

## Benchmarking : Successful Applications

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### **Abstract :**

The study presented some successful benchmarking experiences in internationally recognized institutions, which realized that the search for best practices, understanding and adopting them to suit the institutions' need, is a real key of growth and development.

The study then attempts to understand the extent to which Algeria's economic institutions understood the concept of benchmarking, by taking Sonatrach's as the national institution that sought to apply this method by relying on benchmarking partners in the gas and petroleum sector as « Total, BP, Anadarko and Cepsa ».

The study concludes that the application of the reference comparism at Sonatrach contributed to a certain extent to changing its objectives, indicators and standards that relied on HSE management system, « hygiene, security and prevention at work, and environment ».

**Keywords:** Benchmarking, Best practices, Improving performance, Competitiveness.

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### Introduction:

We wonder sometimes about the secret of companies remaining, and disappearances of the others under the new conditions created by the competitive environment, where the change is more complex and complicated, which makes the business environment characterized by risk and uncertainty. So, the survival became no easy and difficult to maintain, and it will be only for the best.

The creation of the difference between the firms and its competitors, requires creative ideas and careful thinking that contributes to a new spirit, and this happens only by relying on the modern methods of management such as « benchmarking » as a strategic tool of finding best practices and learning from the others, by providing the appropriate conditions which will give the firm the ability to develop its performance, and competitiveness compared to the competitors.

Benchmarking is one of the most answered practice in many countries but in Algeria, it is still little bit practiced. For several reasons, the most important one is the misunderstanding of the concept of benchmarking as a process of performance's improving by the search of best practices.

In the last years, Sonatrach has tried to apply benchmarking process, to improve its performance by evaluating it with the international competitors in the gas and petroleum sector as Total, BP, Anadarko, and Copse, by identifying and adapting with best practices of HSE management system. Indeed, this can give Sonatrach the ability to improve its performance and compete outside. From this we can ask the following question: **What is the contribution of Benchmarking in improving performance and competitiveness in the companies?** To answer the problematic, we divided the study on three axes:

- **First axis:** Benchmarking as a tool of improving performance and creating values.
- **Second axis:** case of companies applying benchmarking.
- **Third axis:** Benchmarking in Algeria: case of Sonatrach.

#### **1- Benchmarking: as a management tool of improving performance and creating values**

##### **1.1 What we do mean by benchmarking?**

Benchmarking is one of the pillars for improving firms on all levels, because it is considered as a learning process from others that are more efficient. The industrial history told us about successful experiences in the industry that were based on learning from others but were not called Benchmarking. The first was in 1914 on Ford's company, which followed the concept of « the assembly line », after that on Toyota in 1950 and its result was another concept that was « just in time », but the approach of benchmarking did not become a scientific application until the end of 1976, when Xerox was the first who adopted this approach then named « competitive benchmarking », then included it as a new process in its manufacturing units .

Benchmarking has been given several definitions , but the most important is the definition of Robert Camp 1989: « benchmarking is a continuous search for the most effective methods of an activity , allows to ensure excellence » , who is considered the leader of this approach . Is also recognized as « a technical and organized way of learning from others and bringing knowledge of them , by observing the remarks performance models that may be available within the firm or other firms , that have required experiences in work and which can be compared in a legal manner ». David T Keans , has defined is as follows : « benchmarking is a methodology for evaluating products , services , and methods for the most serious competitor ».

Based on that, we can say that benchmarking is characterized by:

- Evaluation performance process of the firm(products,services,methods, functions...etc.),which aims to improve performance.
- A process that seeks intellectual awakening and generates collective knowledge.
- The evaluation process takes place by a comparative vision of the best practices from the same sector or outside, to exchange experiences and enhance creativity.
- The comparison process has rank of loyal and legitimate framework.
- Comparison with the functions of the firm itself or with other firms (internal and external benchmarking).

### 1.2 What are benchmarking phases ?

Robert C.Camp ( the leader of benchmarking and director of distribution in XEROX company) , based on his experience in applying benchmarking , he identifies five phases to successful benchmarking application , and Xerox was the first which is adopted this approach , as well as many others , notably Ford and Sunbeam , these steps are :

1. **Planning:**is the critical phase, where the practices to be compared are determined by the results of the internal analysis, the appropriate benchmarker is chosen as a measurement model, methods of collecting information and the exploitation of all sources before field visits.
2. **Analysis:**at this phase, the firm must understand the depth of current processes, compared to processes of the partner (benchmarker), determinate the gaps in performance and analyse its reasons. The gap analysis is a key success of benchmarking process, and can be defined in three steps:
  - Specifying the baseline that reflects the current location of the firm.
  - Identifying the benchmarker best practices that will improve processes (key success factors).
  - Identifying what can the firm gain through the effective use of resources, and anticipating future performance levels.

3. **Integration** : the information's obtained and shared with all hierarchical levels in the firm, are used to identify roles , means , resources and new objectives , and integrate them into new business plans to achieve better performance .
4. **Action**:the implementation starts by translating the previous steps and the methods acquired from the partners in new actions,processes, and formulas that correspond to the firm activity field, and its working environment, while monitoring the level of progress recorded after implementation.
5. **Maturity**: the firm reaches this phase when incorporating all that has been learned in its management practices, and treated the negative gaps, which was previously registered. The benchmarking here becomes an important, and continuous application integrating into the strategies of the firm, in the search for leadership (best in class) in the industry by improving its overall performance.

### **1.3 Benchmarking: a mechanism to improve firm's performance and competitiveness:**

#### **1.3.1 Benchmarking: create values by searching for best practices**

The concept of benchmarking has always been associated with good practices or best practices, as it seeks to continuously research and apply them in a new way, that makes the difference in performance.

The concept expanded with what Peter Waterman wrote in his book «in search for excellence » 1980s , when was associated with the concept of innovator practice , which means « applications , knowledge , skills , techniques and methods that show their effectiveness and value on a part of the firm , and their applicability to another part of them already exists , provided they are associated with verifiable data and facts » . It therefore reflects any new use of technology, resources, that lead to a continuous improvement of any influential factor in the firms.

The searching of these practices will contribute to a greater awareness of the shortcomings of the firms with the best ones , which will create a new learning conditions, and a new step towards improving functions, or any part of the institution that already exists based on an ideal model . The most important is not to imitate them , but how to adopt these practice in the organisation activities to suit its field activity, this express the culture of the firms and its ability to make difference .

#### **1.3.2 Benchmarking and strategy :**

Benchmarking is a tool of strategic analysis that seeks to capitalize on successful experiences of other firms for adoption within the firm. « benchmarking is a continuous comparison of processes , products with similar or more efficient activities , to identify objectives and future applicable activities , to be and remain

the best of the best in the industry » Gerald J Balm 1994 .The benchmarking ensures the feasibility of the objectives .

The new philosophy of objectives setting has gained its rationality from the benchmarking, when the firms has the certainty of its ability to attain and achieve it, as long as others have achieved it, because it knows how they attained it and realized a certain level of performance. « Benchmarking provided management with the tools and information needed to make decisions about changing, the resources available to modify alternatives and strategic priorities , through the ability to measure objectives and efforts to meet the needs of the business environment » CGMcNair et Kathleen HJ Leibfried 1992 .

**1.3.3 Benchmarking and competitive advantage :**

The world is changing and the competitive advantage indicators in the past are not the same in the present and its won't be in the future.

**Figure 01:** competitive advantage in the current concept

Past	Present and Future
- Technology	- Technology has become widespread
- Originality	- Originality has become rare
- Low costs	- Costs change with markets
- Patent protection	- Patents have faded
- Profitability	- Profitability has become fragile
- Market adequacy	- Market fluctuates
- Other .....	- Other ...

↓

Learning and flexibility

The source: Laurent Hermel, Pierre Achard,ibid, p 174.

The concept of competitiveness in benchmarking is based on great flexibility and fast action. Today, everything has similar, adaptable to variables, innovative, the patents have faded and the past originality is not the same now. If the firm want to stay in the race, it should be reactive and flexible to ensure its continuity in the market.

Apply benchmarking is a key to competitiveness in the medium and long term, if the firm want to be competitive, it need to understand the market and the competitors, by creating a new ideas and practices and adopting its in plans and strategies. By applying benchmarking , the firm will achieve competitive advantage by :

- ✓ Ability to identify weaknesses / strengths, by Distinguishing their practices from those of the others.
- ✓ Looking for the future practices that seeks to achieve, not just those currently adopted.

- ✓ Adopting of accelerated development principle, that has become one of the main dimensions that the firms competes with it, and helps it to achieve competitive advantage.

Moreover, the firms can never survive without continuous learning. Benchmarking contributes to the openness of the firms and increase it dynamic of learning , through :

- ✓ Analysing of success factors, which makes the firm more flexible and creative.
- ✓ Adopting of good practices creates a new vision for risk management.
- ✓ Comparison with the most performing firms leads to reduce the error problems, which creates a dynamic of changing that enhance the competitiveness.

#### 1.3.4 Benchmarking and TQM:

Benchmarking is an important tool that the firm can rely on to improve performance. 82% of information obtained from the benchmarking can help the firm to make decision and identify its objectives. USA studies confirmed that 150 big and mediumfirms compared their performance with the industry leaders , and the main principles results were the improvement of their performance by 90% , and where not limited to the economic aspects ,but also the environmental and social ones.

Continuous improvement is one of the fundamental pillars of total quality management (TQM)philosophy, it is based on improvement of all the factors related by the processes,activities, methods until it becomes an integral part of the culture of the firm, that means :

- ✓ The continuous improvement as a daily work and includes all units.
- ✓ The continuous improvement seeks to reduce problems by eliminating their sources.
- ✓ Opportunities for improvement allow better work and are derived from the issues that need solutions.

The improvements applied in an organization are the result of lessons learned from Benchmarking. CJ.McNair and Kathleen H.J.Liebried 1992 : "benchmarking is the external focus on internal activities , functions and processes with a view to continuous improvement" .

The comparison of quality standard ISO 9000 policies, is made between what is already in the firm, to find the gap between actual performance and international specification requirements, and this is to address the gaps and to achieve good levels of overall performance, but the comparison in benchmarking be with the best firms. Both concepts focus on continuous improvement , but the reference in the specifications of ISO is based on the document of specifications , but benchmarking point reference is the best practice of the most distinguished firms .

"**Benchmarking** may work better with **TQM** , but it soul be done independently . In fact what happened at Xerox that we started with the benchmarking in 1979 ,

but we did not include it in the quality approach before 1982s , If it is not integrated into the overall quality system , the organization will waste its efforts on incorporating certain practices that can lead it in the wrong direction , so,I think that working to track best practices will make us avoid it"**Robert C.Camp** .

The relationship between benchmarking and TQM is that both aim to identify the shortcomings of the firm to achieve the continuous improvement. the TQM is more comprehensive, it seeks to change the general culture of the firm, that it becomes preventable and operates to the fullest extent effective to continuously improve products, services and processes without errors and defects. So we can say that the benchmarking is a method of TQM system.

### **1.3.5 Benchmarking: A process of learning and creating knowledge**

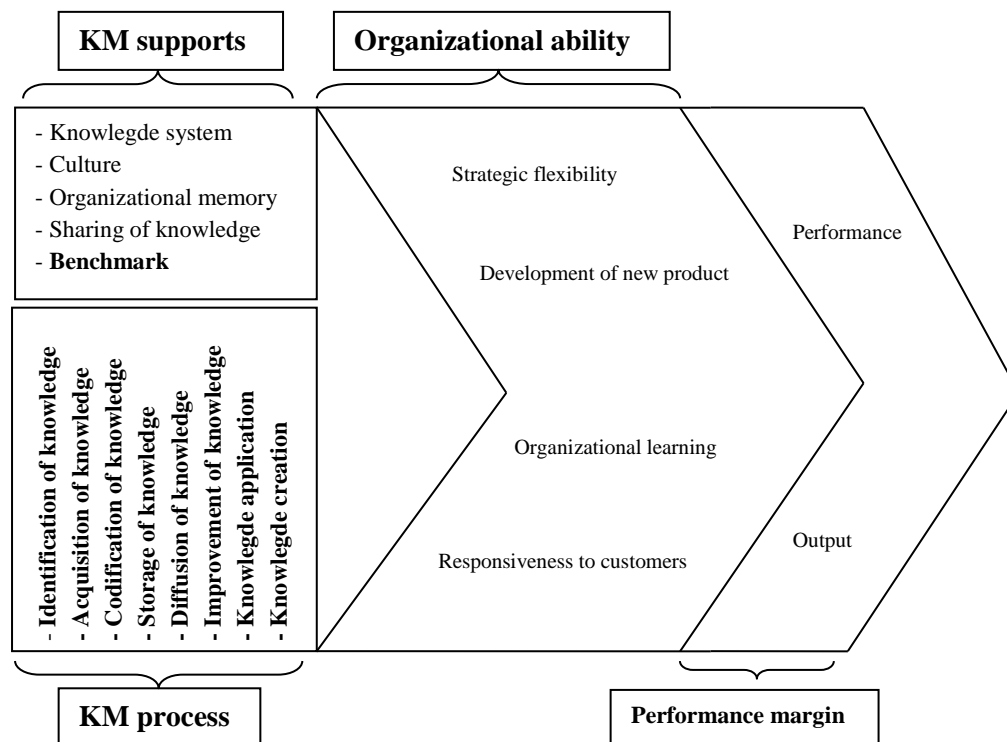
Creating knowledge has gone beyond the individual logic that prevailed before, to become the product of the interplay of several efforts supported by means and equipment. It is the result of material and human investment together. Benchmarking is a process of research and learning aims to create new productivity options to make changes in the external environment , **Amendola and Gaffard 1988**. The firms now cannot continue without learning; this is the base of benchmarking.

Introducing the concept of learning on benchmarking generates a new concept « Bench-learning », that adopted in the first time by the Europeans by the **CAF** , in the context of self-assessment of public employment.

The real challenge for the firms now , is how to control the time needed to create a new capacity in an environment highly competitive , where the smart ones are not only those able to treat information needed to adapt with environment variables , but also those able to create the new knowledge ,and new standards of competitiveness , **Nonaka and Takeuchi 1995** .

Benchmarking is one of the knowledge management pillars, and it is very important to analyze the chain of knowledge integration within the firm, which allow for the identification and the management of various basic directions, for the enrichment of the resources and their proper integration into the activities of the institution. This is called **KVC** as shown in the following figure :

Figure 02 : KVC



**The source :** Louis Ermine, Mahmoud Mouradi, Stéphane Brunel, 2012, « la chaîne de valeur de connaissance », revue de management international, vol16, p30.

## 2. Case of companies applying Benchmarking

### 2.1 Xerox company :

Xerox is the leader in the application and implementation of benchmarking, its beginning was in 1979s, when Xerox noticed that its competitors offer similar products at lower prices, it began to apply a benchmarking system by analyzing of competitor's applications and seeking to work better than them. The adoption of benchmarking in Xerox has contributed to many successes such as:

- ✓ Increase the customer satisfaction by more than 30 %.
- ✓ Reduce labour costs by more than 30 %.
- ✓ Reduce the investment in inventory by more the 50 %.

After the success, Xerox has been applied the internal benchmarking between its 22 sections in Europe, and it achieved a positive result, by reducing the number of work accidents to one accident for every 400.000 working hours, thus surpassing all their bench markers in the industrial security field. Then, in 1982s Xerox decide to develop its storage and distribution system by taking **L.L. Bean** company as a comparative partner, it was then able to develop an excellent system to provide products to customers. Between 1989 -1992, Xerox conducted 200 comparative



studies in its various sections in the world, when each one has its own director of benchmarking process.

Xerox's success in applying internal and external benchmarking has made it a significant performance improvement, where it ranked first among 62 institutions in 1992s, while in 1989 it was ninth among 75 institutions.

## **2.2 Benchmarking in other companies:**

Xerox's experience was considered as a successful model to follow, and in this part, some of the most successful benchmarking experiences of international institutions:

### **2.2.1 General electric :**

General electric is one of the most important firms in the electric industry, and the most that adopted a benchmarking process to achieve the best levels of performance. In 1996s, Michael Frazier (the director of development in GE) identified the appropriate partners for benchmarking, by forming a team of 10 members, who worked for a year to collect information and study the secret of success of nine firms, including: **Ford Motors Company, Hewlett-Packard, Chappell Steel**. Based on that, the team was made a report that identified six keys for success:

- 1- Focus on the principle of achieving the best rather than achieving the most.
- 2- Elaborate a sequential actions plan to identify potential development opportunities.
- 3- Focus on the good change philosophy (KAIZEN).
- 4- Customer satisfaction is a measure of the performance.
- 5- Increase productivity by providing high quality product with high manufacturing efficiency.
- 6- Processors are considered part of the organization.

Based on that, GE was applied an excellent benchmarking in its manufacturers Louisville and Kentucky, and the most important results achieved were:

- ✓ Reduced inventory investment by 200 million dollars, by the application of just-in-time system.
- ✓ Increase the R.O.A by 5.8% .
- ✓ Reduction of cycle time by 75 %.

After these successes, Benchmarking became a model for GE factories, and a model of the rest of firms.

### **2.2.2 Kodak :**

In 1991s, Kodak started its benchmarking efforts with an objective to reduce the amount of organic solvent (methylene chloride) emitted to the air, that cause environmental pollution. After benchmarking adoption, Kodak succeeded by reducing the pollution emitted in the air by 50 %, from 8.9 million pounds to 4.6 per year.

Kodak sought to insert the benchmarking approach in other domains such as finance and accounting, by taking Motorola as a partner, this time Kodak found that

it taking 20 days after the end of the month to close the records, while Motorola takes only two days to complete the same work. After frequent meetings with Motorola finance responsible, and site visits from the team work, to see how the work is done, Kodak has developed future solutions that have made a good improvement to its operations:

- ✓ Using printed and standardized reports in all sections, and with the same way.
- ✓ Transferring the information via the floppy disks and the phones, to ensure speedy work.
- ✓ Developing a software program, able to analyze inputs from all sections accurately and quickly.

### 2.2.3 Hewlett Packard :

Hewlett Packard is a specialized computers and software production company, and one of the successful models in applying benchmarking on new product launching.

At some period, the company found that it was six months late than planned to deliver on average, and this delay caused to lose 30 % of the estimated profits of that product.

Hewlett Packard adopted an internal benchmarking with the help of McKinsey consulting, by a team of 28 engineers to study and analyze of 12 projects, to find the real delay reasons. They found that one project was completed before the time, and one was completed in time, but the other ten projects had a negative deviation during the implementation period. The most important reasons were:

- 1- The time spent on the final design of the products takes a long time, which requires a lot of modifications and adjustments.
- 2- The designs are generally complex and the parts of the product is increased, all this requires more time to complete.
- 3- Acquisition of many parts from external suppliers, resulting sometimes in significant delays due to non-conformity of the parts sometime purchased with the desired design.

After this study, the benchmarking team work developed a new concept that call « equalizer time measure», its means the period that starts from the beginning of the project to the end when the project generates profits, equivalent to the costs invested to provide the new product, and designed a computer to calculate the time needed.

Hewlett Packard achieved excellent results in reducing time, and provided a new product just in 22 months, after it took more than 4 years previously, and saving time for more than 50 %.

### 2.2.4 St. Joseph's Medical Centre :

St. Josephs' Medical enter is healthy service centre in USA. The centre signed a contract for the application of benchmarking, with the international house

experience of benchmarking affiliated with the productivity and quality center in USA. The center adopted the benchmarking in two principle phases :

- 1- Doing benchmarking with the best healthy service center.
- 2- Looking to other sectors to get new ideas.

In the beginning of 1992s, the team of benchmarking completed everything related to the first phase, and in the end of the same year, the second phase was implemented by comparing its practices with the best practices of USA airlines, Ritzcarlton Hotels, and the car rental agency « Avis ».

The team achieved good results after benchmarking, and the good practices adopted were:

- ✓ The development of patient ingress regulations, confirm the insured before entering, and payment systems of the center.
- ✓ Reducing the number of inspections by a new program of one inspection, while the previous procedure included 5 or more.
- ✓ Reducing the number of forms required by the patient to improve the service quality.
- ✓ Adopting an efficient financial system that provides services in 24h, not only during working hours.
- ✓ Using computers in the scheduling of surgery, and preliminary examination.
- ✓ Adopting an efficient patient information system, by connecting the computer system offices with the principal information center.

#### **2.2.5 Sunbeam :**

Sunbeam is a specialized electrical household appliances company, in 1982s it decided to increase its sales to 30 % of its annual sales. They purchased samples of electric iron from around the world, to compare their own irons.

After comparison, the team found a significant disparity in the number of component parts of the iron, where the number ranged between 74 to 174, and the number of fasteners ranging between 16 to 30, and between 6 to 15 types of fasteners. They agreed to design an iron with lower parts and lower costs, after the result reached that was a relationship, between the number of component parts and manufacturing cost.

In fact, they were designed an iron constituting of 51 parts with only three fasteners, and as expected, the new iron achieved a reduction in manufacturing costs, compared to the competitors.

#### **2.2.6 Motorola :**

Motorola is one of the leading companies in benchmarking in 1980s, after adopting an internal benchmarking approach, Motorola was able to develop its products tenfold justin three years, while was planned to achieve it within five years.

After the success, Motorola looked aboard by forming a team of 24 members, during its first visit to Japanesecompanies, Motorola set a new ambitious objective,

to develop its product again threefold more, to reach the same level of Japanese competitors performance.

After that, the team started in organizing of many visits to some international companies in several sectors, starting by a visit to the best automobile sectors, then to the best medical glasses industry institutions, and organised meetings with university professors, software designers, product designers and financial professionals, then arrived to take Honda as its benchmarking partner in the application of **JIT** system .

By applying benchmarking, Motorola achieved a success in several areas:

- ✓ Reducing the time needed to develop products.
- ✓ Reducing the completion of the final accounts time, from 14 days to only two days.
- ✓ Reducing the delivery time of the new products.
- ✓ Application of integrated manufacturing techniques using CIM.
- ✓ Implementing an efficient JIT system.
- ✓ Improving its competitive position.

#### **2.2.7 Digital Equipment Corporation :**

Before applying benchmarking, Digital Equipment Corporation found that its costs are too high and ranging between 30 to 40 %, compared to the same sector companies.

Digital equipment corporation focused its efforts to adopt benchmarking approach, by using two principal methods:

- 1- Competitive analyse.
- 2- Inverse engineering.

Digital equipment corporation achieved a great success, by the continuing application of benchmarking, notably:

- ✓ Being one of the best companies working in the depository and electronic transfer of funds in USA.
- ✓ Reducing costs to 50 %, from what they were before benchmarking.
- ✓ Accelerating work by 67 %
- ✓ 30% increase in stock turnover.
- ✓ Reduced the costs of resources using in the work by 15 %, which is increased the productivity to 25 %.

#### **2.2.8 Mobil Oil:**

It is an American oil company, that applied benchmarking by questioning of 4000 customers, which the results showed that only 20 % of them were interested by the price of service, while the rest were interested by one three things:

- 1- Good reception by friendly and professional staff.
- 2- Quickly enter and exit from the station (fast service).
- 3- Customer appreciation and good treatment to ensure loyalty.

After this results, Mobil oil company started an benchmarking process by measuring the performance of Ritz-Carlton Hotels (luxury hotels chain), to study

how to receive good , they studied after that, the quality of services provide, based on a comparative study of an American group specialized in the distribution of equipment and new technologieservices, andfinally with Penske group, to study the operation speed in the several race stations, through an electronic apparatus putting on the heads of employees, which is facilitate the communication between them .

Based on all the comparative studies, Mobil oil has established a new oil stations « Friendly Serve » in Florida, which the workers wearing uniforms, with changing in the way of customer'sreception,and equipped them with an electronic system to quickly respond of customers' requests and transfer them directly to the payment place, with a special road for the fastservices.

After adopting benchmarking, Mobil oil increased its turnover by 10 %.

### **2.2.9 GTE:**

To adopt some good practices in the calls reception, GTE measured the performance of Land's-End company (one of the e-commerce companies), which is trains any new employee for 80 hours, before receiving the first call from the customer. Thisinvestment in communication skills, with the continuous training has added special skills, and qualifications to communicate with customers, and give the ability to employees to make the right decision for any situation.

GTE adopted also another benchmarking experience with OTIS Elevator, by OTS line visitation (24hours' communication and repair service). This system receives the customer calls from a free number, then transfer it to the database, where specialists promptly transfer costumer requests, depending on wireless connections devices.

### **3. Benchmarking in Algeria: case of Sonatrach**

For sonatrach, « the benchmarking is a strategic choice for development, it used to compare leader'sprocesses, to identity the opportunities and ways of improvement to attain the effectiveness »

Sonatrach is considered «, Hygiene, Security, Environment », as common management approach, aimed to continuous improvement performance in the company. These indicators have always been the sonatrach's most preoccupied for many years, which was planned in advance. Based on that, many seminars were organized, including one in Alger's entitled « Benchmarking », where it was presented withBP, ANADARKO, TOTAL and ELF,approaches about the HSE system management, where has established an action plan with four axes:

- 1- Identify methods and implement a training policy on HSE, to acquire the necessary skills.
- 2- Measuring the diagnostic ability to detect new practices, and availability of the benchmarks that ensure the good implementation.
- 3- The application of Benchmarking (how to do it?).
- 4- How to upgrade the international standards regulatory and legal framework, before applying the new oil and gas law?

The main issue was, what to change in current Sonatrach, to obtain new one adapted with the international standards? and what are the gaps and changes existing at the nationally and internationally, that have an impact in Sonatrach HSEsystem?

Based on that, Sonatrach adopted benchmarking with several partners, to change its indicators of work. The following table summarizes the most important indicators and the oil and gas partners, which relied omits benchmarkingstudy:

**Table 01 : Sonatrach's benchmarking in HSE management system**

	<b>CEPSA</b>	<b>ANADARKO</b>	<b>BP</b>	<b>TOTAL+ELF+FINA</b>
<b>Policy</b>	Policy based on ILO instructions .	Text giving vision and orientation of top management on , health preservation , accident reduction , harmful waste elimination .	HSE system standard document that expresses the values and aspirations of hygiene , health and security management .	
<b>Organisation</b>		HSE management responsibility delegated at all levels .		A HSE management at the group and a structure at each industrial branch .
<b>Planning and implantation</b>	HSE approach implemented in first time in exploration activities .	Planning based on working licence procedures , accidents prevention , first aid and rescue...etc.	Plan to reduce CO2emissions until2030. Iso 14001 certified since 2001 .	Documentary architectural. HSEcharter. EP-01 instructions. Internal rules. Manual guide .
<b>Evaluation</b>	Utilisation of relevant industry standards.	Security and environment performance indicators. Journal of performance and continuous improvement indicators .	According to the international standards and guidelines of OGP association	Weekly,monthly,annual HSE reporting. Benchmarking.
<b>Audit</b>	Independent audit from the direction to ensure results.		According to a pre-established planning .	Internal audit (SMART method). External audit. Audit in all 4 to 5 years .

**The source :** « La lettre de normalisation n 05 –octobre2001, Sonatrach –SII, l'éditorial spécial benchmarking HSE », p04. Paper published on following website:  
: [www.memalgeria.org/actu/comn/pubt/normalisation5.pdf](http://www.memalgeria.org/actu/comn/pubt/normalisation5.pdf)

After comparing and studying of HSE policy, in the selected companies in terms of policy,organization,planning,implementation, evaluation and audit, work mechanism, the most important methods and the international standards adopted,

Sonatrach decided as first step to improve this policy by integrating it in the company culture by establishing a work plan divided into four axes:

**1- First Axis :**

- Specific HSE formation.
- Adaptation with globalisation.
- Upgrade and technology intelligence.

**2- Second Axis :**

- Needs of HSE formation.
- Adaptation and application of national and international legislation and regulations related by QHSE policy.
- Identify and divulge of all HSE policy.

**3- Third Axis :**

- Alignment of major international groups.
- Top management commitment.
- Matching human resources with objectives.

**4- ForthAxis :**

- Globalisation(competitiveness, adaptation to new technologies...).
- Legal requirements and standards (more stringent regulations).
- Corporate culture (same approaches, same organization ...)

After that, the most important results were:

- ✓ Establishment of a special HSE structure.
- ✓ Implement an effective HSE training system.
- ✓ Establishment an effective information system.
- ✓ Reinforcement human resources.
- ✓ Good and serious management of HSE activities.
- ✓ Control and domination of costs.

**Conclusion:**

The attain of excellence, need a belief by the organizations in its ability to achieve levels of performance achieved by other organizations, by the continuous research and comparison of best practices of other organizations, not only of competitors, because it not enough to distinguish.

The important organization challenge, is the ability to create new thing from other different, and how to integrate it with the right way in its activities and objectives, to create values, supported by investments, materials and human efforts.

The currents business environment changes, make it imperative for national institution to integrate benchmarking, within it strategic perspective and business culture, as a real strategic tool that contributes to the good change to stay competitive.

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• **List of tables :**

1. Sonatrach's benchmarking in HSE management system.

• **List of figures :**

1. competitive advantage in the current concept .
2. KVC .