study.

UNDERSTANDING AND ACTION

Before embarking on a benchmarking study both companies should understand the process and have made their intentions clear, particularly about the use of information.

BENCHMARKING: THE MAJOR ISSUES

It is not the intention of this book to ‘steel’ the technique of benchmarking. Rather it is to give an objective appraisal of how the technique can operate the construction industry. In that vein the following is a summary of current thinking which those concerned with more academic aspects of benchmarking may find interesting.

THE RELATIONSHIP BETWEEN BENCHMARKING AND TQM

Most benchmarking texts agree that benchmarking works best in companies with a culture of total quality management. Jackson et al (1990:215) argued that without a total quality control programme, benchmarking is a waste of time and money.
Whether or not this is true, particularly in the construction industry, is really not known.

THE PLACE OF INNOVATION IN BENCHMARKING

One of the criticisms of benchmarking is that because it follows as opposed to leads, it is not an innovative technique. Watson however saw benchmarking as only part of the equation and that superiority lies in quality beyond the competition, technology before the competition and cost below the competition. The authors agree with this. Benchmarking is not, or was not intended as, a tool of innovation but of process improvement. Blendell et al (1991:8) however, in contrast to this view, saw that the technique could be innovative and that a fourth type of benchmarking, customer benchmarking, goes beyond what the customer expects or requires. In this way it is an innovative process and not only one of process improvement.

THE PROBLEM OF USING METRICS

A paper in World Wastes (1994) used the metrics of waste services at several major American cities. This is a classic example of why metrics should be avoided when benchmarking. The paper described how3 benchmarking was used ‘to measure
one service delivery system against another, and compared the number of refuse collections along with the cost of waste services. However as this process neither selected best practice nor aimed at process improvement, it could not be described as benchmarking. It was a simple comparison of quantifiable.

Although theoretically there is clearly logic in delaying the use of metrics until the business process is documented, the reality is much more difficult. Managers will want to see at least an estimate of the size of the performance gap before they allocate resources aimed at closing it. Arguments about the need for a cultural shirt will have little effect on the manager with limited resources. The answer here is that metric can be used earlier in the benchmarking process if there is no alternative. However they should always be used with caution and, on documentation of the process, be recalculated.

**BUSSINESS CO-OPERATION**

For many managers this is the most difficult aspect of benchmarking. There are two basic arguments in favour of business co-operation. First, the essence of benchmarking in construction lies in the process. Which is not as sensitive as the
product. Second, and strongly in keeping with the theme of this book, there is a desperate need for a cultural shirt in the construction industry. Benchmarking according to Watson is about a coherent national challenge for continuous improvement. Many companies already recognises that future success depends on the global market place and the development of national productivity. Without co-operation there can be no benchmarking. Any company who cannot tolerate this concept will not therefore be able to carry out the benchmarking process.

**HOW FAR TO GO?**

In the search for best practice how far should a company go? Should as recommended by Grinyer and Goldsmith, (1992:40) the search be a global one? The answer to this must realistically be no. it is not feasible for a medium-sized building contractor to search the world as a means of finding improved processes. Very few organizations are capable of such an extensive and exhaustive search. The benchmarking partner must clearly be a comparable size and status company that offers processes with a high degree of applicability and relevance.
**JAPANESE KAIZEN**

Benchmarking is, in some texts and articles, compared to Japanese (Kaizen 1989:15). This however is not a correct comparison since Kaizen is a much broader concept that does not rely solely on a system of external comparison.

**2.6 BENCHMARKING REPORTS**

**2.6.1 BENCHMARKING REPORTS IN HUMAN RESOURCES**

This report will enable companies to design and implement successful career path and succession planning systems. As executives seek to manage their own “corporate benches” to meet company needs, it is critical that they identify and implement the innovative systems and practices that other top companies have used to drive performance. (Joe et al 1991:15-18).

Best practices in Employee Performance management and Development: Best Practices, LLC undertook this multi-industry study on behalf of a large, world-class pharmaceutical client. This project examines the best practices of employee performance management from over 70 companies in 31 industries: (Leonard Studies 1996:100-105).
BEST PRACTICES IN CUSTOMER AND EMPLOYEE SATISFACTION MANAGEMENT

Are you in the dark about how your customer feels about your services of products? And are your employees smiling because they love their workplace or because they sabotaged the copy machines? Developed from executive surveys and benchmark partners’ customer survey instruments, this study examines how 14 top corporations measures and manage customer and employee satisfaction. (Fanny Studies 1996:28-35).

HUMAN RESOURCES SYSTEMS OF WORLD-CLASS COMPANIES

Have you ever wondered how elite corporations develop, train, and retain employees? Six world-class corporations share their experiences, lessons learned and human resource strategies for developing, training and retaining employees. The benchmark class consists of four Malcolm Baldrige National Quality Award winners and two industry leaders known for their excellence in human resources. If you wish to develop a top human resources program, this report is a great place to start. (Malcolm Baldrige Reports 1990:120).
DRIVING GROWTH THROUGH RECURITING EXCELLENCE:
BEST PRACTICES IN RECRUITMENT AND SELECTION

In the knowledge economy, people, not products, distinguish a company from its competitors. The highly competitive labor market increases each employee’s importance. In these conditions, innovative recruiting techniques set winning companies apart from their competition. Does your company have the recruiting savvy to be a winner in today’s market? This report will help make sure you do. (Peterside Studies 1980:4-6).

INCENTIVE SYSTEMS TO PROMOTE COLLABORATIVE BEHAVIOUR

This study profiles best practices and strategies top-performing organizations use to promote collaborative behavior among different functional areas and operating units. (Thereas Studies 1993:31-38).

DEVELOPING HUMAN RESOURCES PERFORMANCE MEASURES

This benchmarking study profiles the performance measurement systems employed by a diverse group of 21 high
DEVELOPING THE HIGH PERFORMANCE TEAM

This best practices study examines the integrated systems used by industry leaders to develop high performance teams in the workplace. The study profiles their integrated systems in leadership, Employee Development, Team Work, and Reward and Recognition. Teamwork Reports (1998:5-8).

EMPLOYEE RETENTION: MANAGING THE PART-TIME PROFESSIONAL:

This study’s findings provide profiles of companies identified as leaders and innovators in providing flexible work arrangements. The profile format will allow companies to analyze and understand others’ overall approach to flexible and part-time workforces, and identify specific practices that are of key interest. Rice and Adam Reports (1999:86-89).
RELOCATION EXCELLENCE: MAINTAINING EMPLOYEE PRODUCTIVITY

This report examines a multi-industry group of companies that have demonstrated successful operating practices in employee relocation and redeployment. By studying these companies, your organization can gain a deeper understanding of how leading organizations maintain employee productivity during periods of transition. After reading the report, you will understand how to manage relocation and redeployment processes to meet short-term expansion goals as well as long-term business objectives. (Presby Studies 1999-41).

BEST PRACTICES IN MANAGED CARE SALES FORCE TRAINING

As managed care organizations slowly become the dominant form of health care in the United States, pharmaceutical companies are focusing their efforts on effective sales management. This survey of 12 pharmaceutical companies details the most effective training methods employed by leaders in pharmaceutical sales to develop managed care account representatives, sales managers and sales representatives. The
benchmark class includes leaders in the managed care sales force arena whose sales forces have been named N1 in the industry. (Edward Studies 1998-66-68).

2.6.2 BENCHMARKING REPORTS IN BUSINESS OPERATIONS DEVELOPING A BALANCED SCORECARD OF PERFORMANCE MEASURES

This report includes an analysis of key trends in developing and refining a Balanced scorecard of performance measures. It also includes a compendium of more than 30 actual scorecards from a group of companies in a wide range of industries. (Tony Studies 1997:15).

BUILDING SIX SIGMA EXCELLENCE

Updated for 2001: This report examines GE’s six sigma Quality Assurance program from inception to implementation in all aspects of the organization. The report focuses on the quality program’s design, implementation, training, career path planning and measurement system. (Zigma Quality Reports 2001:131).
**BEST PRACTICES IN RESOURCE ALLOCATION**

This best practices report addresses the question. “How can an enterprise best allocate limited resources to optimize economic returns to best meet business objectives? In this innovative study, 15 world-class companies share their experiences, best practice and capital outlays, and related processes. (Captain Reports 1999:18-20).

**MERGER & ACQUISITION INTERATION EXCELLENCE**

Conducted on behalf of 11 corporations from seven economic sectors, this study identifies the effective and innovative practice that top companies use to create superior growth and value for stakeholders through integration excellence. (Jones Reports 1999:34).

**BEYOND THE BALANCE SCORECARD:**

**MEASURING CORPORATE PERFORMANCE**

Executive interviews and database research were used to generate profits of leading companies and their strategies for utilizing financial and non-financial performance measures. Tennison Adams Reports (1999:15).
MANAGEMENT AND PARTNERSHIPS

If you or your company wishes to develop or improve upon your current supply chain management practices, this study is for you. The best practices in this study were developed after the review and analysis of over 150 companies in 31 industries. Among the many benefits reported, companies utilizing these best practices have reported 0% paperwork processing errors, 5% reduction in lead times, 50% reduction in inventory and 99% on-time delivery. (Biatofa Studies 1998:58).

BEST PRACTICES IN ORDER MANAGEMENT

The report includes five corporate profiles, research on over 98 companies in 32 industries, and implementation Action-planning Worksheets. (Planner and Jones reports 2000:15).

EXAMINING WHITE-COLLAR PRODUCTIVITY:

MANAGING SG & A EXPENSES

This benchmarking study will help your company identify how its various functions contribute to selling, General, and Administrative expenses (SG&A), and how your company’s profile compares to other top companies. By studying other successful
approaches to SG&A management, your company can adopt strategies to achieve-world-class productivity. (Planner and Jones Reports 2000:30).

2.6.3 BENCHMARKING REPORTS IN SALES AND MARKETING AND LAUNCHING OF MEGABRANDS:

BEST PRACTICES IN MARKETING BLOCKBUSTERS:

The findings in this Best Practices Benchmarking Report will enable executives to understand the winning strategies, practices, team structures and investment patterns that distinguish successful new product development and marketing planning. (Planner and Jones Reports 2000:62-63).

BEST PRACTICES IN GLOBAL FIRMS’ LAUNCHES

This preeminent Best Practices: Benchmarking Report examines the best practices of global product launcher from 11 leading pharmaceutical companies and consists of more than 26 executive interviews. (Executive Reports (2000:18).

BEST PRACTICES IN E-SALES

New for 2001” Internet-savvy executives know that the Web does not replace or cannibalize existing sales channels. It
supports them. Leading companies are making the internet an integral part of their sales efforts. You too can use web-based tools to complement traditional sales activities and optimize all sales channels. Plato and Rice Reports (1999-38).

**BEST PRACTICES IN E-MARKETING**

New for 2001, E-market experts do more than just-capture customer information. With its “always-on” nature and emphasis on user navigation, the internet is revolutionizing marketing. Discover how leading companies use web-based tools to deliver highly targeted message to previously inaccessible markets and customer micro-segments. (Plato and Rice Report 1999:47).

**BEST PRACTICES IN e-BUSINESS**

A new report for 2001, Discover how well-established organizations leverage the internet to drive profitability. This report details top companies’ strategies and tactics for web-based services, sales, and marketing. (Edward Reports (2001:8).

**THOUGHT LEADER RELATIONSHIPS: BUILDING THE BUSINESS**

In this study Best Practices, LLC has captured the techniques that top pharmaceutical companies the techniques
that top pharmaceutical companies use to build and manage thought leader relationship. These companies have established track records for successful launches characterized by rapid up-take, high market share, and extended product life cycles. (Edward Reports 2001:51).

**BEST PRACTICES IN FIRMS ALLIANCES AND CO-PROMOTIONS**

The best practices identifies in this report are gleaned from multiple benchmarking studies conducted by Best Practices, LLC involving over 25 companies. The report is particularly useful to executives who are embarking on or revising a strategic alliance, and those who are seeking to improve the quality and efficiency of the sales partnership. (Edward Reports 2001:62).

**GLOBAL IT STRATEGY: DRIVING MARKET SUCCESS**

This benchmarking report reveals how the world’s best companies align IT initiatives with organizational goals and processes. Harness the power of technology to drive your company’s. (Bashaan Reports 2000:10).
DIRECT-TO-CONSUMER MARKETING: GROWING MARKET SUCCESS:

This recent study focuses on the strategies and tactics leading companies are using to win the consumer marketing battle. The report covers effective marketing activities, team structures, marketing spend levels, and means of measurement. (Bashaan Reports 2000:16).

EMPOWERING CORPORATE MARKETING: BUILDING CUSTOMER-CUSTOMER-CENTRIC ORGANIZATION

Attempting to survive in the dynamic, global e-economy, companies are seeking to revitalize their brand images, refocus sales forces and streamline marketing processes. This benchmarking report helps companies understand marketing productivity across multiple dimensions, including marketing processes, critical skill sets, marketing technology ennoblement, performance measurement and marketing organization structures. (Ford Updates 2000:8).
BEST PRACTICES IN SALES MARKETING

Pharmaceutical sales forces have grown 85% over the past five years Edwards Reports, (2001:19). As sales forces grow, revenue per rep tends to decrease. Due to this recent trend, leading pharmaceutical companies are looking to improve the effectiveness and efficiency of their sales reps. Is your sales force performing at best-in-class levels? The practices found in this report will enable your company to identify gaps in sales force effectiveness and set you on path to creating a world-class force. (Peter Reports 2001:15)

VALUE CHAIN COMMUNICATION: KEEPING THE CHANNELS INFORMED

This study provides a valuable operational compass to guide any company’s efforts to create a best-in-class marketing. Communications systems, increase customer satisfaction, and ultimately build stronger customer relationship. (Peter Reports 2001:36).
BUILDING BRANDS THROUGH CONTINUING EDUCATION PROGRAMS

This Best Practices Benchmarking Report identifies the effective and innovative practice that leading manufacturers use to deliver education to health care providers. The findings will support and pharma company’s efforts to build stronger customer relationships and ultimately drive market share growth (Croser Reports, 2009:10).

BEST PRACTICES IN DEVELOPING AND MAINTAINING WHOLESALING STRATEGIES:

This Best Practices Benchmarking report is perfect for those who are planning to use or currently using wholesale distributors and resellers. Key practices and techniques of over 45 companies involved in wholesaling and channel partner relationships are described in detail in this innovative study. (Croser Reports 2009:20).
TARGETING CUSTOMERS THROUGH MARKET SEGMENTATION

Best Practices, LLC undertook this benchmarking project focusing on market segmentation in order to identify the world-class marketing capabilities that will drive demand and market growth. With this benchmarking research, managers and executives can review, evaluate and adapt the most effective and innovative segmentation strategies and practices that other top pharmaceutical manufacturers have successfully implemented. (Philip Reports 1998:25).

DRIVING GROWTH THROUGH NEW PRODUCT PLANNING AND STRATEGIC ALLIANCES.

This report profiles pharmaceutical companies that have demonstrated successful operating practices in new product planning and strategic alliances. By studying these companies, your organization can strengthen its own efforts to drive overall growth through a well-managed portfolio. After reading this report, you will be prepared to address current and long-term
needs in your company’s new product planning and strategic alliance systems. (Philip Reports 2009:18).

SALES MANAGEMENT: CONQUERING THE FIELD:

Maximize your sales force’s potential. The information in this report is drawn from interviews and field interaction with 250 top salespeople from all regions of the United States. Use their insights to drive company growth through improved sales forces productivity. (Roche Update 2009:18).

SALES MANAGEMENT: CONQUERING THE FIELD:

Maximize your sales force’s potential: The information in this report is drawn from interviews and field interaction with 250 top salespeople from all regions of the United States. Use their insights to drive company growth through improved sales force productivity. (Roche Update 2009:18).

BEST PRACTICES OF SALES COLLATERAL ORGANIZATIONS:

Best Practices, LLC performed a multi-industry benchmark study on sales collateral organizations across an elite group of multi-divisional service companies. This Best Practices
Benchmarking report includes findings that will enable companies to understand the winning practices, communication methods and investment patterns that distinguish successful collateral organizations. (Roche Update 2009:36).

**FIRMS’ BRAND MANAGEMENT: STRENGTHENING THE GLOBAL BRAND:**

This Best Practices Benchmarking report addresses how the pharmaceutical firms and other industries focus on customer service and communications in support of global branding initiatives. An integrated brand strategy calls for companies to achieve excellence along multiple “points-of-contact” with customers. (Tony Reports 2000:8).

**BEST PRACTICES IN MEDICAID SALES**

In 1999, the total Medicaid population in the United States reached 32,000,000. The Health Care Financing Administration reports that the Medicaid prescription drug market reached $13.8 billion in 1998, and it estimates that the market will grow to $39.7 billion by 2007. After reading this report, you will understand how world-class pharmaceutical sales organizations
have developed effective selling practices to improve high-Medicaid sales effectiveness substantially-leading to better relationship management and an improved individual and corporate bottom line. (Best Reports, 2008:29).

2.6.4 BENCHMARKING REPORT IN MANUFACTURING

The reports listed below were sponsored by companies who are involved in manufacturing products such as automobiles, aircraft, appliances and furniture. Many of these reports contain several world-class companies from both inside and outside the manufacturing industry. (Cosmos Reports 2008:15).

BUILDING SIX SIGMA EXCELLENCE:

Updated for 2001: This report examines GE’s Six sigma Quality Assurance program from inception top implementation in all aspects of the organization. The report focused on the quality program’s design, implementation, training, career path planning and measurement system. (Zigma Reports 2000:18).
BEST PRACTICES IN E-SALES

New for 2001: Internet-savvy executives know that the Web does not replace or cannibalize existing sales channels. It supports them. Leading companies are making the internet an integral part of their sales efforts. You too can use Web-based tools to complement traditional sales activities and optimize all sales channels. (Web Update, 2008:81).

BEST PRACTICES IN E-MARKETING:

E-marketing experts do more than just capture customer information. With its “always-on” nature and emphasis on user navigation, the Internet is revolutionizing marketing. Discover how leading companies use web-based tools to deliver highly targeted messages to previously inaccessible markets and customer micro-segments. (Nature Update, 2000:1).

BEST PRACTICES IN E-SERVICE"

With competitors just a click away, companies are racing to meet the escalating expectations of their customers. To accomplish this, leading service organizations use the Web to integrate service delivery across all channels. Read this report
and leverage the Internet to boost service levels, cut service costs, and building lasting relationships with your customers. (Price Reports 2000:28).

A new report for 2001: Discover how well-established organizations leverage the Internet to drive profitability. This report details top companies’ strategies and tactics for Web-based service, sales, and marketing. (Discover Update, 2009:15).

**MERGER & ACQUISITION INTERATION EXCELLENCE**

Conducted on behalf of 11 corporations from seven economic sectors, this study identifies the effective and innovative practices that top companies use to create superior growth and value for stakeholders through integration excellence. (Discover Update, 2009:15).
REFERENCES


CHAPTER THREE

RESEARCH METHODOLOGY

3.1 RESEARCH DESIGN

The design is Survey, which used questionnaire to generate data for the analysis.

Benchmarking as a Marketing Strategy in Bottling Company. A Comparative Analysis of Nigerian Bottling Companies. This is so because benchmarking is a new concept in the Nigerian industries. Since most firms are re-engineering with the customer-oriented services, Benchmarking seems very ideal management philosophy since it centers on getting the best result from competitors.

Both primary and secondary data are used of in this research work. The former comprise: the research questionnaires, oral interviews and direct observations made, while the later consist the written views of people on benchmarking. To assess the acceptability of this study, we conducted a pretest pilot survey by distributing twenty-(20) questionnaire to randomly selected employees of NBC and 7Up. They were asked the efficiency of competitive benchmarking in increasing customer
patronage of the firm. Twelve (12) answered in the affirmative, representing 60% of success (P) in the population while eight (8) disagreed, representing 40% of failure (q) in the population.

### 3.2 POPULATION OF THE STUDY

The population of the study is four thousand, three hundred and five (4,305) workers of NBC and 7Up.

<table>
<thead>
<tr>
<th>It comprises:</th>
<th>Total</th>
<th>Managers</th>
<th>Supervisors</th>
<th>Clerks</th>
<th>FW</th>
</tr>
</thead>
<tbody>
<tr>
<td>NBC</td>
<td>2401</td>
<td>101</td>
<td>492</td>
<td>611</td>
<td>1197</td>
</tr>
<tr>
<td>7Up</td>
<td>1904</td>
<td>93</td>
<td>399</td>
<td>528</td>
<td>884</td>
</tr>
<tr>
<td>Total</td>
<td>4,305</td>
<td>194</td>
<td>891</td>
<td>1139</td>
<td>2081</td>
</tr>
</tbody>
</table>

Fw = Factory Workers

This figure includes all workers both permanent and casual. The figure is got from the headquarters of the companies in both 9th Mile Enugu and Aba. So, the population comprises both Aba and Enugu.
3.3 SAMPLE AND SAMPLING DISTRIBUTION

The sample size is three hundred and sixty six (366). It is derived from the population using Yameni’s Statistical Distribution Formula (1994:66).

\[ N = \frac{1}{1 + Ne^2} \]

Where \( N = 4,305 \)

\[ e = \text{allowable sampling error chosen at } 5\% = 0.05 \]

\[ = \frac{4,305}{1 + 4,305 (0.05)^2} = 366 \]

Questionnaires are distributed to the population in accordance with simple random sample up to this number. The cadres of the respondents are:

Managers

Supervisors

Clerks

Factory Workers

<table>
<thead>
<tr>
<th>Cadre</th>
<th>Sample Size</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>194</td>
<td>( \frac{194 \times 366}{4305} \times 1 ) = 16</td>
</tr>
<tr>
<td>Supervisors</td>
<td>891</td>
<td>( \frac{891 \times 366}{4305} \times 1 ) = 76</td>
</tr>
<tr>
<td>Clerks</td>
<td>1139</td>
<td>( \frac{1139 \times 366}{4305} \times 1 ) = 97</td>
</tr>
<tr>
<td>Factory Workers</td>
<td>2081</td>
<td>( \frac{2081 \times 366}{4305} \times 1 ) = 177</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>( \frac{366}{1} ) = 366</td>
</tr>
</tbody>
</table>
3.4 RELIABILITY OF THE STUDY

The questionnaires are distributed in Split-half’s. Each respondent is given the same questionnaires at another interval. This is the Test and Re-test technique used by the researcher to ensure consistency of responses. This responses at both different periods are collated and evaluated. Only similar responses are chosen for analysis, while dissimilar ones are discarded.

3.5 VALIDATION OF RESEARCH INSTRUMENT

The research questionnaires are drafted by the researcher. After this, they were given to experts at data analysis and presentation. Through their advice, some were re-drafted while others were dropped to make sure they measure what they really intend measuring. Finally, the supervisor approved of them before distribution and analysis.

3.6 SCOPE AND LIMITATIONS OF THE STUDY

The study centers on Enugu metropolis, that is, NBC and 7Up branches in the Eastern Region.

As can be expected, the collection of data was not rosy. It took the direct intervention of a friend of the managers to
convince some workers of our only academic motive. This was to be after five consecutive days of persistent seek for audience.

### 3.7 INSTRUMENT OF DATA COLLECTION

The instruments for data collection are: research questionnaires, direct observations on Workers industry, phone discussions, direct mails through e-mail and NIPOST.

### 3.8 METHOD OF DATA ANALYSIS

The research questionnaires are analyzed using simple percentage distribution formula:

\[
\frac{r}{n} \times \frac{100}{1}
\]

Where

- \( r \) = number of responses in each case of the research questionnaire.
- \( n \) = number of questionnaires returned. Questionnaires was distributed to 366 people, while 300 returned, representing 81.97% of response.

The research hypotheses are analysed using Simple Proportion Statistic:

\[
- Z = \frac{p_s - p}{\sqrt{\frac{pq}{n}}}
\]
Where

Ps = proportion of success in the sample, got from the relevant questionnaire.

P = proportion of success in the population = 60% = 0.60

q = 1 − p = 1 − 0.60 = 0.40 = proportion of failure in the population.

Decision Rule:

Accept the null hypothesis (Ho) if and only if the table value is greater than the calculated value.

Reject otherwise.

The table value is taken at 5% level of significance, two-tailed test wish is 1.96.

The graph for Acceptance or Rejection of the null hypothesis is shown below:
CHAPTER FOUR
DATA ANALYSIS AND PRESENTATION

4.0 INTRODUCTION

Questionnaire was distributed to 366 respondents (Managers, Supervisors, Clerks and Factory Workers) while 300 returned, showing a response rate of 81.97%.

Responses Rate

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Distributed</th>
<th>Returned</th>
<th>% Returned</th>
<th>Unreturned</th>
<th>% Unreturned</th>
<th>% Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers</td>
<td>16</td>
<td>15</td>
<td>93.75</td>
<td>1</td>
<td>6.25</td>
<td>5</td>
</tr>
<tr>
<td>Supervisors</td>
<td>76</td>
<td>70</td>
<td>92.11</td>
<td>6</td>
<td>7.89</td>
<td>23.33</td>
</tr>
<tr>
<td>Clerks</td>
<td>97</td>
<td>90</td>
<td>92.78</td>
<td>7</td>
<td>7.22</td>
<td>30</td>
</tr>
<tr>
<td>Factory Work.</td>
<td>177</td>
<td>125</td>
<td>70.62</td>
<td>52</td>
<td>29.38</td>
<td>41.67</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>366</strong></td>
<td><strong>300</strong></td>
<td><strong>81.97</strong></td>
<td><strong>66</strong></td>
<td><strong>18.03</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field survey, May 2010.*
4.1 BENCHMARKING AND IMPROVEMENT OF MARKETING TECHNIQUES OF COCA COLA AND 7UP

Table I:

<table>
<thead>
<tr>
<th>VARIABLES</th>
<th>RESPONSE</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>By treating customers well</td>
<td>15</td>
<td>5</td>
</tr>
<tr>
<td>By computing workers operations</td>
<td>40</td>
<td>13.33</td>
</tr>
<tr>
<td>By guaranteeing Workers Privileges</td>
<td>50</td>
<td>16.67</td>
</tr>
<tr>
<td>By All</td>
<td>15</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


Analysis:

300 (100%) responded: 195 (65%) said that benchmarking improves marketing techniques by all the methods; 50 (16.67%) said by guaranteeing workers privileges; 40(13.33%) said by computing workers operations, 15 (5%) said by treating customers well. So, we conclude all the above count.
Table 2: BENCHMARKING AND INCREASING MARKET SHARE

<table>
<thead>
<tr>
<th>Respondents</th>
<th>Responses</th>
<th>% Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Greatly</td>
<td>193</td>
<td>65.42</td>
</tr>
<tr>
<td>Greatly</td>
<td>80</td>
<td>27.12</td>
</tr>
<tr>
<td>Average</td>
<td>22</td>
<td>7.46</td>
</tr>
<tr>
<td>Little</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>295</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>


Analysis:

295(100%) responded: 193 (65.42%) said that benchmarking very greatly increases market share, 80 (27.12%) said greatly while 22(7.46%) said it averagely increases. So, we conclude that benchmarking very greatly increases market share.

Table 3: BENCHMARKING AND INCREASE IN EARNINGS

<table>
<thead>
<tr>
<th>Responses</th>
<th>Total</th>
<th>%Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very highly</td>
<td>195</td>
<td>65.22</td>
</tr>
<tr>
<td>Highly</td>
<td>50</td>
<td>16.72</td>
</tr>
<tr>
<td>Averagely</td>
<td>40</td>
<td>13.38</td>
</tr>
<tr>
<td>Little</td>
<td>14</td>
<td>4.68</td>
</tr>
<tr>
<td>-------------</td>
<td>----</td>
<td>------</td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>299</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source:** Field survey, May 2010.

**Analysis:**

299(100%) responded: 195 (65.22%) said that benchmarking increases very highly earning; 50 (16.72%) said it highly increases it; 40(13.38%) said it does so averagely; 14 (4.68%) said it does so little. So, we conclude that benchmarking very highly increases earning.

**Table 4: RELATIONSHIP BETWEEN MAXIMIZATION OF RESOURCE INPUTS AND BENCHMARKING**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Responses</th>
<th>% Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>196</td>
<td>65.77</td>
</tr>
<tr>
<td>Average</td>
<td>62</td>
<td>20.81</td>
</tr>
<tr>
<td>Low</td>
<td>30</td>
<td>10.07</td>
</tr>
<tr>
<td>None</td>
<td>10</td>
<td>3.36</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>298</td>
<td>100</td>
</tr>
</tbody>
</table>

**Sources:** Field survey, May 2010.
Analysis:

298 (100%) responded: 196 (65.77%) that the relationship between maximization of resource inputs and benchmarking is high; 62 (20.81%) said it is low; 30(10.07%) said it is low; 10 (3.36%) said it is none. So, we conclude that the relationship is high.

**Table 5: CORRELATION BETWEEN BENCHMARKING AND GLOBALIZATION OF SERVICE OF NBC AND 7UP**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Responses</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>High</td>
<td>195</td>
<td>65.66</td>
</tr>
<tr>
<td>Average</td>
<td>39</td>
<td>13.13</td>
</tr>
<tr>
<td>Low</td>
<td>60</td>
<td>20.20</td>
</tr>
<tr>
<td>None</td>
<td>3</td>
<td>1.01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>297</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Field survey, May 2010.

Analysis:

297(100%) responded: 195 (65.66%) said that the correlation between benchmarking and globalization is high; 60 (20.20%) said it is low; 39(13.13%) said it is average while
3(1.01%) said it is none. So, we conclude that the relationship is high.

**Table 6: COMMUNICATING WITH CUSTOMERS IN NBC AND 7UP COMPANIES**

<table>
<thead>
<tr>
<th>Responses</th>
<th>Total</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very cordial</td>
<td>200</td>
<td>66.67</td>
</tr>
<tr>
<td>Cordial</td>
<td>70</td>
<td>23.33</td>
</tr>
<tr>
<td>Not good</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Sources: Field survey, May 2010.

**Analysis:**

300(100%) responded: 200 (66.67%) said that the communication with customers in NBC and 7Up is very cordial; 70 (23.33%) said it is cordial while 30 (10%) said it is not good. So, we conclude that the relationship is very cordial.
4.2 TESTING RESEARCH HYPOTHESES

4.3 $H_1$ Benchmarking improves upon other known marketing techniques of Coca Cola and 7Ups Bottling Companies.

This is tested from responses in table 1:

Ps $=0.06$, $n=300$, $p=0.60$, $q = 0.40$

$$Z = \frac{Ps-p}{\sqrt{\frac{Pq}{n}}} = \frac{0.65-0.60}{\sqrt{\frac{0.60 \times 0.40}{300}}} = 1.77$$

**Decision:**

Since 1.65 not greater than 1.77, $HO_1$ is rejected. This means that Benchmarking improves upon other known marketing techniques of Coca Cola and 7Ups Bottling Companies.

4.4 $H_2$ The use of benchmarking as a marketing technique increases the market share of Coca Cola and 7Up Bottling Companies.

This is tested from responses in table 2:

Ps $=0.06542$, $n=295$, $p=0.60$, $q = 0.40$
\[
Z = \frac{Ps - p}{\sqrt{\frac{pq}{n}}} = \frac{0.6542 - 0.60}{\sqrt{\frac{0.60 \times 0.40}{295}}} = 1.90
\]

**Decision:**

Since 1.65 is not greater than 1.90 that \( H_0 \) is rejected.

This that the use of benchmarking as a marketing technique increases the market share of Coca Cola and 7Up Bottling Companies.

4.5 \( H_3 \) The use of Benchmarking as a marketing technique increases earnings in Coca Cola and 7Ups Bottling Companies.

This is addressed from responses in table 3:

\[Ps = 0.06542, n=295, p=0.60, q = 0.40\]
\[
Z = \frac{Ps - p}{\sqrt{\frac{pq}{n}}} = \frac{0.6542 - 0.60}{\sqrt{\frac{0.60 \times 0.40}{295}}} = 1.90
\]

\[Ps = 0.06522, n=299, p=0.60, q = 0.40\]

\[
Z = \frac{ps - p}{\sqrt{\frac{pq}{n}}} = \frac{0.6522 - 0.60}{\sqrt{\frac{0.60 \times 0.40}{299}}} = 1.84
\]
**Decision:**

Since 1.65 is not greater than 1.84, $H_3$ is rejected. This means the use of benchmarking as a marketing technique increases the market share of Coca Cola and 7Up Bottling Companies.

**4.6 $H_4$ There is relationship between the use of benchmarking and maximization of resource inputs in Coca Cola and 7Up Bottling Companies.**

This is tested from responses in table 4:

$P_s = 0.06577$, $n=298$, $p=0.60$, $q = 0.40$

$$Z = \frac{P_s - p}{\sqrt{\frac{pq}{n}}} = \frac{0.6577 - 0.60}{\sqrt{\frac{0.60 \times 0.40}{298}}} = 2.03$$

**Decision:**

Since 1.96 is not greater than 2.03, $H_4$ is rejected. This means that there is relationship between the use of benchmarking and maximization of resource inputs in Coca Cola and 7Up Bottling Companies.
4.7 $H_5$ There is correlation between the use of
benchmarking and globalization of the services of
Coca Cola and 7Up Bottling Companies.

This is tested from responses in table 5:

$P_s = 0.06566, n=297, p=0.60, q = 0.40$

\[
Z = \frac{P_s - p}{\sqrt{\frac{pq}{n}}} = \frac{0.6566 - 0.60}{\sqrt{0.60 \times 0.40 / 297}} = 1.99
\]

**Decision:**

Since 1.96 is not greater than 1.99, $H_0$ is rejected. This means that there is correlation between the use of benchmarking and globalization of the services of Coca Cola and 7Up Bottling Companies.
CHAPTER FIVE
SUMMARY OF FINDINGS, DISCUSSION OF RESULTS,
CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

After the analysis, the following are discovered:

- Benchmarking improves upon other known marketing techniques of Coca Cola and 7Up Bottling Companies.
- The use of benchmarking as a marketing technique increases the market share of Coca Cola and 7Up Bottling Companies.
- The use of Benchmarking as a marketing technique increases earnings in Coca Cola and 7Up Bottling Companies.
- There is relationship between the use of benchmarking and maximization of resource inputs in Coca Cola and 7Up Bottling Companies.
- There is correlation between the use of benchmarking and globalization of the services of Coca Cola and 7Up Bottling Companies.
5.2 DISCUSSION OF RESULTS

Benchmarking in 7UP and NBC Bottling Companies has gone a long way. Due to the competitive nature of these two companies it has become generally acceptability to quarterly review the market share. This is done through benchmarking. This analysis is imperative to know the weaknesses and strengths of each product with respect to counterparts in the industry because they in liquid beverage industry acceptability is spontaneous. It is from this analysis of market share that management concludes to either continue a product line, disband it or reduces resource allocation pending improvement in market share.

Information technology is the core of modern telecommunication as enunciated by Ogwuma (2008:91) in the literature review. It is discoursed that all operations of Telecommunication Industry has been computerized and that this has positively affected performance of workers, and helped customers have faith in the Telecommunication Industry. This agrees with the assertion of Moha (2005:33) in the literature
review that firms must primarily computerize all operations to be fit in the so called universal Telecommunication.

If there is a commendable relationship between customers and bank management, the firm would gain greatly. Most of the riffs between the customers and the firm officials are due to misunderstanding which can be settled by working on customers suggestions. This tallied with the view of Adeoye (2007:61) in the literature review that public complaints should be instituted and worked upon in the firms.

5.3 CONCLUSION

Company should beef up the working conditions of its workers and improve on customer relations. This should be done in such a way that the interest of the customer is constantly protected. It is necessary to note that every company wants to lead the market. One of the most important elements of pharmaceutical sales is the physician-rep relationship. Leading pharmaceutical companies help reps develop strong, rewarding relationships by effectively managing their speaker programs. Successful program administration has an enormous impact on doctor-rep relationships, adding value to the physicians
experience, building customer loyalty and ultimately driving market share. (Best Reports 2008:861).

5.4 RECOMMENDATIONS

The following are hereby recommended:

5.4.1 NBC and 7Up firms in Nigeria should embark on serious awareness programmes to sensitive the public on use of their products.

5.4.2 NBC and 7Up firms in Nigerian should get government approval for any product they want market to avoid undue exploitation of consumers.

5.4.3 NBC and 7Up firm in Nigeria should embark on good competition to safeguard the kingship of the consumer.

5.4.4 NBC and 7Up firm in Nigeria should aim at leading the market, which paves for good competitive environment.

5.4.5 NBC and 7Up firms in Nigerian should outsource functions that tend to jeopardize their individual competitive strength.
5.4.6 NBC and 7Up firms in Nigerian should treat Nigerian markets as part of global market to avoid undue exploitation of Nigerian consumers.

5.4.7 Management of 7UP and NBC should continue to analyze line quarterly through competitive benchmarking.

5.4.8 Management of 7UP and NBC should tandem with NAFDAC prescriptions to always maintain market share.

5.4.9 Management of 7UP and NBC should constantly engage in information communication technology by cross-fertilizing ideas with other companies globally.

5.4.10 Management of 7UP and NBC should constantly improve quality of staff by on-the-job-training to catch up with modern trends in the industry.
5.5 SUGGESTION FOR FURTHER STUDY

The researcher suggests that any further study on this should be Critique of the Impact of Information Communication Technology on Competitive Benchmarking.
Dear Respondent,

A research in being conducted on the topic: A Critique of benchmarking as a Competitive Marketing Technique among Soft Drink Companies: Coca Cola and 7Up. To this end, questionnaires are being constructed which you are served with. To respond to them to your best interest as even divulged information would be treated with utmost secrecy.

Yours faithfully,
SECTION B: THE QUESTION

How competitive benchmarking can identify better ways of achieving managerial efficiency.

1. How right is it to state that competitive Benchmarking helps to recruit high quality personnel?
   Quite………….. Not very……………. Not…………………..

2. To what extent can competitive Benchmarking help to allocate resources well to competing ends in production process?
   High………… average……………. low…………………..
   none…………

3. How does competitive benchmarking aid competition among leading firms?
   By producing new and lasting products……………………
   By encouraging researchers……………………………..
   Both reasons………………………………………………..

4. To what extent does imitating the products of others help achieve managerial efficiency?
5. How commendable is it to conclude that pricing techniques could help competing firms achieve managerial efficiency?
   High............. Low............. None............... 

6. How would widespread marketing by firms within the same product base help management achieve efficiency?
   By sourcing marketing outlets far and wide.................
   By producing more to meet increasing demands...........
   Both reasons................ It has no effect on managerial efficiency..............................

7. To what extent does Public Relations help prune marketing operations of firms within the same product base?
   High............. Average............. Low............... 
   None.............

8. How do you think following the lead of big firms can help achieve managerial efficiency?
   By imitating good products and services......................
   By encouraging production of equal quality goods........
   By seeking to get more clientele..............................
All of the above.............................................
It is not helpful to efficiency..............................

9. What lessons could be learnt from communications within and outside competing firms as touching managerial efficiency?
Encouraging.............................. Stimulating..............
Challenging.............. Productive................. All..............
Discouraging............... 

10. How could it be said that computer has helped competitive benchmarking, and hence, managerial efficiency
By increasing rate of competition.............................
By vividly stating and maintaining quality standards......
By increasing rate of production..............................
All of the above...........................................
Computer does not help competitive Benchmarking......

11. To what extent does computer aid material procurement, and hence, competitive benchmarking?
High............... Average............... Low..............
None..............

12. How would you rate customer reaction to high competition?
Encouraging……..Appreciative……..Discouraging…….. 

13. How do you rate workers reaction to the highly increasing inclination towards competitive among firms?  
   Good.................. Bad.................. 

14. How would you rate work environment as it affects competitive Benchmarking  
   Can attract more customers ..............................  
   Can repel customers......................................  
   Can do both reasons above ..............................  
   None effect on Benchmarking..........................  

15. What valuable recommendations could improve managerial efficiency via competitive Benchmarking?  
   Computerize operation..................................  
   Exploit Public Relation Option.........................  
   Produce High Quality Goods...........................  
   Treat workers well......................................  
   Produce to the taste of customers.....................  
   Build more effective communication network within and outside the firm.......................  
   Source materials optimally............................  

Listen to public cum customer complaints on your product/services Avoid unhealthy competition…….

Be innovative.................................................................

Articulate the effects of external environments better....

Make activities/functions of all branches on-line.......... 

All of the above..............................................

16. How competitive benchmarking can identify better ways of achieving managerial efficiency?

17. How right is it to state that competitive benchmarking helps to recruit high quality personnel?

18. To what extent can competitive Benchmarking help to allocate resources well to competing ends in production process?

19. What extent can effective comparison with external achievers help competitive Benchmarking achieve managerial efficiency?

20. How does competitive Benchmarking and wealthy competition among leading firms.

By producing new and lasting products....................

By encouraging researches ......................................
By reasons .................................................................

21. To what extent does imitating the products of others help achieve managerial efficiency?

High .................................. Average .................................

How .............................. None ......................................

23. How would you say competitive Benchmarking helps achieve customer-employee satisfaction?

E-sales ............................. E-commerce ......................

Improved quality .............. PR .............. All ....................
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APPENDIXES

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<thead>
<tr>
<th>Level of Significance (a)</th>
<th>One-tailed value</th>
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