

PRACTICE TEST 1: READING

PART ONE

Questions 1 – 8

- Look at the sentences below and at the five sections from an article about benchmarking on the opposite page.
- Which section of the article does each sentence refer to?
- For each sentence 1 – 8, mark one letter (**A, B, C, D** or **E**) on your Answer Sheet.
- You will need to use some of these letters more than once.

Example:

- 0** Benchmarking exercises most often take place in a single industry. (**Answer: B**)
- 1** Ideas that emerge from a benchmarking exercise may be better than any current practice.
- 2** In some cases companies receive information without knowing which organisation produced it.
- 3** Certain methods of benchmarking generally do not impose restrictions on the kinds of knowledge that can be shared openly.
- 4** One goal of benchmarking is to solve problems common to companies in a variety of fields.
- 5** Benchmarking exercises can enable all participants to make improvements in their operations.
- 6** Benchmarking exercises may lead to an improvement in contacts with other people.
- 7** It may be a weakness of benchmarking that organisations imitate others.
- 8** Some forms of benchmarking do not restrict the availability of data to those organisations taking part.

- A** Benchmarking involves establishing minimum standards of performance and quality, based on identifying the best method and practice followed in other organisations. These standards can then be used as yardsticks to measure the organisation's current costs, production, management and customer focus, and identify areas where they fall short of norms. According to its supporters, benchmarking raises awareness of innovations and best practice, thus helping all companies taking part in benchmarking exercises to increase their competitiveness: by imitating best practice they may be able to reduce their costs or improve their customer service.
- B** There are a number of approaches to benchmarking. Typically, exercises are carried out by companies working within the same field or sector, as in the International Motor Vehicle Programme. Between 1985 and 1990 this brought together car manufacturers from Europe, the USA and Japan with the aim of introducing the western companies to Japanese production methods. As benchmarking by competitors can be very sensitive, in some cases data is mediated through a neutral body, such as a business school, to protect confidentiality and make sure that no trade secrets are revealed.
- C** There are also instances of companies in widely different industries comparing their management practices, to see how others have dealt with difficulties in internal communications, supply chain management, and other areas where practice is transferable from company to company without affecting competition between rivals, in other words, topics where confidentiality is not at issue. To a certain degree this practice has been aided by the development of internet websites dedicated to the sharing of information, sites which, being in the public domain, are universally accessible. Of course, this means that only certain types of data are provided.
- D** Unlike benchmarking exercises with competitors, which run the risk that participants may want to take what they can and give away as little as possible, benchmarking between the divisions or business units of a single company is far less likely to lead to the withholding of information. As a by-product, co-operation among different sections of the company may well be enhanced, both through increased understanding of how others operate, and by simply being able to put a face to a name, and know who to talk to about a particular work-related problem.
- E** Learning from the successes and failures of others can of course be very valuable. On the other hand, critics claim that by concentrating on existing best practice, companies simply seek to emulate other businesses. Content to achieve the best of what is being done at the moment, they do not attempt to move beyond it to reach the best possible. However this ignores the creative aspect of the process: learning about other organisations' operations may well spark off fresh ideas, as in a brainstorming session, and lead into the realm of true innovation.