Abstract
“Benchmarking” is a very common word in the (retail) industry. However, its full potential as a powerful tool to make organizations more successful in realizing their objectives is often not recognized or utilized. As an instrument, benchmarking has come to absorb more and more functions, such as monitoring and comparing of performances, the transfer of good practices, and the provision of management information. The comparison of performance and the uncovering of differences are meant to incite organizations to action.

In order to improve the overall performance of the distribution centers (DC) of Albert Heijn, a design study was conducted that focused on the development a holistic framework in which the performance measurement system is used for performing the benchmark. The resulting benchmarkmodel entails a process-based perspective, corrects for local differences, and reflects on the value chain of logistics. As the findings of the study and an ex-post validation suggest, the framework represents a suitable basis for benchmarking activities and can contribute to the improvement of the DC performance.

Key words: Retail industry, Distribution centers, Performance measurement systems, Benchmarking, Design study