

STAGES AND PRINCIPLES OF DEVELOPMENT OF THE BENCHMARKING CONCEPT

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Abstract: *The stages of the development of benchmarking and the principles of its use in economic activity and enterprises are considered. Factors of the effectiveness of the use of benchmarking in business and in the formation of competitive advantages of enterprises are determined.*

Key words: benchmarking, stages, development, principles, efficiency, competitiveness, business

The development of the economy is accompanied by a deepening of economic transformations, which predetermines an increased interest in new theories and directions of development of marketing and management. Practice shows that the classical definition of marketing, which includes the well-known 4P (Rgodect, Vice, Plase, Rgmotion), becomes insufficient, since it does not affect the process of interaction of all subjects of the market system. A detailed study of existing scientific publications on the implementation of benchmarking at domestic and foreign enterprises allows us to talk about the ever-increasing popularity of this tool.

However, the features of the use of benchmarking principles in logistics are not sufficiently disclosed and require further study. The purpose of this study is to identify and analyze current trends in the use of benchmarking in logistics.

Currently, benchmarking is a promising direction for the development of consulting. At the same time, the role of the consultant is to adapt the experience of leading companies, including those from other industries, to the real conditions of the client company's business. Benchmarking is based on comparing a competitor's product with a firm's product in order to increase the firm's competitiveness [1-8]. In a broader interpretation, benchmarking is not only an advanced technology of competitive analysis, benchmarking is a concept of natural development, the desire of firms for immoral improvement. The process of improvement itself, that is, the continuous search for new ideas, their adaptation and use in practice. As you know, the following basic principles of the benchmarking concept are distinguished: concentration on quality; the importance of business processes; the need to take into account the imperfections of the classical model of total quality management - Total Quality Management (TQM) in the process of planning benchmarking activities and the systematic conduct of external benchmarking [2, 7].

However, in our opinion, the strongest competitive advantage in the struggle for the buyer should be effective logistics. The logistics concept of enterprises consists in the preparation and implementation of the principles and methods of logistics in its activities. It becomes obvious that it is necessary to take into account the experience of successful enterprises inside and outside the industry in which the logistics facility operates. So, many new business methods in logistics, marketing, quality management, which were developed by large companies and had success, gradually began to be applied by enterprises of other industries. These include 6-sigma (Motorola), the just-in-time system (Toyota), TheKe-Eca (Matsushita Co), and the benchmarking itself (Xerox).

As noted above, benchmarking is also associated with the development of quality concepts [3, 6, 8]. The main differences between benchmarking and the concept of mastering best practices are:

- conducting benchmarking on the company's own initiative, and not imposing the use of best practices coming from senior management;
- benchmarking involves the use of the experience of not only analogue enterprises, but also the use of information from enterprises of other industries;
- benchmarking is carried out systematically and is aimed at mastering new experience based on the use of the experience of developed enterprises, and not blind imitation of reference "samples" that may not always be acceptable for this enterprise [4].

In the second case, the main differences between benchmarking and competitive analysis are its detailed presentation and use, a higher level of formalization. The use of benchmarking is more versatile, it is used in logistics, quality management, as a way to assess the strategy and goals of the enterprise, determine and improve competitiveness.

The development of benchmarking is also closely linked to how businesses understand quality. There are several stages in changing the understanding and attitude of enterprises to quality [4].

The first stage of benchmarking is interpreted as reengineering or retrospective analysis of the product. The basis of the concept: comparing the product of a competitor or any part of it with the product of the company. Managers of Japanese companies visited successful companies in the United States and Western Europe to study the experience of management and organization of production. This stage is characterized by checking the quality of the finished product. To ensure quality control, the firm invests in improving quality systems, not benchmarking.

The second stage is associated with the strengthening of control and is known as benchmarking competitiveness. Firms are implementing the quality standard ISO 9000. Benchmarking is applied to all key business issues. Consultants are widely involved in the development and implementation of benchmarking procedures. It is the interaction and rivalry of firms in modern business that is the basis for meeting the needs of consumers and gaining competitive advantages. At this stage, benchmarking is used. At this stage, benchmarking is used competitiveness and strategic benchmarking. Here, benchmarking was developed as a science in 1976 - 1986 thanks to the activities of Xerox. In 1979, due to a sharp decline in the company's share of the copier market, Xerox implemented a number of activities to study the technical characteristics of competitors' products, as well as the experience of Fuji. As a result, the company's share in the copy market has grown significantly, and the systematic comparison of "itself" with competitors (benchmarking) has become an integral part of the company's strategy (Leadership through Quality program).

The third stage, the benchmarking process, developed between 1982 and 1986, when quality leaders realized that it was easier to learn from businesses outside their sector or industry than by researching competitors.

The fourth stage – start-up benchmarking – is associated with the fact that all organizations represent a single mechanism [5]. Here, benchmarking is seen as a systematic process aimed at evaluating alternatives, implementing strategies and improving performance characteristics based on the study of successful strategies of external partner enterprises. The decision-making process takes place only on the basis of comprehensive and accurate information, provided that the overall efficiency of the company's activities is ensured. Within the organization, there is a synergistic effect. At this stage, strategic benchmarking moves to global.

The fifth stage - global benchmarking, is considered as a future tool for organizing international exchanges, taking into account the culture and national characteristics of the processes of organizing production.

We highlight the following, in our opinion, the most important principles of benchmarking:

1. Reciprocity. Benchmarking is an activity based on mutual attitude, consent and data sharing that provides a "winning" situation for both parties. But reciprocity is never blind. First, it is necessary to agree on the limits of the range of information, the order of data exchange, the logic of the study. In a benchmarking alliance, any partner must have guarantees for the behavior of others and, only respect for the rules of the game by all participants, guarantees everyone a good result. Everything must be pre-established and agreed upon.

2. Analogy. The operational processes of the partners should be similar. Any process can be evaluated, as long as the research group can translate it into the cultural, structural and entrepreneurial context of its enterprise. The analogy of the processes and the establishment of criteria for the selection of benchmarking partners are what the success of the activity depends on.

3. Measurement. Benchmarking is a comparison of characteristics measured at several enterprises; the goal is to establish why there are differences in characteristics and how to achieve their best value. The most important thing is to identify the key characteristics of the process, which allows you to improve the characteristics based on the study of the process.

4. Credibility. Benchmarking should be conducted on the basis of evidence, accurate analysis and study of the process, and not only on the basis of intuition.

In conclusion, benchmarking is a method of copying the advantages of its competitors. It is the collection and analysis of information about the activities of the best enterprises of partners and competitors, about the management methods they use. Its goal is to increase the efficiency of their own activities and gain advantages in the competitive struggle. Benchmarking is a new direction of business development. It is associated with the search and study of the best methods and ways of entrepreneurship to carry out your own business even better and more productively. It usually relies on market leaders. Thus, benchmarking can be considered as one of the most important areas of strategically oriented marketing research. The table presents summary data characterizing the importance of benchmarking in the process of strategically oriented marketing research. The benchmarking approach leads to a significant change in the decision-making procedure in marketing. Traditionally, marketing decisions were made on the basis of the results of marketing research and the intuition

of managers regarding the marketing complex. Based on this, the marketing strategy of the company was developed. Modern business conditions lead to the fact that such actions are not enough to ensure the competitiveness of the company and its stable position. It is necessary to study the experience and behavior of business leaders in the market to increase the validity of marketing strategies.

Thus, benchmarking leads to a significant change in the decision-making procedure in the field of management and involves the identification, study and use of useful experience of other firms in relation to the problems of development of logistics systems and chains, familiarity with the applied best practices, which contributes to increasing the competitiveness of the company.

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