



# Fast Guide

## Fast guide to Benchmarking satisfaction



Organisations are increasingly interested in benchmarking their performance in all aspects of business management, hence the growing popularity of externally audited balanced scorecards such as EFQM and Malcolm Baldrige. Some areas of business performance lend themselves much more readily than others to comparison against other organisations. Whilst many tangible metrics such as sales per employee, debtor days, staff turnover can be easily benchmarked across companies and sectors, measures generated by surveys are typically much more tricky to compare. The main difficulties arise from use of different methodologies and from asking different questions.

### Different methodologies

If different methodologies are used benchmarking is impossible. There is no way of comparing a measure of customer satisfaction generated by one company using a 10-point numerical scale, for example, with one produced by another organisation using a 5-point verbal scale. Anyone wishing to change from one scale to the other whilst maintaining some tracking comparability can do so only by duplicating several questions on the same questionnaire with the same sample, comparing the outcomes as a percentage of maximum and calculating a weighting factor accordingly.

### Different questions

If you have asked exactly the same questions as another company using the same methodology you can obviously compare the answers to the questions. However, unless all aspects of your operation are identical to those of the comparator company you are very unlikely to be comparing accurate measures of satisfaction since we know that asking the right questions based on the lens of the customer is a fundamental element of a measure that truly reflects how satisfied or dissatisfied customers feel. Put simply,

unless you use the same criteria that the customers use to judge your organisation, your survey will never arrive at the same satisfaction judgement as them so you will almost inevitably be asking different questions, even compared with businesses in your own sector.

### How to compare

Quite simply, and logically, you should make comparisons in the same way that customers do. At the overall level customers make judgements based on the extent to which suppliers have met their requirements - whatever those requirements are. The most reliable measure of overall customer satisfaction is therefore a composite index with the individual components weighted according to their importance to customers. You can therefore compare this measure of "the extent to which you are meeting customers' requirements" with the satisfaction index of any other organisations across all sectors.

### Comparisons across sectors

In fact, it is essential to compare across sectors since this is precisely what customers do. Customers typically base their expectations on the best service they have encountered across the wide range of different suppliers they use from all sectors. Moreover, many successful organisations pursue best practice benchmarking outside their own sector as they see this as a much better way of making a paradigm shift than if they look across their own industry where companies are broadly doing the same things. For example, Southwest Airlines achieved the fastest airport turnaround time in its industry by benchmarking itself against Formula 1 teams in the pits. Sewell Cadillac benchmarks its cleanliness against hospitals and has adapted several medical technologies to help its mechanics achieve better results when diagnosing and fixing car faults.

### Benchmarking employee satisfaction

The same principles hold for measuring and comparing the satisfaction of any stakeholder group. You'll only get an accurate reflection of how satisfied or dissatisfied they feel if you use the same criteria they use to make that judgement. Although employees' requirements vary less from one organisation to another than those of customers, they're by no means identical. It's therefore completely misguided that you can use a standard list of questions to get a reliable measure of employee satisfaction. You must consult employees and base your questionnaire on the factors that are most important to them.

### Benchmarking databases

The American Customer Satisfaction Index ([www.theacsi.org](http://www.theacsi.org)) is by far the biggest customer satisfaction database since it purports to cover 60% of the US economy. There is no UK equivalent. Closest is The Leadership Factor's Satisfaction Benchmark database ([www.leadershipfactor.com/surveys/](http://www.leadershipfactor.com/surveys/)) compiled using data from around 40 customer satisfaction surveys per month across all sectors. 

