BENCHMARKING AS A PERFORMANCE MANAGEMENT TOOL: EXPERIENCES AMONG MUNICIPALITIES IN NORTH CAROLINA

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ABSTRACT. Benchmarking takes three distinct forms in the public sector, each serving a different purpose. When applied properly and with care, benchmarking is a performance improvement technique that can yield tangible results, as demonstrated by the North Carolina cities of Greensboro, Wilmington, and Winston-Salem.

INTRODUCTION

Benchmarking projects come in a variety of sizes and shapes. In the public sector, three distinct forms of benchmarking may be identified; but the differences that distinguish these forms only begin to reveal the range of variation in public sector benchmarking. Within each principal form, differences in scope and rigor can give one benchmarking project a look decidedly different than another, despite their fundamental similarities.

Differences in benchmarking projects are not simply cosmetic, as if merely a matter of style or taste. Different forms serve different purposes and, accordingly, attention should be given to achieving an appropriate match. Only if suited for the purpose at hand is benchmarking likely to be an effective tool.

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Benchmarking is a term borrowed from surveyors, for whom a benchmark is a point of known location from which other measurements can be made. In a similar sense, the management technique called benchmarking identifies the gap between current conditions or performance and the desired benchmark, measures it, and focuses attention on closing this gap. In a broad sense, benchmarking is a label that may be claimed by anyone who compares current conditions or performance to a meaningful point of reference and uses that comparison to inspire improvement, to guide the design of changes in operations, or to evaluate performance. Many such applications are sporadic and relatively casual. In some instances, however, benchmarking is undertaken in a much more rigorous fashion.

This article focuses on a carefully coordinated project involving local governments in one state. On the previously mentioned scale, it qualifies as an example of considerable rigor. Formally labeled the North Carolina Local Government Performance Measurement Project (NCLGMP), it has been dubbed by participants as, simply, the “benchmarking project.” How effective has the project been? What results have been achieved? What lessons have been learned?

THREE FORMS OF BENCHMARKING IN THE PUBLIC SECTOR

Benchmarking projects in the public sector take one of three principal forms:
- Corporate-style benchmarking,
- Targets as benchmarks, and
- Comparison of performance statistics as benchmarks.

Corporate-style Benchmarking

As the label implies, corporate-style benchmarking takes an approach to benchmarking that is generally consistent with the predominant model applied in the private sector. This form, more than the other two, is clearly a search for “best practices,” for only this type of benchmarking consistently probes for process details in an effort to explain the superior results achieved by performance leaders.

The steps in corporate-style benchmarking are as follows:
- Deciding what to benchmark,
- Studying the processes in individual organizations,
- Identifying benchmarking partners,
- Gathering information,
- Analyzing information,
- Implementing for effect.
- Monitoring results and taking further action, as needed (Southern Growth Policies Board and Southern Consortium of University Public Service Organizations, 1997: 5).

Corporate-style benchmarking projects are narrow and deep in the sense that they focus on a single key process rather than an entire department or multiple functions; and deep in the sense that they focus on the details of the selected process and include the careful analysis of elements that account for program success. Corporate-style benchmarking is a prescriptive tool. Through the analysis of best practices, it produces recommendations for process improvements, which typically are adaptations of the best practices.

**Targets as Benchmarks**

The second form of benchmarking in the public sector, targets as benchmarks, has been the most widely publicized of the three forms, especially at the state government level where the Oregon Benchmarks and Minnesota Milestones projects have gained broad acclaim. In these projects and others at the state and local levels, current statewide or community conditions are contrasted to a vision of a better future in which more favorable conditions, expressed in the form of benchmarks, will be achieved. In some cases, the benchmarks address government services directly, but more often they address social or economic conditions that are affected only partially by government action and require the involvement of nongovernmental actors, as well, in order to achieve success. Typically, many of the targets in this version of benchmarking take the form of social indicators or quality-of-life indicators.

The targets established in the second form of benchmarking depict improved conditions, but in many cases they are set arbitrarily rather than pegged to a level of achievement demonstrated elsewhere. In that respect, targets as benchmarks are rarely tied to a “best practice.” Typically the targets are intended to focus attention on conditions of concern and to rally statewide or community efforts-including government, corporate, civic,
religious group, and individual efforts toward improvement of these conditions. Although this type of benchmarking may be somewhat diagnostic if the review of current conditions is undertaken in an open-minded way and somewhat prescriptive if concern over current conditions leads to plans for corrective action, primary emphasis usually is directed toward the establishment of a vision, efforts to gain broad acceptance of that vision, and solicitation of cooperation by all parties who can help reduce the gap between current conditions and those desired.

**Comparison of Performance Statistics as Benchmarks**

The third form, the comparison of performance statistics as benchmarks, is the most common form of benchmarking in the public sector. By comparing the performance expectations and results of one’s own operations with reputable performance standards, performance norms, or the targets or results achieved by respected counterparts, public officials may do two things. First, they can assess in a general sense the adequacy of their organization’s performance by examining it in the context of an external peg. Second, they can confirm the reasonableness of their performance expectations by reviewing what other organizations are able to achieve. Because they often focus on an entire department or even multiple departments, projects that belong to this third category typically offer the advantage of breadth of coverage; however, in contrast to corporate-style benchmarking, they typically provide little depth of analysis. Rather than being limited to a single key process, these benchmarking projects often compile program statistics and measures of quality or success for several functions, but they usually leave for subsequent investigation the process details that would perhaps reveal the secrets of that success. In this respect, benchmarking projects of this type are diagnostic. They become prescriptive only when supplemented by subsequent analytic steps-steps that often are taken when significant performance gaps are identified.

**COMPARATIVE PERFORMANCE MEASUREMENT PROJECTS**

Many local governments have attempted to compare selected performance statistics with those of other cities or counties—the third type of benchmarking. Although such efforts are sometimes systematic and rigorous, more often they are ad hoc and conducted under the pressure of extremely tight deadlines, forcing even those directing them to concede that these studies tend to be of the “quick and dirty” variety. When a premium is placed on rapid completion, such studies often cut corners and frequently fail
to achieve uniformity in cost-accounting practices or consistency in service
definitions (e.g., which functions are included in or excluded from police
services? Should the contributions of other departments be included among
program costs? Does response time begin with the initial call for help or only
upon dispatch?).

In an effort to gain more consistent and reliable performance data for
multijurisdictional comparisons, several cooperative projects have been
established in recent years. At least two have had a national scope. Projects
undertaken by the Innovation Groups and by the International City/County
Management Association (ICMA) have compiled performance statistics from
cooperating local governments across the United States. Other projects have
focused on local governments within a single state or within a metropolitan
region. Even with centrally administered cooperative projects, however, the
challenges of cost accounting and service definition uniformity have been
formidable.

BENCHMARKING AMONG LOCAL GOVERNMENTS IN NORTH
CAROLINA

In a 1994 meeting on privatization and public-private competition, a
group of North Carolina city managers began to discuss the need for better
performance measures and cost information in order to more accurately
assess service delivery options (Few and Vogt, 1997). Subsequently, the
budget director of Winston-Salem proposed that the North Carolina Local
Government Budget Association initiate a cooperative performance
measurement project and support for the idea began to grow. By 1995, the
benchmarking project, administered by the University of North Carolina’s
Institute of Government, was underway.

Seven of the state’s largest cities were eager to begin and by autumn of
1995 a project involving selected program components in three major services
was moving off the drawing board. Within six months seven of the largest
counties in the North Carolina had developed a project examining four county
services, followed shortly by 21 medium-sized and small cities and counties
ready to form a third group that would follow the lead of their larger
counterparts. By 1996, thirty-five city and county governments had signed
on for what, in reality, had become three projects in one.

The Institute of Government agreed to serve as the administrative base
for the project and hired a project coordinator and part-time graduate student
assistants from fees paid by participating local governments. The Institute also agreed to provide faculty advisors to help guide the project.

**Project’s Distinctive Features**

When an individual city or county undertakes an ad hoc study, it sometimes focuses on a single service and compiles comparative performance measures for that service. When local governments join together in a cooperative project, they almost always choose to tackle a wide array of services; and they often focus first and foremost on service level, volume, and quality. Although they may also address service efficiency, any unit costs usually rely on budget figures or gross expenditures and rarely consider important cost accounting differences among the participants.

The North Carolina project had a much different orientation from the beginning. Perhaps because both faculty advisors to the project in 1995 were specialists in public finance and accounting, extensive time was devoted to establishing uniform cost-accounting rules for reporting service expenditures. Detailed rules were adopted declaring which direct and indirect costs should be included in the study and which excluded, how depreciation should be calculated, and so forth so that if one unit included a particular cost among its service expenditures, all other units did, too. The project team’s meticulous attention to cost accounting details would strike observers from most other projects as extraordinary.

In addition, the North Carolina project resisted the temptation to try to tackle several services from the start. Project participants among the large cities assumed that getting three services right would be ambitious enough. In fact, they further restricted each of the three services to no more than three service components. The three services and components for the cities were as follows:

1. Police
   - Patrol
   - Investigations
   - Emergency communications
2. Solid waste
   - Residential refuse collection
   - Household recycling
   - Yard waste and leaf collection
3. Street maintenance
- Street maintenance and repair

For counties, four services were spotlighted, as follows:

1. Jails
   - Jail operations
   - Pretrial release programs

2. Emergency medical services (ambulance)

3. Child protective services
   - Discovery and investigation of abuse and neglect
   - Foster care
   - Adoption services

4. Inspections
   - Building
   - Environmental

Definitions, Details, and Deadlines

Steering committees comprised of representatives from the participating local governments were established for each of the project groups. These committees made several key decisions, including the choice of services to be studied, approval of service definitions and cost accounting rules, and adoption of project timetables. In addition, they provided project guidance on a host of matters ranging from the identification of variables that might explain performance differences to the choice of format for the final report. Perhaps most important of all, however, was the committee’s role in detecting and challenging erroneous data.

Steering committee members were the chief liaisons with the participating governments, and the burden they carried was more extensive than most had imagined at the outset. Among the larger cities and counties, the committee members usually directed a finance department or budget office, with other employees available to do much of the legwork of data collection. Still, priorities had to be adjusted to allow the necessary time for employees to perform that work and the job of enlisting the cooperation of operating departments usually fell squarely on the shoulders of the liaison. Among the smaller cities and counties, the committee members often had to do the bulk of the project work themselves.

Department heads and other employees from the operating units included in the study also were involved extensively from the start.
Agreement on service definitions was crucial to achieving uniformity in cost data and performance statistics. Meetings involving project staff and operating personnel were held early in the process to reach agreement on service scope and terminology. For instance, should special collection of bulky items be included in residential refuse collection statistics? Does police patrol include only officers assigned to patrol cars, or does it also include officers on motorcycles or horseback? Should repaving be included in street maintenance statistics? Should the cost of new street construction and reconstruction be excluded? All of these issues and many others were addressed by representatives of the operating units and often again by members of the steering committees.

Steering committee members played a vital role in the data verification process (also called data “cleaning”), serving as the third line of defense against errors and misinterpretations. The first check for data accuracy was performed by the local government itself, typically in the finance department or budget office prior to submitting data to the project staff. The second check occurred at the Institute of Government, where project staff checked the data for reasonableness and consistency, and requested clarification for oddities or outliers among the data. The third check occurred when project staff tabulated and distributed “semi-final data” to steering committee members for their perusal. Because all of the participating governments were from a single state, committee members were acquainted with each other and generally familiar with each others’ communities and operations. As a result, they were quick to point out numbers that looked odd to them, often spotting errors, misinterpretations of service definitions, or definitional problems that were overlooked at an earlier stage of the process.

Data cleaning, as well as late-stage refinements of service definitions, required more time than the project team had anticipated and often sent participating governments digging back into their data to assure consistency with their counterparts. As a result, many of the initial project deadlines were missed, as one optimistic schedule after another yielded to more realistic timetables. The large cities group, the first group off the mark in 1995, bore the burden of trailblazer and completed the project in mid-1997. The large counties group, examining a different set of services, also blazed several new trails and completed its work in 1998, followed promptly by the smaller cities and counties.
THE PROJECT’S IMPACT ON PARTICIPANTS

Many of the participating local governments were surprised by the effort necessary to coax the cooperation of operating personnel and the work required in the budget or finance office to supply the information needed by the project. When the large cities completed the project’s initial round, a few defections would not have been startling. Despite the time and effort expended, however, each of the large city participants declared the project beneficial and each announced their city’s resolve to continue. The cases of three of these cities-Greensboro, Wilmington, and Winston-Salem—are instructive, as they provide a glimpse into how participating governments applied project data and various discoveries to their own operations. In short, these vignettes help explain why the participants believed that project benefits outweighed the costs.

Greensboro

Like several other participants in the project, the city of Greensboro had engaged in performance measurement for many years. In addition to tracking changes in its own performance over time, the city occasionally surveyed other municipalities for comparative information on selected services. When discussions about a potential comparative project emerged, Greensboro officials recognized the opportunity to secure more systematic performance data about a set of counterparts, many of which were usually included in its own ad hoc studies, and to resolve cost-accounting differences that had hampered its previous analyses (Pate, 1998). Greensboro joined the project and soon became one of its leading advocates.

The first round of project data yielded a variety of statistics useful to Greensboro officials. The city’s refuse collection system, for example, is more automated than those of its counterparts, and comparative statistics on system efficiency bore out for Greensboro officials the wisdom of their more capital-intensive choice. Tons collected per refuse collection employee in Greensboro, for example, were 157 percent greater than the seven-city average. The costs per ton for Greensboro were only 59 percent of the average expenditure (Few and Vogt, 1997, 13).

Evidence confirming the efficiency of refuse collection operations prompted no operating changes, of course, but it did provide something else of importance to Greensboro officials. As the city moved forward with plans to increase the cost-recovery ratios for commercial and residential services through higher fees, officials were better prepared to cope with potential criticism that the fee hikes would be unnecessary if only the system were
better managed and more efficient. City officials were able to document a Greensboro refuse collection operation having a distinctive level of efficiency already.

Findings from the project influenced Greensboro’s budgetary decisions regarding police services. As in most cities, law enforcement is a high priority service in Greensboro, and local officials were inclined to support the police chief’s request for additional resources. However, the chief asked for 50 new officers, and the project’s comparative statistics suggested that a different allocation of new resources would be more beneficial.

The number of police officers per 1,000 population in Greensboro was already a little higher than the seven-city average, but the statistic that most caught the eye of the management staff was Greensboro’s relatively low number of dispatched calls per officer—at 485 calls per officer, Greensboro’s rate was only 65 percent of the group average. In contrast, statistics on emergency communications, coupled with subsequent examination of other support services, convinced Greensboro officials that support services were inadequately funded and staffed. As a result, the chief received only 16 of the 50 officers he sought, but additional resources were allocated for emergency communications and other support services in an attempt to reduce various service delays that had hampered officer efficiency in the past. Follow-up discussions with other cities in the study also prompted Greensboro officials to consider altering officer work schedules as a further means of optimizing the benefits from resources devoted to uniformed personnel (Few and Vogt, 1997, 61-62, 93-94).2

The city’s Budget and Evaluation Department reported that it developed its resource allocation strategies around assumed effects on performance measures. Subsequent tracking of these measures either confirmed the wisdom of the strategy or suggested the need for a new one. If resource allocations for emergency communications and other support services improved not only the performance statistics associated with those services but also contributed to improved statistics for patrol officers, the wisdom of the strategy would be confirmed.

Comparison of street maintenance statistics revealed that street resurfacing occurred more frequently in Greensboro than in many of its counterparts, a discovery that had analysts pondering the probable effects of a less frequent cycle on the quality of local street surfaces.
Wilmington

In Wilmington, comparative data on solid waste services reassured local officials that their residential refuse collection dollars were well spent, but the study’s statistics on recycling programs heightened concerns regarding the efficiency of Wilmington’s recycling program. The recycling program was an in-house operation begun in the early 1990s on a shoestring, according to municipal officials, that had grown from year to year. The city’s management team had suspected that the program might be more costly than some others, but was startled to discover that its cost per ton of recyclables was twice the seven-city average and tons collected per employee were only one-fourth the average rate. These stark statistics prompted the city to secure the services of a private recycling contractor at substantial savings.

The city’s direct costs for its recycling program in fiscal year 1997-98, the final year of in-house operation, totaled $545,400 (Table 1). Proceeds from the sale of recyclable material reduced net direct program expenses to $485,400. To avoid overstating the financial advantage of contracting the service, the city excluded indirect costs, which were thought to be minor. For purposes of cost comparison with a private contractor, it also reduced from program costs the salary and expenses of one program manager who would be retained and reassigned other solid waste duties following the initiation of contract services. Furthermore, it excluded from the comparison the positive financial effect that a more successful recycling program would have on the city’s solid waste program, if more recyclables were diverted from the waste stream. The result is a very conservative estimate of $431,900 in “go away costs” the expenses that would go away and be replaced by contract fees upon entering an agreement for contractual service. Expressed differently, this total represents a conservatively estimated “go away cost” of $3.60 per month for each of 10,000 collection points participating in the program in 1997-98.

The contractor agreed to a three-year deal, guaranteeing the greatest savings in the first year and smaller, though still substantial, savings in the second and third years. The first-year fee of $2.39 per month per collection point (compared to “go away costs” of $3.60) produced first-year savings of $145,100. The second and third-year fee of $3.29 yielded annual savings of $37,100 to $55,650, depending on the city’s success in its efforts to increase participation in voluntary recycling. A more balanced view of the benefits of the contractual arrangement would place average annual savings at approximately $75,000. These savings were used to offset the costs of
improved quality refuse services in the historic sections of downtown Wilmington.

### TABLE 1

**Estimated Savings in Recycling Program: City of Wilmington**

<table>
<thead>
<tr>
<th>Collection Points</th>
<th>10,000</th>
<th>12,000</th>
<th>15,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycling Program—city employees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total direct costs (FY 1997-98)</td>
<td>$545,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost recovery/recycling sales</td>
<td>60,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net</td>
<td>485,400</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff/expenses retained</td>
<td>53,500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>“Go away” costs for privatization comparison</td>
<td>431,900</td>
<td>*518,280</td>
<td>*647,850</td>
</tr>
<tr>
<td>Monthly cost per collection point</td>
<td>3.60</td>
<td>3.60</td>
<td>3.60</td>
</tr>
<tr>
<td>Contract recycling service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly rate per collection point (Year 1)</td>
<td>2.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual cost (Year 1)</td>
<td>286,800</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Savings via contract (Year 1)</td>
<td>145,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monthly rate per collection point (Years 2 and 3)</td>
<td>3.29</td>
<td>3.29</td>
<td>3.29</td>
</tr>
<tr>
<td>Annual costs (Years 2 &amp; 3)</td>
<td>394,800</td>
<td>473,760</td>
<td>592,200</td>
</tr>
<tr>
<td>Savings via contract (Years 2 and 3)</td>
<td>37,100</td>
<td>44,520</td>
<td>55,650</td>
</tr>
</tbody>
</table>

* Estimates.

Source: City of Wilmington, North Carolina (1998).

City officials acknowledged a heavy administrative burden associated with participation in the benchmarking project, but they pointed to the benefits in the recycling program and in other aspects of their operations as ample justification for their efforts. Prior to the project, for example, Wilmington had had little experience in assigning indirect costs to various programs. Following its experience with the project, the city announced plans to assign indirect costs throughout the organization in order to identify more accurately the full costs of other services as well.

Participation in the project opened new avenues of interjurisdictional communication. Following completion of the first round of data collection, the city managers of participating units asked for a meeting designed to compare notes and share information on “best practices.” The resulting “Best Practices Forum” focused on police services and featured statistical analyses of key variables, followed by discussion of successful practices.
Following the forum, Wilmington altered its case management system for criminal investigations in order to focus resources on the most serious crimes. Based on the recommendations of its counterparts, the police department also proceeded to develop a civilian "telephone answering unit" to handle routine calls by telephone and free the time of uniformed officers to respond to more serious incidents.

Much of the material from the project’s final report was reprinted in Wilmington’s annual budget. The City Council’s response was favorable, with members urging the city manager to pursue avenues to make the citizenry more aware of the city’s participation in the project and more fully informed of project results.

**Winston-Salem**

Several of the participating units demonstrated extraordinary commitment to the project, but none more than the city of Winston-Salem. The city’s budget director pressed her counterparts in 1994 to organize the project and urged the North Carolina Local Government Budget Association to be a sponsor.

Once the project was underway, Winston-Salem took seriously the need for accurate information that complied strictly with the adopted service definitions and cost-accounting rules, devoting an estimated 20 to 40 staff-hours collecting the financial information needed for each of the seven programs under review in the study’s three services. It also took seriously its role in examining the data submitted by its counterparts, questioning apparent inconsistencies, probing for differing interpretations of service definitions, occasionally even politely challenging the accuracy of data, and carefully analyzing performance gaps whenever Winston-Salem’s numbers fell behind. An estimated 160 to 240 staff-hours were devoted to these efforts during the first round of the project for each of the seven programs (Jones, 1997). Winston-Salem’s substantial efforts yielded commensurate benefits.

As refuse collection statistics from other cities became available, Winston-Salem budget officials compared their counterparts’ numbers to their own and quickly detected some major differences. While they anticipated finding substantial variation in labor ratios when comparing Winston-Salem’s operations with more automated refuse collection systems, they were surprised to find major differences even when comparing numbers with systems similar to their own. Tonnage per refuse collection employee was
well below that reported by either of the two cities Winston-Salem considered most relevant for comparison due to similarity of collection systems, trailing one by 6 percent and the other by 12 percent. More alarming, however, were discoveries budget officials made as they probed for explanations and began to inquire about the number of collection points per route and the number of hours actually worked by the average refuse collection worker per week. Winston-Salem’s routes averaged only 69 percent as many collection points as one of its two primary counterparts and only 59 percent as many as the other. Similarly, the actual work hours of refuse collection employees were well below the weekly averages in the comparison units. As in many other communities, the operating premise in Winston-Salem was that each refuse collection employee was assigned a fair day’s work and, upon completion, the employee was free to leave. Comparative statistics made clear the flaw in that premise: Winston-Salem’s employees had been assigned far less than a fair day’s work.

**TABLE 2**

Refuse Collection Savings by Expanding Routes of City Crews and Discontinuing Contract Service: City of Winston-Salem

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract fee for refuse collection services to 6,500 households</td>
<td>$580,610</td>
</tr>
<tr>
<td>Landfill tipping fees assumed by the city when contract was discontinued</td>
<td></td>
</tr>
<tr>
<td>and city routes were adjusted to accommodate 6,500 additional households</td>
<td>185,530</td>
</tr>
<tr>
<td>without additional labor or equipment</td>
<td></td>
</tr>
<tr>
<td>Savings</td>
<td>$395,080</td>
</tr>
</tbody>
</table>


Fortunately for Winston-Salem, a swift and relatively painless adjustment was possible. This adjustment would take full advantage of the comparative data and the insights thereby acquired, and would produce substantial financial benefits for the city. Although city refuse collection crews served most of Winston-Salem, some areas received contract services and one of those contracts was about to expire. When solid waste managers were initially approached about assuming responsibility for serving 6,500 households previously served by contract, they suggested the need for additional trucks and workers. With the availability of comparative statistics and clear evidence to support the need for increasing by 50 the number of households per route, the department agreed that the adjustment was justified. The resulting cost reduction of approximately $395,000 (Table 2)
constituted the largest single savings in the city’s 1997-98 budget (Jones, 1997).

CONCLUSIONS

The North Carolina Local Government Performance Measurement Project is an example of the third form of benchmarking-comparison of performance statistics. Within that category, it falls at the more rigorous end of the spectrum when compared to many other studies. Project officials and participants believe that this rigor contributed to the reliability of data and therefore to participants’ willingness to use it and, ultimately, to the project’s successes.

It is important to note that the choice of this form of benchmarking matched the intended purpose of the project. None of the participants expected a detailed analysis of key processes, the central element of corporate-style benchmarking. Focusing on processes occurred only as a supplemental step at the initiative of an individual participant, as when Winston-Salem studied the refuse collection practices of its counterparts, or in the context of the Best Practices Forum.

Furthermore, none of the participants expected the project to develop targets or a vision for North Carolina communities, something that might occur with the second form of benchmarking. What practitioners received was what they expected: reliable performance and cost data for a selection of local government services. The choice of benchmarking form matched the purpose of the project, a factor undoubtedly contributing to participant satisfaction with the experience.

As in so many other endeavors, the adage “You get what you put into it” seems to apply to the North Carolina project. Most participants were astounded by the amount of effort required to reach agreement on service definitions and cost accounting rules, to compile performance and cost data, and to do the analytic work necessary to benefit from performance comparisons. In the face of that workload and the resources involved, it is safe to predict that some participants will drop out. However, all seven of the largest cities, even as they expressed surprise at the amount of work involved, declared their intention to continue to measure their performance and to benchmark with others-ideally on a collective basis, but if not collectively, then individually.
Several lessons emerge from a review of the experience of three cities.

- *Merely suspecting that a service needs to be improved does not spur action like hard evidence does.* Officials in Wilmington and Winston-Salem acknowledged that even before receiving comparative data, they thought they might need to adjust their recycling and refuse collection systems. However, they did not realize how clear the case for change would be. Hard evidence provided impetus and smoothed internal negotiations that inevitably accompany major operational changes.

- *Benchmarking benefits accrue to units that can avoid becoming defensive.* None of these three cities assumed that it already had all the answers. Each assumed that it could learn from others—finding, perhaps, a better mix of police officers and support personnel, a better way to provide recycling services, a better way to organize refuse collection services. Each is justifiably proud of its municipal services, but none allowed its pride to shut down its willingness to learn. None became defensive.

- *True benchmarking is not a beauty contest.* Undoubtedly, each community that scored highest among its counterparts on a particular performance dimension took pride in that placement. True benchmarkers, however, realize that benchmarking is a management tool, not a beauty contest. Benchmarkers select benchmarking partners in hopes of discovering ways to improve their services, not simply as a public relations ploy. They seek out high performance organizations. Winston-Salem was perhaps the brightest benchmarking star of the first round of the North Carolina project, not because it won a beauty contest among its peers, but because it demonstrated so tangibly the value of analyzing project information carefully and using that information to improve operations and benefit citizens.

Benchmarking is not a contest to see how a city or county ranks among its peers. Benchmarking is a learning experience. Those who succeed at it learn a great deal. And the brightest benchmarking stars use what they learn to improve operations.

**NOTES**

1. Participating cities were Asheville, Cary, Durham, Greensboro, Raleigh, Wilmington, and Winston-Salem. The city of Charlotte was already participating in the ICMA project and declined to join its North Carolina counterparts in 1995.
2. Interview with W. Patrick Pate, Greensboro’s Budget and Evaluation Director, August 25, 1998.

3. Interview with Wilmington City Manager Mary M. Gornto, Director of Administrative Services Susan G. Dankel, and Budget Officer Frank Rush, August 24, 1998.


REFERENCES


