

# European Benchmarking Code of Conduct

## Introduction

Benchmarking – the process of identifying and learning from Good Practices in other organisations – is a powerful tool in the quest for continuous improvement and performance breakthroughs. The authors and sponsors have produced this European Code of Conduct to guide Benchmarking encounters and to advance the professionalism and effectiveness of Benchmarking in Europe.

It is based upon the Code of Conduct used by APQC and the wording has been modified to take into account the requirements of competition law. The layout and presentation have also been modified to provide a more positive chronological approach.

Adherence to this Code will contribute to efficient, effective and ethical Benchmarking.

## 1. Principle of Preparation

- 1.1 Demonstrate commitment to the efficiency and effectiveness of Benchmarking by being prepared prior to making an initial Benchmarking contact.
- 1.2 Make the most of your Benchmarking partner's time by being fully prepared for each exchange.
- 1.3 Help your Benchmarking partners prepare by providing them with a questionnaire and agenda prior to Benchmarking visits.
- 1.4 Before any Benchmarking contacts, especially the sending of questionnaires, take legal advice.

## 2. Principle of Contact

- 2.1 Respect the corporate culture of partner organisations and work within mutually agreed procedures.
- 2.2 Use Benchmarking contacts designated by the partner organisation if that is its preferred procedure.
- 2.3 Agree with the designated Benchmarking contact how communication or responsibility is to be delegated in the course of the Benchmarking exercise. Check mutual understanding.
- 2.4 Obtain an individual's permission before providing his/her name in response to a contact request.
- 2.5 Avoid communicating a contact's name in an open forum without the contact's prior permission.

## 3. Principle of Exchange

- 3.1 Be willing to provide the same type and level of information that you request from your Benchmarking partner, provided that the principle of legality is observed.
- 3.2 Communicate fully and early in the relationship to clarify expectations, avoid misunderstanding, and establish mutual interest in the Benchmarking exchange.
- 3.3 Be honest, complete and timely with information submitted.

## 4. Principle of Confidentiality

- 4.1 Treat Benchmarking **findings** as confidential to the individuals and organisations involved. Such information must not be communicated to third parties without the prior consent of the Benchmarking partner who shared the information. When seeking prior consent, make sure that you specify clearly what information is to be shared, and with whom.
- 4.2 An organisation's **participation** in a study is confidential and should not be communicated externally without their prior permission.

## **5. Principle of Use**

- 5.1 Use information obtained through Benchmarking only for purposes stated to and agreed with the Benchmarking partner.
- 5.2 The use of communication of a Benchmarking partner's name with the data obtained or the practices observed requires the prior permission of that partner.
- 5.3 Contact lists or other contact information provided by Benchmarking networks in any form may not be used for purposes other than Benchmarking.

## **6. Principle of Legality**

- 6.1 Take legal advice before launching any activity.
- 6.2 Avoid discussions or actions that could lead to or imply an interest in restraint of trade, market and/or customer allocation schemes, price fixing, dealing arrangements, bid rigging or bribery. Do not discuss costs with competitors if costs are an element of pricing. Do not exchange forecasts or other information about future commercial intentions.
- 6.3 Refrain from the acquisition of information by any means that could be interpreted as improper, including the breach, or inducement of a breach, of any duty to maintain confidentiality.
- 6.4 Do not discuss disclose or use any confidential information that may have been obtained through improper means, or that was disclosed by another in violation of a duty of confidentiality.
- 6.5 Do not, as a consultant, client or otherwise pass on Benchmarking findings to another organisation without first getting the permission of your Benchmarking partner and without first ensuring that the data is appropriately 'blinded' and anonymous so that the participants' identity are protected.

## **7. Principle of Completion**

- 7.1 Follow through with each commitment made to your Benchmarking partner in a timely manner.
- 7.2 Complete a benchmarking effort to the satisfaction of all benchmarking partners as mutually agreed.

## **8. Principle of Understanding and Agreement**

- 8.1 Understand how your Benchmarking partner would like to be treated, and treat him/her in that way.
- 8.2 Agree how your partner expects you to use the information provided, and do not use it in any way that would break that agreement.

## **9. Benchmarking with Competitors**

**The following guidelines apply to Benchmarking with both actual and potential competitors:**

- In Benchmarking with actual or potential competitors, ensure compliance with competition law. Always take legal advice before benchmarking contact with actual or potential competitors and throughout the benchmarking process. If uncomfortable, do not proceed. Alternatively, negotiate and sign a specific non-disclosure agreement that will satisfy the legal counsel representing each partner.
- Do not ask competitors for sensitive data or cause the Benchmarking partner to feel he/she must provide such data to keep the process going.
- Do not ask competitors for data outside the agreed scope of the study.
- Consider using an experienced and reputable third party to assemble and 'blind' competitive data.
- Any information obtained from a benchmarking partner should be treated as internal, privileged communication. If "confidential" or proprietary material is to be exchanged, then a specific agreement should be executed to specify the content of the material that needs to be protected, the duration of the period of protection, the conditions for permitting access to the material, and the specific handling requirements that are necessary for that material.

## **Benchmarking Protocol**

Benchmarkers:

- Know and abide by the European Benchmarking Code of Conduct.
- Have basic knowledge of Benchmarking and follow a Benchmarking process.
- Prior to initiating contact with potential benchmarking partners, determine what to benchmark, identify key performance variables to study, recognize superior-performing companies, and complete a rigorous self assessment.
- Prepare a questionnaire and fully developed interview guide, and share these in advance, if requested.
- Possess the authority to share and be willing to share information with benchmarking partners.
- Work through a specified contact and mutually agreed arrangements.

**When the Benchmarking process proceeds to a face-to-face site visit, the following behaviours are encouraged:**

- Provide meeting agenda in advance.
- Be professional, honest, courteous and prompt.
- Introduce all attendees and explain why they are present.
- Adhere to the agenda.
- Use language that is universal, do not use jargon.
- Be sure that neither party is sharing proprietary or confidential information unless prior approval has been obtained by both parties, from the proper authority.
- Share information about your own process, and if asked, consider sharing study results.
- Offer to facilitate a future reciprocal visit.
- Conclude meetings and visits on schedule.
- Thank your Benchmarking partner for sharing his/her process.

*Important notice:*

*This Code of Conduct is not a legally binding document. Though all due care has been taken in its preparation, the authors and sponsors will not be held responsible for any legal or other action resulting directly or indirectly from adherence to this Code of Conduct. It is for guidance only and does not imply protection or immunity from the law.*