

Benchmarking Code of Conduct

To contribute to efficient, effective and ethical benchmarking, individuals agree for themselves and their organisations to abide by the following principles for benchmarking with other organisations.

1. **Principles of Legality** – avoid discussions or actions that might lead to or imply an interest in restraint of trade; market or customer allocation schemes; price fixing; dealing arrangements; bid rigging; bribery; or misappropriation. Do not discuss costs with competitors if costs are an element of pricing.
2. **Principles of Exchange** – be willing to provide the same level of information that you request in any benchmarking exchange.
3. **Principle of Confidentiality** – treat benchmarking interchange as something confidential to the individuals and organisations involved. Information obtained must not be communicated outside the partnering organisations without prior consent of participating benchmarking partners. An organisation's participation in a study should not be communicated externally without permission.
4. **Principle of Use** – use information obtained through benchmarking partnering only for the purpose of improvement of operations with the partnering companies themselves. External use or communication of a benchmarking partner's name with their data or observed practices requires permission of that partner. Do not, as a consultant or client, extend one company's benchmarking study findings to another without the first company's permission.
5. **Principle of First Party Contact** – initiate contacts, wherever possible, through a benchmarking contact designated by the partner company. Obtain mutual agreement with the contact on any hand off of communication or responsibility to other parties.
6. **Principle of Third Party Contact** – obtain an individual's permission before providing their name in response to a contact request.
7. **Principle of Preparation** – demonstrate commitment to the efficiency and effectiveness of the benchmarking process with adequate preparation at each process step, particularly, at initial contact stage.

Etiquette and Ethics

In actions between benchmarking partners, the emphasis is on openness and trust. The following guidelines apply to both partners in the benchmarking encounter:

- In benchmarking with competitors, establish specific ground rules up front, eg “We do not want to talk about those things that will give either of us a

competitive advantage, rather, we want to see where we can mutually improve or gain benefit”

- Do not ask competitors for sensitive data or cause the benchmarking partner to feel that sensitive data must be provided to keep the process going
- Use an ethical third party to assemble any blind competitive data, with inputs from legal counsel, for direct competitor comparisons
- Consult with legal counsel if any information gathering procedure is in doubt, eg before contacting a direct competitor
- Any information obtained from a benchmarking partner should be treated as internal privileged information

Do not:

- Disparage a competitor’s business or operations to a third party
- Attempt to limit competition or gain business through the benchmarking relationship

Benchmarking Exchange Protocol

- Know and abide by the benchmarking code of contact
- Have basic knowledge of benchmarking and follow a benchmarking process
- Have determined what to benchmark, identified key performance variables, recognised superior performing companies and completed rigorous self-assessment
- Have developed a questionnaire and interview guide and will share these in advance if requested
- Have the authority to share information
- Work through a specified host and mutually agree on scheduling and meeting arrangements
- Follow the following guidelines in face-to-face site visits:
 - provide meeting agenda in advance
 - be professional, honest, courteous and prompt
 - introduce all attendees and explain why they are present
 - adhere to the agenda
 - maintain focus on benchmarking issues
 - use language that is universal not one’s own jargon
 - do not share proprietary information without prior approval for the proper authority of both parties
 - share information about your process, if asked, and consider sharing study results
 - offer to set up a reciprocal visit
 - conclude meetings and visits on schedule
 - thank the benchmarking partner for the time and for the sharing

This code of conduct is adopted with the kind permission of the Council on Benchmarking of the Strategic Planning Institute. All organisations and individuals involved in benchmarking are encouraged to adhere to its principles