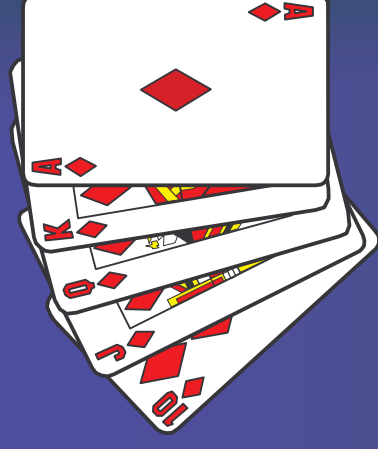


**Investment Recovery Association
Spring 2004 Conference
Las Vegas, Nevada**



**Investment Recovery
Benchmarking**



Ken Ettinger, ChevronTexaco

Presentation Overview

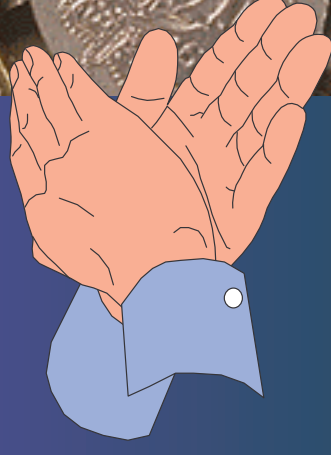
- Benchmarking and Best Practice Identification Process
- Previous Benchmarking Findings
- Benchmarking Survey Review
- Next Steps

PLEASE ASK QUESTIONS!



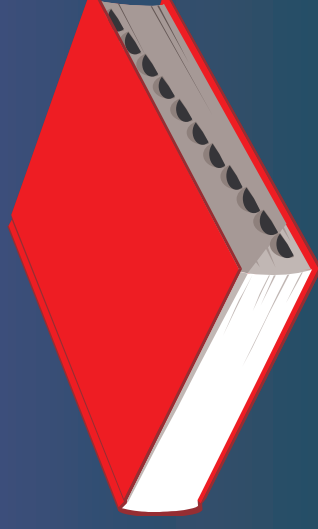
Benchmarking Committee

- **Charlie Swenson, Salt River Project**
- Al Kidney, NOVA Chemical
- John Buckert, Enron
- Ron Randall, Dynaprice.com
- Ken Ettinger, ChevronTexaco
- Dennis Knutz, Weyerhaeuser

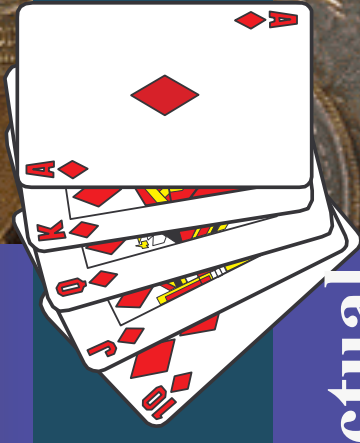


Benchmarking Definition

Benchmarking is the process of comparing performance with other organizations, identifying comparatively high performing organizations, and learning what it is they do that allows them to achieve that high level of performance.



Why is Benchmarking Important?



- Assess your performance based on factual metrics and data
- Know how you rank with the best within your industry and other industries
- Identify specific performance gaps
- Identify best practices to achieve improved performance
- Monitor progress over time
- Show management your impact and value

IRA Performance Benchmarking Process

- The IRA Benchmarking Committee identifies data to be collected
- The Center for Advanced Purchasing Studies (CAPS) manages the survey
- IRA members and other companies are invited to participate
- CAPS collects and analyzes the data and publishes a summary report of findings



IRA Performance Benchmarking Process



- Findings reported to IRA membership
- Companies doing well based on benchmark data are interviewed
- IR best practices are identified and consolidated with previous findings
- Best practices are shared with the IRA membership and incorporated into training material
- Process continues on a three year cycle

IRA Performance Benchmarking Timeline



- 74 companies responded to the survey for the year 2000; 6 industry groups
- Benchmarks published in the Fall 2001
- Best practices developed and published Spring of 2003
- The next survey is out NOW for 2003 data
- **We need your participation!**

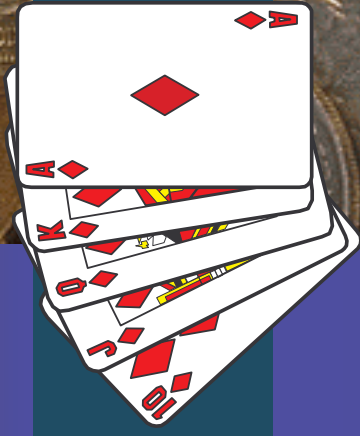
Industry Groups

- Data is analyzed and reported by industry group – but need 6 or more
- Industry groups last time:
 - Chemical -Small Utilities
 - Oil & Gas -Large Utilities
 - Cons Prod/Food/Pharmaceuticals
 - All Other

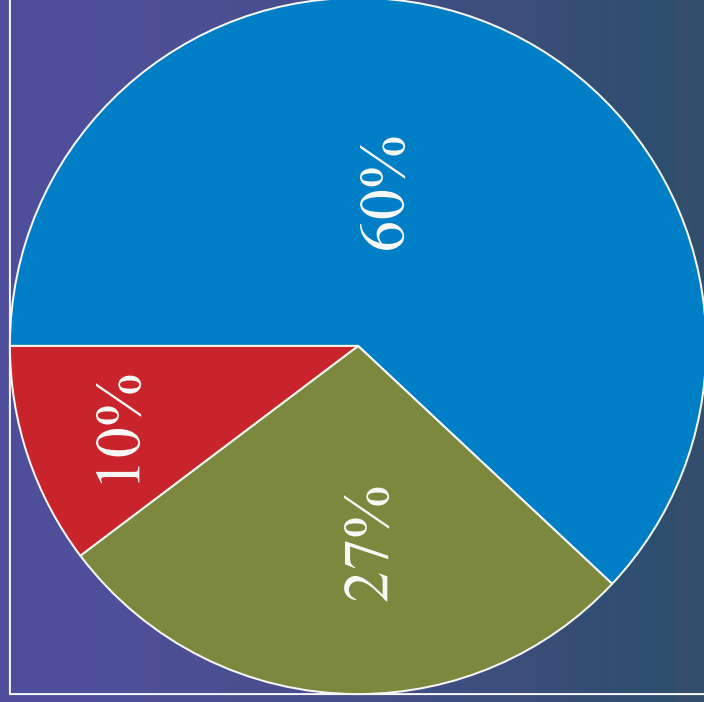




Overall Findings - 2000



IR Cost Benefit (=Revenue + Savings)



- Sales
- Redeployment
- Cost Avoidance

\$ 700 MM of IR cost benefit in 2000

Overall Findings - 2000



- \$10MM/year of average cost benefit
- 18 to 1 average benefit to cost ratio
- \$1.9 MM of cost benefit per IR employee
- \$85,000 avg cost benefit per transaction
- One IR employee for every 1250 company employees

IR Best Practices 2003



- 1. Strong, Visible Management Support**
- 2. Regular Reporting of Metrics and Successes**
- 3. Surplus Asset Management Processes**
- 4. Supplier Integration and Support**
- 5. Surplus and Refurbished Assets Considered Before Buying New**
- 6. Value Chain (Decision Hierarchy) Approach to Surplus Asset Disposition**

IR Best Practices 2003



- 7. Financial Incentives for Surplus Disposition**
- 8. Early Involvement with Other Corporate Activities**
- 9. Intranet/Internet Utilization**
- 10. Surplus Prevention Processes**
- 11. External Networking**



CAPS Report



The complete CAPS IR benchmarking report from 2000 and the 2003 Best Practice Summary are available on the IRA web site at:

<http://www.invrecovery.org/>

in the “For Members Only” section

Benchmarking Schedule



March 2004 - Benchmark survey sent

April 18, 2004 – Responses due to CAPS

Fall 2004 – Results reported



Benchmarking Survey Review

- Need calendar year 2003 data
- Survey simplified from 2000 version
- Access CAPS survey on-line at:

<http://www.capsresearch.org/BenchQuests/InvestmentRecovery2004.htm>



Benchmarking Survey Review



- Four Sections to the 2003 IR Survey:
 - Your IR Organization
 - Data About Your Company
 - IR Cost Benefits
 - IR Salary and Benefits



DON'T GAMBLE WITH YOUR FUTURE!!



Collect Data
Participate in
Benchmarking
Assess & Learn
Apply Best Practices
Improve
Show Results!