

## Relationship to Benchmarking

In benchmarking an organization identifies and measures its processes and performance against those of other companies. Generally, aggregated data from many companies or activities provides a good statistical basis to compare your own results with the average for your competitors and those who are best in class. Through detailed analysis and discussion of performance differences, insights are gained into how the most successful companies achieve their excellent results. Benchmarking can thus be a useful starting point to identify those organizations and methods that might inform you of best practice. In fact, there is growing emphasis on the learning aspects of comparisons, rather than on raw numbers (see *Related Technique* Benchmarking).

However, you do not necessarily have to look outside or adopt formal benchmarking to infer best practice. Many companies, especially those that are large and dispersed, identify best practice through internal dialogue and reference to subject matter experts. Sharing of best practice has less to do with formal performance metrics and more to do with identifying good practice, then capturing and sharing knowledge about it, so that other parts of the organization can benefit. Clearly, without formal measures, there is a highly subjective aspect as to what is 'best practice'. In reality, the time and effort to measure enough situations with statistical rigour is quite high – time and effort which in most situations is best spent actually documenting the key features of the practices.

## The Essence

The essence of sharing best practices is to learn from others and to re-use knowledge: "systematically replicating practices that have proved to be successful" [1]. By having a formal programme, good practice that goes unrecognized (often for years, according to an INSEAD study) can be identified and the lessons more widely disseminated.

Much of best practice knowledge is tacit. Therefore most programmes complement explicit knowledge stored in a database with other methods of sharing, such as communities of practice. Diana Billingham describes such an approach at software house Cap-Gemini [3]:

*"Rather than putting in rigid rules that say 'this is best practice and you should follow it', it's all about using a knowledge management hub through which people can exchange best practices – it's moving away from a best practice manual to a virtual community where people can share knowledge."*

A good overall approach is to codify the essential features of the practice, give pointers to the experts, deduce general guidelines, diffuse basic knowledge, and use subject matter experts to adapt and apply the practices in a new context.