# BLOG: BENCHMARKING/VIDEO, INFORMANCE/EMI

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*POSSIBLE TITLES: THINGS DAD TAUGHT ME*

"Learn from the mistakes of others. You can't live long enough to make them all yourself." Eleanor Roosevelt, U.S. diplomat & reformer (1884 - 1962).

Dad is an engineer – with highly methodical ways, endless lists (and lists of lists, I suspect), and mountains of books and journals, his pearls of wisdom have served me well – both in business and my personal life. One insight stands out more than all the others, and it's the one I impart most often to my own kids… "If you want to learn something, take a look at somebody who's already tried it, whether they succeeded or failed. It'll get you to where you're going faster." Certainly, Dad's thought process wasn't a revolutionary one – folks have been learning from each other since the dawn of time.

It's interesting to me then, that it took more than 20 years for western firms to express an interest in, and start capitalizing on the results approach that Japanese organizations widely embraced by the mid-50s. Did the delay cost U.S. manufacturers a foothold on competitive advantage? Definitely. Even though Japan, with Deming's help, created just-in-time and other important thought leadership, they didn't stop defining and refining best practices. Japanese manufacturers don't necessarily have the lowest production costs, but they do have a reputation for reliability.

It would seem that the whole world has learned a lesson from the unfortunate delay. Today, thought leadership races 'round the globe, and is blind to all borders. Businesses on every continent are always eager to learn about proven methodologies, regardless of origin.

Why, then, are manufacturers so hesitant to look outside their own four walls when benchmarking performance? Do they *really* fear exposing their "secret sauce", or is there some other subconscious fear that hasn't yet bubbled to the surface? We may never know.

What we DO know is that manufacturers are using benchmarking within and across their own enterprise to uncover and propagate winning strategies and tactics. We also know that certain manufacturing sectors are better at some things than all the others. Take consumer goods, for example – they usually have better asset utilization, availability, and OEE than pharmaceutical manufacturers. The interesting thing is that pharmaceutical companies generally have newer, better, faster machines and equipment, and as a result they have significantly fewer equipment failures than CPG. On the surface, it makes no sense. But, when we dig deeper, we find out that CPG companies minimize minor stops on their lines much better than pharmaceutical does. (A minor stop is downtime lasting 10 minutes or less.) Pharmaceutical manufacturers also lose a bit more than 11% of available time from changeovers, as compared to only 6.65% lost by consumer goods.  Strict pharmaceuticals regulation must contribute somewhat to this gap – but certainly not four plus percentage points worth.

Which brings me back to the original question – why aren't manufacturers breaking down walls to benchmark their performance against their own industry and others?  There are research studies available that provide strict anonymity to protect trade secrets.  And, once you start benchmarking performance against best-in-class, average and laggards in your industry and others, you might be surprised just how quickly you jump-start (or revive!) your CI program.

Visit Solarsoft to learn more about cross-industry benchmarking  (link TBD).