

# The ISBSG Standard Process for Benchmarking

International  
Software  
Benchmarking  
Standards  
Group



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**Amsterdam**

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# Agenda



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- Discuss why a standard is necessary
- Outline the ISBSG Standard for Benchmarking
- Report the current state of the standard

# Benchmark Definitions



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**Benchmark Noun:** A value of some measure or derived measure, which is indicative of the relationship between an organisational attribute and the values of that attribute maintained in a benchmarking repository, or other standard.

**Benchmark Verb:** Carrying out the set of processes undertaken to establish the relative value of some organisational attribute with respect to the data repository or other standard to be used for comparison purposes.

**What does that mean:** Essentially a Benchmark is a comparative study with at least one other source of performance data. This may be Quantitative or Qualitative.

# Why a Standard ?



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for organisations that carry out benchmarks, experience shows that:

1. Many find the results are less useful than expected
2. Many do not fully understand the results
3. Benchmarking has a bad name in some organisations

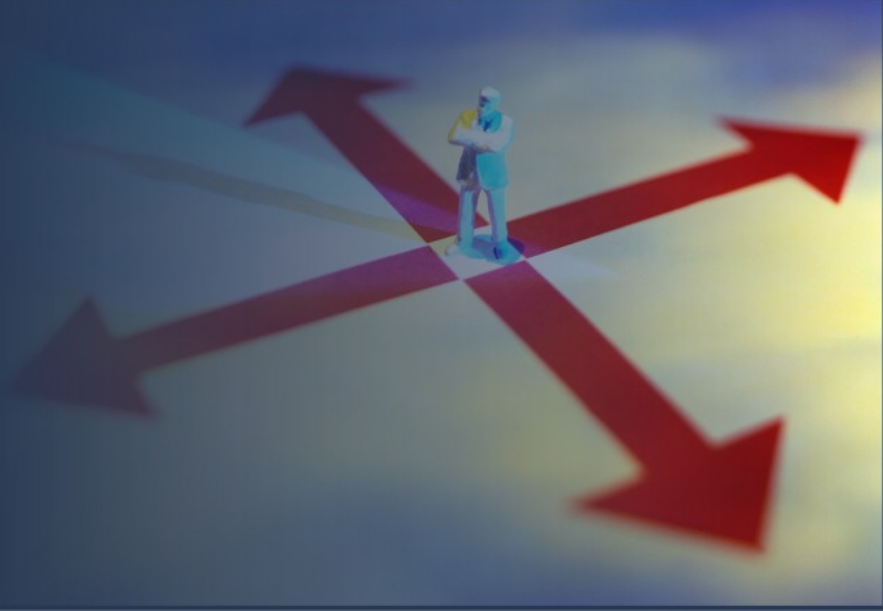
# Problems with benchmarking



## Few understand the:

1. Need for current data
2. Complexities surrounding like for like comparisons
3. Implications of different types of benchmark
4. Implications of changing work type

# Why are they doing it?



## Many benchmark:

1. Without a clear expression of their information needs
2. Receiving a standard product from a provider
3. Could have received a tailored benchmark

# The ISBSG Standard Benchmark Process



1. Defines a process applicable to all software related:
  - engineering
  - maintenance
  - management
2. Is modelled on and compliant with ISO/IEC 15939
3. Does not recommend a particular type of benchmark
4. Does not seek to provide a set of benchmarks
5. Provides a process which allows you to:
  - Define the most suitable set of benchmarks
  - Address specific information needs
6. Process is tailorable to an organisation's specific needs

# Who is the standard for ?



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1. IT Managers
2. Outsource suppliers of IT services
3. Specifiers of benchmark services
4. Providers of benchmark services



# The standard does not assume:



## An organisational model for Benchmarking

- Separate benchmarking function?
- Integrated benchmarking function?
- External Provider?
  - data collection services
  - benchmark agency

# Types of Benchmarking



## External Benchmarking

- Comparing and measuring an organisation against other organisations

## Peer Group Benchmarking

- Comparison between peers
- Comparison between sub-divisions of a single organisation

## Year on Year Internal benchmarking

- To establish a baseline
- Make annual comparisons of performance

## Model based benchmark

- Comparison against a standard model
- ITIL, CMM(I), COBIT

# Purpose of the Standard



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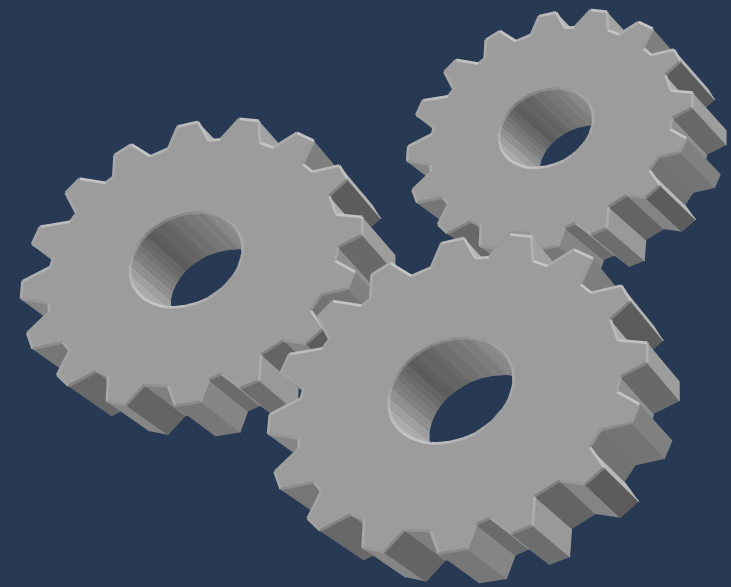
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1. Identify benchmark needs
2. Define benchmark requirements
3. Select appropriate benchmarks
4. Apply benchmarking and  
Derive performance improvement information
5. Improve Benchmarking
6. Define benchmarking terminology

# A Compliant Benchmark



Will be:

a planned and considered undertaking

# A Planned & Considered Benchmark



- Responsibility has been assigned
- Information needs are:
  - a. Identified
  - b. Prioritised
  - c. Communicated
- An appropriate set of questions are identified
- The type of benchmark has been decided upon
- The scope of the benchmark is identified
- The frequency of the benchmark is determined
- The benchmark provider is identified
- The operational unit is characterised

# A Planned & Considered Benchmark



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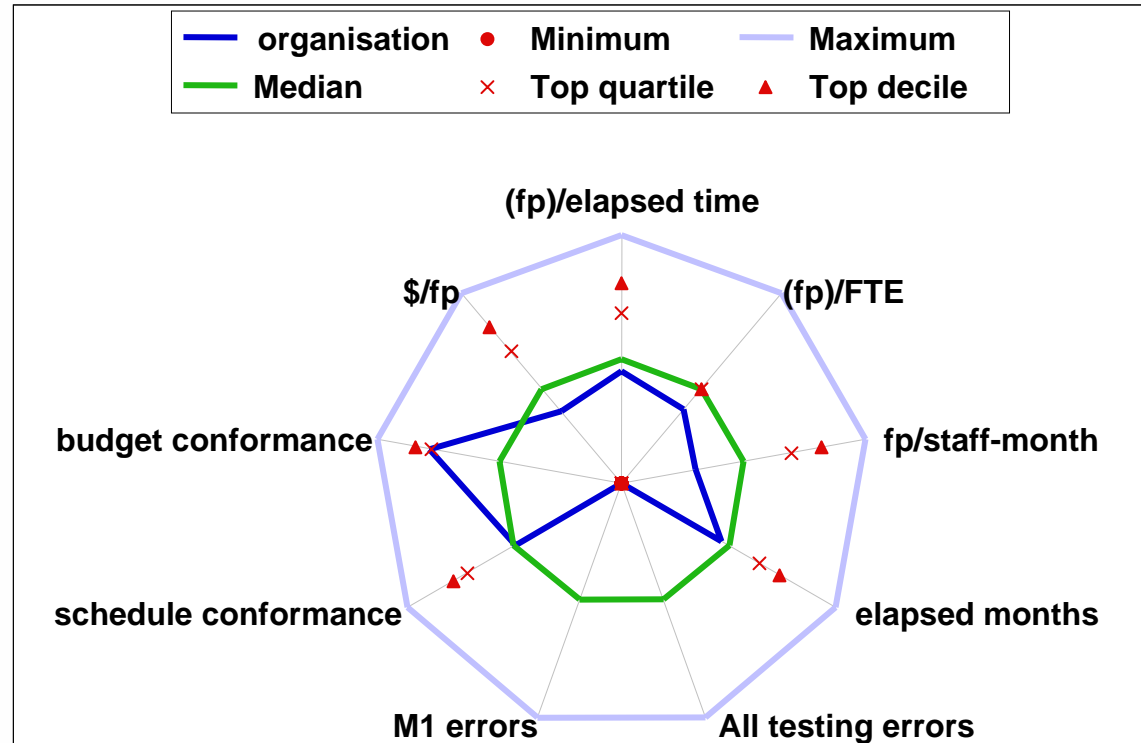
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- The required performance measures are identified
- The Benchmark Data Set is identified
- Collection procedures are defined
- The performance metrics will be:
  - a. Collected
  - b. Stored
  - c. Presented in a suitable form for the benchmark
- The Benchmark comparisons will be performed
- The Benchmark results will be analysed & presented
- Areas for improvement will be identified
- Results will be reviewed with stakeholders.

# Example Benchmark result

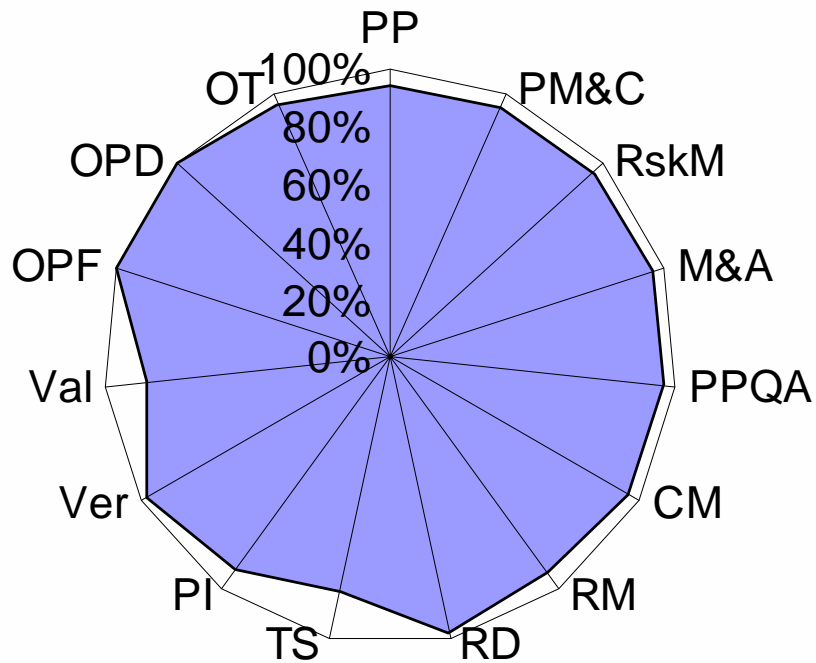


These kiviati (RADAR) charts are very useful, but results' presentation needs to meet the needs of the organisation

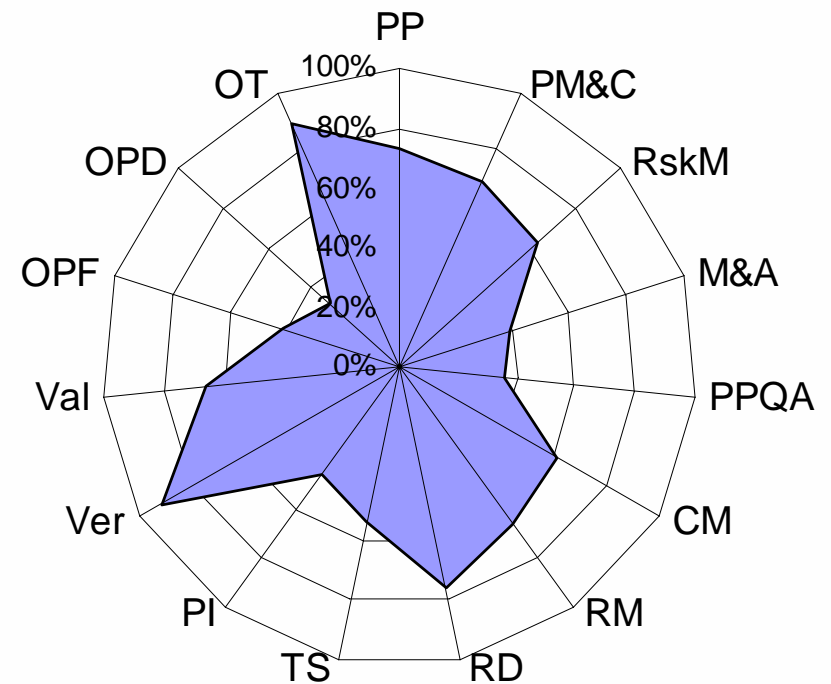
# Comparison between suppliers



## Sample Footprint Supplier A



## Sample Footprint Supplier B





# Process Review

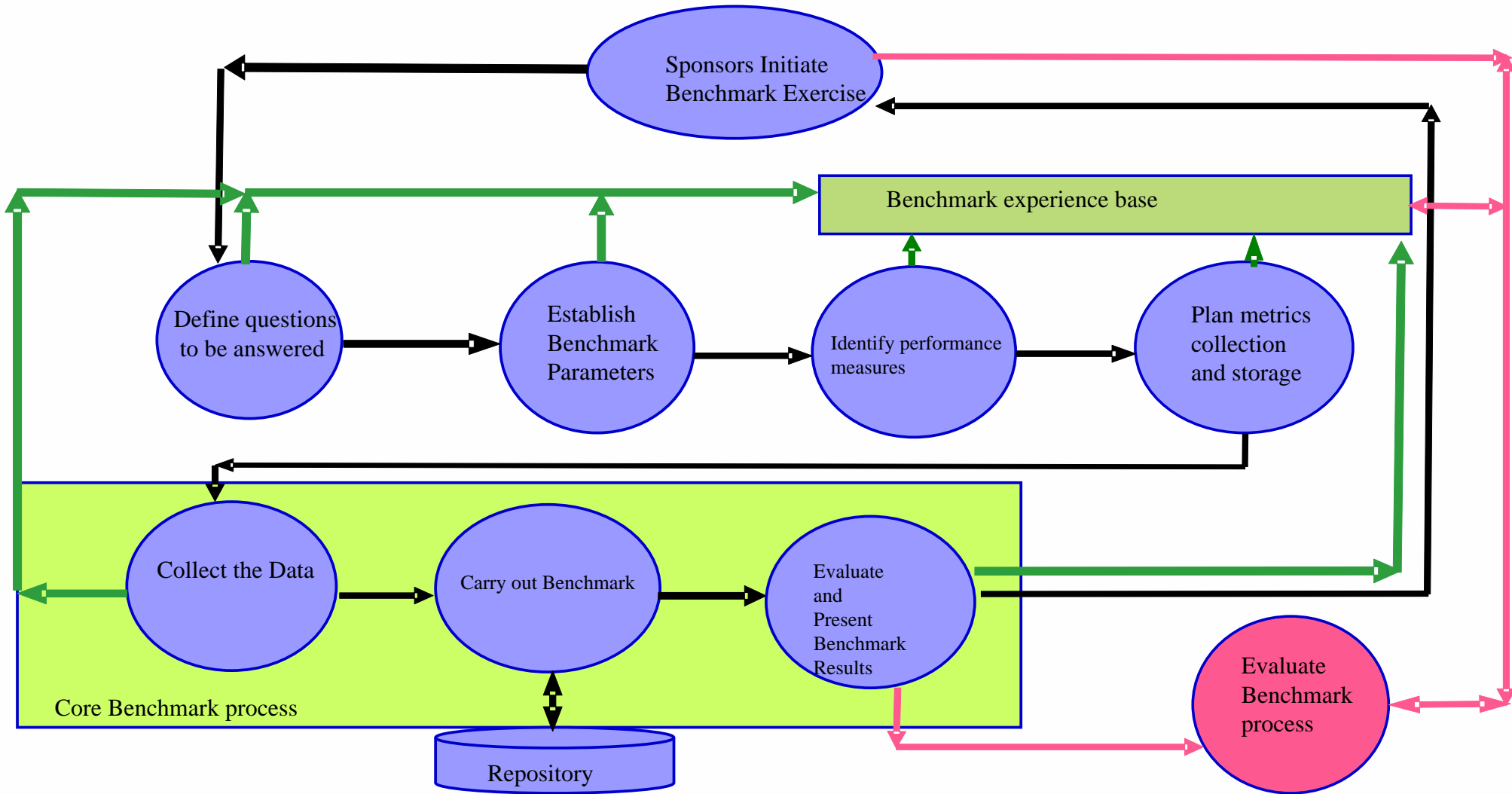


Evaluate the:

- measures against current information needs
- analysis against current information needs
- benchmark process – then:

identify improvements to the benchmark process

# High Level Process Model (adapted from ISO 15939)



# Successful Outcomes



## Benchmark outcomes:

1. Support decision making
2. Provide an objective basis for communication

## Opportunities for process improvement are:

1. Identified
2. Communicated to the process owner

# A successful Benchmark



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1. Results are analysed and presented
2. Information needs are satisfied
3. Decision making is based on objective results
4. Process and Measures are evaluated
5. Improvements to the benchmark process identified
6. Measures defined are integrated with existing measurement processes
7. There is a benchmark repository
  - Encapsulating the experience of the benchmark process



Development of the ISBSG Benchmark Standard is still ongoing:

The Beta of the benchmarking standard is in place

Download from [www.isbsg.org](http://www.isbsg.org)

The standard has been circulated for feedback

1. The feedback is being evaluated
2. There are some contradictions

The authors are in the process of resolving and incorporating changes based on the feedback

ISO has set up a study group to explore the need for an ISO standard on Benchmarking

Thank you

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If you are interested in the standard

If you have any suggestions please contact:

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