

Benchmarking

Why it is important



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***if you can't measure it
you can't manage it***

if you can't measure it you can't manage it...

- Attributed to W. Edwards Deming, a statistician and quality control expert, credited with the TQM movement (Peter Drucker – world renown management consultant)
- According to AI - it is impossible to track progress and effectively manage a process or project. By establishing clear goals and measurements, you can evaluate performance, identify areas for improvement, and make informed decisions to achieve desired outcomes

***It is wrong to suppose that if
you can't measure it, you can't
manage it – a costly myth.***

if you can't measure it you can't manage it...

- There are many things that cannot be measured but must be managed, and there are many things that cannot be measured but we must still make decisions about
- It is just as important to recognize the limits of what data can tell us as it is to recognize the limits of what we can do with data
- We often put too much confidence in numbers and algorithms, to the point that it can and does corrupt our thinking.

Case Study 1

- Australian Olive Industry Benchmarking Program Report 2018 (RMCG)
- “Bizcheck” methodology using tax returns and physical farm information
 - The Farm System
 - Production Income, Costs and Surplus
 - Capital Performance (return on capital, equity etc)
 - Viability (include lifestyle – days holiday and days training per year)
 - Resource sustainability (irrigation water use)
 - No consideration of Quality
- 14 businesses across Australia participated

Effective Benchmarking

Of the 14 Olive Businesses surveyed many:

- are small scale and do not generate a profit
- have insufficient income per hectare, mainly due to low yield performance
- are spending no or very little money on water, fertiliser and pest and disease control, some of these are key constraints to yield
- have high operating costs, making it difficult to achieve profit and/or adding risk in lower yield scenarios
- have overcapitalised in machinery, or have too small a scale of production for the fleet
- have a low or negative return to capital, making sustainability and viability difficult
- have a cost of production that is too high.

Effective Benchmarking

Benefits of Effective Benchmarking

- ✓ Develop a clear strategy
- ✓ Keeps you accountable
- ✓ Identify practical ways to improve your business
- ✓ Learn from fellow producers
- ✓ Olive industry is effectively benchmarking quality via AIOA

Learn from fellow producers

Effective Benchmarking can be done
in a group which includes a network
of like-minded people with a
common set of goals and aspirations

**Group Benchmarking –
“Benchmarking with Mates”**

Effective Benchmarking

Group Benchmarking:

- Form a benchmarking group with your olive friends, people you trust to foster a positive environment of support, motivation and learning
- This should assist better transfer of knowledge, improved operating performance and faster business growth or progress towards identified goals



Motivation

Seeing your mates achieve success or reach certain benchmarks can motivate individuals to strive for similar levels of achievement.



Learning from others

Benchmarking allows individuals to learn from the experiences and strategies of their peers.



Support

Sharing progress and goals with peers can provide a support network for individuals,



Accountability

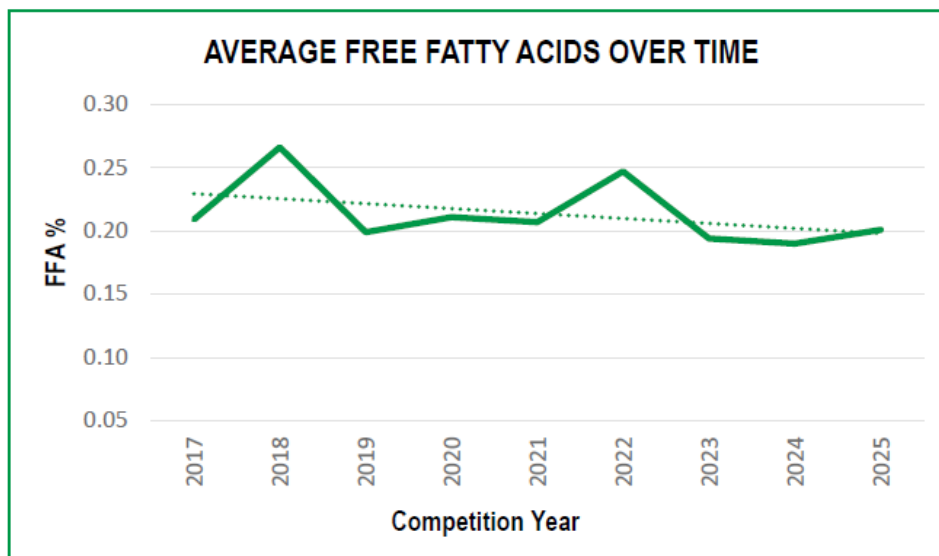
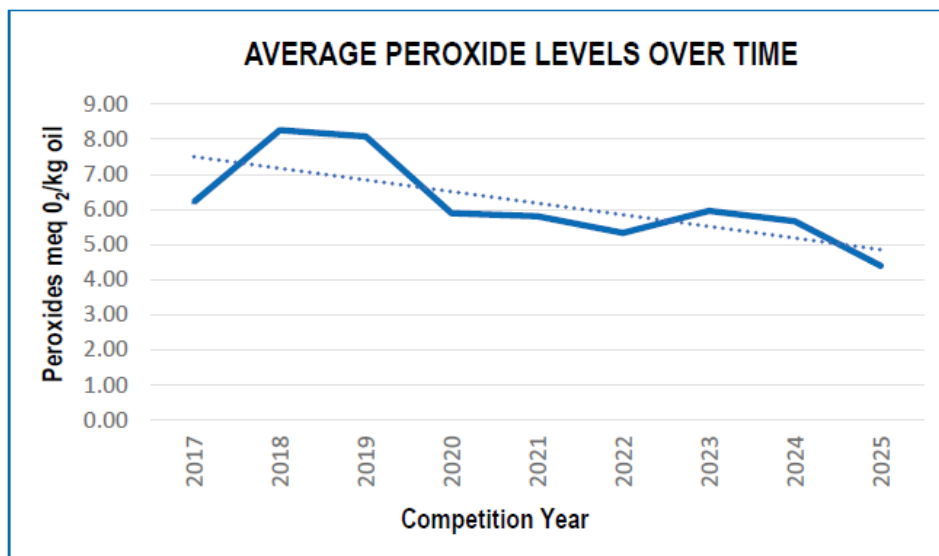
Knowing that others are aware of one's goals and progress can create a sense of accountability.



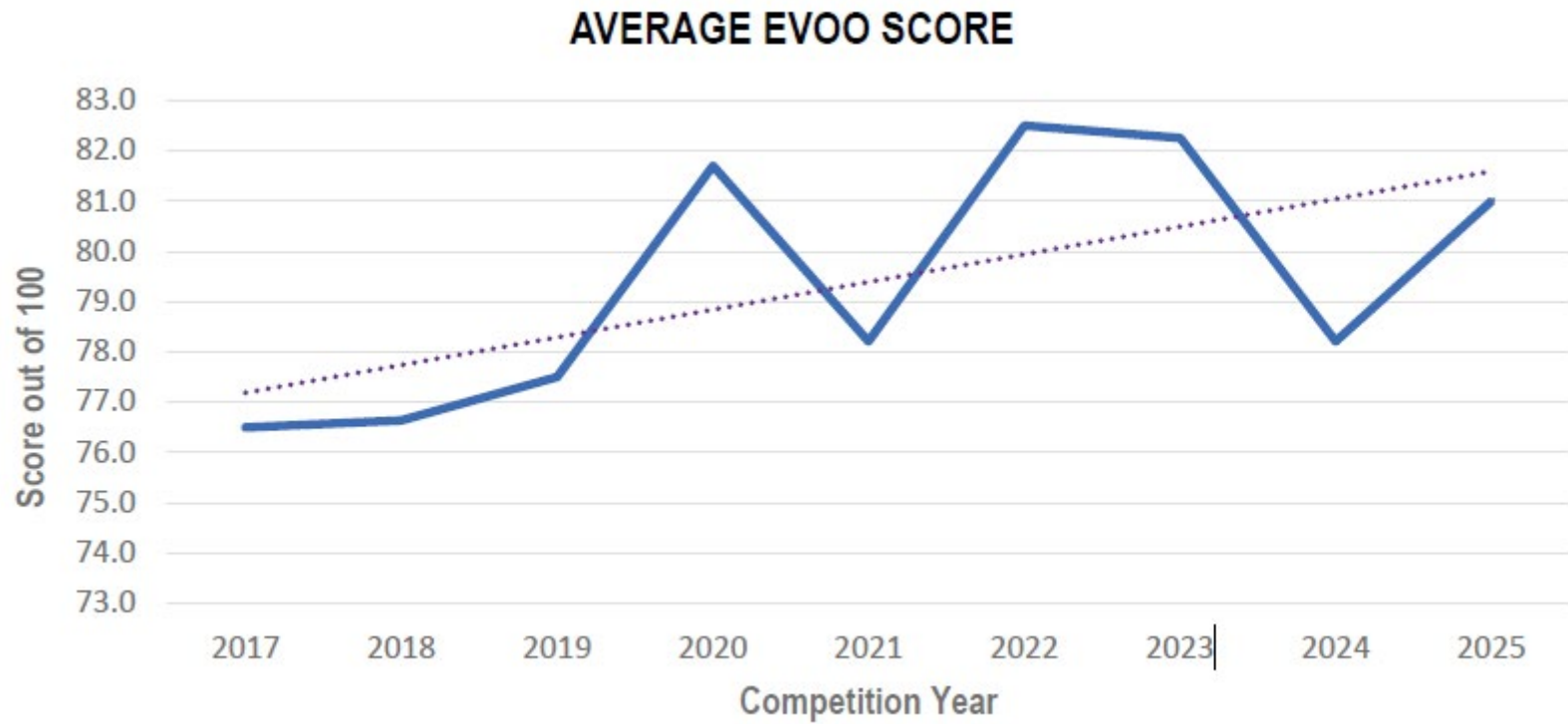
Validation

Comparing oneself to peers can provide validation of one's efforts and achievements.

Case Study 2 - AIOA

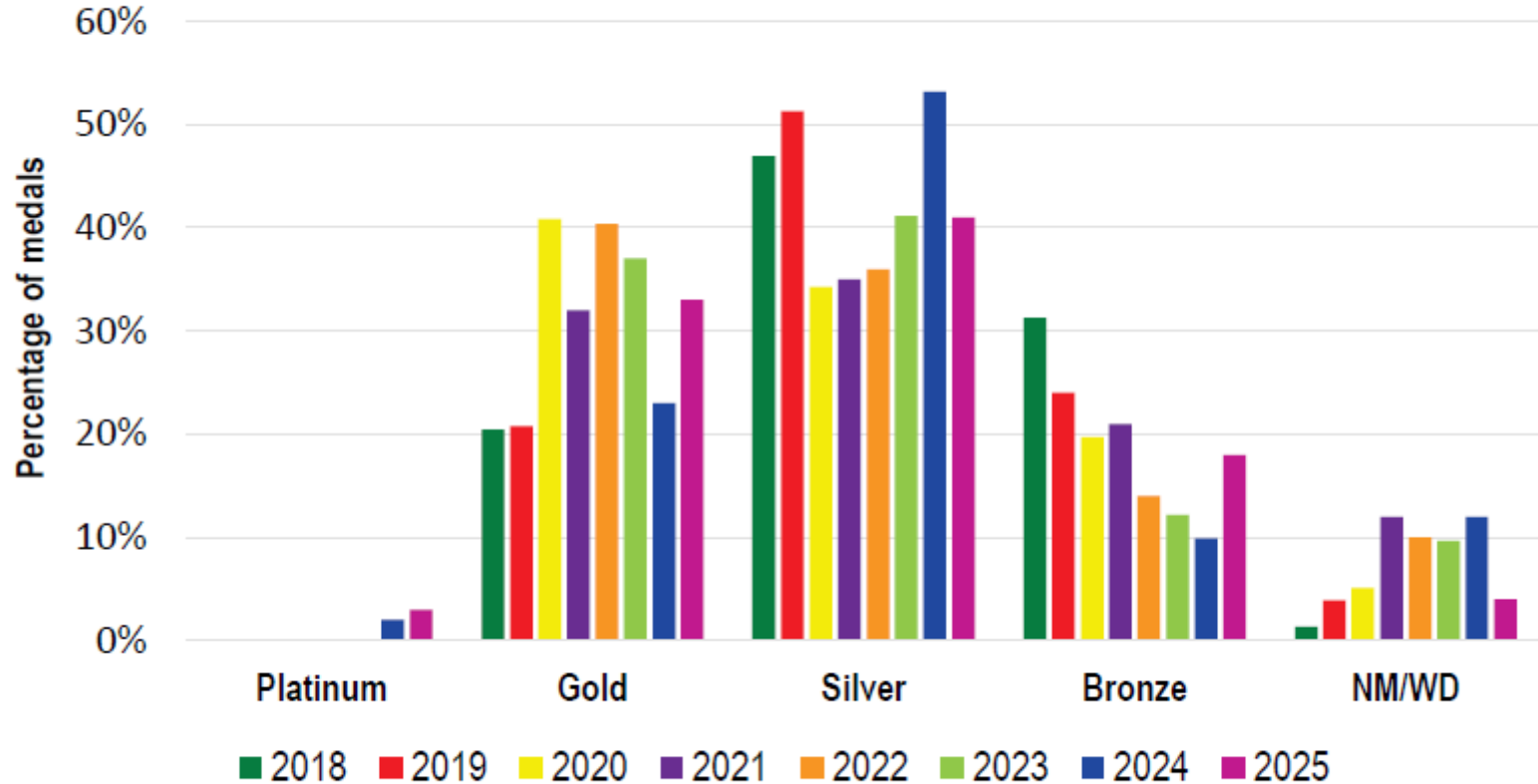


Case Study 2 - AIOA



Case Study 2 - AIOA

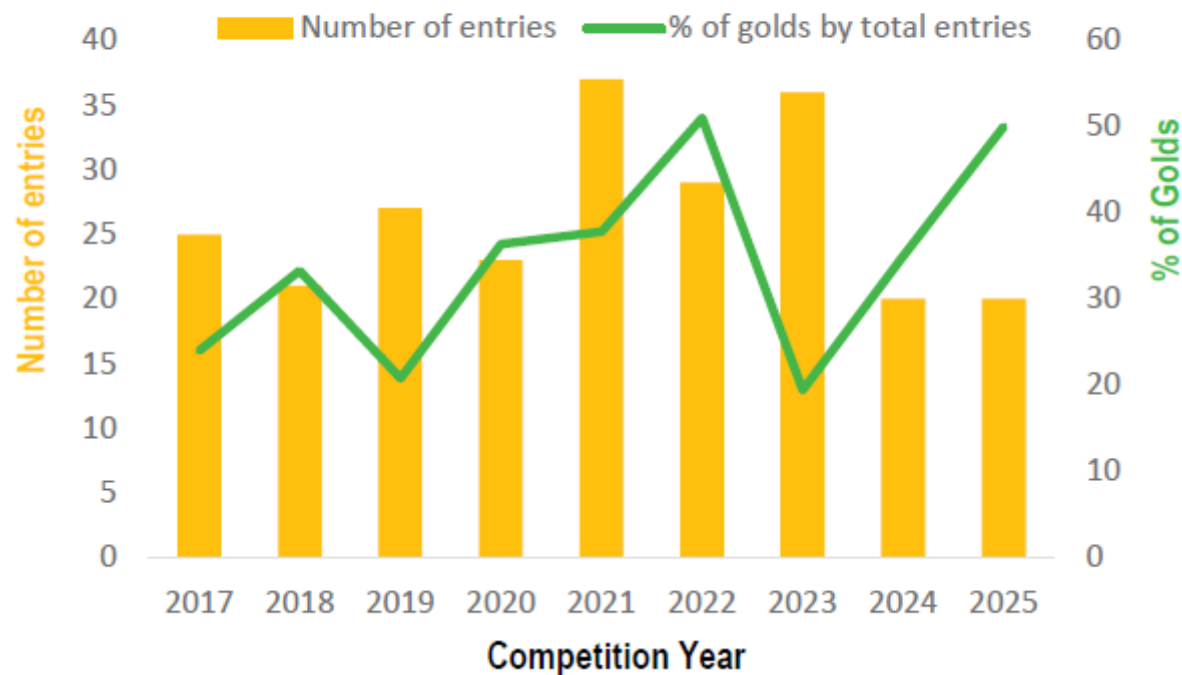
MEDALS AS A PERCENTAGE OF ALL EVOO ENTRIES



Note: The platinum awards only started in 2024.

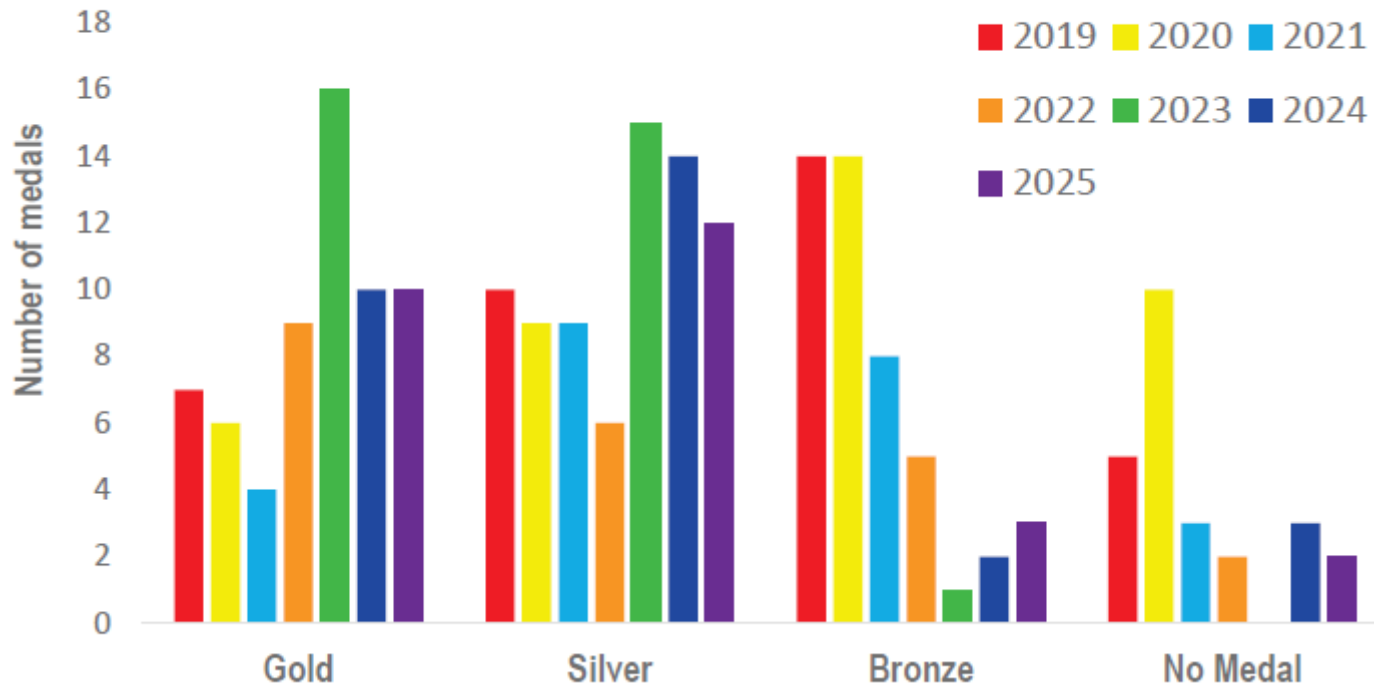
Case Study 2 - AIOA

FLAVOURED OIL ENTRIES BY YEAR AND PERCENTAGE OF GOLDS



Case Study 2 - AIOA

TABLE OLIVE MEDALS AWARDED BY YEAR



Case Study 2



Effective Benchmarking

So how can the olive industry extend the improvement in EVOO, flavoured oil and table olive quality to productivity and total production?

- Develop a group benchmarking component in the next Communication and extension project
- Talk to HIA at the conference and let them know what you think should be done in benchmarking
- Talk to us at AOA and let us know your thoughts
- Find out what your friends are interested in doing and let us know if you are interested in forming a benchmarking group