

Foreword

Public service organisations seek to deliver the best outcomes for citizens, users and the taxpayer. As the squeeze on the public finances tightens, money must go further. Benchmarking offers a catalyst for driving efficiency, identifying new solutions that offer cost reductions and raising the performance of an organisation to the standards achieved by the best.

Benchmarking is not a new technique. Nonetheless, CIPFA's belief is that public service organisations have not yet realised its full potential. This is largely because, while organisations have grown accustomed to comparing relative performance information, too few undertake the next step of sharing information on the underlying processes.

To fulfil benchmarking's full potential, top management needs to adopt a strategic approach to building relationships with partners and making benchmarking into a process of continuous improvement. This guidance discusses the steps needed to get an organisation ready for benchmarking that helps drive performance improvement.

Working within this strategic perspective, service managers must select the critical processes for benchmarking, identify the key performance measures and handle the ongoing relationship with benchmarking partners or clubs. The range of options and methods available are set out in the guidance.

Because of their skills in analysing and presenting cost and other performance information, finance professionals will have a critical role at the heart of any benchmarking programme. To do this they will need to consider the merits of the different types of indicator and respond to the technical challenges of cost and data analysis.

This publication is the first in a series of cornerstone guidance for public service organisations.



Nigel Hiller
Chair, CIPFA Financial Management Panel