



## Benchmarking Your Organization

### Benchmarking – Different Approaches

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Most methodologies in the areas of customer satisfaction, loyalty, and retention as well as quality management include benchmarking. These methodologies are not prescriptive in nature, i.e. they do not mandate that benchmarking be done in a particular way. However, they do require that a benchmarking approach be adopted and that it be followed over time. This is true of ISO 9001:2000 and the Baldrige National Quality Program.

Six 9s Associates, Inc. (Six 9s) believes that there are three basic approaches to benchmarking as it applies to customer satisfaction research. They include periodic assessment of customer satisfaction and delight ratings against:

- Organizational goals, objectives, and past history
- Industry norms
- Customer expectations and experiences with others

The remainder of this document discusses each of these and their applicability.

### Benchmarking Against Organizational Goals, Objectives, and Past History

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This is the fundamental foundation for all customer benchmarking. It involves doing an initial customer assessment to create a baseline of customer satisfaction and delight ratings across the appropriate dimensions of the organization, i.e. sales, service/support, product, the organization overall, etc. Then periodically conducting follow on customer assessments, often annually, to establish trends for the metrics important to customers. It is key to measure the customer importance of each metric. Six 9s does this using the Customer Priority Factor (CPF).

To achieve improvements in customer satisfaction, retention, and growth, organizations set goals and objectives for the critical metrics across the various dimensions, assign these goals and objectives to corrective action teams, and track the results in subsequent customer assessments.



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Organizations have been taking this approach for many years with ever increasing customer satisfaction and delight levels as well as growth.

### Benchmarking Against Industry Norms

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Benchmarking against industry norms involves tracking and comparing the results of the organization's customer assessments against industry normalized data from independent sources (industry norms). Effective industry norms provide trends in customer metrics for specific business functions, i.e. human resources, customer service, call centers, etc, or industries, i.e. utilities, hospitals, airlines, auto manufacturers, etc. These industry norms are often maintained and supplied by industry associations or consortia established for that purpose. To be effective, the customer assessments must be consistent across participating organizations in terms of questions asked, the frequency of assessment, and the data collection approach, i.e. online, telephone, mail, etc. These are very high standards and difficult to meet consistently over time across all participating organizations.

Some have made a decision to no longer use industry norms because they were not consistent from year to year, presented difficulty in comparing to their customer assessment results, and required them to ask the same questions year after year even though there was a need to take the process to the next level.

Six 9s works with clients to overcome these problems and to obtain industry norms that are meaningful to the organization and allow the organization to compare their results to industry peers as well as best in class organizations.



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### Benchmarking Against Customer Expectations and Experiences

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Another approach is to take “Benchmarking Against Organizational Goals, Objectives, and Past History” to the next level. That level is to enrich the customer assessment instrument’s questions with criteria related not so much to simply satisfaction but to a higher level of meeting and exceeding expectations as well as comparing customer experiences with others, i.e. competitors.

For example, this involves enhancing and adding to a typical question like “Based on your experience, how satisfied are you with our products and services.” These new questions might be:

- “Based on your experience, to what extent do we meet or exceed your expectations with our products and services?”
- “How do our products and services compare to others who provide you similar products and services?”

The answers to these questions are typically followed by open-ended response questions asking how the customer was delighted if the ratings are high and how the organization can improve if the ratings are low. These open-ended, top of mind customer responses are found to be very actionable both to correct customer problems and to build on positive experiences to grow the organization.

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*To find out more about how to take your Customer Satisfaction Assessment program to the next level, contact Six 9s Associates, Inc. at +480.488.7936 or [contact@six-9s.com](mailto:contact@six-9s.com).*

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