

# BENCHMARKING IN GREENING THE ECONOMY

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An important condition for the economy transformations, focused on reducing of eco-destructive impact of production and consumption of goods and services per unit of gross national product (i.e greening the economy) is an effectiveness of those tools that provide reduction of the "pressure" of the economy on the environment. However, according to experts, those eco-oriented tools that Ukraine uses nowadays are not able to influence the formation of the structure of the economy. This new structure of economy should include a new-generation activities and sectors, which directly or indirectly aimed at the expanded reproduction capacity of the environment to its self-healing and the needs of humanity. Therefore, one of the urgent problems of environmental regulation is to look for tools that activate the restructuring of social production considering the priorities and objectives of sustainable development.

## The Process of Benchmarking



The purpose of this study is to study the feasibility of benchmarking as a tool for greening the economy.

Taking into account an eco-oriented social needs the efficiency of environmental performance, has a strong effect on the competitiveness of companies. The practice of the world economy shows that to achieve the competitive advantages is necessary to learn, to know and to use the experience of competitors who have achieved significant success in the same field. In the scientific literature, the process of finding and exploring the best of the existing methods of doing business called benchmarking.

To compare own results with the results of competitors - not a new idea; collection of such information – a function of operational marketing. However, benchmarking is a more effective method than simply collection of information, as it allows to identify opportunities for improvement, define objects to improve and promote the continuity of the process to improve the competitiveness of the company.

The purposeful use of benchmarking began in 1979 in the corporation Xerox, when competing firms offer consumers similar in quality goods but at lower prices. This caused a launch "Benchmarking of Competitiveness", which allowed

company to identify the potential of competitiveness analysing and comparison of the costs and the quality of their products with Japanese counterparts. The project was wealthy and, since that time, benchmarking has become part of the business strategies of leading corporations.

Benchmarking is a method of steady comparison, collation and evaluation, identifying the best products, services and techniques that can be adapted and applied to solve specific business problems: lower costs, reduce production cycle time, increase reliability, reduce inventory, etc. And if initially benchmarking was perceiving as a process of following the best examples, so now its focused on introducing best practices and techniques of effective management in your own business, an important component of which, of course, is an environmental protection activities.

Consequently, the process of development and practical adoption of successful experience in realization of environmental functions regarded as a special kind of benchmarking - environmental. Environmental benchmarking is effectively a tool for analysing environmentally related practices and indicators, which lead to superior environmental performance, while also enhancing economic performance. In other words, benchmarking helps companies achieve good environmental performance by learning from 'best-in-class' companies.

The scope of environmental benchmarking should include all areas of your company's activities, and not be restricted solely to those activities that have an obvious environmental impact. Therefore, it may include an assessment of environmental management systems (EMS), management performance, environmental accounting, resource and waste management, product environmental quality, environmental education and training, customer relations and emergency response.

From other known kinds of benchmarking it differs in that it promotes rapid and less costly improvement and development process greening their own enterprise by adapting the achievements of other companies in the field of environmental management (regardless of the industry, subordination and form).

Depending on the level and the specific issues to be resolved, include the following components of environmental benchmarking:

- functional (comparing and learning from best practices of specific environmental features of competitive companies in the same or related industry, followed by the adaptation and implementation of it.)

- adaptive (identification of different greening of business practices that could help to accommodate to the changes);

- internal (analysis of the environmental departments of the company).

It should be noted that the adoption of knowledge - is an information capital (set of information assets and intellectual abilities, that brings income), which is an economic entity are attracted to its business, i.e invests. Therefore, the development of good practice of the greening economy should be viewed as an

investment (in the form of intangible assets), which invested in the company in order to obtain environmental benefits. Consequently, an environmental benchmarking has some investment opportunities that able to ensure the implementation of environmental strategy in a separate organization and in the overall economy as well.

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