

## 1. The Framework for Excellence

### Driving Distinctive Performance

*You cannot have a better tomorrow if you are thinking about yesterday all the time.  
The factors that made us successful in the past will not necessary be the same tomorrow*

#### The Evolution of Total Quality Management

Many organisations that espoused TQM philosophy and principles have experienced the evolution of the nature of the practices of TQM. Historically 'world class' practices centred around product and service orientation but nowadays 'world class' operations emphasise customer and market orientation. The changing techniques of TQM for 'world class' performance can be illustrated in the following table:

Traditional Techniques	New Techniques
Statistical Variation Measurement	Customer Service Relationships
Cycle Time Reduction	Supplier Management
Zero Defects	Responsiveness
Quality Circles	Employee Empowerment
Quality Audits	Quality Culture
Right First Time	Innovation
Process Improvement	Process Mapping
Product Reliability	Environmental Impact
Compliance & Conformance	Benchmarking

TQM practices have evolved from the application of tools and techniques applied within the production/service processes to an organisational wide culture of excellence involving everyone in the organisation. The degree of excellence within any organisation's culture can be measured and assessed as a basis for sustainable performance and capability improvement.

*In a recent survey of over 300 UK organisations participating, over 70% believed themselves to be 'World Class'. In reality only 2-3% actually were.*

The World of Change



### A Framework for Creating a Culture of Sustainable Excellence

The European Excellence Model was developed in the 1980s by a consortium of major Western European employers to accelerate and enhance the global competitiveness of Western Europe. It provided a framework to reflect best practice within organisations in all sectors, to drive and measure sustainable superior performance and create a vision of what a world-class organisation would be achieving into the future.

It is now the single most used organisational improvement framework across the world. For sustained relevance it has been revised in 2003, 2009 and 2012. The purpose of the last revision was to:

- Ensure the model was sufficiently generic and applicable to all organisations
- Simplify the wording and become more relevant to all sectors
- Provide greater focus on emerging trends in the business world including environmental issues, corporate social responsibility and leading in a changing world.
- Revise the language to target at managers
- Make the concepts more action orientated and practicable for implementation.

The basic premise of organisational excellence has not changed. This can be defined as:

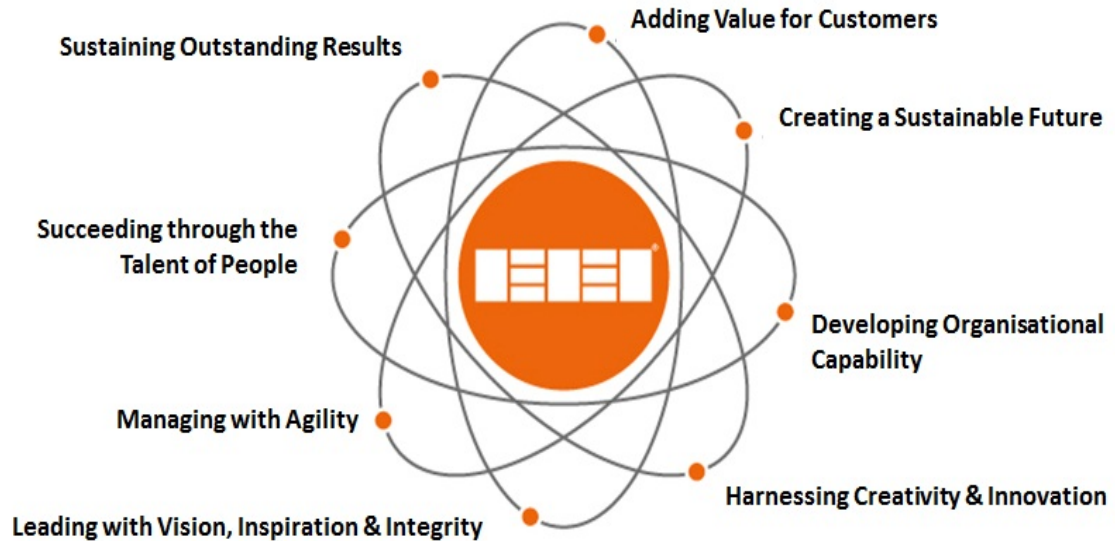
*'Excellent Organisations achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders*

## Structure of the Model

There are three components to the European Excellence Model

### The Fundamental Concepts of Excellence

The underlying principles which are the essential foundation of achieving sustainable excellence within any organisation. There are eight inter-related Concepts as illustrated below.



#### **Adding Value for Customers**

Excellent organisations consistently add value for customers by understanding, anticipating and fulfilling needs, expectations and opportunities

#### **Creating a Sustainable Future**

Excellent organisations have a positive impact on the world around them by enhancing their performance whilst simultaneously advancing the economic, environmental and social conditions within the communities they touch

#### **Developing Organisational Capability**

Excellent organisations enhance their capabilities by effectively managing change within and beyond the organisational boundaries

#### **Harnessing Creativity & Innovation**

Excellent organisations generate increased value and levels of performance through continual improvement and systematic innovation by harnessing the creativity of their stakeholders

#### **Leading with Vision Inspiration & Integrity**

Excellent organisations have leaders who shape the future and Make it happen, acting as role models for its values and ethics

#### **Managing with Agility**

Excellent organisations are widely recognized for their ability to identify and respond effectively and efficiently to opportunities and threats

#### Succeeding through the Talent of People

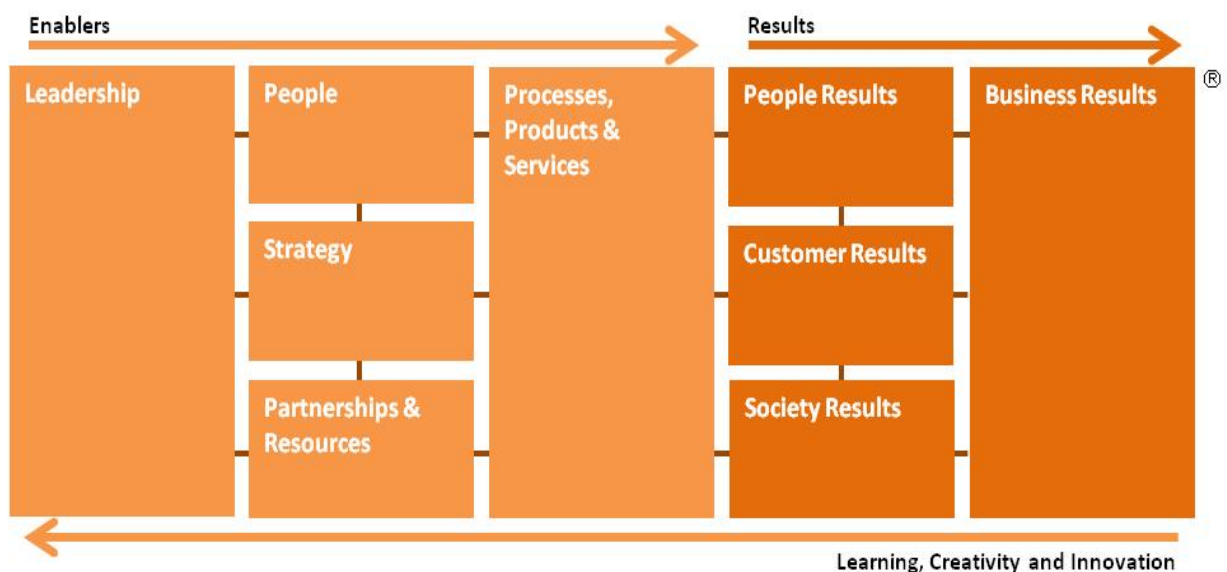
Excellent organisations value their people and create a culture of empowerment for the achievement of both organisational and personal goals.

#### Sustaining Outstanding Results

Excellent organisations achieved sustained outstanding results that meet both the short and long term needs of all their stakeholders, within the context of their operating environment

### The Model Framework

The criteria based framework which converts the Concepts of Excellence into practice to enable the level of excellence in an organisation to be measured. There are nine inter-related criteria comprised of Enablers (how the organisation is operating) and Results (what the organisation is achieving). These are illustrated below.



This Model allows managers to understand the cause and effect relationships between what their organisation does and what it achieves. With the support of the measurement system (below) it is possible to make a robust assessment of the degree of excellence within any organisation.

### Criteria Summary

#### Leadership

- Leaders develop the mission, vision, values and ethics and act as role models
- Leaders define, monitor, review and drive the improvement of the organisation's management system and performance.

- Leaders engage with external stakeholders
- Leaders reinforce a culture of excellence within the organisations people
- Leaders ensure that the organisation is flexible and manages change effectively

#### Strategy

- Strategy is based on understanding of the needs and expectations of both stakeholders and the external environment
- Strategy is based on understanding internal performance and capabilities
- Strategy and supporting policies are developed , reviewed and updated
- Strategy and supporting policies are communicated, implemented and monitored

#### People

- People plans support the organisation's strategy
- People's knowledge and capabilities are developed
- People are aligned, involved and empowered
- People communicate effectively throughout the organisation
- People are rewarded ,recognised and cared for

#### Partnerships & Resources

- Partners and suppliers are managed for sustainable benefit
- Finances are managed to secure sustained success
- Buildings, equipment materials and natural resources are managed in a sustainable way
- Technology is managed to support the delivery of strategy
- Information & knowledge are managed to support effective decision making and to build the organisation's capability

#### Processes, Products & Services

- Processes are designed and managed to optimise stakeholder cvalue
- Products and services are developed to create optimum value for customers
- Products and services are effectively promoted and marketed
- Products and services are produced, delivered and managed
- Customer relationships are managed and enhanced

#### Results (Customer, People. Society & Business Results)

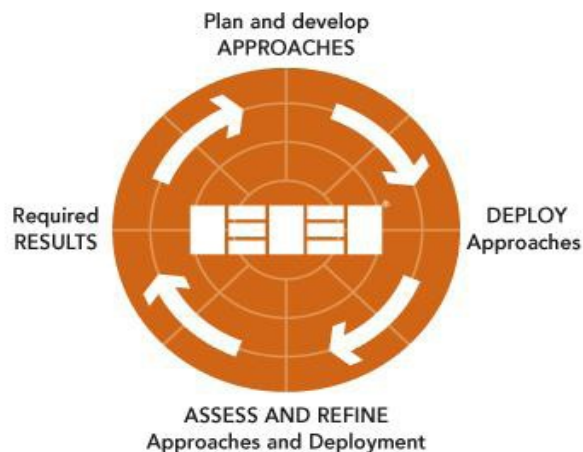
##### In practice, excellent organisations:

- Use a set of perception measures and related performance indicators to determine the successful deployment of their strategy and supporting policies based on the needs and expectations of the stakeholder group
- Set clear targets for stakeholder results based on their needs and expectations in line with the chosen strategy
- Segment results to understand the experience, needs and expectations of specific stakeholder groups
- Demonstrate positive or sustained good performance over time

- Clearly understand the underlying reasons and drivers of observed trends and the impact these results will have on other performance indicators , perceptions and related outcomes
- Have confident in their future performance and results based on their understanding of the cause and effect relationships established
- Understand how their results compare to similar organisations and use this data, where relevant, for target setting.

### The Scoring System

The RADAR Logic provides a structured approach to question the performance of any the organisation. It provides a structured approach to interrogate the performance of an organisation. It also supports the scoring system behind a range of Excellence awards.



The framework has a numerical points value of 1000, divided between the nine criteria

Using these three integrated components enables any organisation to compare themselves with the attributes, qualities and achievements of sustainable organisations. They can be used to develop a culture of excellence, bring consistency to management approach and style, access good practices drive innovation and improve results.

Used appropriately this framework ensures that all management practices form a coherent system that is continually improved and delivers the organizational strategy. It can provide a clear picture of how close the organisation is to achieving its Vision.

### Relationship Other Standards & Frameworks

Whilst there are numerous management frameworks, standards and models, The EFQM Model provides a holistic view of the organisation and can be used to determine how these different methods fit together and complement each other. The Model can therefore be used in conjunction with any other organisational tools, based on the needs and function of the organisation, as an overarching framework for developing sustainable excellence.

## Using the Framework

There are various ways to utilise the framework:

1. Simply as a best practice guide towards 'World Class' Excellence, providing hints and tips or utilising available information from organisations which are heavily involved in the model as sources of benchmarking data/best implemented practice. Some organisations use the framework as an expression for their business and strategic plans.
2. Continued regular self-assessment against the Model. There are many ways to self-assess in order to:
  - Measure self-improvement targets over time
  - Provide a focus and motivator for sustaining organisational improvement.
  - Bring together and better understand various initiatives within a wider picture.
  - Identify and prioritise areas for improvement within a total picture of the organisational scene.
  - Provide a structured approach to organisational improvements.
  - As an organisational strategy tool, self-assessment against the framework provides a constructive way of focusing and prioritising endeavors in continuous improvement and a way of measuring progress over time. If fully deployed self-assessment becomes a regular comprehensive and systematic review of the organisational activities and results, undertaken by the management team.

Many organisations have enjoyed various benefits as a result of undertaking assessment using the Excellence Model. Some of these include;

- Providing a highly structured, fact based technique to identifying and assessing your organisation's strengths and areas for improvement and periodically measuring progress
- Improving the development of your strategy and operational plan
- Creating a common language and conceptual framework for the way you manage and improve your organisation
- Educating people in your organisation on the Fundamental Concepts of Excellence and how they relate to their responsibilities and behaviours
- Integrating the various improvement activities and initiatives into normal operations

We can assist you by providing tools, techniques and expert facilitation to undertake a through self-review of your organisation and analyse the outcomes as the foundation for your focused improvement programme

3. Enter a quality award to gain external recognition for achievements and progress.

The process and requirements for entry to such award programmes is more or less the same, however for entrants, the prestige to be gained and the demands required will be higher at an international and national level.

### Working Towards an Excellence Award

Any organisation with an established track record of continuous improvement over a number of years, confirmed by the award of other external recognitions should consider the benefits of entry to an established Excellence Award. The beneficiaries are not only the organisation itself with the prestigious public recognition and enhancements to performance to be gained and potential enhancements but also all stakeholders of the organisation in terms of pride of association.

We can assist you in preparing for entry to an Excellence Award in the following ways:

- ✓ Detailed briefing on excellence and Excellence awards to the Senior Team
- ✓ Organisation and conduct of a preparatory internal self assessment
- ✓ Allocation of roles and responsibilities for those managers directly involved in preparing a submission document.
- ✓ Guidance of 'best practice' Submission development, content and drafting
- ✓ 'Mock' assessment of the draft Submission document
- ✓ Development of a internal communications strategy for Excellence
- ✓ Guidance on Preparing for an Assessment Team site visit
- ✓ Guidance on Preparing for an effective site visit.

### Deliverables of Working with this Framework

- Greater understanding of how the organisation really works

By going through the Model (looking in the mirror) one looks at every aspect of how the organization really works and what it achieves. In doing so it paints a picture of the whole organization in a way that no other planning or improvement method is likely to do.

- An overall framework for planning and improvement

The model captures every aspect of organizational activity and serves as a framework to which all planning and improvement activities can be related



- Alignment of customer focus and quality of management with Strategy

Some other improvement initiatives tend to look at people or management development in their own right. However self- assessment using the Model ties these initiatives in with the results that the organization is seeking to achieve and ensures that they are properly directed.

- Prioritisation of resources

Reviewing the whole organization puts all potential improvement activities into a common framework. Structured use of the model allows the organization to identify the improvement actions that will give best return for the time, effort and other resources invested.

- Engendering continuous improvement

No organisation works perfectly, no matter how well it is doing the Model will therefore always identify opportunities to improve even further.

This reinforces one of the most fundamental principles of Excellence that of continuous improvement.

- Enabling benchmarking

Benchmarking, both internally and externally, provides a key means of identifying improvement possibilities. Assessment against the Model will highlight areas in which benchmarking opportunities might be sought within the criteria of the Model.

- Sharing best practice

Even when the organisation does not go as far as formal benchmarking, the assessment process encourages sharing of ideas and will promote the spread of best practice across different parts of the organization.

- A score for the organisation's performance

Although scoring is not a primary purpose of the self-assessment process, it may nevertheless be useful to establish the organisations' overall score against the 1000-point range the journey to excellence. The initial score provides a marker against which progress can be measured over months and years.

- Guidelines on preferred behaviours

The Model assesses how well the organisation puts into practice the principles of excellence. Particularly in the areas of leadership and people this can generate guidelines on the types of behaviours likely to encourage and motivate everyone in the organization.

- Performance measurement

Some performance measures are obvious, such as those relating to budget or attendance. Implementation of the Model not only brings all these results together, but also allows organisations to assess its 'Enablers' and hence gives an insight into what it is likely to achieve in the future.

- Identifying strengths and areas for improvement leading to focused action plans

The internal discussion on the findings of the self assessment, reaching consensus on strengths and areas for improvement and the implementation of an improvement plan based on the findings is the single greater organisational benefit.

*'The starting point for improvement is to recognize the need.'*