CERTIFIED BENCHMARKING PROFESSIONAL

Fact sheet: Advanced data comparison techniques

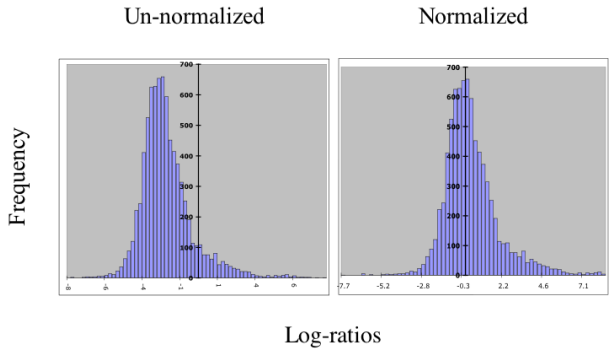
Why use normalization?

- Differences may exist between an organization's performance metrics and those of its competitors;
- Differences can significantly impact the accuracy of the performance management framework.

What does normalization involve?

- An analysis of how much the benchmark data should be increased or decreased in order to be truly comparable to information gathered by the benchmarking company.

How does data normalization look like?



Which are the factors that require normalization?

- Scope;
- Scale;
- Service levels;
- Terms and conditions;
- Geography.

What is the effectiveness of normalization depending on?

- The depth of the service provider's understanding of the company being benchmarked;
- Its marketplace;
- Industry sector.

Sources: Stanford Microarray Database (2015), Normalization help, available at: http://smd.princeton.edu/