

THE IMPORTANCE AND ACQUISITION OF INFORMATION IN THE LIGHT OF BENCHMARKING

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Abstract: Benchmarking is a modern method of management that creates opportunity to improve, measure and compare own results with the leader's results and then to describe its various forms. The author emphasizes the importance of information being a valuable resource of the company and at the same time being the basis for applying the benchmarking method. It is worthwhile noting that not all information that reaches the organization is useful. Therefore, the need to analyze and evaluate information becomes more and more important. In this work, the methods of obtaining information directly and indirectly have been distinguished. In the last part of the work, the concept of "business intelligence" was explained and various variants of it were listed and explained. The problem of economic espionage and methods that can be used by people who want to obtain data for benchmarking was also outlined. However, it is worth noting that both concepts of business intelligence and economic espionage share a very thin border.

Keywords: benchmarking, information, business intelligence, economic espionage.

1. Introduction

Globalization, increased competition, focus on the quality in order to gain a market advantage and changes taking places in the internal and external environment of the enterprises provoke a desire to obtain information about the best companies operating within a given industry and to use similar processes and the way of their use as the leader uses them. However, of importance is "drawing from other, but not a copying them. Being yourself" [Michel Quoist]. Utilizing the experience of others and transferring patterns of activity to the home ground is one of modern forms of the management, i.e. benchmarking. This method creates an opportunity to improve, by the measurement and comparison of own results with the results of the leader. In doing so, information is the basis of its functioning. The original information is, however, also a very valuable resource of the company. Therefore, many companies do not

want to share key information for free, so access to data is a major problem with benchmarking. Herein, business intelligence serves to accumulate information about competitors, and allows for processing and selection. The appropriate assessment of the collected data thus enables the discernment of the most useful information. Still, this is currently not a simple task due to informational noises. Moreover, usually, the most important information is confidential and covered by a number of safeguards, therefore there is a risk that the entity will be the victim of economic espionage.

2. Benchmarking as modern management method

Dynamic economic changes and the growing competition in many markets force the need to develop modern forms of management. Hence, benchmarking is becoming an increasingly popular concept. An attempt to show semantic scope of the concept of benchmarking entails the need to quote several definitions found in the literature:

- Benchmarking is comparing and learning to achieve excellence (Andersen, 1995).
- Benchmarking is a technique of enlarging the knowledge about best practices (Colon et al., 1995).
- Benchmarking is source of ideas, information, methods and practices which can be useful for adaptation and implementation. It is a tool used in the aspiration to becoming a learning organization (Kuźmicz, 2015).
- Benchmarking consists in comparing own results, products and processes with competitors and the best companies at given field (external comparison) and for comparing similar operations as part of the enterprise (internal comparison) (Bogetoft, 2012).
- Benchmarking is a process of continuous search and adaptation of good practices used by other organizations (benchmarking partners) which will influence for achieving better results. It is not a method of copying competitor's practices, but it is a pursuit of improvement as a result of processes by seeking the best practices in a given industry and beyond (Mohapatra, 2012).
- In general, benchmarking is a process of continuous learning and creative improvement within the organization, using the solutions and achievements that were developed by the best in a given field (Węgrzyn, 2000).
- The quoted definitions reveal benchmarking to be a form of management which consist in continuous improvement of measurement in the comparison of own results with the best results inside and outside the organization, and in the end, of using such practices that will enable the achievement of assumed purposes (Szydełko, Kołodziejczuk, 2016).

Benchmarking can take various forms. According to the criterion of identity to the model, we can distinguish between internal and external benchmarking, as well as competitive and general benchmarking. Moreover, in line with the criterion of the object, we can distinguish between tactical and strategic benchmarking in regard to calculation and processes (Tomaszewski, Zaskórski, 2012).

Internal benchmarking is characterized by low implementation cost and low time consumption. It consists in comparing processes within one enterprise, which is why it is usually applied by large organizations that have branches in many regions of the world. The increase in efficiency occurs as a result of recognizing the best operating model and after analysis, transferring this to other branches (Tomaszewski, Zaskórski, 2012).

Competitive benchmarking is based on comparing produced products with products of the competition. The problem in such comparisons is the need for data privacy and the reluctance of competitors to share information. The most important asset is to identify the strength and weaknesses of the competition and prevent excessive competition.

General benchmarking is the most common form that benchmarking takes. This consists in comparing one's business activity, with an enterprise outside the industry in terms of the most effective procedures (Tomaszewski, Zaskórski, 2012).

Strategic benchmarking focuses on comparing with a leader, not necessarily in the same industry. It allows a determination of the market segment in which the leader is focused, so as to discern the applied strategy types, level and type of investment. The effects of using this type of benchmarking are long-term and allow obtaining the knowledge about the factors affecting the competitor's success and to transfer them into the own zone of activity (Balcerek-Wieszala, 2010).

Comparing only operational and economic results are features of benchmarking of the results of a calculation. Thanks to such comparisons, it becomes possible to determine the position of own enterprise against competitors.

The benchmarking of processes is focused on optimizing operation by streamlining organization and controlling operation. These processes are compared with the solutions used by the leader in terms of several variables, of which the most important are costs. The problem is the choice of processes in which improvement can contribute to an increase in efficiency, or whether a better choice is to reduce costs or increase profits. Process benchmarking will in the end translate into the short-term financial results of the organization (Balcerek-Wieszala, 2010).

The benchmarking criterion is evolving and new forms are appearing. A relevant problem is finding a point of reference. The benchmarking method should be applied to comparing one's own enterprise with an organization that looks holistically and systemically, but first of all, looks ahead. An important element is the quality orientation and correlating the organization's goals with stakeholders' assumptions. The participation advantage of a good benchmark lies in developing benchmarking networks and having quality competition, as this situation gives

a given organization a number of indicators that can be used for comparison (Martyniak, 2002). However, it is worthwhile remembering that there are no perfect organizations. The basic task must be to identify the needs and make changes supported by a thorough analysis of the environment and definition of the goals of the organization.

3. Methods of obtaining information for managing the benchmarking method

Information is treated as a certain resource of the enterprise that allows for effective management and achieving competitive advantage. Just like any resource, information should be subject to analysis and assessment of its usefulness for achieving the assumed goals. The need for information management is constantly growing due to the complexity of the organization's environment, growing competition and the growing amount of information that reaches the enterprise. Therefore, the aspect of assessing the importance of information and catching the most important from the information smog is so essential. The usefulness of information depends on its accuracy, timeliness, completeness and adequacy (Olender-Skorek, Wydro, 2007). Information is primarily based on distinguishing data. Data are strict numbers and facts that reflect reality, while information is data that has been given meaning. Collecting information for benchmarking includes collecting quantitative, financial and qualitative data, identifying and documenting the characteristic of the organization's activities and the processes that occur in it, in order to extract the factors that determine success so as to conduct a detailed study. The care of conducting this stage in a process is guaranteeing the credibility of achieved results (Sprawny urząd, 2011).

As Zbigniew Martyniak points out, there are direct and indirect data collection methods for benchmarking. Direct methods include mining (Martyniak, 2002).

- own databases,
- reports and internal publications,
- research and development work,
- press advertisements,
- advertising brochures,
- exhibition rooms,
- telephone surveys,
- personal contacts with partners,
- biographies of outstanding managers,
- distributors of the equipment (for supplier).

Indirect methods can include mining:

- professional associations,
- sector data banks,
- professional magazine,
- universities,
- scientific research institutes,
- consulting office,
- customer survey,
- training seminars,
- materials from scientific conferences,
- chambers of commerce and industry,
- news bulletins.

The choice of the method depends on the degree and character of cooperation that the organization wants to undertake with the benchmarking partners. The use of indirect methods that rely on the study materials testing and magazines, does not allow to take high quality information. On the other hand, direct methods creates the risk of premature disclosure with the collection of information about companies and the benchmark's defense reactions involving the classification of sensitive data. Benchmarking as a method of managing an organization, is usually undertaken by small enterprises which indicate that the most frequently used indicators are financial ratios, customer's loyalty, quality of goods/services, marketing information, staff training, innovations in product/services, communicating, satisfaction of employees from the work as well as organization of teamwork.

Benchmarks usually use indicators that can be easily measured and compared. These are normally indicators that are directly linked to factors affecting the success of the enterprise. They are a price, a quality, a customer's loyalty, a supplies management, a variety of assortment and innovations (Mieszajkina, 2010). It seems logical to observe the strategy used by companies operating in the same industry that have achieved success. It is worthwhile emphasizing, however, that blind imitation is not a desirable phenomenon, as opposed to observations that may inspire new, better solutions.

4. Business Intelligence versus espionage

Business intelligence is a term that refers to activities aimed at collecting, processing and disseminating of information useful to business entities, that is carried out in accordance with the principles of ethics and law. Enterprises use business intelligence in order to gain a competitive advantage, reduce the risk of economic cooperation, to take appropriate steps to

recover debts and avoid losses. Business intelligence helps to recognize the opportunity and threats in the market place, assess the risk of an undertaking, promotes the effective use of information about the enterprise environment and helps to understand factors that affect them. Business intelligence is used for forecasting thus it helps in building organizational strategy (Wrzosek, 2014).

Within the concept of (legal) economic intelligence gathering, several varieties can be distinguished. These include: competitive intelligence, supermarket intelligence, business intelligence, due diligence and commercial intelligence.

Competitive intelligence focuses on seeking, analyzing and transferring information about the competition and all aspects of its functioning, primarily on products and customers. Supermarket intelligence comes from the competitive benchmarking, but concentrates on market research and marketing mix aspects. Business intelligence is a set of practices and processes that, using computer technologies, convert quantitative data into business information. These methods support the management in economic decision-making. Their sharing can induce an increase in goodwill (Zakrzewski, Kamińska, 2010). Due diligence is a multifaceted analysis of a particular business entity in terms of its financial, commercial, legal and tax condition. Such in-depth analysis allows the identification of opportunities and risks associated with the capital transaction regarding the analyzed entity. Competitive intelligence is the oldest and the most advanced form of legal collection, analysis and sharing of data about economic entities, their functioning in the business environment, and the recovery of other data relevant to business operations (Kłosiewicz-Górecka, Czapska, 2016).

In connection with the above, it should be emphasized that both business intelligence and due diligence are not synonymous with industrial espionage, but are forms of business, financial, legal and tax analysis, etc. However, competitive intelligence is a type of intelligence that is easiest to cross the line between lawful conduct and ethics, and illegal and unethical conduct. Industrial espionage is obtaining secret information using illegal means. The applied economic espionage includes illegally obtaining competitors trade secrets, taking over production technologies and used manufacturing processes, as well as acquiring research development plans and market expansion ambitions. These activities are also supplemented by the illegal collection and processing of information regarding pricing and marketing policy (Głowania, 2013).

The boundary between business intelligence and industrial espionage is very fluid, and both notions are confused. This is primarily due to ignorance of concepts. The main differences between them consist of the methods of collecting information and the source of their origin. The most common way to obtain confidential information is to use the disloyal employee of the competition. Anyone who is directly or indirectly involved in business secrets can be a spy. They are usually frustrated, low paid and underrated employees. The competition can buy such an employee and in the process gain perfect sources of information (Sobczak, 2015). Modern technologies are used for espionage. They allow hacking into confidential and secured

databases, discreet and effective peeping. In practice, any item in an enterprise can be subverted for to enable the stealing of company secrets. Using wiretaps on telephone lines is classic industrial espionage. Hacking into a computer network is the modern equivalent. There are a number of other means and techniques for collecting confidential data, however, some of them require large expenses and carry the risk of exposure (Sobczak, 2015). Economic espionage most often concerns the high technology industry, mainly the computer software industry and the automotive industry, where considerable expenditure on the research and development is incurred. The enterprise that discovers that it is a victim of spy action, usually takes legal action. The punishment for espionage is usually sanctions, reimbursement and assessment of high civil damages. It should be remember that espionage can target every area of the company's activity that creates measurable economic benefits. Therefore, it is so important to be able to distinguish between business intelligence and espionage and to know ways of preventing the discharge of enterprise secrets and to be aware of the legal regulations that protect against harmful intelligence.

5. Summary

Benchmarking is a modern management concept that can contribute to the development of the enterprise through learning from more successful enterprises. It is worth noting that standards can be derived from various sources and adapted to own needs. The basis for effective benchmarking is gaining useful information that after processing will aid in running a successful business. Information is a valuable resource that many enterprises do not want to disclose, and the obtaining of which is associated with illegal intelligence gathering. Nowadays, the protection of secret information is becoming more and more difficult, because of the use of new technologies for espionage purposes. However, this is not the only threat. The disgruntled employee is one of main sources of illegal obtained information. Still, enterprises can rationally approach the principles of openness and security in the circulation of protected information, in order not to suffer significant losses and to obtain feedback. It must be remembered that while benchmarking and intelligence gathering is legal, it is easy to cross the line into illegal activity.

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