



# Benchmarking for Improvement: An Introduction

Gregory S. Feltenberger





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- ❖ Founded in 2006
- ❖ Specializing in webcasts and online training; organizational and needs assessments; survey development, administration, and analysis; and financial (P&L) evaluations and business valuations.
- ❖ Mission:
  - ❖ To provide organizations with education, training, and organizational improvement solutions aimed at maximizing profitability, productivity, and performance.



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# About our Speaker



Gregory S. Feltenberger  
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Greg has over 13 years of operational experience as an active duty officer and medical administrator in the US Air Force. He has held the following positions: CIO, Practice Administrator, Director of Information Management, and Director of Performance Improvement. In addition, Greg completed a 10-month Fellowship in Survey Development, Analysis, and Performance Measurement at the Medical Group Management Association (MGMA).

He has extensive experience in information management, benchmarking, and quantitative and qualitative research and analysis to include sampling methodology, use of statistical software (SPSS), and bivariate and multivariate statistical techniques.

And finally, he recently authored a book titled *Benchmarking Success: An Essential Guide for Medical Practice Managers* to be published in January 2008 by the MGMA.



## Benchmarking Intro

The objective of benchmarking is to improve performance through measurement.

“If you don’t measure it, you can’t manage it.”

&

“If you don’t value it, you won’t change it.”



# Why Comparison is Important

- ❖ Organizational Improvement
  - ❖ Understand performance over time and compared to peers
  - ❖ Objectively identify improvement opportunities
  - ❖ Set goals for higher performance
- ❖ Decision-Making (evidence-based management)
  - ❖ Reduces uncertainty and builds confidence
  - ❖ Helps explain decisions and supports your management expertise
- ❖ Industry Advancement
  - ❖ Data is a resource for all organizations
  - ❖ Allows advocates to speak more authoritatively



# Today's Business Environment

- ❖ People
  - ❖ Staff experience, training, and quality
  - ❖ Staff retention and turnover
- ❖ Environment
  - ❖ Costs are increasing greater than inflation
  - ❖ Advances in technology change delivery
  - ❖ Businesses are rated for quality and outcomes
- ❖ Process
  - ❖ Performance incentives
  - ❖ Investment in training, environment, and processes



# What is Benchmarking?

- ❖ Comparison to a known standard
- ❖ The continuous process of measuring and comparing performance internally (over time) and externally (against other organizations and industries)
- ❖ Determining how the “best in class” achieve their performance levels and using the analysis to change what you do and how you do it (process benchmarking)



# Benchmarking Enables You To...

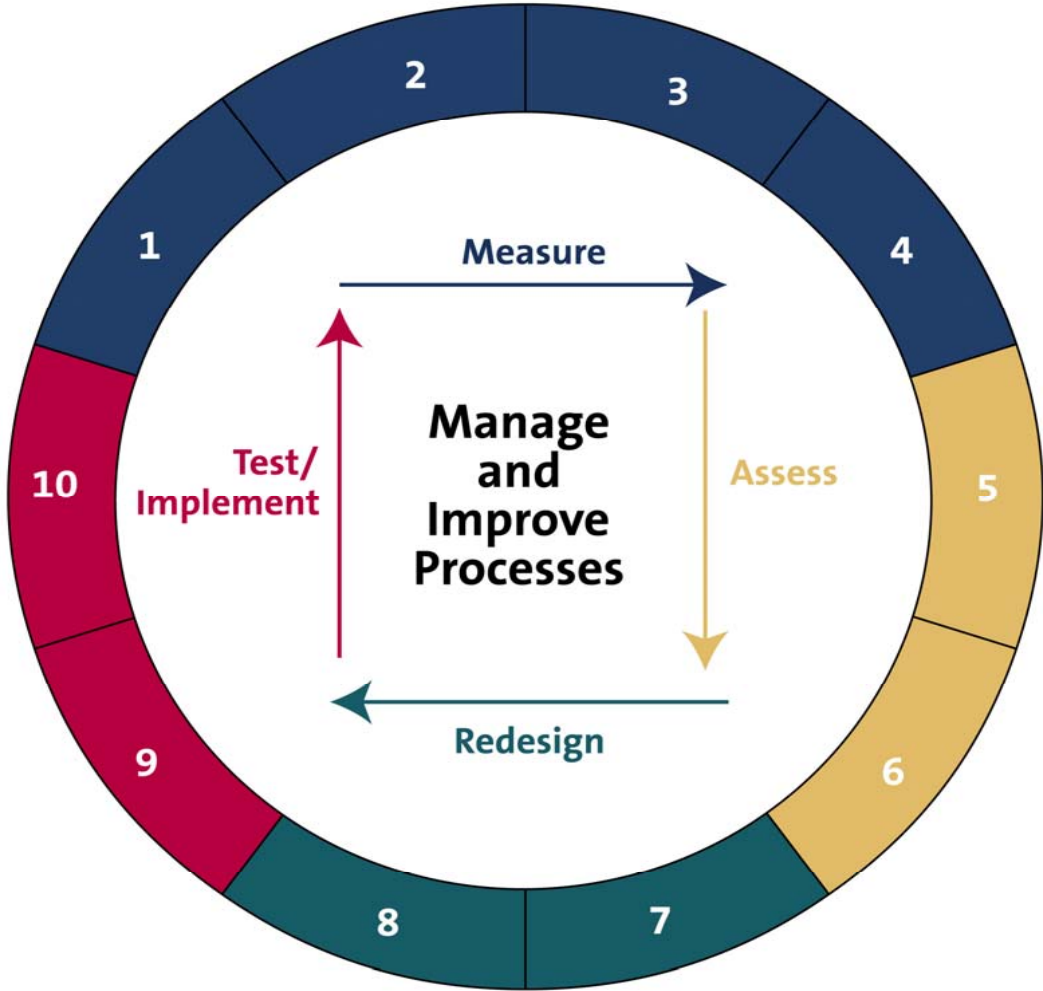
- ❖ Evaluate – Objectively evaluate performance and understand organization's strengths and weaknesses
- ❖ Observe – Observe where you have been and predict where you are going
- ❖ Analyze – Analyze what others do--to learn from their experiences
- ❖ Determine – Determine how the "best in class" achieve their performance levels so you can implement their processes
- ❖ Change – Convince internal audiences of the need for change



# Benchmarking Goals

- ❖ Increased Production
- ❖ Improved Performance
- ❖ Higher Profitability
  - ❖ Higher revenue after operating costs
  - ❖ Lower operational costs and overhead
- ❖ Rightsizing staffing levels
- ❖ Improved operations

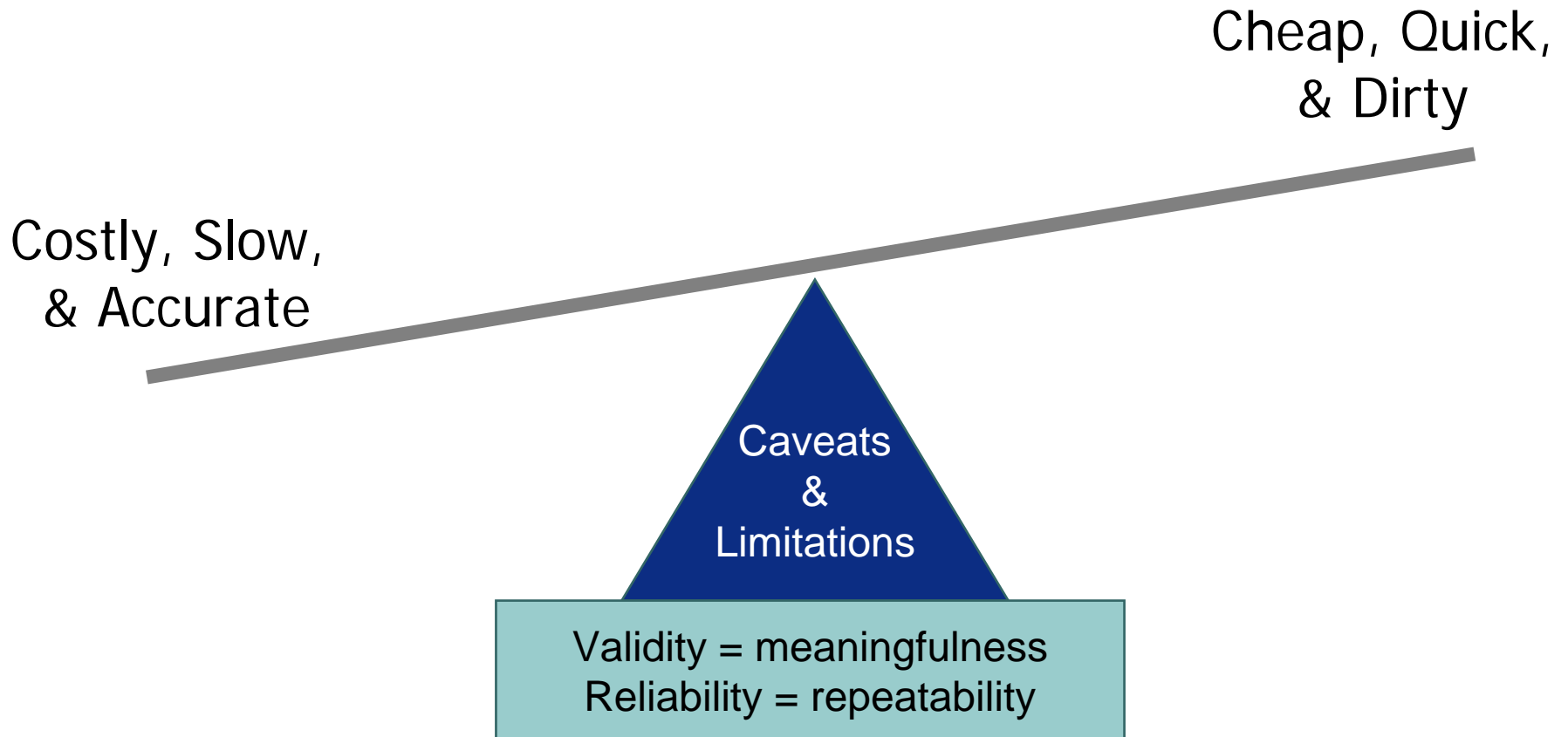
# Benchmarking Theory





# Benchmarking Dilemma

## Benchmarks & Measures







# Standardizing Organizational Data for Comparison

- ❖ Organizations of different sizes can be compared using appropriate ratios
  - ❖ Examples:
    - ❖ Per unit of input
      - ❖ Per FTE Manager
      - ❖ Per FTE front office
      - ❖ Per square foot
    - ❖ Per unit of output
      - ❖ Per customer
      - ❖ Per product
      - ❖ Per service



## Data for Comparison

- ❖ Total gross charges
- ❖ Total collections
- ❖ Customers served
- ❖ Weeks worked per year
- ❖ Hours worked per week
- ❖ Compensation per product/service
- ❖ Compensation to collections ratio



# Sources of Benchmarking Standards

- ❖ Performance Measures
  - ❖ Internal information
  - ❖ External information (surveys & networking)
  - ❖ “Better Performing Organizations”
    - ❖ Modeled on organizations selected for attaining a particular goal or achieving an increased level of performance
  - ❖ “Best-of-Industry”
    - ❖ Organizations, inside or outside of industry, noted for exemplary performance



# Benchmarking Data

- ❖ Trade magazines
- ❖ Professional organizations
- ❖ Licensing/certifying organizations
- ❖ Consulting firms



# Final Thoughts

- ❖ Understand basic statistics
  - ❖ Means, medians, standard deviations, percentiles
  - ❖ Limitations of the data
- ❖ Compare apples to apples
  - ❖ Know the definitions (and units of observation) used in comparative sources and configure your data accordingly
- ❖ Many metrics are dynamic
  - ❖ Do not evaluate issues in isolation
- ❖ Engage owner/managers in the benchmarking process



## Final Thoughts

The objective of benchmarking is to improve performance through measurement.

“If you don’t measure it, you can’t manage it.”

&

“If you don’t value it, you won’t change it.”



# Questions?

Gregory S. Feltenberger, MBA, FACMPE, FACHE, CPHIMS

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- ❖ “The Dynamics of Organizational Development”
- ❖ “The Difference between Leadership and Management”
- ❖ “If You Don't Value It, You Won't Change It”
- ❖ Introduction to the “PEP” Effect
- ❖ And more...

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Today Upcoming Daily Weekly

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**Sunday, October 7, 2007**  
No scheduled sessions

**Monday, October 8, 2007**

Starting Time	Topic
2:45 pm	<a href="#">The "PEP" Effect: An Introduction</a>
8:00 pm	<a href="#">Organizational &amp; Needs Assessment</a>

**Tuesday, October 9, 2007 (Today)**

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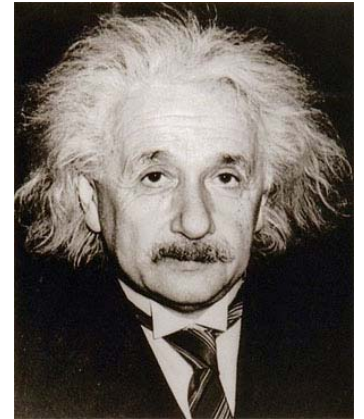
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Topic	Fee	Presenter	Date	Size	Duration	Format
<a href="#">The "PEP" Effect: An Introduction</a> Since most organizations are on a constant quest to ensure success, longevity, and customer and staff satisfaction, SmHart has developed a framework. This model ensures all primary organizational factors are considered to maximize profitability, productivity, and performance by focusing on people, environment, and process (PEP).	Free	Mark Hart	October 8, 2007	10.84 MB	23 minutes	ARF

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