

Open Standards Benchmarking Collaborativesm (OSBC) Research A Comprehensive Benchmarks Report

Innovation: 2007

Prepared exclusively for Company B

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OSBC Report

Comprehensive Benchmarks: Innovation

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OSBC Report

Comprehensive Benchmarks: Innovation

Thank you for participating in the Open Standards Benchmarking CollaborativeSM (OSBC) Innovation Research Study. This APQC study is part of an ongoing collaborative effort on innovation research with IBM and Innosight. By studying a wide range of organizations using a common set of innovation metrics, APQC, IBM, and Innosight seek to help organizations manage their innovation processes more effectively. The research will also help organizations pinpoint gaps and opportunities, and use the findings to guide investment decisions.

Nobody innovates - or wants to innovate - in the same way. That's why the most significant value may be in uncovering how innovation practices and investments influence business outcomes in various industries and organization sizes. All metrics used in this research are based on the open standard performance metrics employed by the OSBC, a global standard for process definitions and benchmarks (see page Appendix C for more information).

This research report is intended to be a powerful diagnostic of the drivers of innovation inside an organization or business unit. Innovation isn't just relevant to products and services. It also can be seen in operations, business models, and key enablers.

The objectives of this current innovation research are to:

- provide your organization with a relative comparison of innovation measures in terms of operational costs, productivity, efficiency, and cycle time
- investigate key innovation practices and enabling factors within top-performing organizations
- establish a common set of definitions and measures to ensure consistent understanding
- provide an inventory of performance and how you are managing your portfolio
- establish an open standard for measuring innovation within an organization

I hope this report will give you insights and a lens to look into your future chances of success, will help you predict your organization's capability to be innovative, and point you to where you need to focus now. Thank you again for being a participant in such an important study.

Best wishes on the road to improvement,

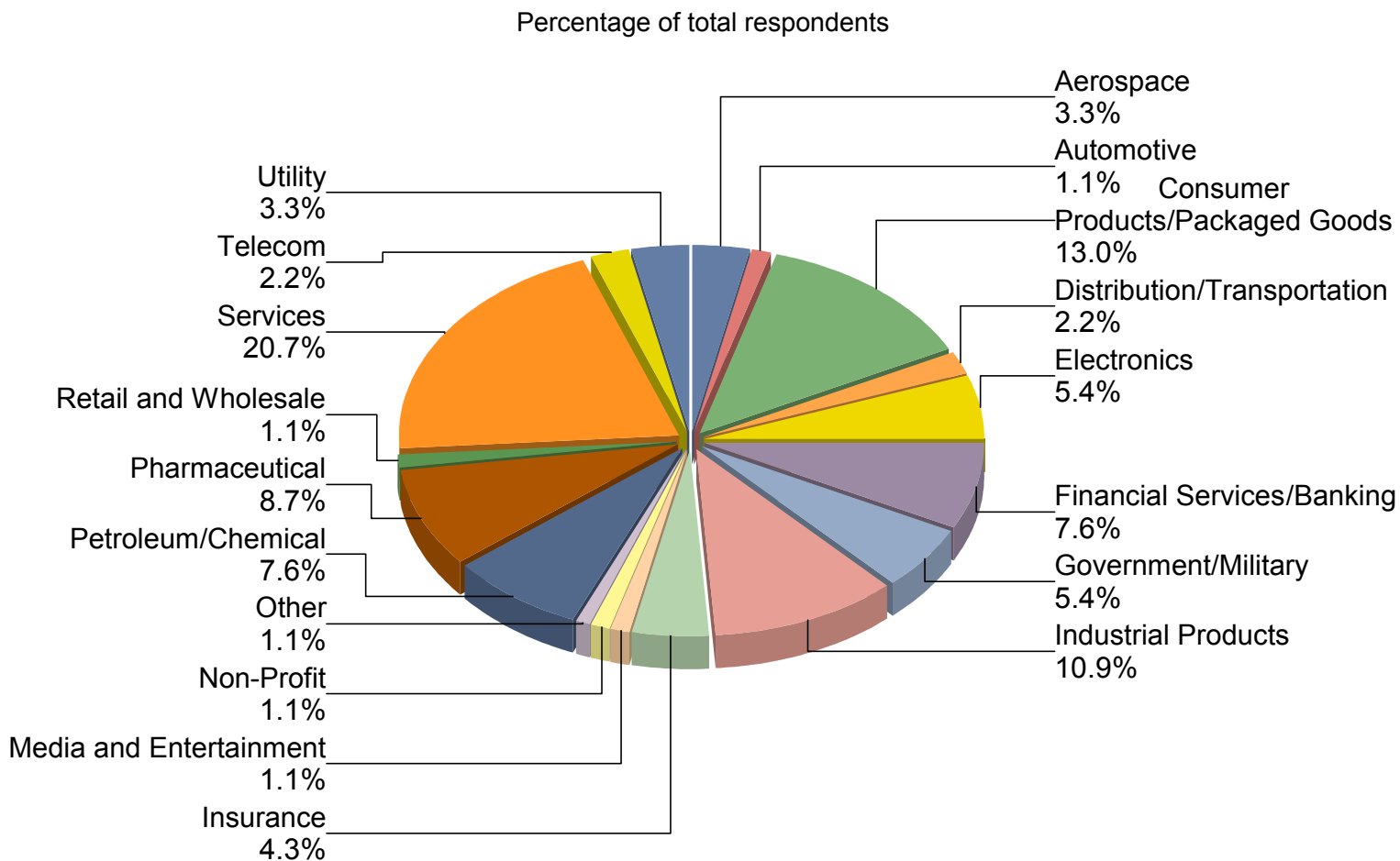
Carla O'Dell

PS The Appendix on OSBC Research provides opportunities for you and your colleagues to participate in other actionable research at no charge.

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Industry Distribution of Business Sites Participating in Innovation



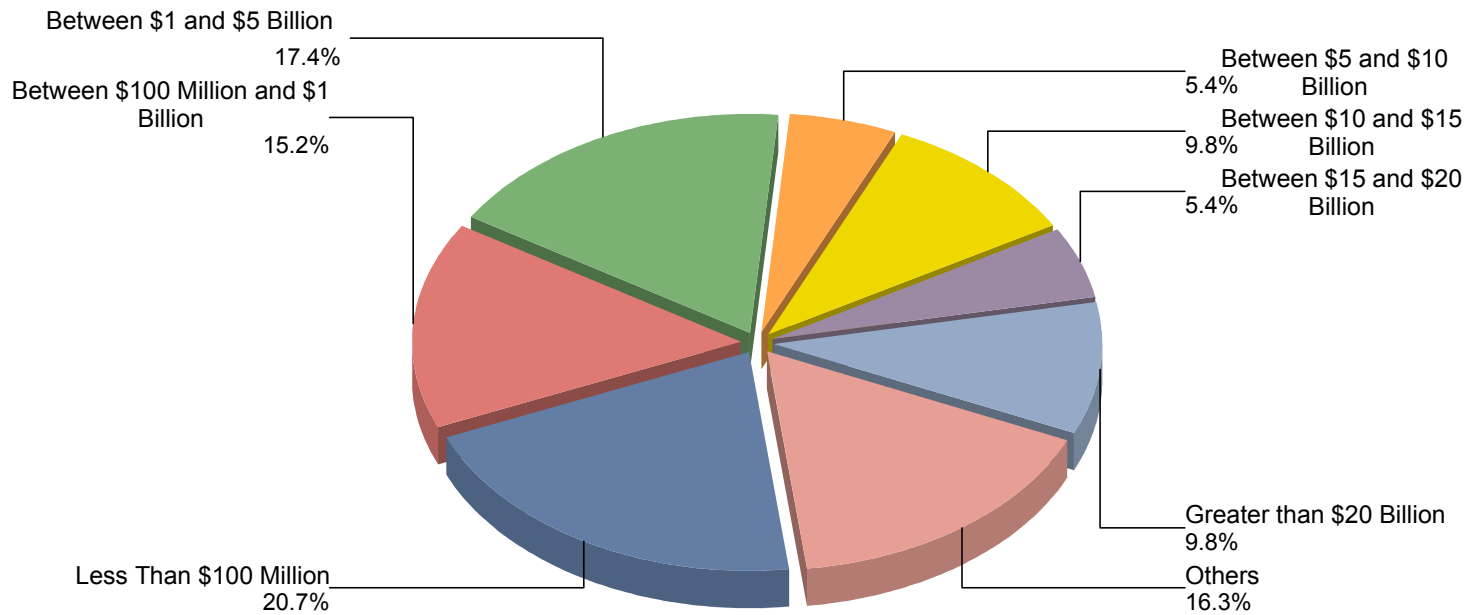
n=92

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Total Annual Revenues (business entity for the current reporting period)

Percentage of total respondents

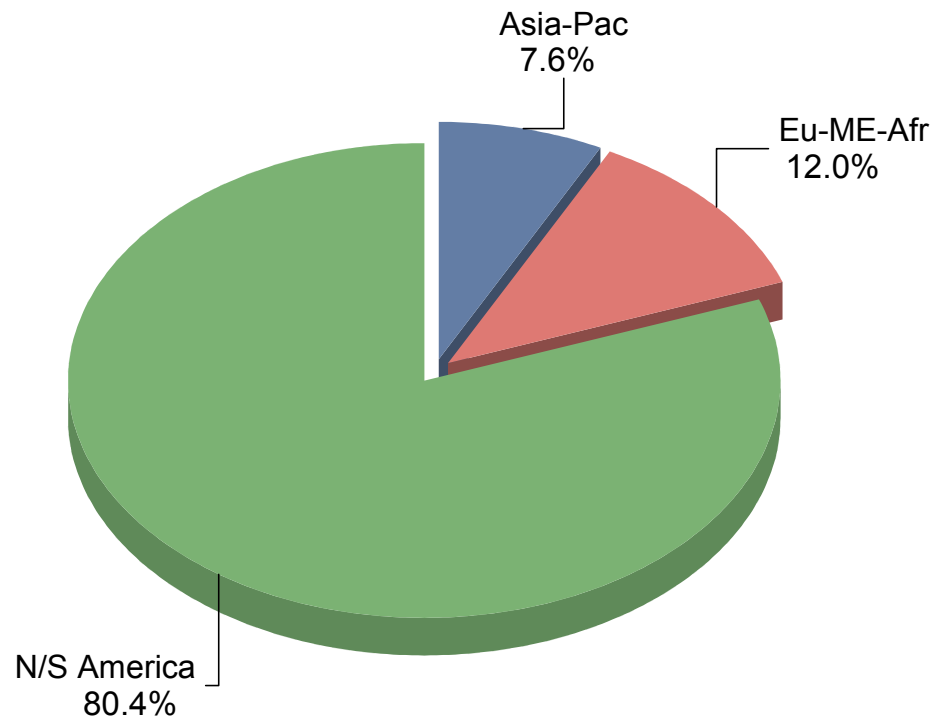


N=92

OSBC Report Comprehensive Benchmarks: Innovation

Regional Distribution of Business Sites Participating in Innovation

Percentage of total respondents



n=92

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Comprehensive Benchmarks: Innovation

Key Terms

- **Your Site's Score:** This represents your organization's reported or calculated metric. When compared to the median and top performance for the external peer group, it provides information about potential performance gaps.
- **Your Site's Percentile:** Your site's percentile reflects the value on a 100-point scale that indicates the percent of a distribution that is equal to or below it. For example, a 25th percentile performance means 25 percent of all responses are below that level. A higher percentile usually suggests better performance, with 100 percent as the top score.
- **All Participants Median:** This indicates the median performance level for all participants in the database. The median reflects the value below and above which there are an equal number of values.
- In this report, the "Top Performers" benchmark represents the performance level below which 80 percent of all responses fall. Conversely, the "Bottom Performers" benchmark reflects the performance level below which 20 percent of all responses fall.
- **Mean of All Respondents:** The mean value reflects the arithmetic average of a distribution.
- **n:** The n value reflects the sample size of a distribution.
- **n/a:** N/A is used when an answer was left blank. Please note that if your score is n/a, then 'Your Site' response on the graphs will be zero.

Notes: Metrics are calculated when the sample group exceeds five.

Findings presented in this report are limited to content from this specific OSBC data set. Caution should be used when applying these findings to a broader population.

APQC wishes to acknowledge the Open Standards Benchmarking Collaborative(sm) (OSBC) Advisory Council and its members for their ongoing contribution to APQC research efforts and success. We offer a special thanks to IBM Business Consulting Services, which has sponsored this research initiative in addition to generously providing thought leadership in this and other areas.

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Comprehensive Benchmarks: Innovation

Open Standards Benchmarking Collaborativesm (OSBC) Research

A Comprehensive Benchmarks Report

Selected Metrics*

Contents:

Product/Service Innovation Metrics

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Average Time to Profitability/Payback for New Products/Services in Months	10
Percentage of Current Reporting Period Revenue from New Products.	11

Operational Innovation Metrics

Compound Annual Growth Rate in R&D Costs as a Percent of Revenue over the Past Three Reporting Periods	12
Total R&D Cost per \$1,000 Revenue in the Current Reporting Period	13
Total R&D Cost per Employee in the Business Entity in the Current Reporting Period	14

Business Model Innovation Metrics

Number of New Businesses Launched in the Past Three Reporting Periods per \$100 Million R&D spent	15
Percent of Innovation Spend by Category	16

Innovation Enablers

Percent of Development of New Ideas Attributed to Internal or External Sources.	17
Percent of Staff Tasked to Achieving at Least One Innovation Goal	18

*This section of the report contains a subset of all the metrics collected. Appendix A provides a comprehensive metrics summary.

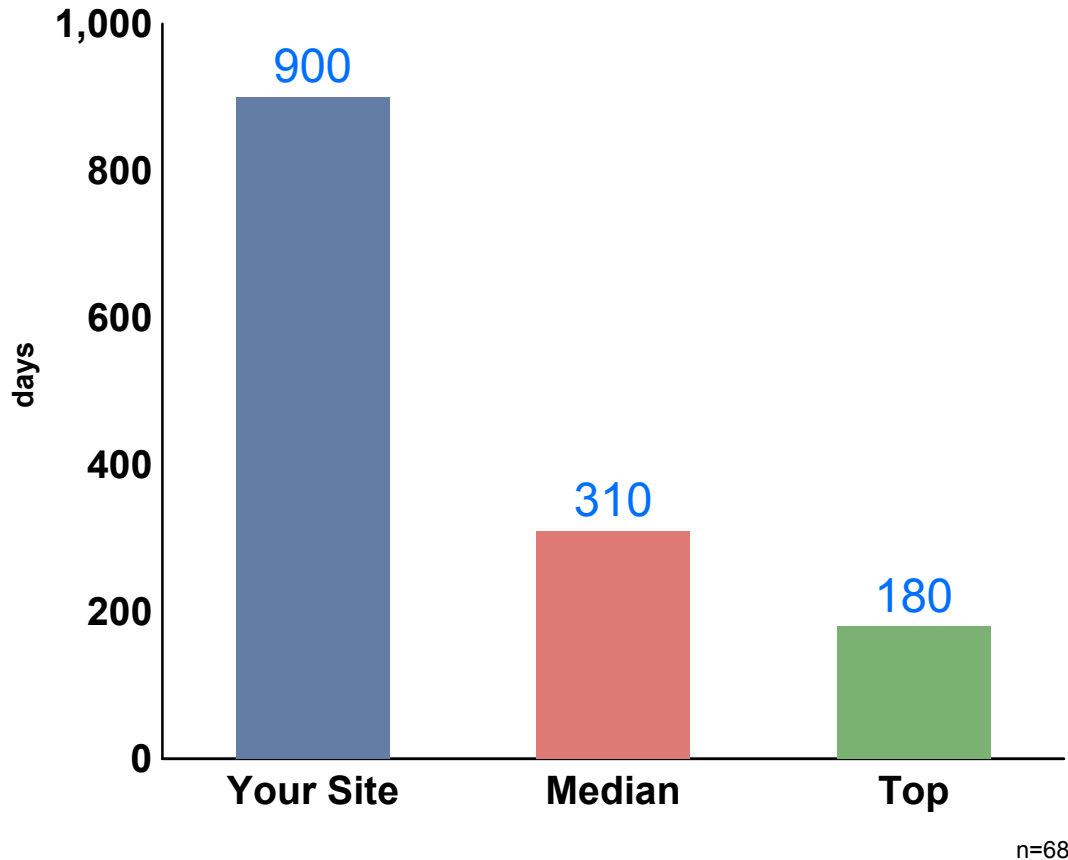
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Performance Measures - Product/Service Innovation

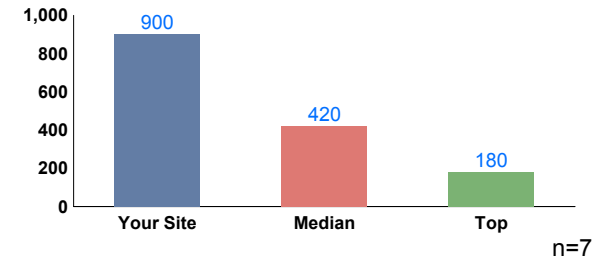
Average time in days to market for new products/services **Your Score**
900

All Participants
value presented in days

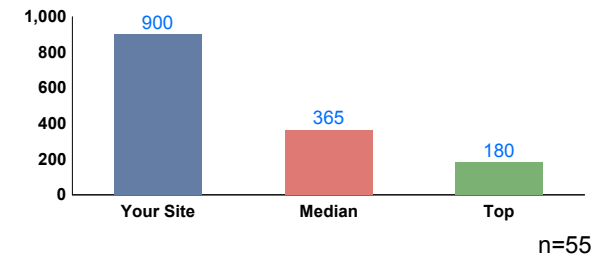


Peer Groups

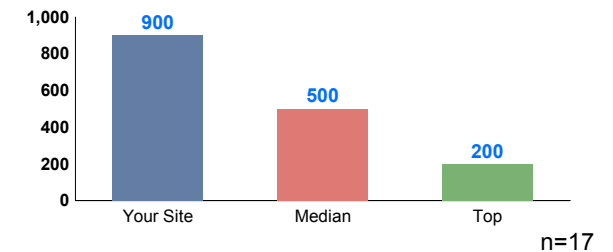
Industry: Industrial Products



Region: N/S America



Revenue Group: Between \$500 Million and \$5 Billion



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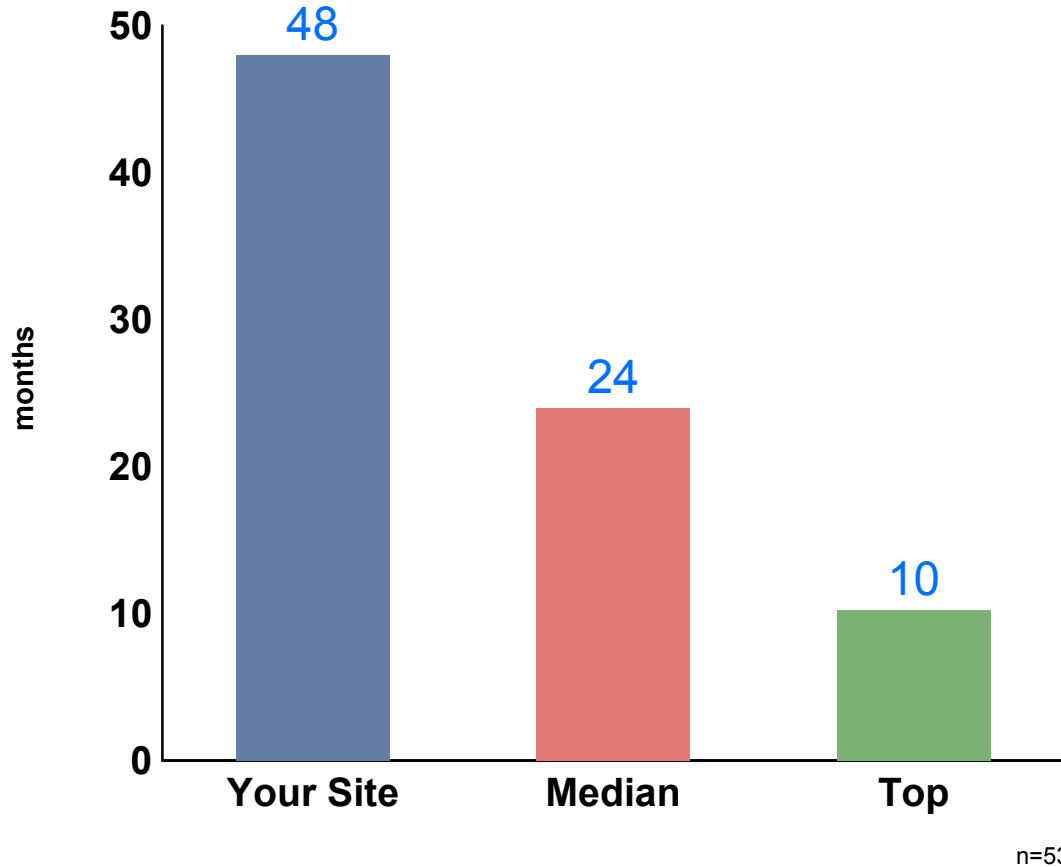
Comprehensive Benchmarks: Innovation

Performance Measures - Product/Service Innovation

Average time in months to profitability/payback for new products/services

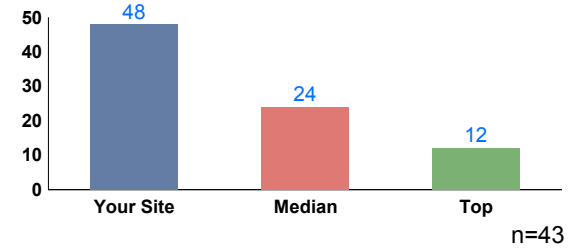
Your Score
48

All Participants
value presented as months

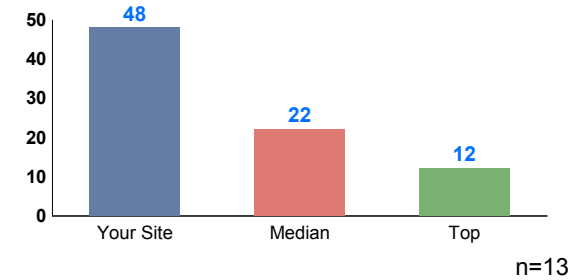


Peer Groups

Region: N/S America



Revenue Group: Between \$500 Million and \$5 Billion



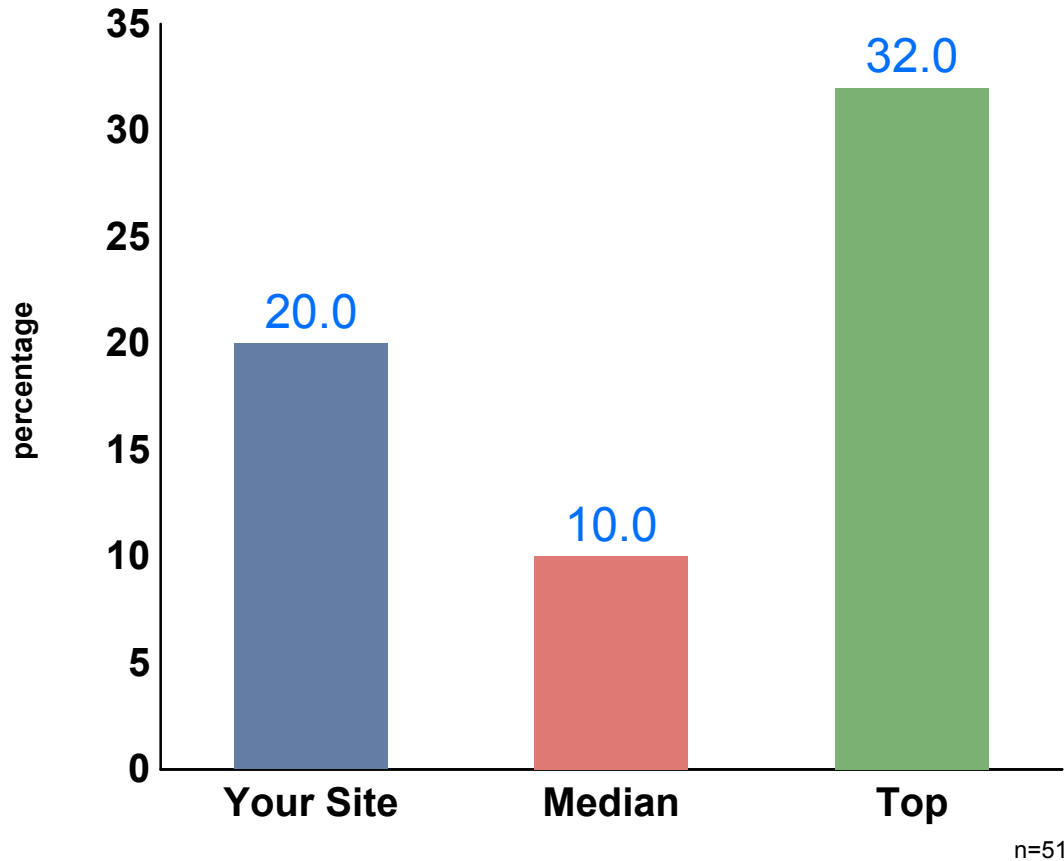
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Comprehensive Benchmarks: Innovation

Performance Measures - Product/Service Innovation

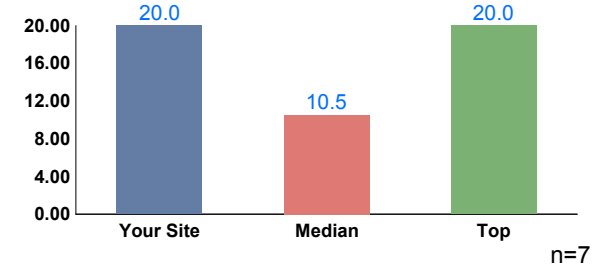
Percentage of current reporting period revenue from new products **Your Score 20.0%**

All Participants
value presented as percentage

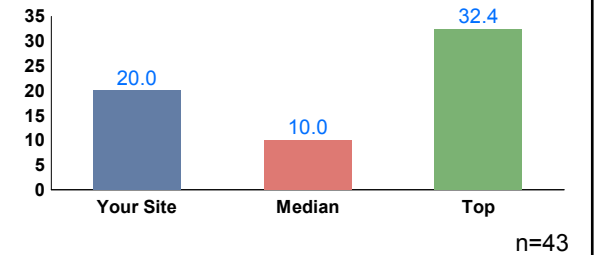


Peer Groups

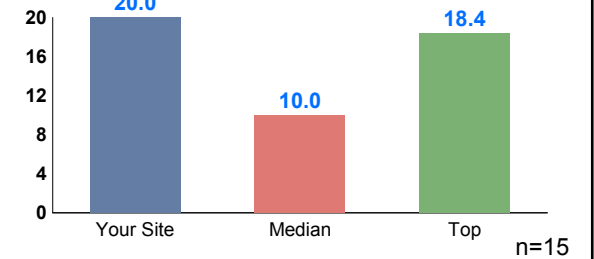
Industry: Industrial Products



Region: N/S America



Revenue Group: Between \$500 Million and \$5 Billion



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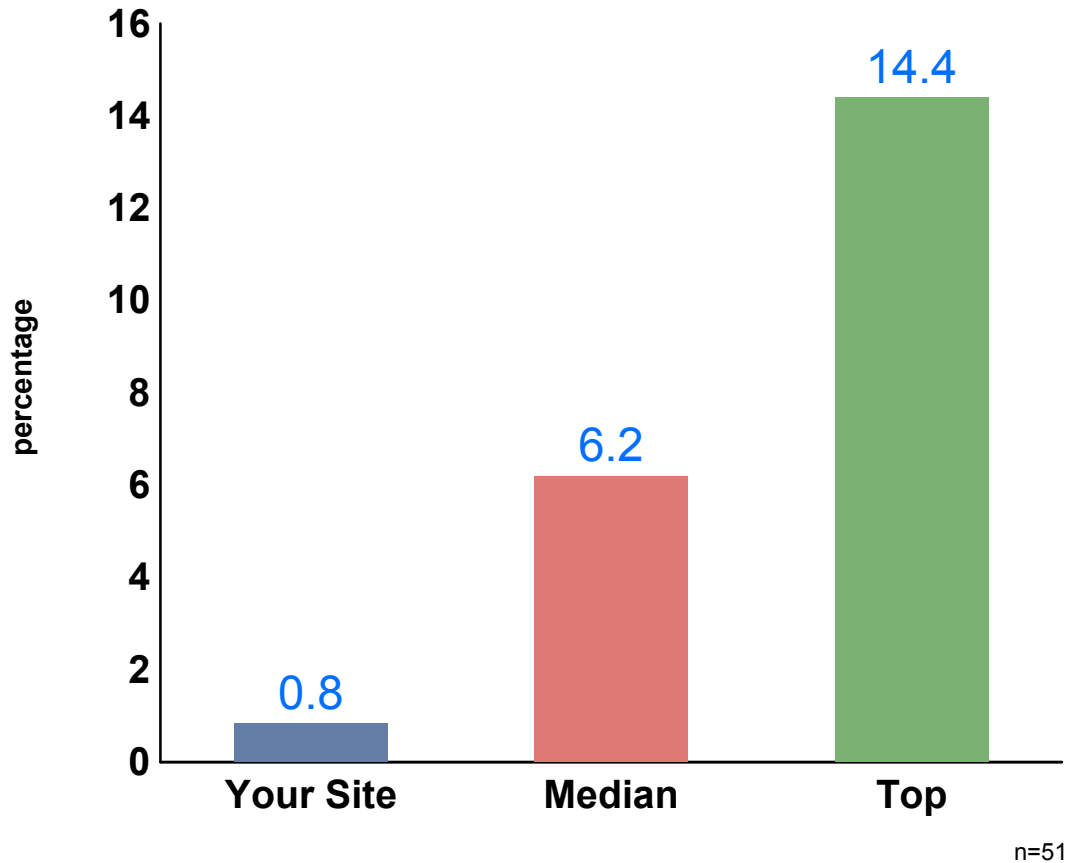
Comprehensive Benchmarks: Innovation

Performance Measures - Operational Innovation

Compounded annual growth rate in R&D costs as a percent of revenue over the past three reporting periods

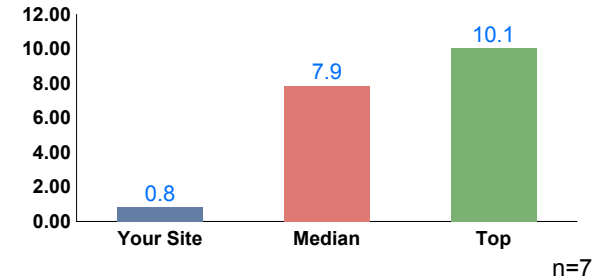
Your Score
0.8%

All Participants
value presented as percentage

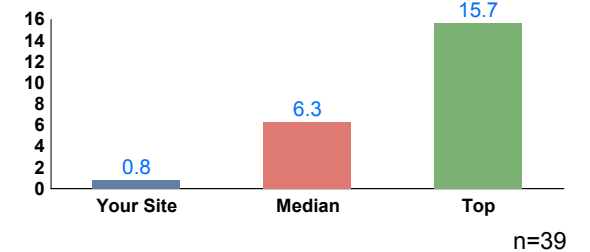


Peer Groups

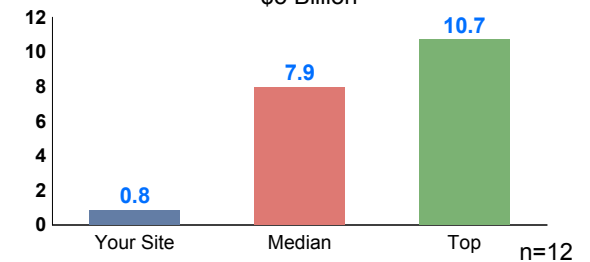
Industry: Industrial Products



Region: N/S America



Revenue Group: Between \$500 Million and \$5 Billion



OSBC Report

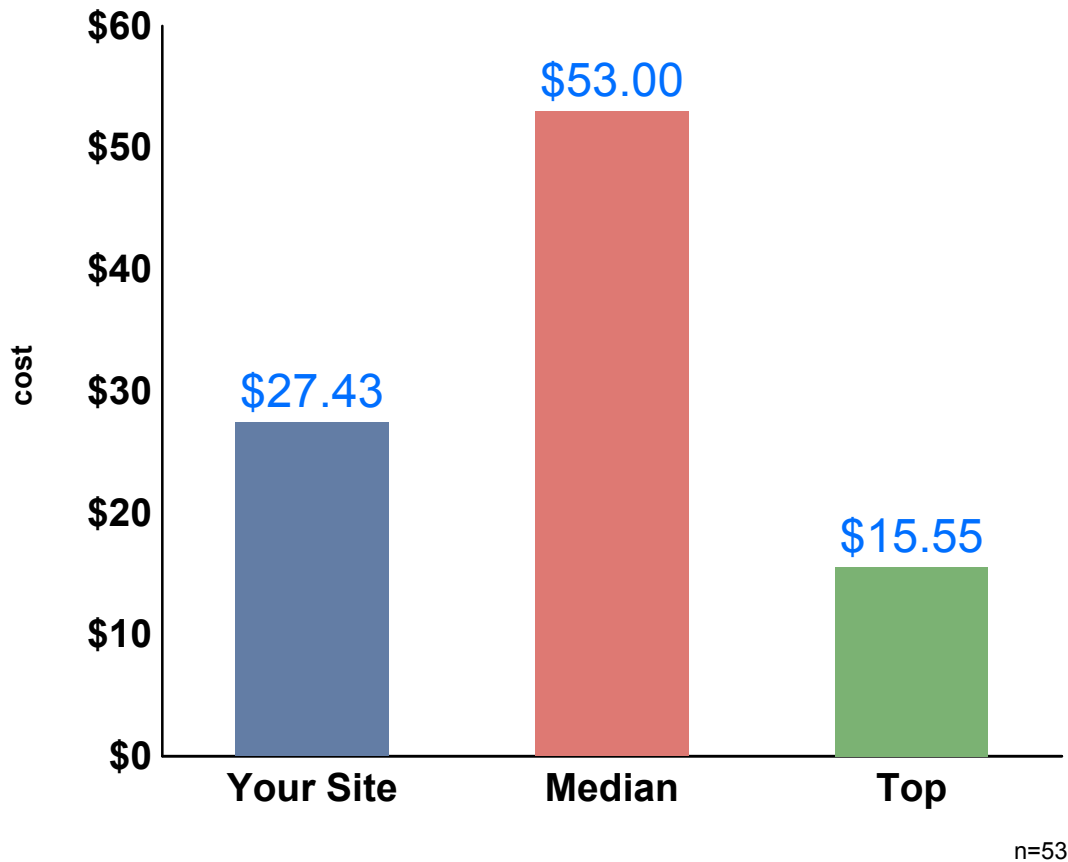
Comprehensive Benchmarks: Innovation

Performance Measures - Operational Innovation

Total R&D cost per \$1,000 revenue (current reporting period)

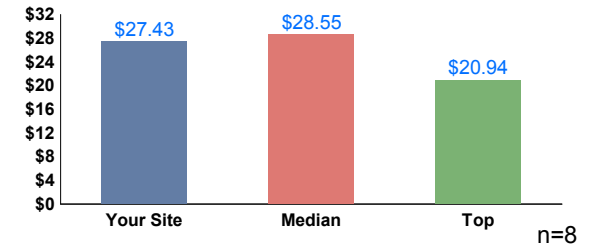
Your Score
\$ 27.43

All Participants

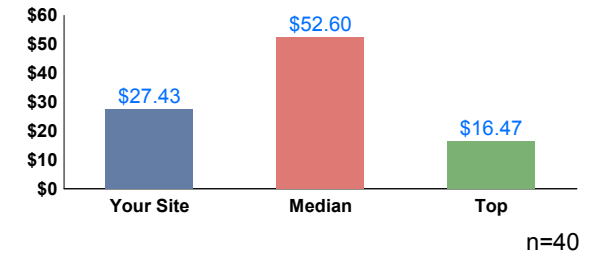


Peer Groups

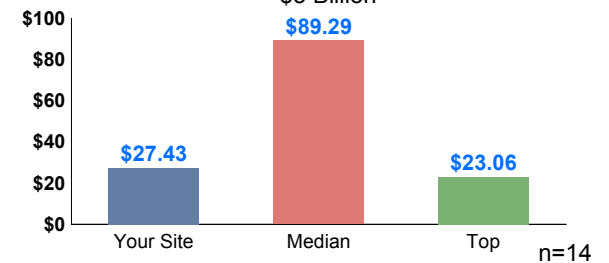
Industry: Industrial Products



Region: N/S America



Revenue Group: Between \$500 Million and \$5 Billion



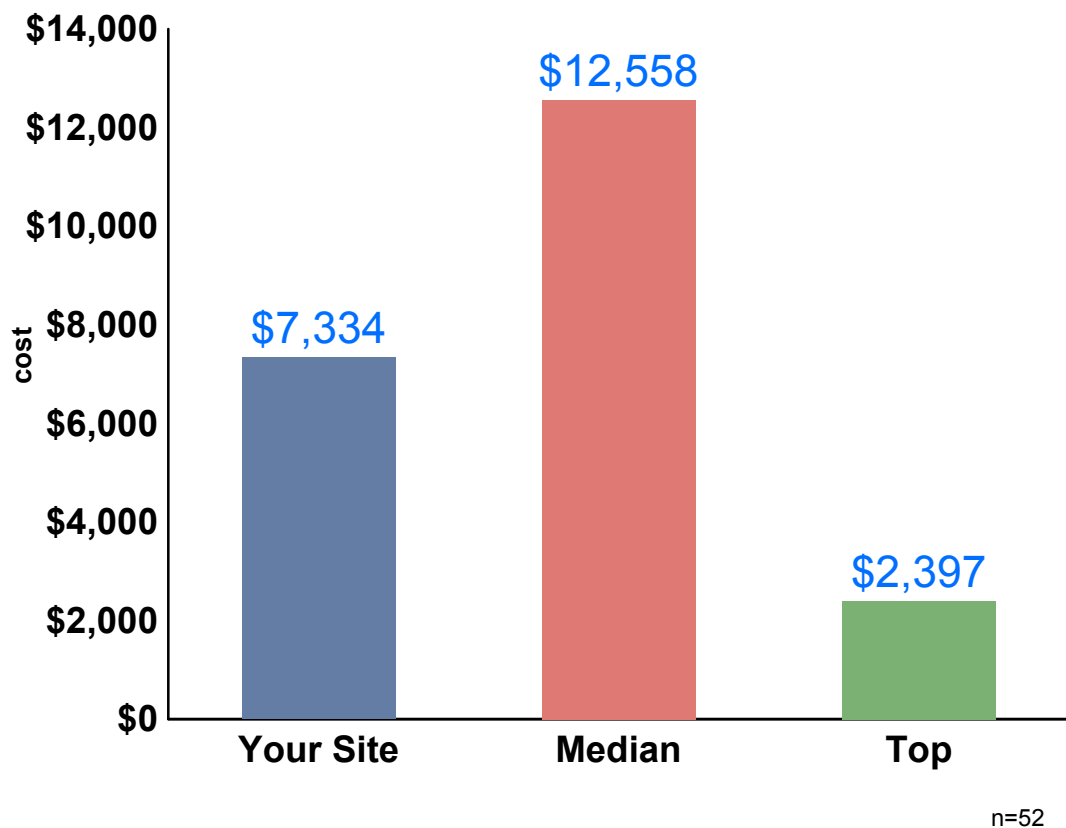
OSBC Report

Comprehensive Benchmarks: Innovation

Performance Measures - Operational Innovation

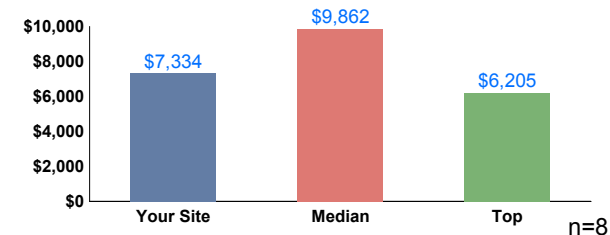
Total R&D cost per employee in the business entity (current reporting period) **Your Score \$ 7,334**

All Participants

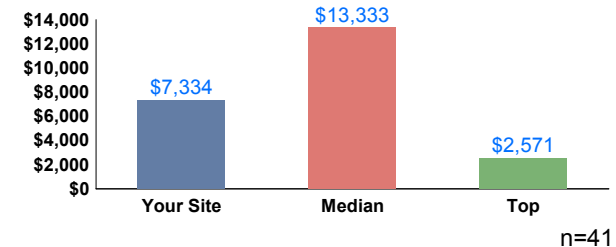


Peer Groups

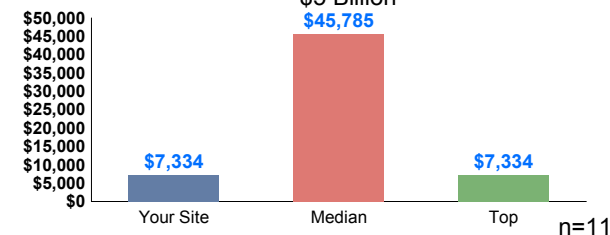
Industry: Industrial Products



Region: N/S America



Revenue Group: Between \$500 Million and \$5 Billion



OSBC Report

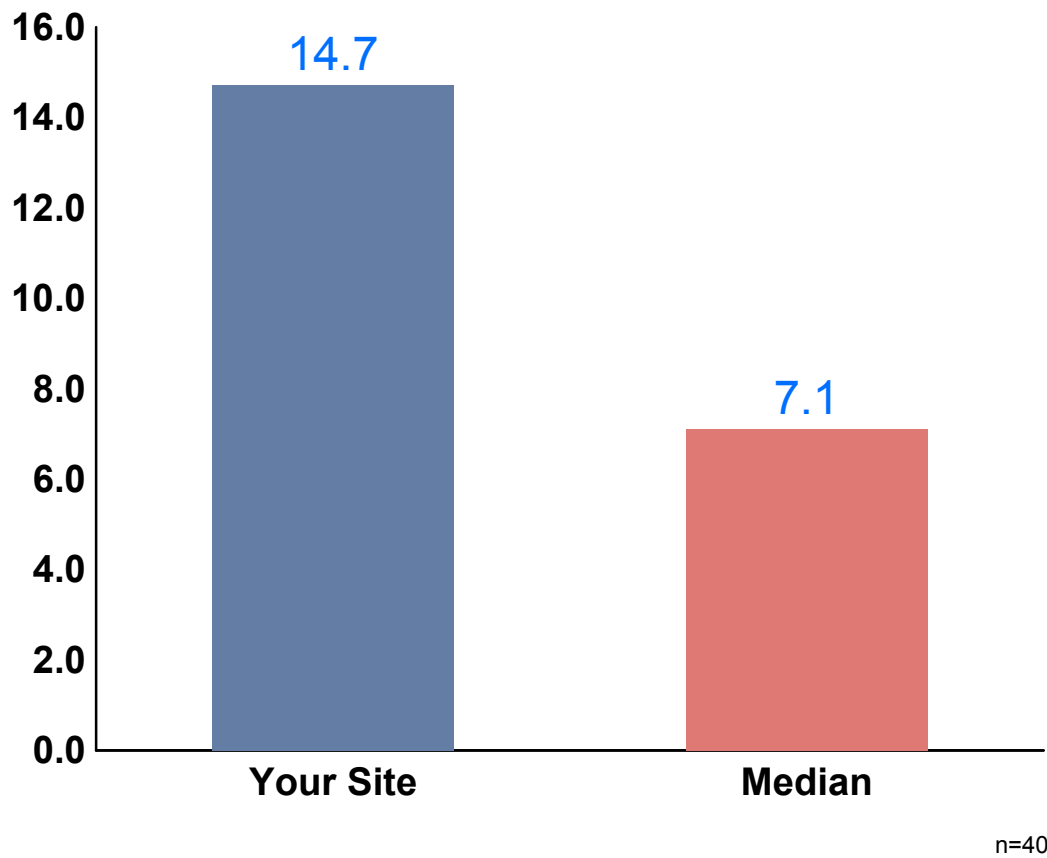
Comprehensive Benchmarks: Innovation

Performance Measures - Business Model Innovation

Number of new businesses launched in the past three reporting periods per \$100 million R&D spend

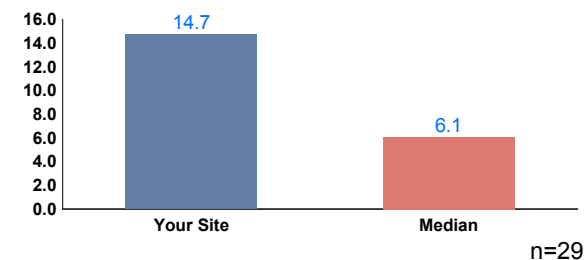
Your Score
14.7

All Participants

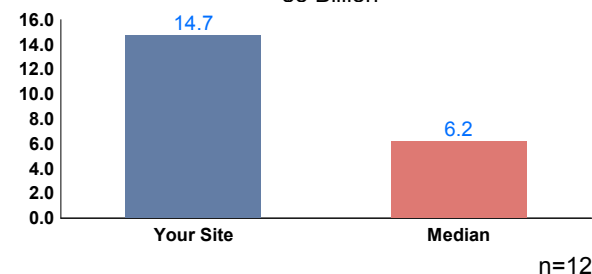


Peer Groups

Region: N/S America

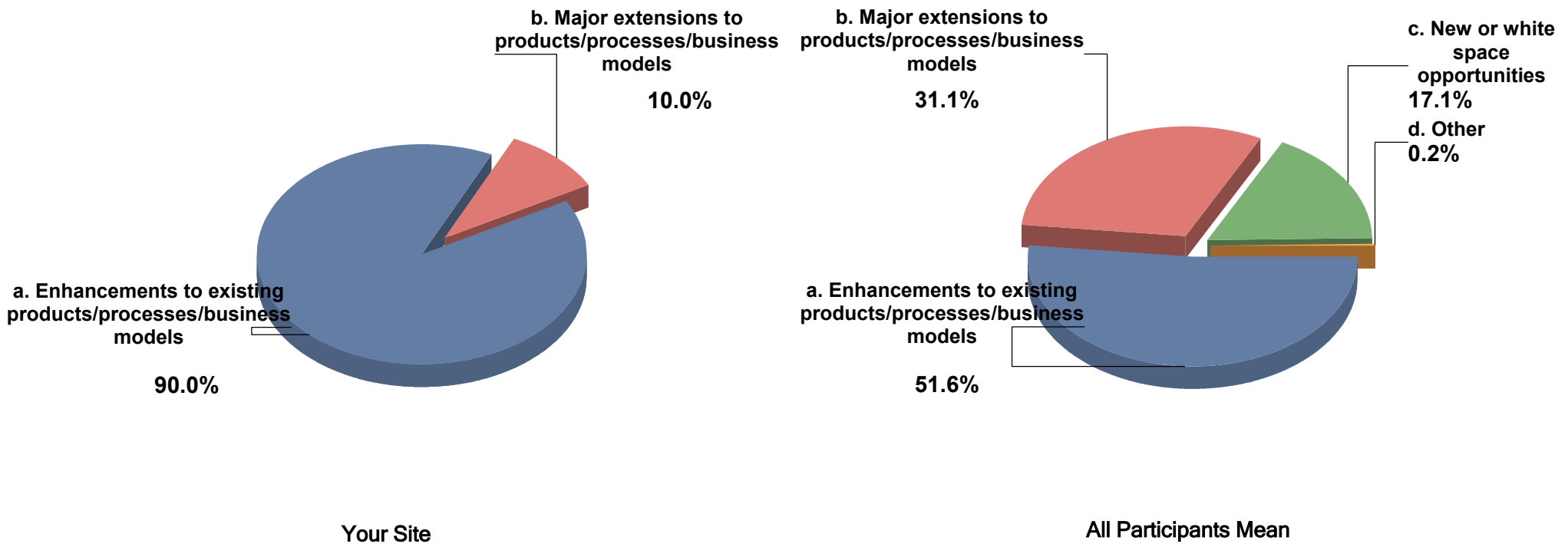


Revenue Group: Between \$500 Million and \$5 Billion



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Comprehensive Benchmarks:
Business Model Innovation**

19. What percentage of innovation spend in products/processes/business models fall into the following categories?

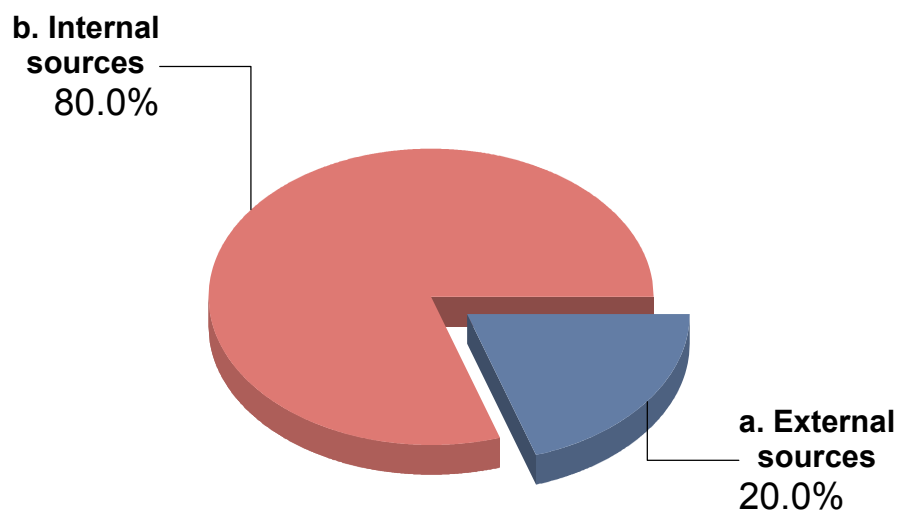


n=75

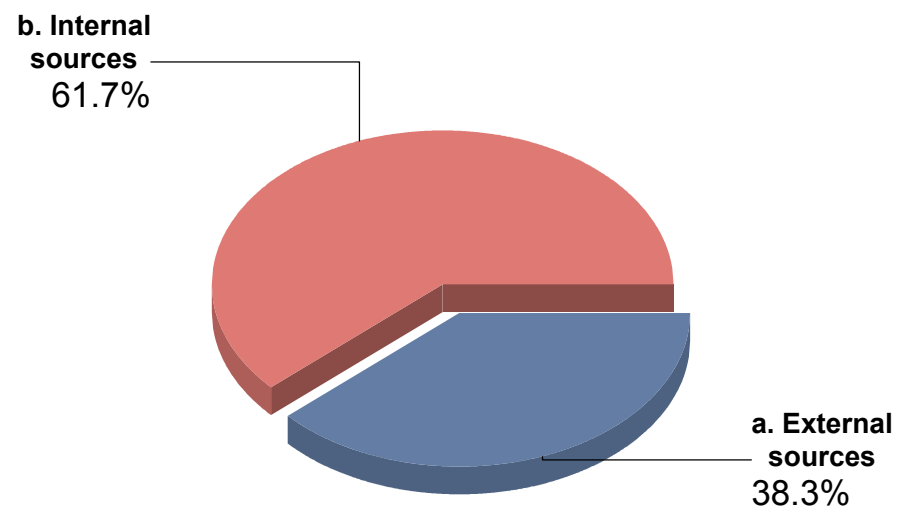
OSBC Report Comprehensive Benchmarks: Innovation Enabler

Almost 2/3 of ideas come from inside the organization

5. Please think about how your business entity goes about the process of developing or generating new ideas. What percent of the development of new ideas would you attribute to external (outside the organization) or internal sources?



Your Site



All Participants Mean

n=90

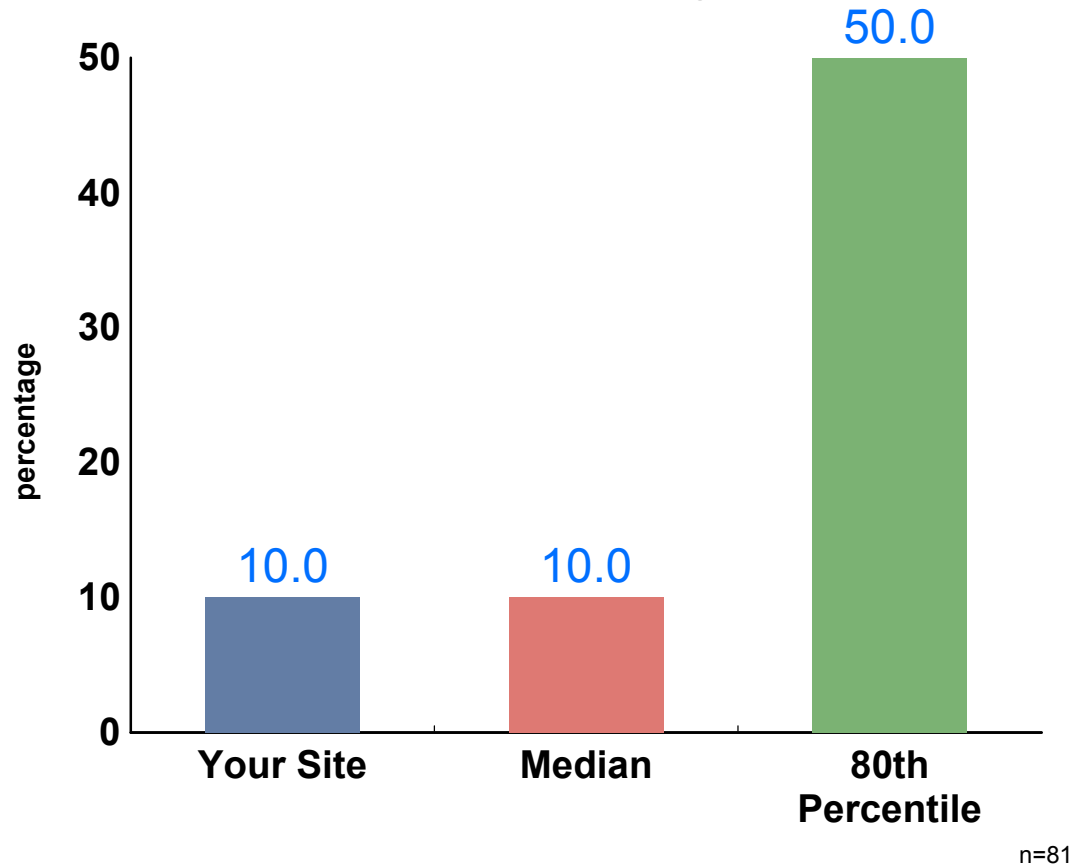
OSBC Report

Comprehensive Benchmarks: Innovation

Performance Measures - Innovation Enabler

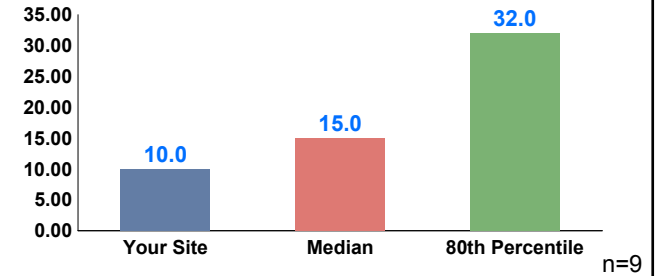
Percentage of staff tasked with achieving at least one innovation goal
Your Score
10.0%

All Participants
 value presented as percentage

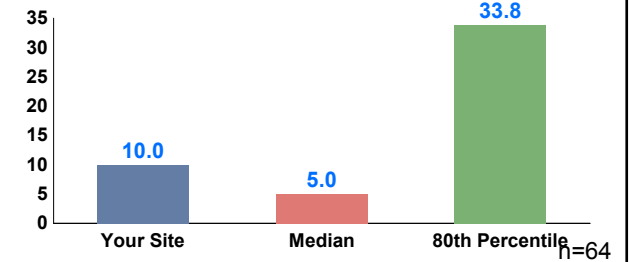


Peer Groups

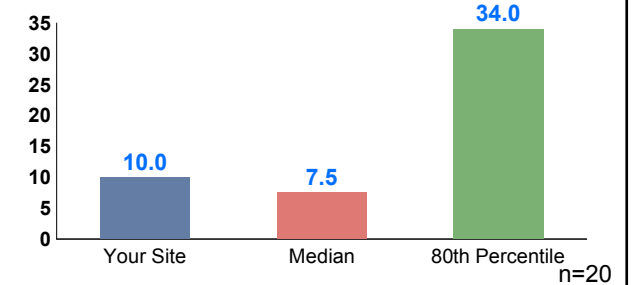
Industry: Industrial Products



Region: N/S America



Revenue Group: Between \$500 Million and \$5 Billion



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Comprehensive Benchmarks: Innovation

Open Standards Benchmarking Collaborativesm (OSBC) Research

A Comprehensive Benchmarks Report

Innovation Analysis and Findings

Contents:

Findings

Extent to Which Organizations Collaborate Externally.	20
Percent of Ideation Attributed to External Sources	21
Frequency with Which Business Entity Assembles Cross-Functional Teams	22
Percentage of Innovation Spent by Category	23
Extent to which senior management gets involved in the innovation process.	24

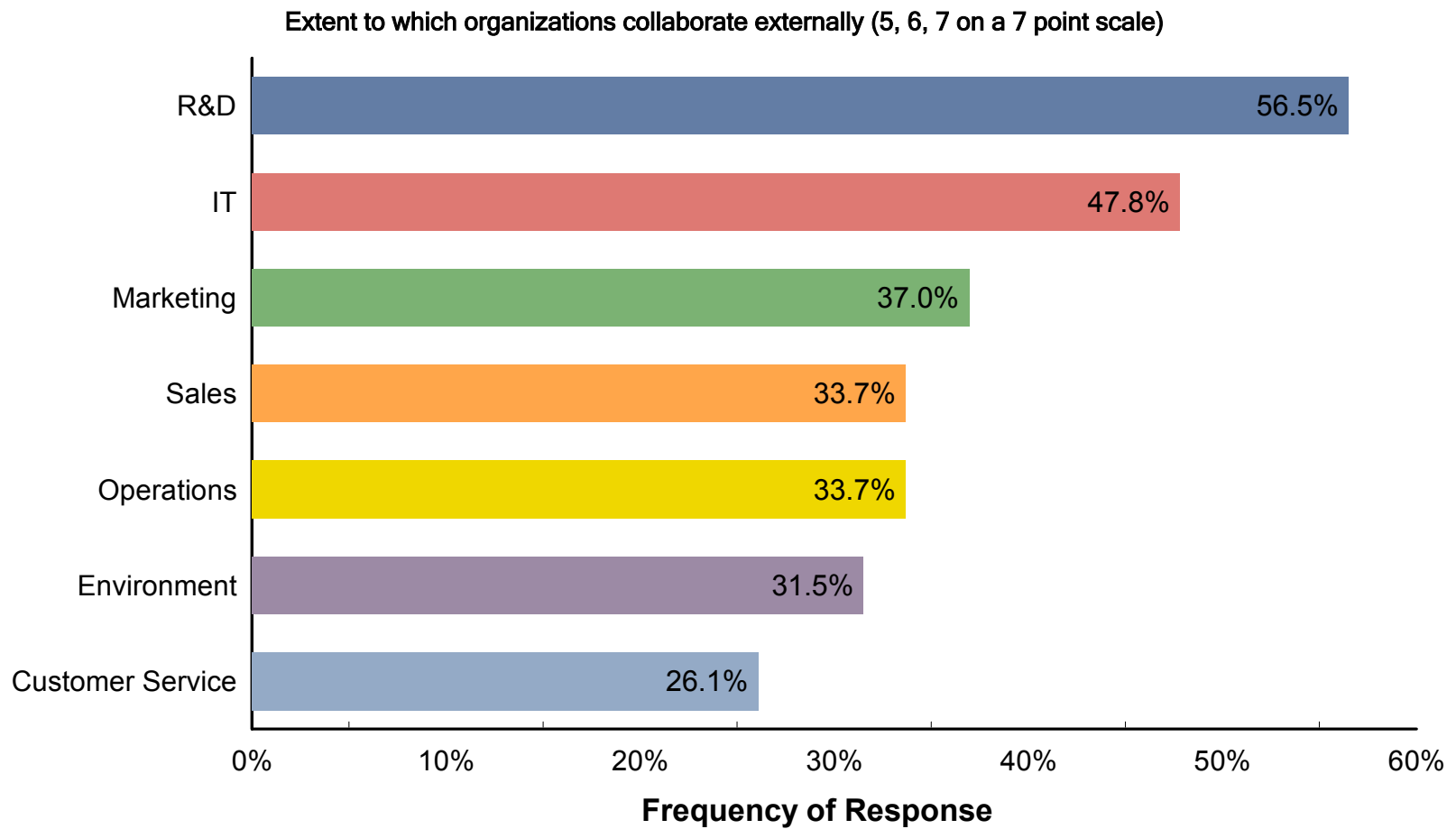
Scatter Plot Analysis

Revenue from Direct Channels vs Ideas from External Sources	25
Revenue from New Products/Services vs Employees Tasked with Innovation Goals.	26
Customer Retention Rate vs On-Time Sales Delivery.	27

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Comprehensive Benchmarks: Innovation

Among responding organizations, external collaboration appears to be highest in the R&D function, followed by IT, Marketing, and Sales



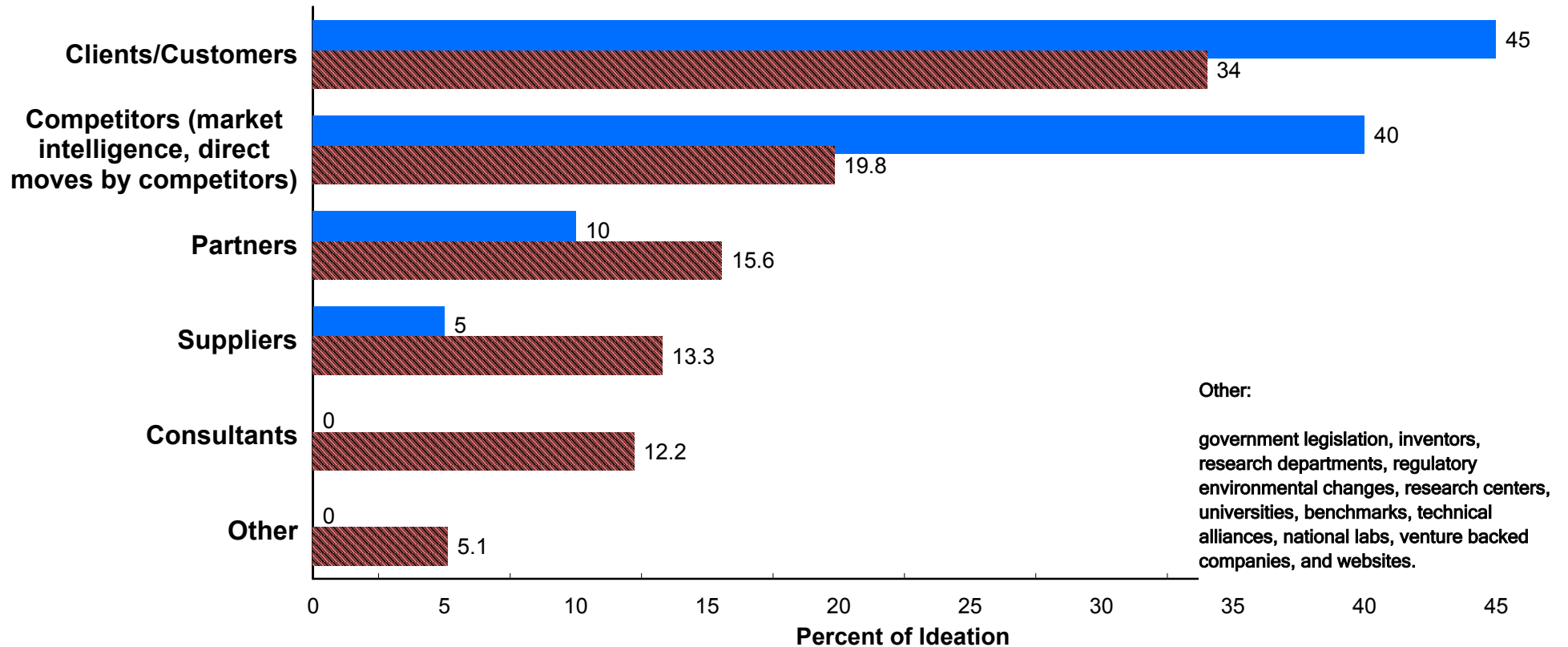
N=79

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Comprehensive Benchmarks:
Innovation**

External Sources for Ideas - Customers Lead the List

Of the percentage of ideation you attributed to external sources, how much would you attribute to each of the following groups?

Solid Line: Your Site Striped Line: Mean of All Participants



n=83

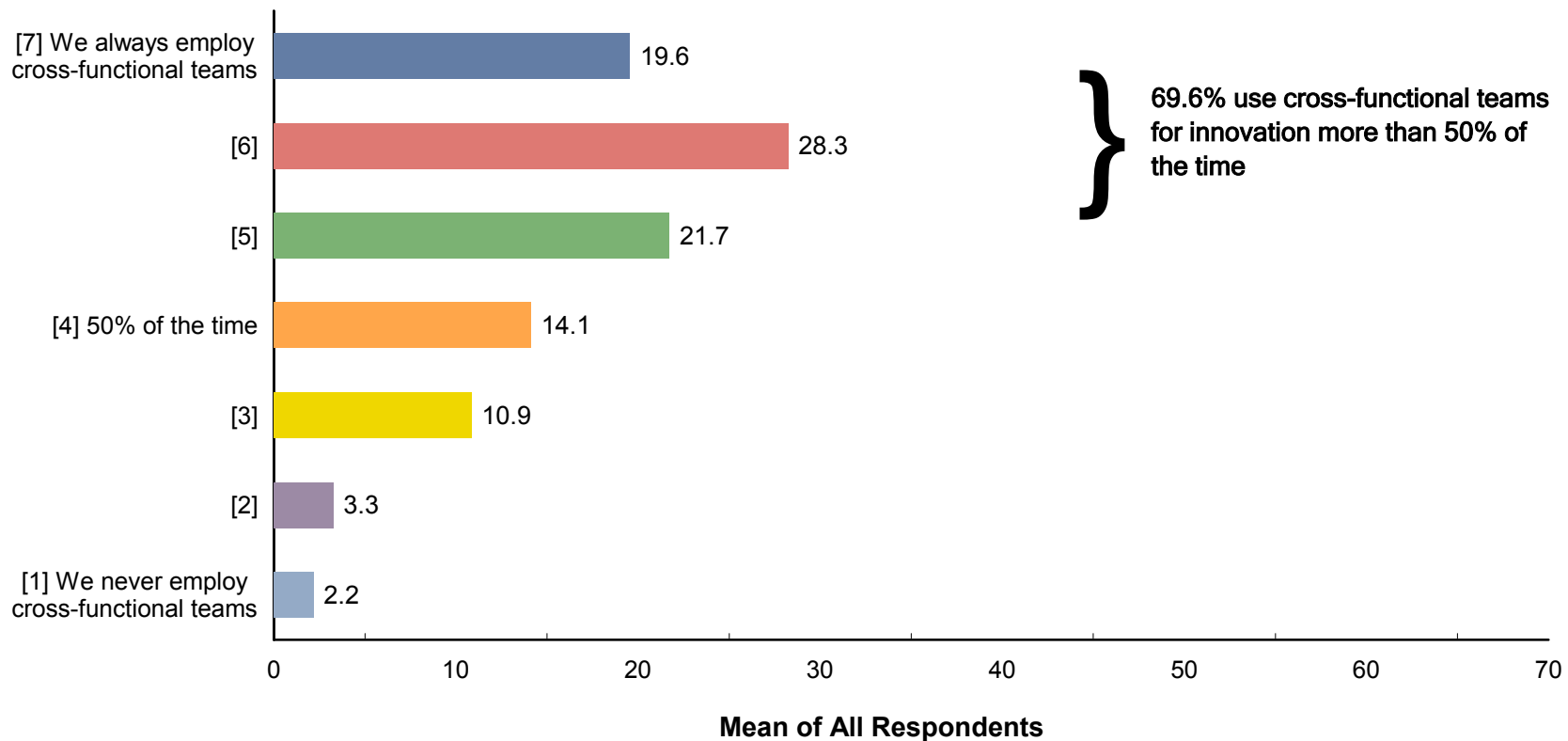
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Comprehensive Benchmarks: Innovation

Most respondents use cross-functional teams frequently

Frequency with which business entity assembles cross-functional teams from different disciplines to resolve specific problems or perform specific tasks related to innovation

Mean of All Respondents

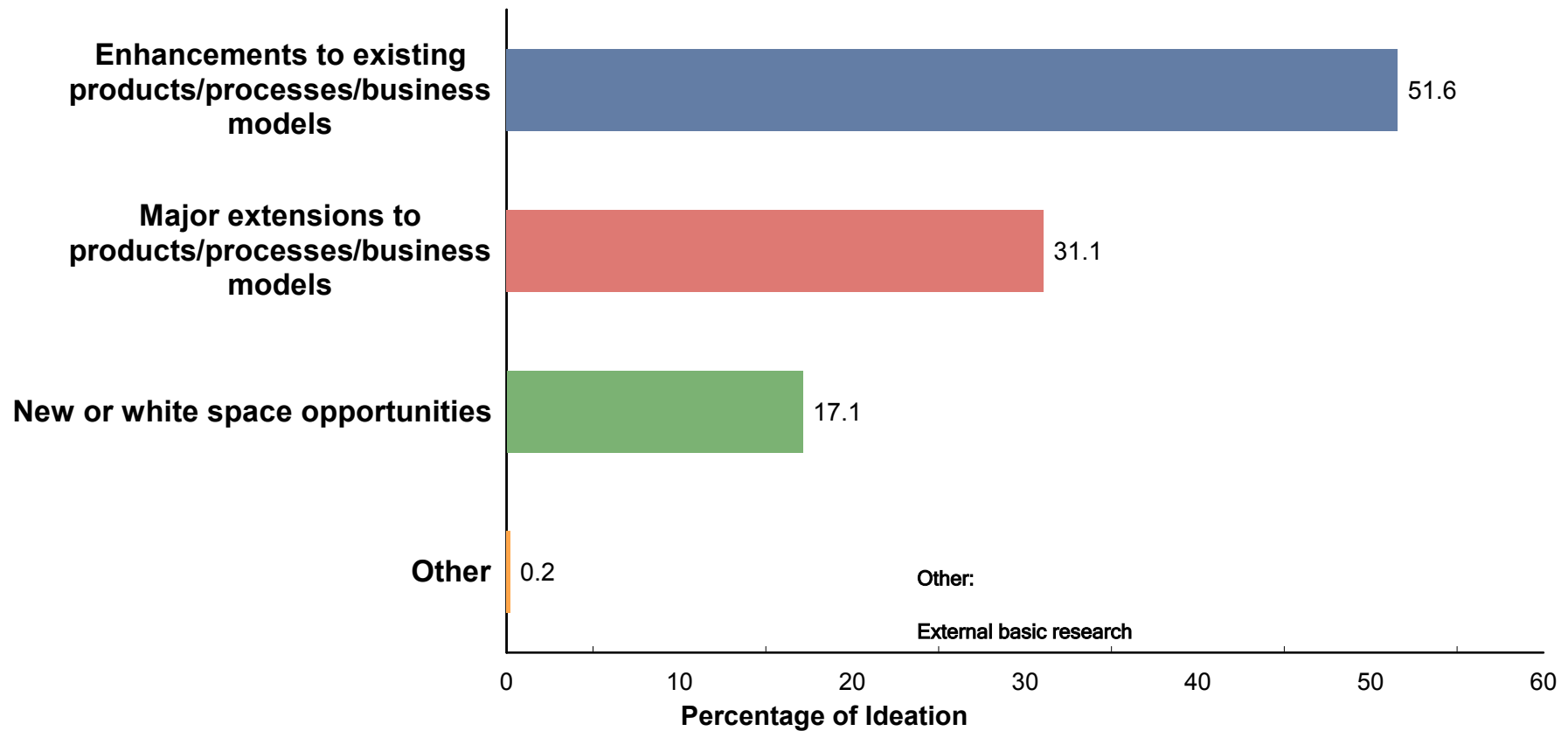


N=92

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Comprehensive Benchmarks:
Innovation**

The majority of innovation spending is on enhancements and extensions; however, "white space" spending is not insignificant

Percentage of Innovation Spent by Category
Mean of All Respondents



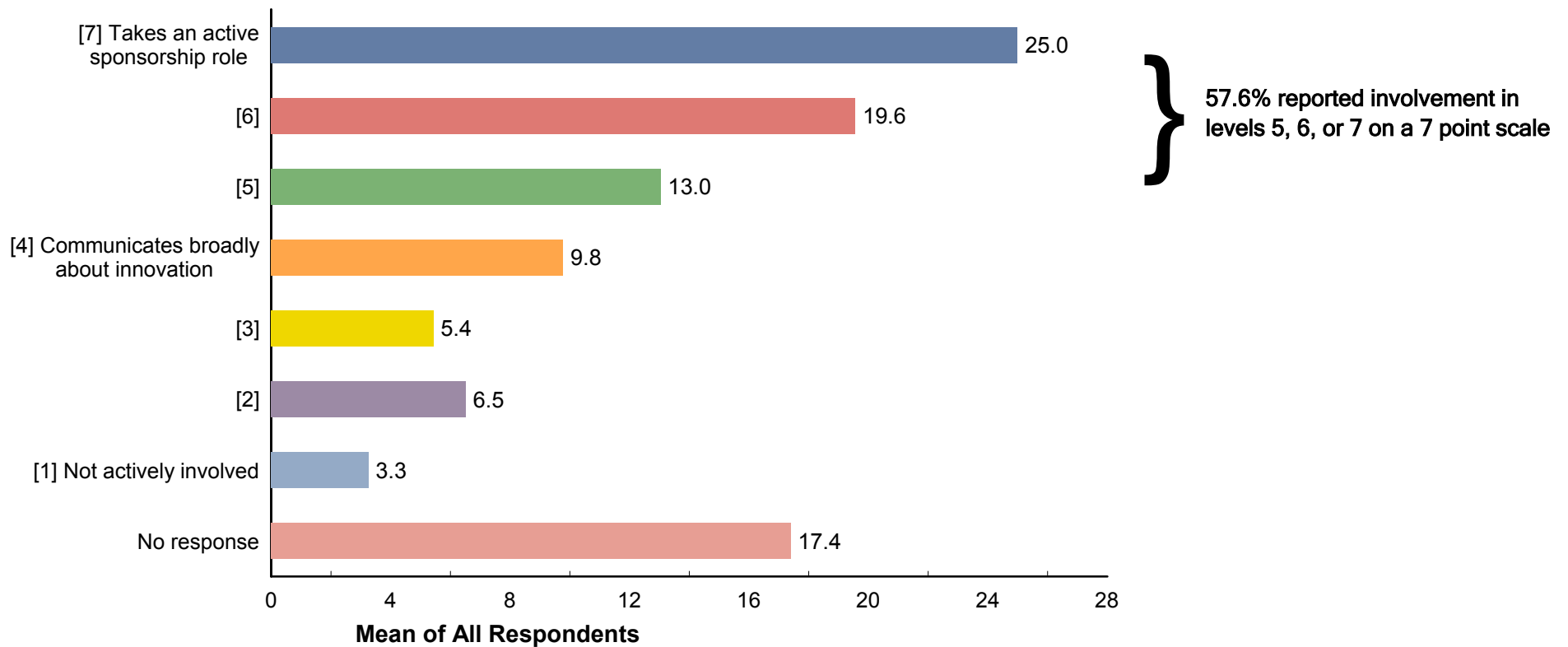
n=75

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Most respondents reported that senior management is actively involved in the innovation process

Extent to which senior management gets involved in the innovation process



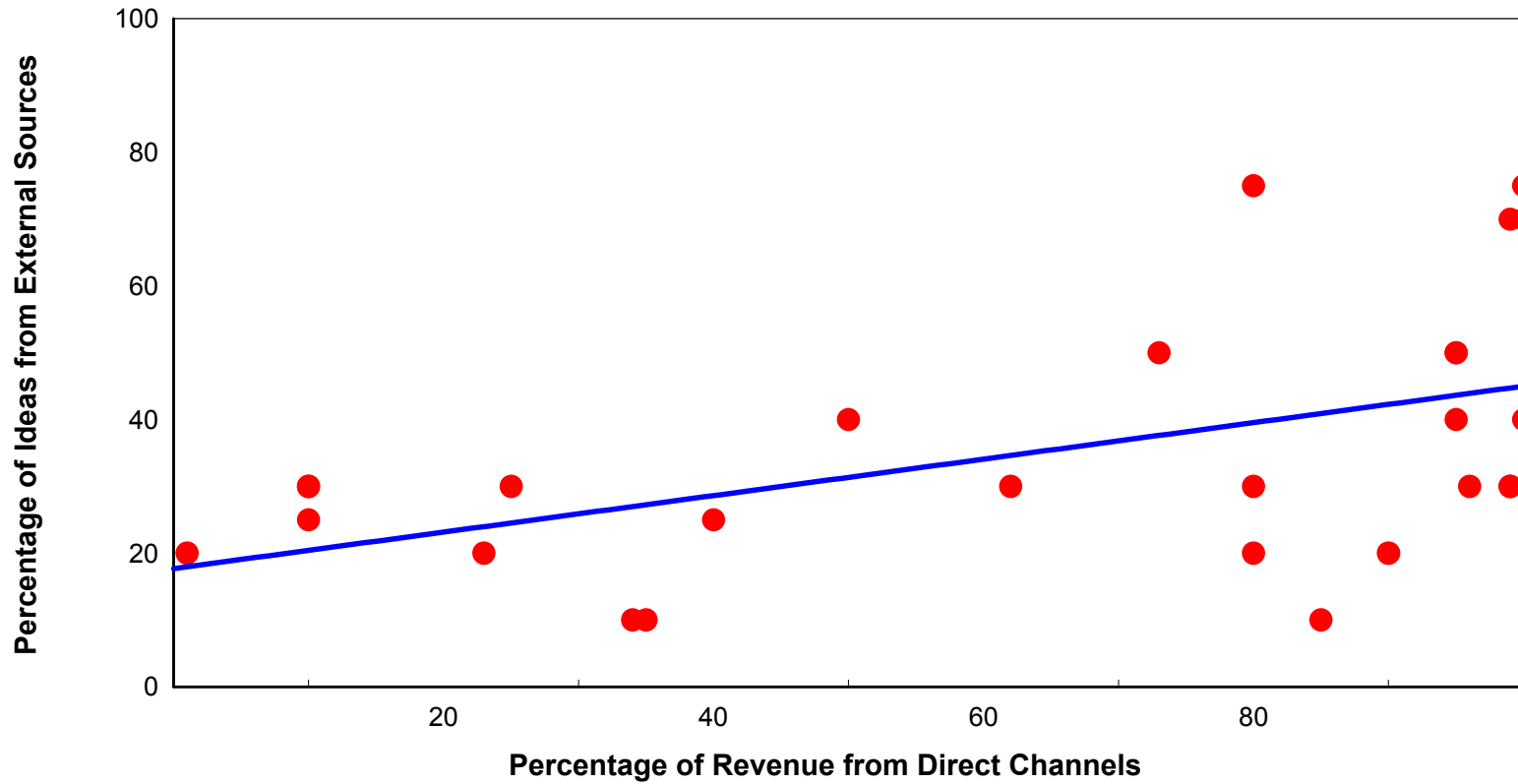
N=92

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Comprehensive Benchmarks: Innovation

Respondents reporting more revenue from direct channels tended to report more ideas from external sources

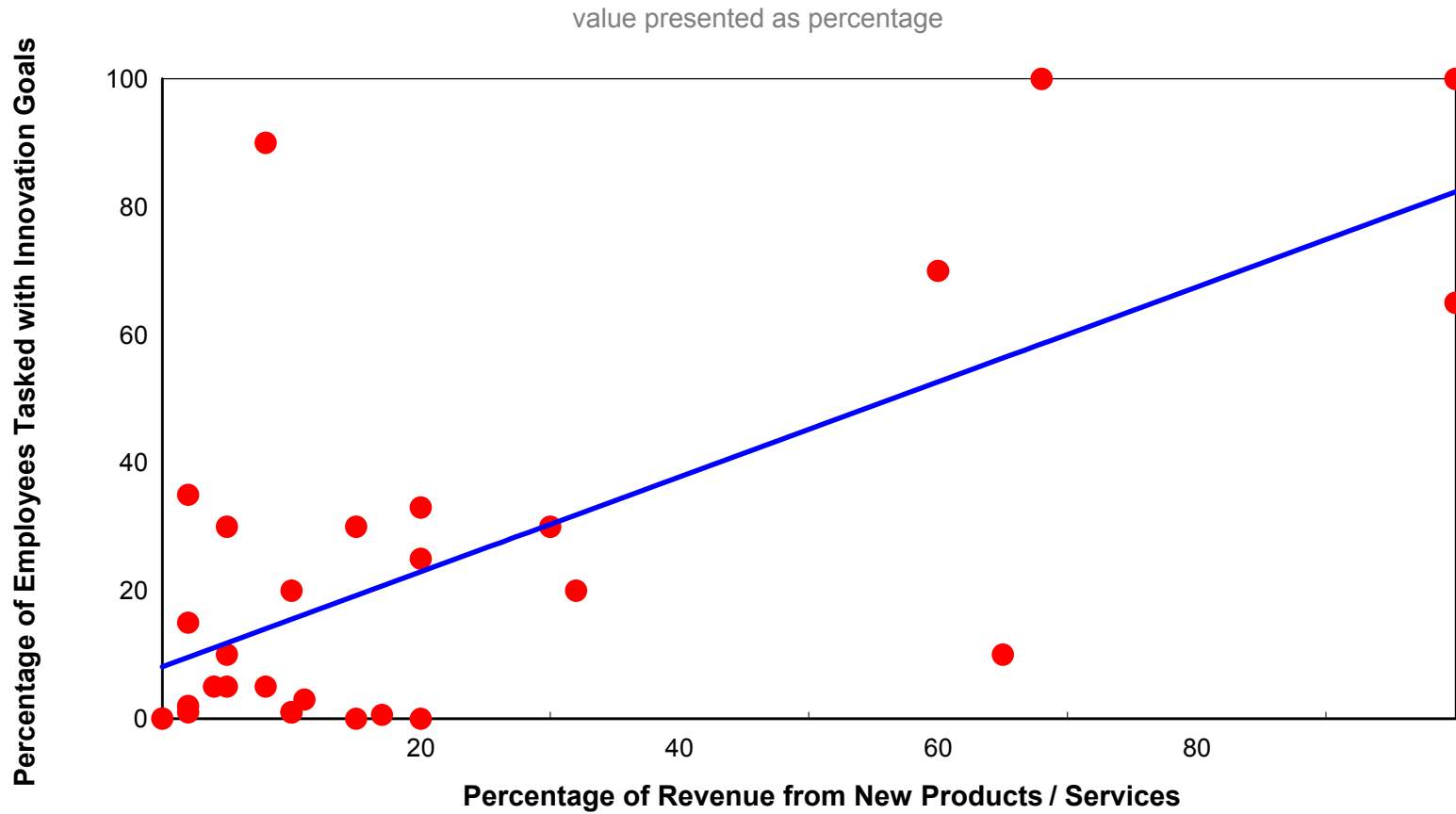
value presented as percentage



N=27

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Respondents reporting more revenue from new products/services tended to report more employees tasked with innovation goals

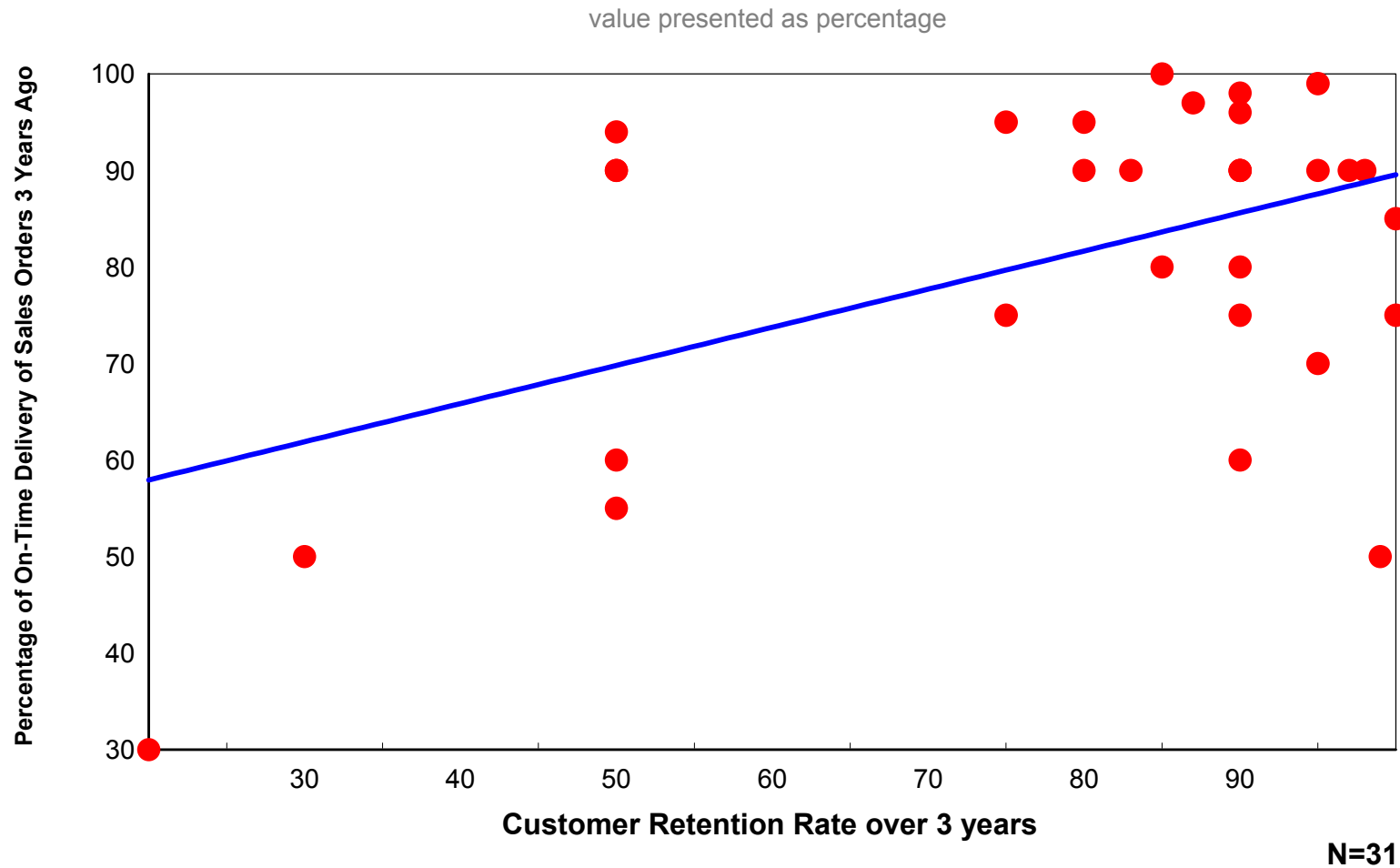


N=28

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Respondents with higher customer retention over a three-year period tended to have better on-time delivery at the start of that period



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Comprehensive Benchmarks: Innovation

Observations:

The higher the percentage of staff tasked with achieving at least one innovation goal...

The higher the percentage of revenue from new products for the current reporting period.

The greater the extent to which operations for the business entity collaborate externally.

The greater extent to which the business entity has the ability to provide resources to an accepted new idea.

Higher revenue growth respondents:

Tended to have significantly shorter times to market.

Reported being more able to readily make resources available to newly accepted ideas.

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Comprehensive Benchmarks: Innovation

Open Standards Benchmarking Program
A Comprehensive Benchmarks Report

APPENDIX A

A summary of key metrics for your site

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Comprehensive Benchmarks: Innovation

Metrics Summary

Metric Name	Your Site	All Participants	Industry: Industrial Products			All Participants		
		Your Percentile	Median	Top Performers	Count	Median	Top Performers	Count
Products/Service Innovation								
Percentage of current reporting period revenue from new products	20.0%	68.0%	10.5%	20.0%	7	10.0%	32.0%	51
Average time in days to market for new products/services	900	16.4%	420	180	7	310	180	68
Average time in months to profitability/payback for new products/services	48	13.5%	n/a	n/a	5	24	10	53
Percentage revenue growth over past three reporting periods	6.7%	23.5%	11.1%	19.6%	7	25.4%	57.8%	69
Compounded annual growth rate of revenue generated by the business entity over the past three reporting periods	2.2%	23.5%	3.6%	6.1%	7	7.9%	16.4%	69
Revenue per employee (current reporting period)	\$267,347	49.3%	\$228,582	\$274,335	8	\$269,162	\$502,591	68
Operational Innovation								
Average days in inventory	80	32.3%	59	44	9	45	19	32
Percentage product/service sales orders delivered on time (current reporting period)	80.0%	23.8%	94.0%	95.0%	9	90.0%	97.4%	64
Percentage product/service sales orders delivered on time (three reporting periods ago)	60.0%	7.5%	87.5%	97.4%	8	90.0%	96.4%	54
Fixed assets utilization rate	2.5%	31.9%	3.7%	6.9%	7	4.6%	12.1%	48
Total R&D cost as a percentage of revenue (current reporting period)	2.7%	61.5%	2.9%	2.1%	8	5.3%	1.6%	53
Total R&D cost as a percentage of revenue (three reporting periods ago)	2.9%	61.9%	4.8%	2.3%	7	4.8%	1.9%	43

Metric Name	Your Site	All Participants	Industry: Industrial Products			All Participants		
		Your Percentile	Median	Top Performers	Count	Median	Top Performers	Count
Operational Innovation								
Total R&D cost per employee in the business entity (current reporting period)	\$7,334	56.9%	\$9,862	\$6,205	8	\$12,558	\$2,397	52
Total R&D cost per \$1,000 revenue (current reporting period)	\$27.43	61.5%	\$28.55	\$20.94	8	\$53.00	\$15.55	53
Total R&D cost per \$1,000 revenue (three reporting periods ago)	\$28.55	61.9%	\$48.06	\$23.09	7	\$48.06	\$18.88	43
Percentage growth in R&D cost over past three reporting periods	2.5%	26.0%	25.5%	33.3%	7	19.8%	49.7%	51
Compounded annual growth rate in R&D costs as a percent of revenue over the past three reporting periods	0.8%	26.0%	7.9%	10.1%	7	6.2%	14.4%	51
Compounded annual growth rate in earnings before interest, tax, depreciation and amortization over the past three reporting periods	1.4%	28.2%	1.4%	12.4%	7	8.5%	17.0%	40
Percentage growth in EBITDA over past three reporting periods	4.3%	28.2%	4.3%	42.7%	7	27.7%	60.4%	40
EBITDA margin (current reporting period)	21.8%	68.6%	14.8%	21.4%	7	14.9%	29.8%	52
Business Model								
Number of new businesses launched in past three reporting periods per \$1 billion current reporting period revenue	3.9	52.6%	n/a	n/a	5	3.0	121.5	58
Number of new businesses launched in the past three reporting periods per \$100 million R&D spend (three reporting periods ago)	14.7	56.4%	n/a	n/a	5	7.1	140.0	40
Customer retention rate	80.0%	29.1%	90.0%	95.0%	7	90.0%	95.0%	56
Percentage of staff tasked with achieving at least one innovation goal	10.0%	47.5%	15.0%	32.0%	9	10.0%	50.0%	81

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Comprehensive Benchmarks: Innovation

Other Quantitative Information

Metric Name	Your Site	Industry: Industrial Products		All Participants	
		Mean	Count	Mean	Count
15. For your business entity, what percentage of the total annual revenue is attributed to each of the following fulfillment channels three reporting periods ago?					
a. E-commerce (e.g., internet online) - Three Reporting Periods Ago	0.0%	0.4%	9	8.5%	47
b. Direct (e.g., face to face, sales force) - Three Reporting Periods Ago	90.0%	89.8%	9	68.9%	47
c. Indirect (e.g., partnerships) - Three Reporting Periods Ago	10.0%	9.8%	9	22.6%	47
15. For your business entity, what percentage of the total annual revenue is attributed to each of the following fulfillment channels in the current 12-month reporting period?					
a. E-commerce (e.g., internet online) - Current Reporting Period	10.0%	2.6%	9	10.9%	57
b. Direct (e.g., face to face, sales force) - Current Reporting Period	80.0%	88.1%	9	65.7%	57
c. Indirect (e.g., partnerships) - Current Reporting Period	10.0%	9.3%	9	23.4%	57
5. Please think about how your business entity goes about the process of developing or generating new ideas. What percent of the development of new ideas would you attribute to external (outside the organization) or internal sources?					
a. External sources	20.0%	38.5%	10	38.3%	90
b. Internal sources	80.0%	61.5%	10	61.7%	90

Metric Name	Your Site	Industry: Industrial Products		All Participants	
		Mean	Count	Mean	Count
19. What percentage of innovation spend in products/processes/business models fall into the following categories?					
a. Enhancements to existing products/processes/business models	90.0%	59.0%	10	51.6%	75
b. Major extensions to products/processes/business models	10.0%	28.9%	10	31.1%	75
c. New or white space opportunities	0.0%	12.1%	10	17.1%	75
d. Other	0.0%	0.0%	10	0.2%	75
6. Of the percentage of ideation you attributed to external sources, how much would you attribute to each of the following groups?					
Competitors (market intelligence, direct moves by competitors)	40.0%	18.5%	10	19.8%	83
Suppliers	5.0%	18.5%	10	13.3%	83
Partners	10.0%	7.0%	10	15.6%	83
Clients/Customers	45.0%	35.5%	10	34.0%	83
Consultants	0.0%	17.5%	10	12.2%	83
Other	0.0%	3.0%	10	5.1%	83

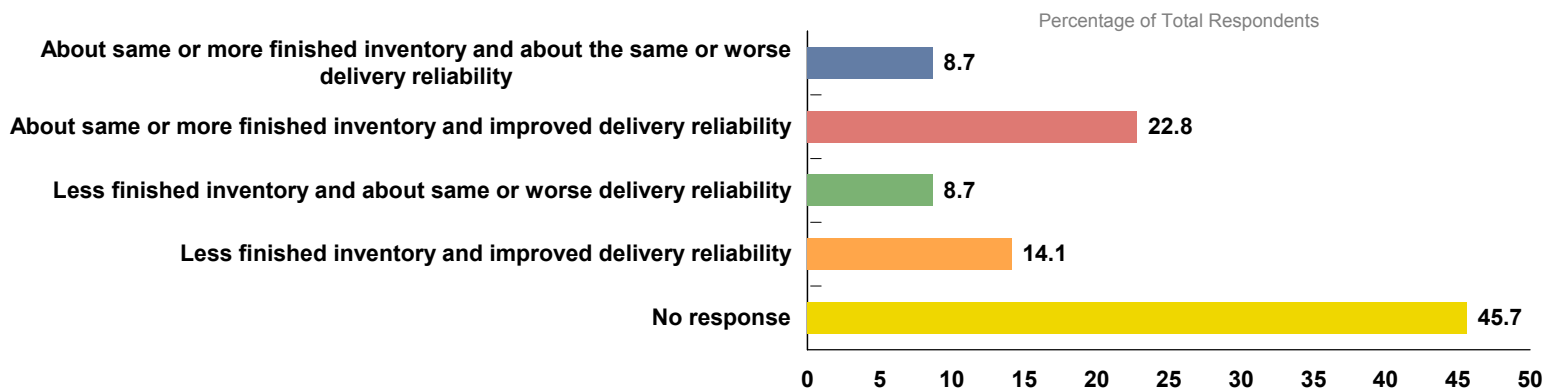
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APPENDIX B

A summary of descriptive information

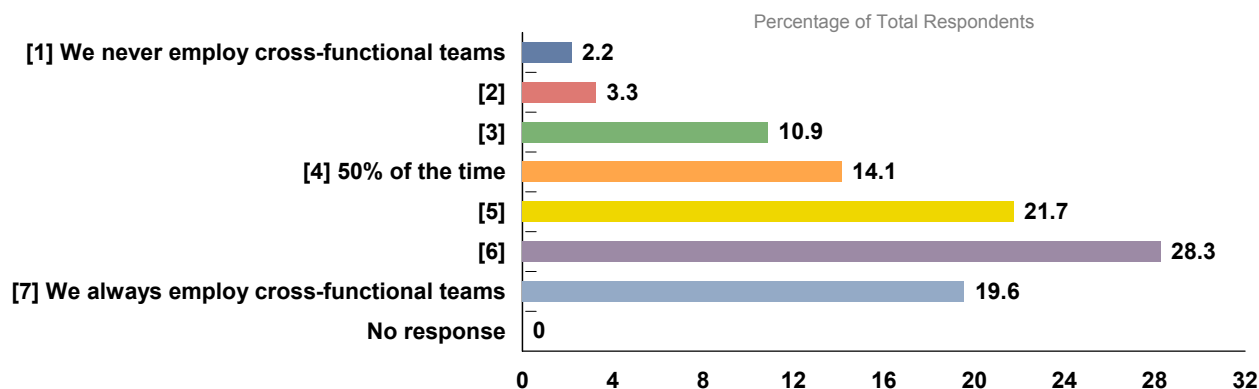
48. Select only one of the following options, comparing finished inventory with delivery reliability, that best describes your business entity's change in performance over the past three 12-month reporting periods.



N=92

Company B responded: Less finished inventory and improved delivery reliability

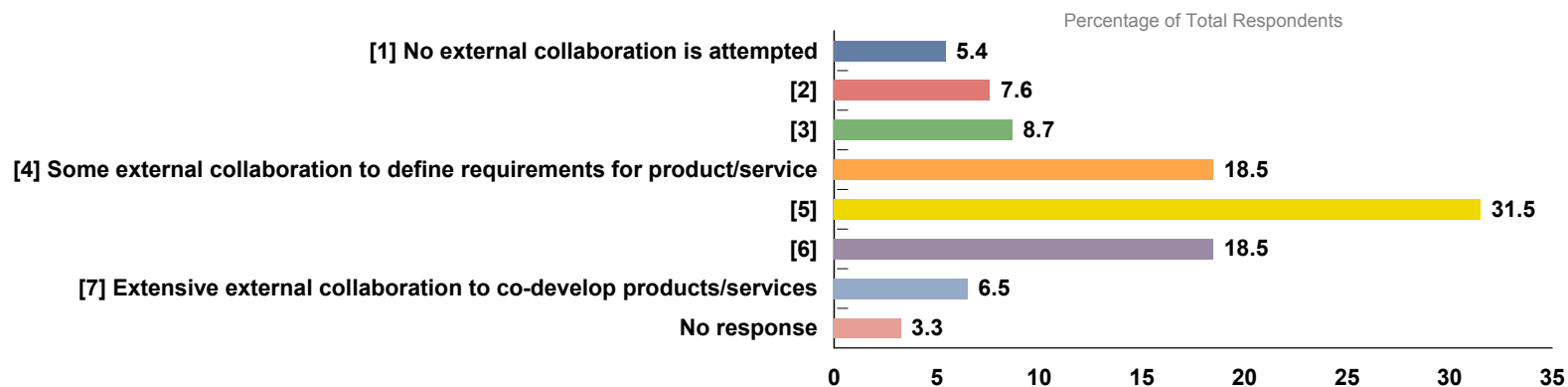
4. How often does your business entity assemble cross-functional teams from different disciplines to resolve specific problems or perform specific tasks related to innovation?



N=92

Company B responded: [7] We always employ cross-functional teams

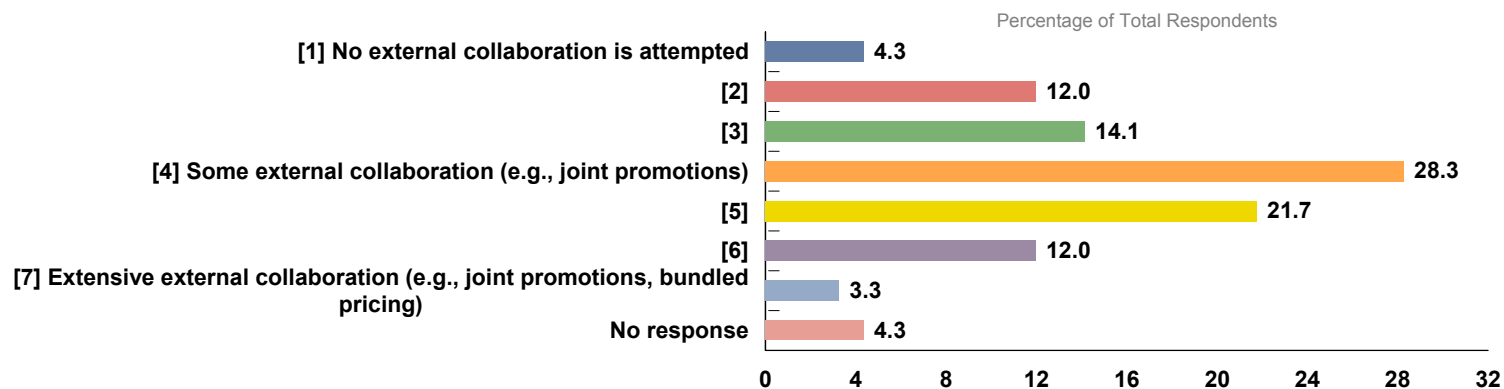
8. To what extent does your business entity's product and service development function (e.g., research and development) collaborate externally?



N=92

Company B responded: [4] Some external collaboration to define requirements for product/service

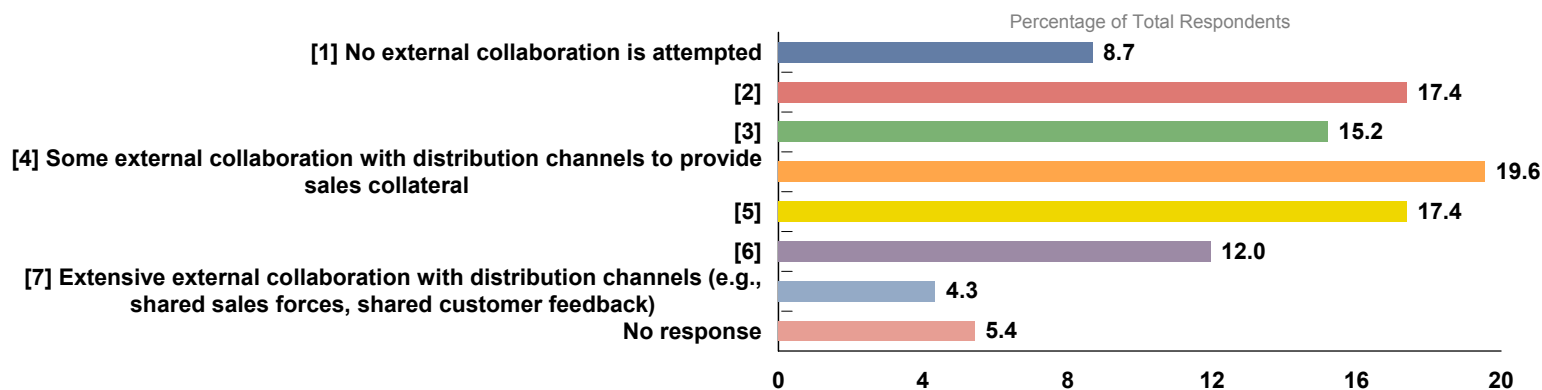
9. To what extent does your business entity's marketing function collaborate externally?



N=92

Company B responded: [4] Some external collaboration (e.g., joint promotions)

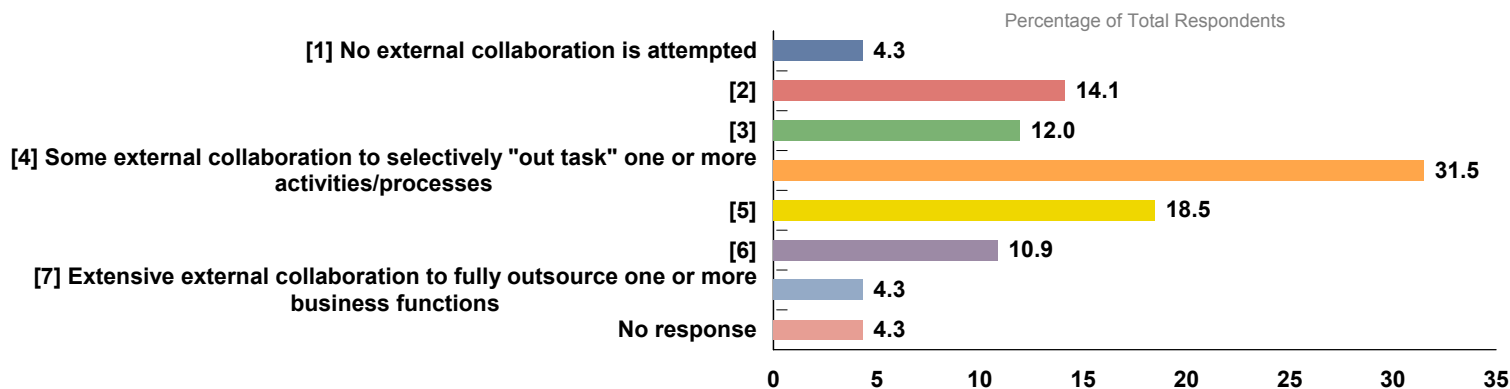
10. To what extent does your business entity's sales function collaborate externally?



N=92

Company B responded: [1] No external collaboration is attempted

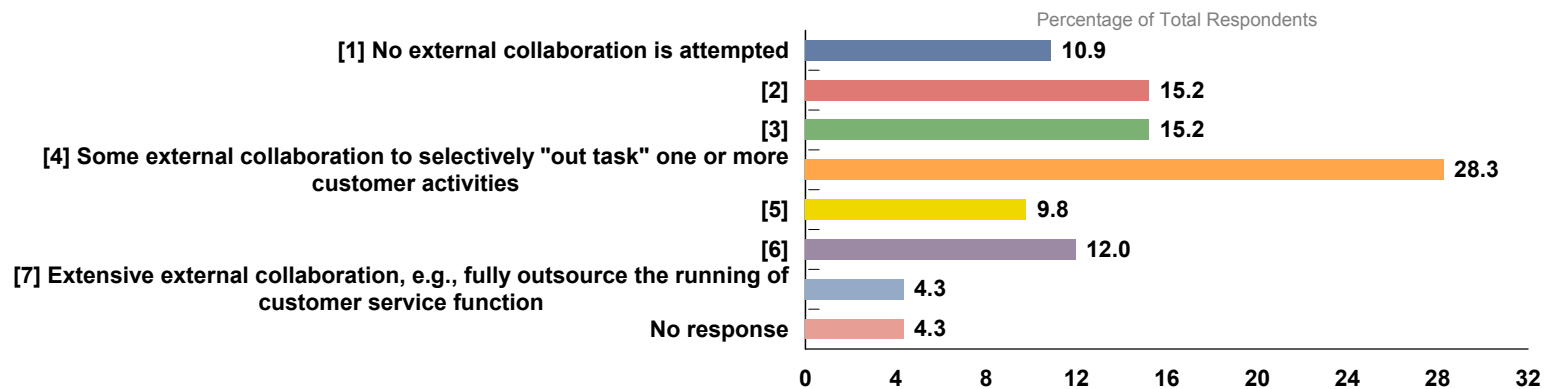
11. To what extent do operations for your business entity collaborate externally?



N=92

Company B responded: [4] Some external collaboration to selectively "out task" one or more activities/processes

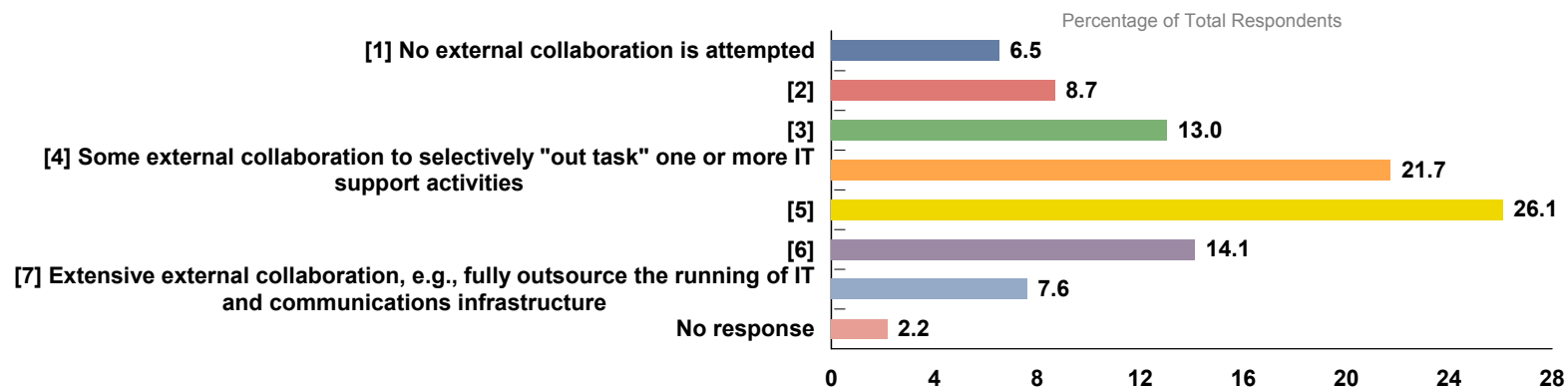
12. To what extent does your business entity's customer service function collaborate externally?



N=92

Company B responded: [1] No external collaboration is attempted

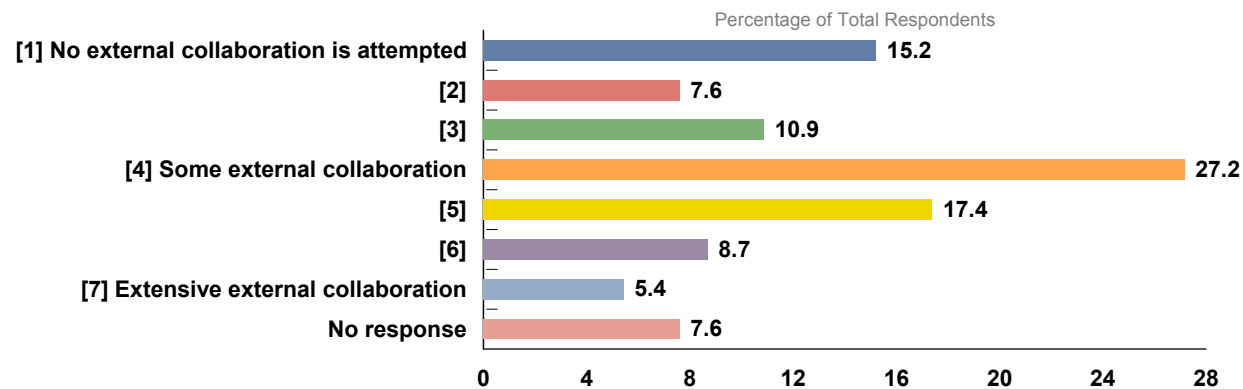
13. To what extent does your business entity's information technology function collaborate externally?



N=92

Company B responded: [1] No external collaboration is attempted

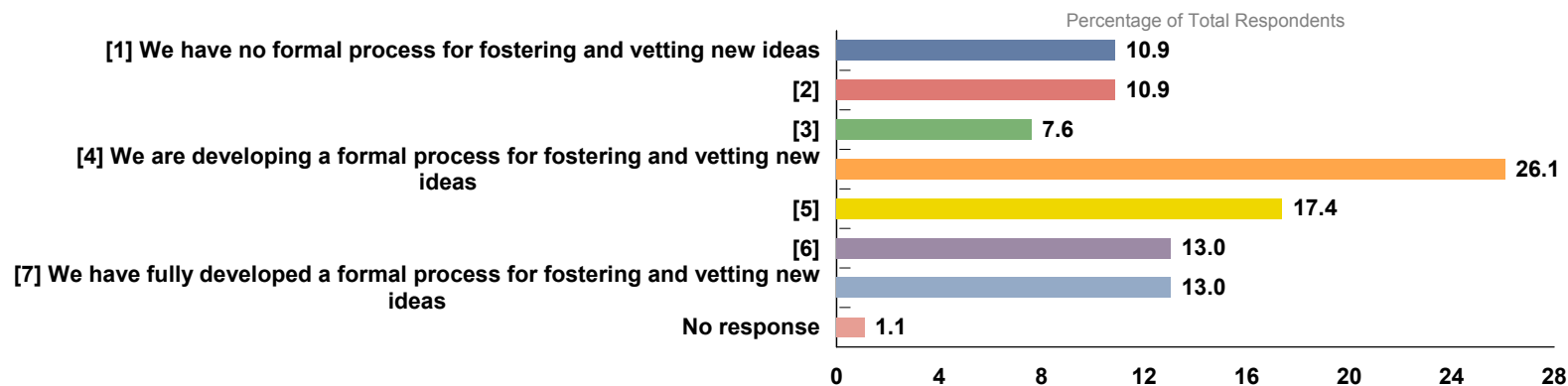
14. To what extent does your business entity's environmental health and safety function collaborate externally?



N=92

Company B responded: [1] No external collaboration is attempted

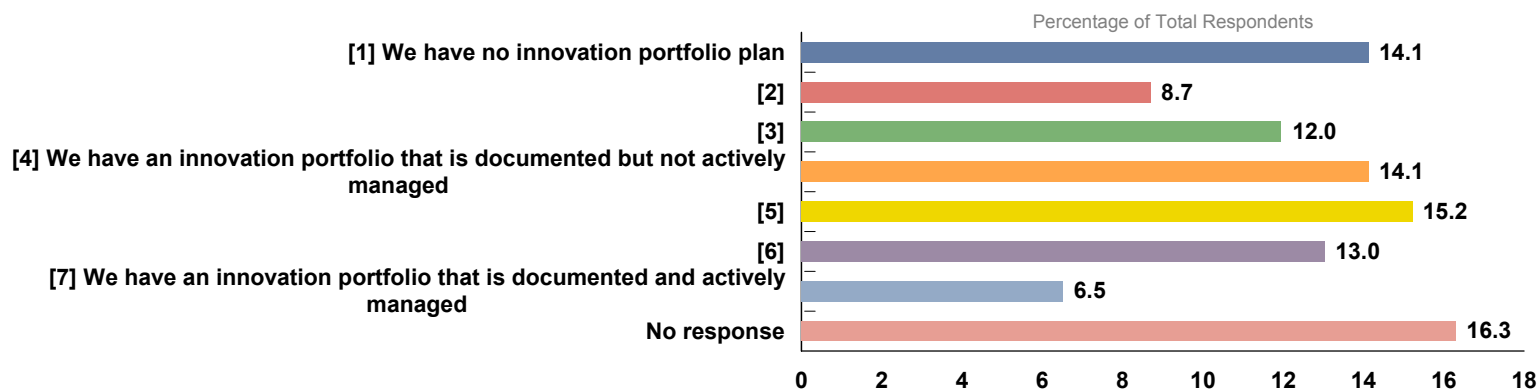
15. To what extent does your business entity have a formal process for fostering and vetting new ideas?



N=92

Company B responded: [4] We are developing a formal process for fostering and vetting new ideas

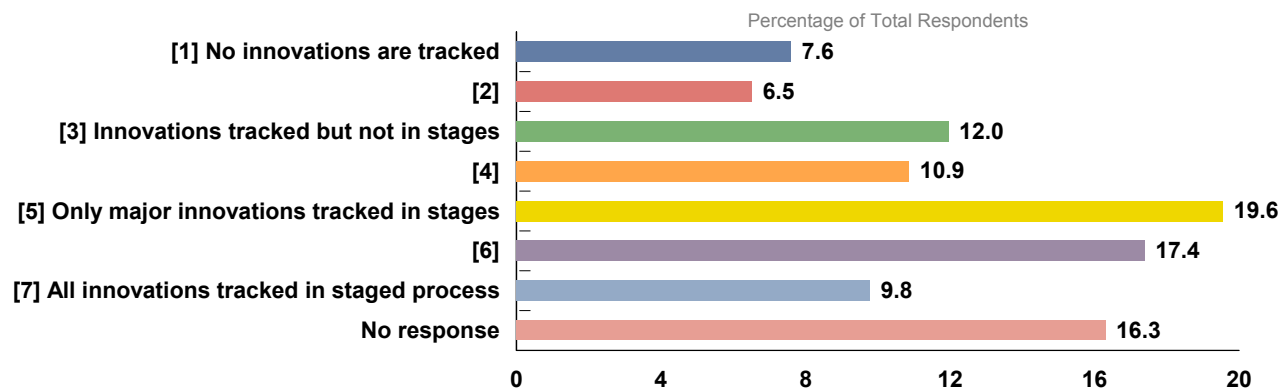
16. To what extent does your business entity have a documented and managed portfolio plan for innovation initiatives?



N=92

Company B responded: [4] We have an innovation portfolio that is documented but not actively managed

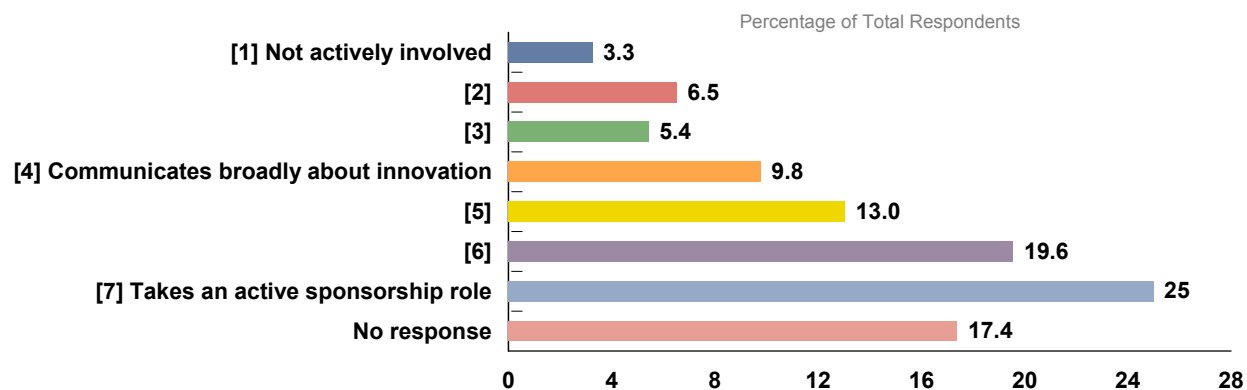
17. To what extent does your business entity track the progression of product or service innovations through a staged/gated process?



N=92

Company B responded: [6]

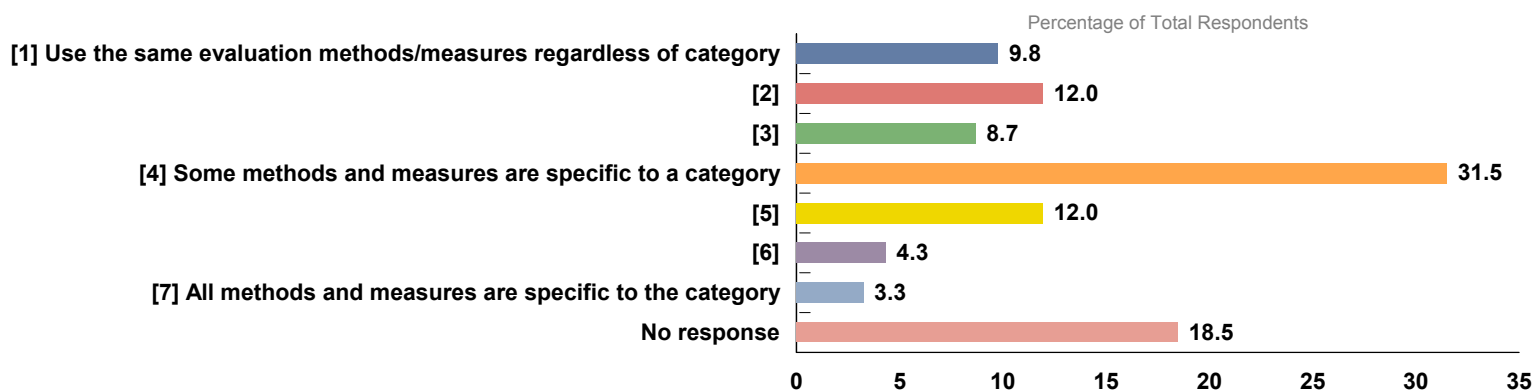
18. To what extent does senior management get involved in the innovation process?



N=92

Company B responded: [7] Takes an active sponsorship role

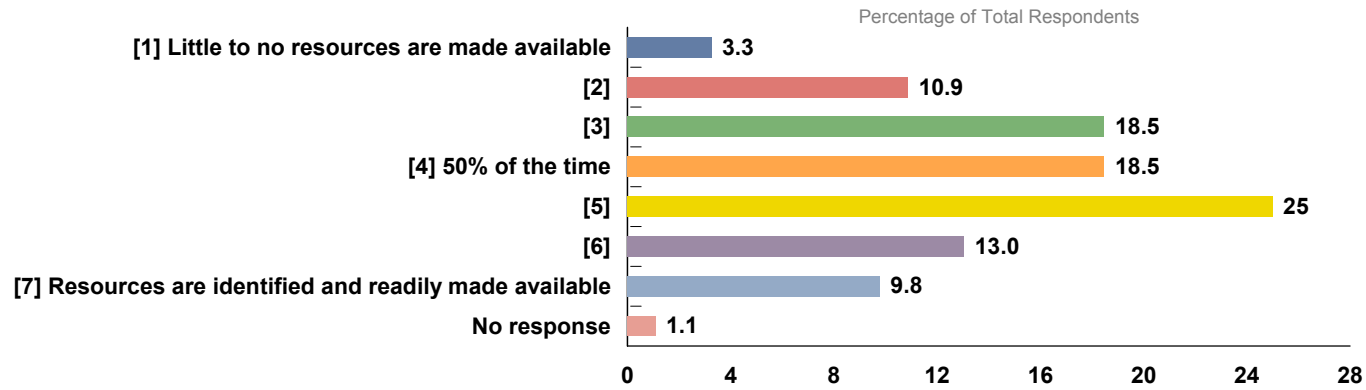
20. To what extent does your business entity use different evaluation methods and measures for each of the three categories of innovation above?



N=92

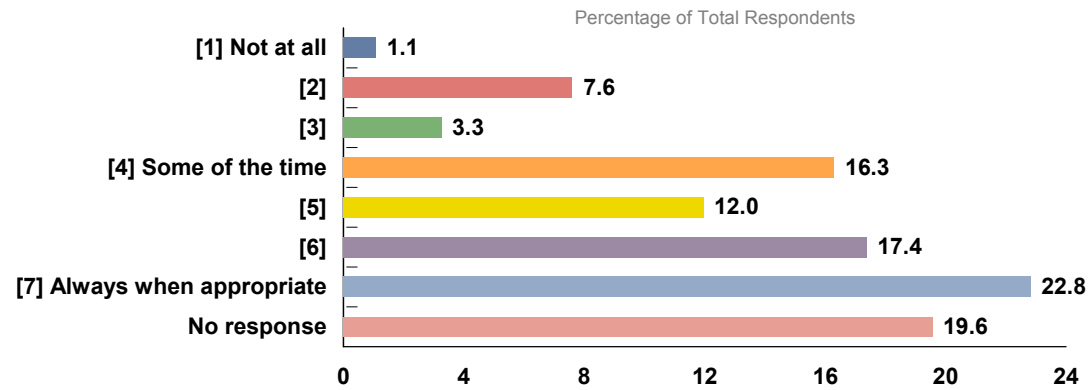
Company B responded: [4] Some methods and measures are specific to a category

21. To what extent does your business entity have the ability to provide resources to an accepted new idea?



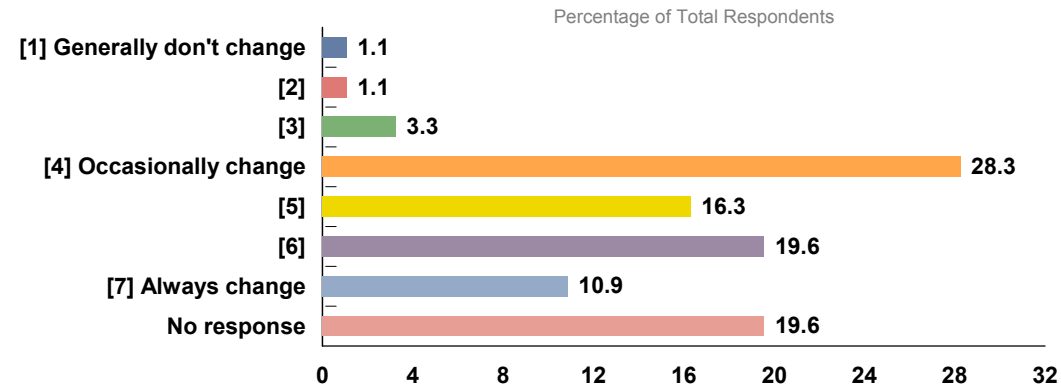
Company B responded: [2]

22. To what extent does your business entity pilot innovations before launching them broadly?



Company B responded: [3]

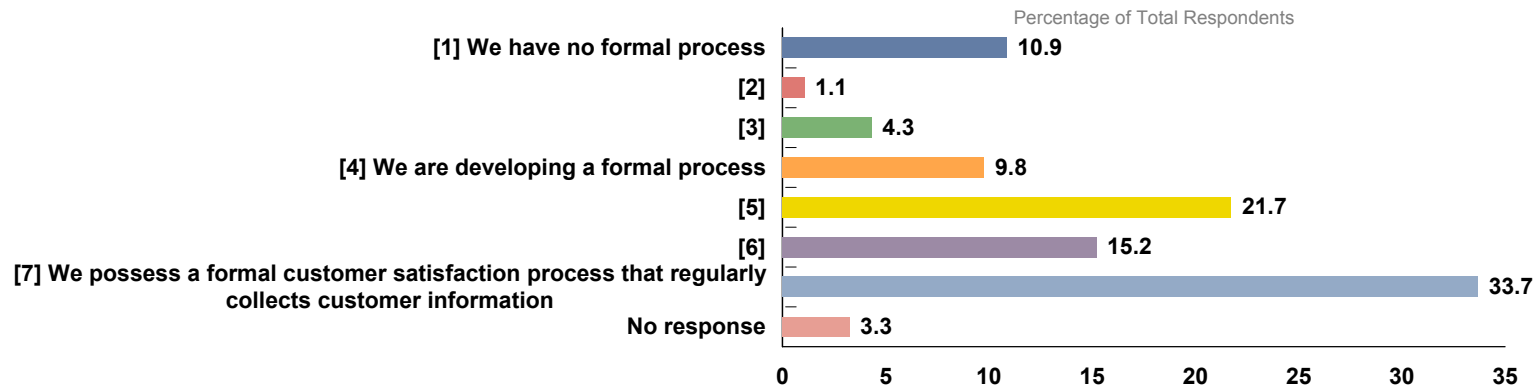
23. To what extent do your innovation initiatives change to reflect new circumstances before they are launched?



N=92

Company B responded: [6]

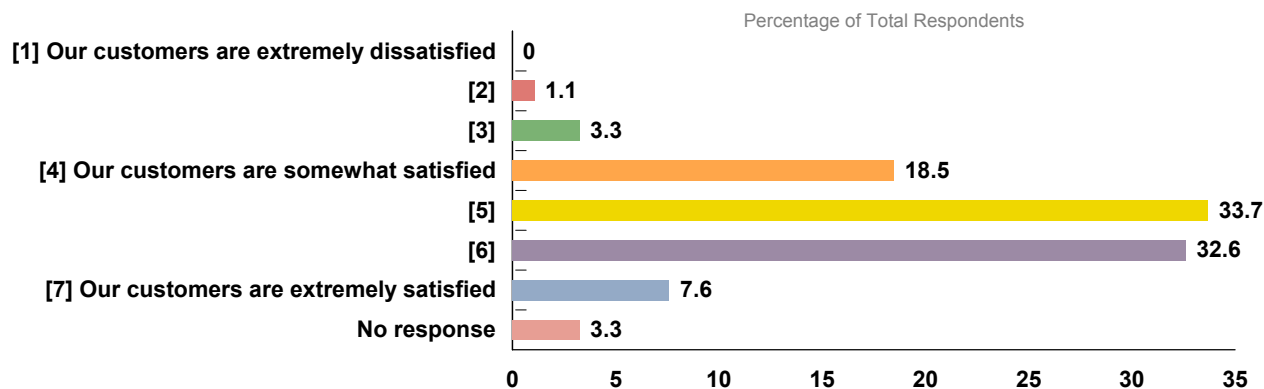
24. Does your business entity possess a formal process for collecting customer satisfaction?



N=92

Company B responded: [1] We have no formal process

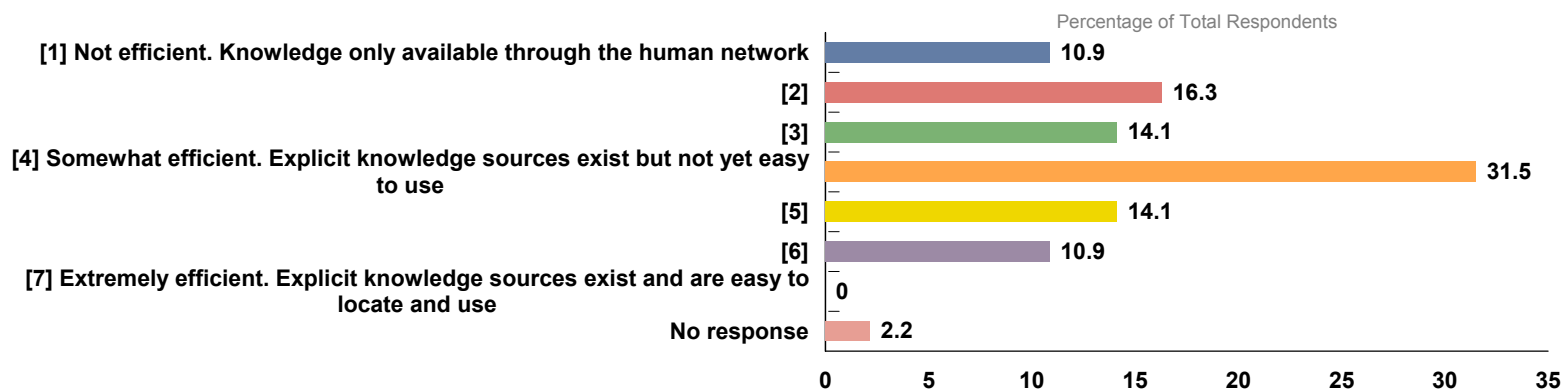
25. Please tell us how satisfied you think your customers are with the present level of product/service capabilities provided by your business entity.



N=92

Company B responded: [4] Our customers are somewhat satisfied

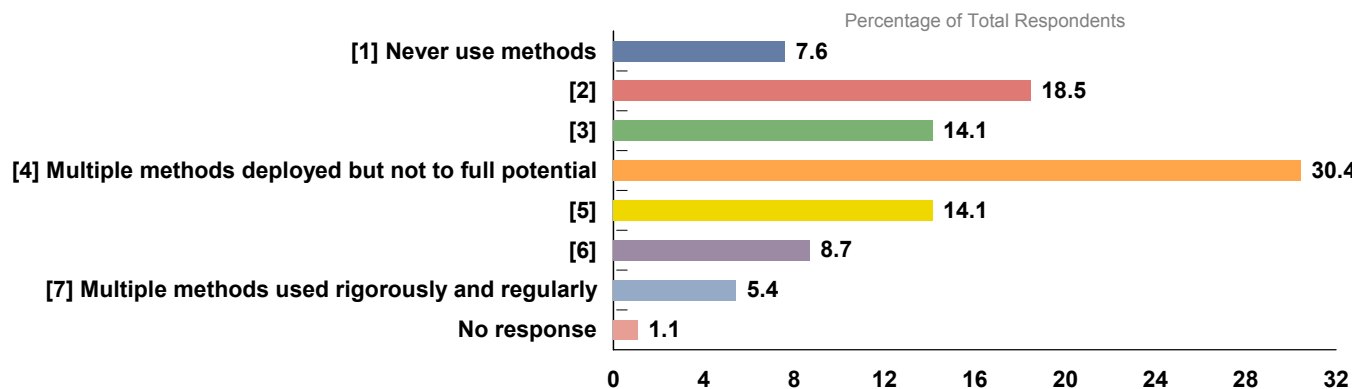
26. How efficient is your business entity at reviewing your projects, learning from your mistakes, and capturing the knowledge so that it can be easily used by others in your organization?



N=92

Company B responded: [4] Somewhat efficient. Explicit knowledge sources exist but not yet easy to use

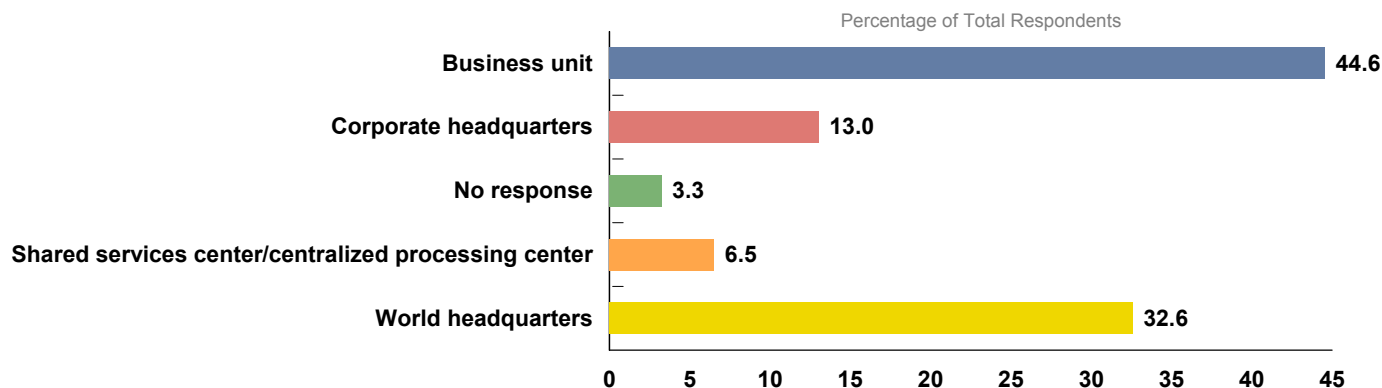
27. To what extent does your business entity deploy formal methods to identify opportunities to improve your processes for innovation management?



N=92

Company B responded: [1] Never use methods

3. Which of the following statements best describes the role your business entity performs in the corporate organization? (Select only one.)



N=92

Company B responded: Business unit

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APPENDIX C

About OSBC Research

OSBC Report

Comprehensive Benchmarks: Innovation

Methodology:

The OSBC database was built by applying the APQC's award winning four-phased benchmarking methodology to develop the data contained in this report.

- **Phase 1 - Planning:** During the planning phase, APQC, in conjunction with innovation subject matter experts, developed the measures and associated definitions for the final survey instrument.
- **Phase 2 - Collecting:** Participating organizations submitted metric data to APQC using the established survey. APQC's Center of Excellence (COE) validated and normalized the initial data set as necessary and performed all analysis. To provide the highest quality and accuracy in this comparison, APQC worked closely with the participating organizations to understand the data and drive its consistency.
- **Phase 3 - Analyze:** COE benchmarking specialists analyzed the results, focusing on key metrics, using the rigorous validation process described on the next page. APQC is the only party with access to your organization's data set and is safeguarding all information accordingly. All metric data were aggregated in this report to keep all data confidential.
- **Phase 4 - Adapt:** APQC assists participants in adapting their operations by providing a detailed benchmarking report.

This report gives your organization an opportunity to achieve the following:

- measure operational performance of your organization relative to external peer groups,
- identify performance gaps and evaluate improvement opportunities,
- establish performance targets using external benchmarks,
- identify key business practices and drivers that influence performance, and
- assess operational progress of your organization over time relative to itself and external benchmarks.

OSBC Report

Comprehensive Benchmarks: Innovation

Methodology:

As part of Phase 2 (Collection), APQC conducts a **rigorous seven-step data validation process** using the following steps:

1. **Common Definitions:** For each OSBC survey, APQC provides respondents with a detailed summary of scope and glossary of definitions for operational and process terms to ensure that questions are responded to in a consistent manner. APQC research professionals work directly with respondents in reviewing the survey scope and definitions prior to providing responses. Web links provide navigation directly to glossary terms as they appear.
 2. **Logic Review:** After a survey submission has been received, APQC statisticians review responses for correct response logic. Survey questions may be dependent on prior responses and agreement in these responses must be evident.
 3. **Quarantine Status of Outlying Data:** APQC staff review submissions for outlying data points. A range of two standard deviation units is created using the valid data population. Individual metrics lying outside of this range are quarantined and highlighted for review and verification by respondents.
 4. **Respondent Second Pass Review:** The entire data submission is returned to the respondent for review. Feedback on quarantined data points is required.
 5. **Resubmission of Verified Data:** The client must submit the data back to APQC after the required review and revision.
 6. **Confirmation of Issue Resolution:** After resubmission, APQC staff confirms that the data has been reviewed and any outstanding issues have been resolved.
 7. **Removal of Quarantine Status:** APQC staff will follow up by phone with any outstanding data issues. After all issues have been successfully resolved, the quarantine status will be removed and the submission will be included in the OSBC data set.
- * APQC considers data that was part of its official validation process as final. Any changes made to your on-line survey after formal validation should be brought to the attention of APQC.

More Support for the OSBC Research

"We have struggled for a long time to get meaningful and current benchmarks for our HR, Finance, and IT processes, and this appears to be a very efficient way to accomplish that effort."

- Clif Conner, **Clarke American**

"Raytheon appreciates the essential role that external benchmarking and knowledge sharing play in creating and maintaining competitive advantage. The work of the Open Standards Benchmarking Collaborative research will make it much easier for companies like ours to draw meaningful comparisons with other world-class companies."

- Don Ronchi, **Raytheon** vice president of Raytheon Six Sigma™, supply chain and chief learning officer

"The Open Standards Benchmarking Collaborative research is a great idea that will enable organizations to take advantage of robust, well defined comparative data instead of wasting energy debating poor quality, "apples to pears" benchmarking comparisons will allow them instead to take well structured and accurate data, understand where the real opportunities lie and then get on with driving improvements for their customers, employees and shareholders."

- Dermot Shorten, vice president, **Booz Allen Hamilton**

Again, thank you for participating in the Open Standards Benchmarking Collaborative (OSBC) research. APQC hopes your organization will continue to support this important research by contributing your performance data to the OSBC database. Benchmark your performance in any of the following areas:

- supply chain;
- finance and accounting;
- human resources;
- customer service;
- service after sales; and
- information technology.

To begin, please visit www.apqc.org/OSBCdatabase. If you have any questions or need assistance, please contact APQC's researchers via e-mail at OSBC@apqc.org or by phone at 800-776-9676 (or outside the United States +01-713-681-4020).