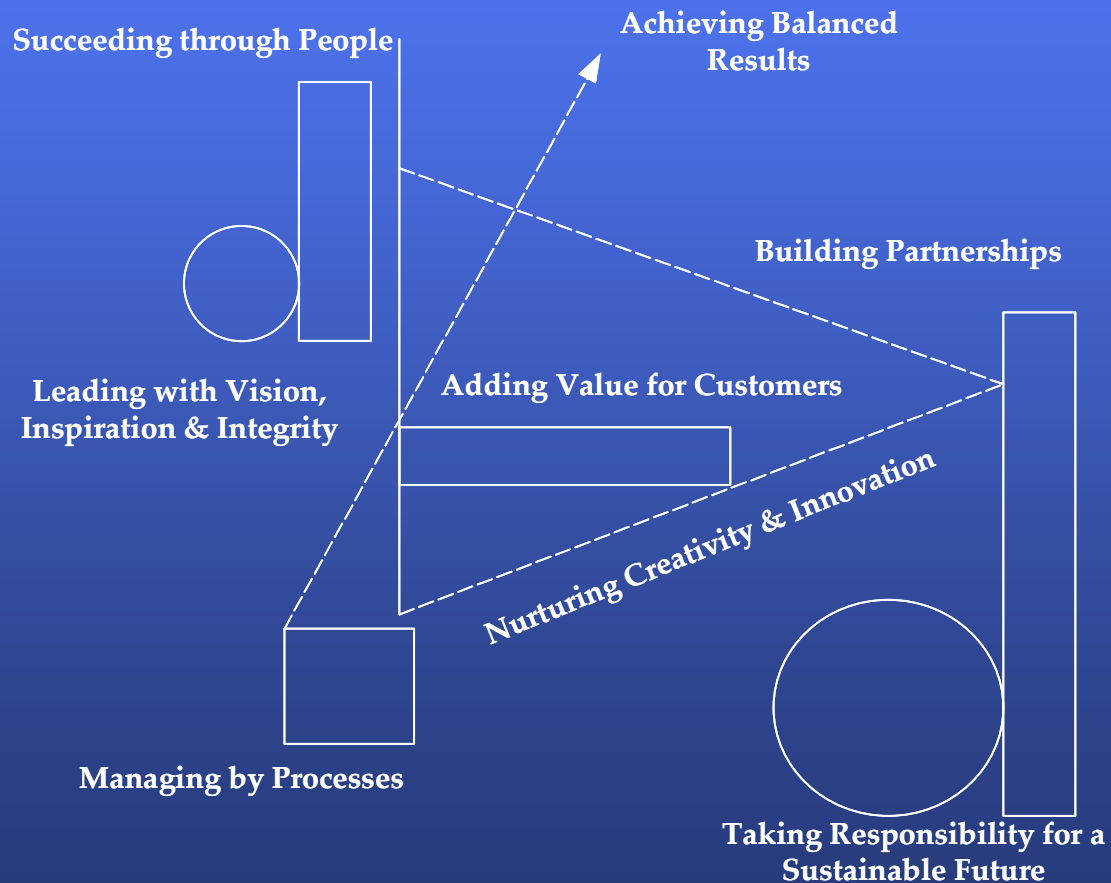


The Fundamental Concepts of Organisational Excellence

A Blueprint for Success



An update for the EFQM Excellence Model 2010

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Introduction

The word 'excellence' is widely used now by many organisations to describe some aspect of their activities. Sometimes it is clear what they mean by using the word - but not always. We've seen and heard many discussions about a definition of organisational 'excellence'.

The European Foundation for Quality Management ("EFQM") says that *"Excellent Organisations achieve and sustain superior levels of performance that meet or exceed the expectations of all their stakeholders."*

Our own view is that organisational excellence is also about an attitude of mind – not simply reaching a certain level of performance. It is about building a culture of continuous improvement as well. We would argue that a complacent organisation with superior performance - even over a few years - is less in tune with 'excellence' than a lower performing one that is always striving and getting better. Being the absolute best can only really be for the few, but many can be extremely good, and everyone can strive continually to get better. Even if they do not quite become 'the best', hopefully they can get very close to it and deliver sustainable benefits to the organisation and its stakeholders in so doing.

The EFQM has identified a number of 'Fundamental Concepts' that it has used to underpin its successful management framework, the EFQM Excellence Model©. These are concepts that organisations aspiring to become excellent overall need to consider and put in place in ways relevant to them. They were identified by extensive research, and have broadly stood the test of time since their first publication in the early 1990s. The review that led to the 2010 Model has resulted in changes to all of the Concept titles, although the underlying meaning remains broadly the same, with some updating to reflect practice. As we are talking about long term sustainable 'excellence', not the latest management fads, it would be rather odd if there were huge numbers of major changes.

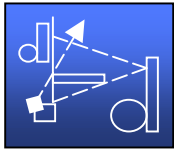
If you keep up with what is generally recommended in management thinking, there will be few surprises. We like the comment of one enlightened company chairman we know, who described the concepts as "great big dollops of common sense". However a potential problem is that common sense is not always as common as one might think in organisations.

The eight concepts (in the 2010 language) are:

- ❖ Achieving Balanced Results
- ❖ Adding Value for Customers
- ❖ Leading with Vision, Inspiration & Integrity
- ❖ Managing by Processes
- ❖ Succeeding through People
- ❖ Nurturing Creativity & Innovation
- ❖ Building Partnerships
- ❖ Taking Responsibility for a Sustainable Future

What follows is a brief explanation of the Concepts. Precisely how the Concepts apply may be different in each organisation: the Concepts - and the Excellence Model itself - are not just a tick list. This article is meant to be general guidance, not a detailed paper. Nevertheless, we hope it helps you to THINK about the concepts and what they mean for your organisation – and perhaps help you refine your blueprint for excellence in your own organisation. More details of the Concepts can be found in the Excellence Model guide available from the EFQM or BQF.

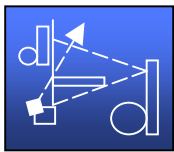
The EFQM Excellence Model© can help you identify how well you are doing in embedding the concepts in your organisation and provide a framework for doing so. A very brief introduction to the Model is given after the concepts, and then some sources of further information are shown.



Achieving Balanced Results (*formerly Results Orientation*)

This is about planning and achieving a balanced set of results that at least satisfy, and where appropriate exceed, the needs of all relevant stakeholders. It includes customers, employees, partners / suppliers and society as well as financial stakeholders. As Excellence is about sustained performance, it also follows that the organisation should be planning to meet stakeholders' short and long term needs.

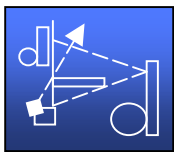
Most organisations know about financial results; many now realise that they need to know how well they are doing in other areas as well, and to get a balance between them.



Adding Value for Customers (*formerly Customer Focus*)

The customer is the main reason for the organisation's existence, the real judge of the organisation's outputs, and ultimately decides the organisation's fate. Success is best achieved through clearly understanding and anticipating the needs and expectations of different customer groups, innovating appropriately and creating value for them. Customers can be involved in product and service development.

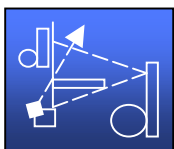
Most organisations now realise that they need to think deeply about customers and their needs, although there are still some cases where one might think they are just paying lip-service.



Leading with Vision, Inspiration & Integrity (*formerly Leadership & Constancy of Purpose*)

Leaders have the vital role of shaping the organisation's future and helping to deliver it. Through role modelling appropriate values and ethics, they create and reinforce the right working environment so that people and thus the organisation can excel. They must ensure that there is widespread clarity and consistency about the short and long term aims of the organisation. They need to lead the organisation through short term problems but be flexible and recognise when issues are longer term and need changes in the organisation's direction.

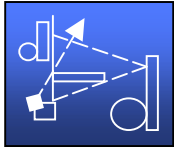
Leadership is not just managing, but it doesn't automatically demand 'charismatic' leaders. Many excellent organisational leaders carry out their roles in low-key but reliable ways which inspire real trust, confidence and high performance in their people. Sadly, we still see leaders who have little idea of the effect that their approach has on their people – positively and negatively.



Managing by Processes (*formerly Management by Processes & Facts*)

Much work crosses a number of functions in an organisation and smooth flows are needed to get the best performance. Excellent organisations have structured end-to-end processes, aligned to their strategy. They also make decisions based on facts - including stakeholder perceptions – to deliver better results.

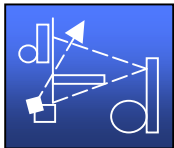
Better organisations understand and manage inter-related activities, they do not just operate in 'silos'. Decision making is about more than just relying on hunches, management impressions or the 'flavour of the day'.



Succeeding through People (*formerly People Development & Involvement*)

Success is best achieved when organisations truly value their people and ensure their full involvement. People's potential is released when there is a culture of shared values, openness, trust and empowerment. Excellent organisations recognise the benefits of balancing their own needs and goals with those of their people.

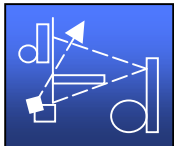
There is no point in saying 'our people are our greatest assets' and then not living up to it. Most organisations we see have moved significantly in the right direction, although there are still cases where they do not appear to recognise some of the issues. Communications is often mentioned by people as an area for improvement.



Nurturing Creativity & Innovation (*formerly Continuous Learning, Innovation & Improvement*)

Organisations increase performance when their culture is one of continuously seeking innovation and better ways of doing things. They encourage the creativity of their stakeholders, and manage and share information in the organisation constructively.

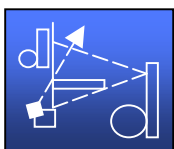
Many organisations have staff suggestion schemes. This is about making improvement a way of life, making innovation more systematic and cultural – and more things need to be in place than just a suggestion scheme to be effective. It's no good asking for ideas from staff if the only response they get is 'we've tried that before' or 'that will never work'. Also, recognise that some people may not be great at coming up with new ideas but may be invaluable in developing and implementing them.



Building Partnerships (*formerly Partnership Development*)

Is about the creation of mutually successful partner relationships, involving trust, respect, knowledge-sharing and joint working. Such partnerships may be with a range of stakeholders, including suppliers, customers and society.

There have been moves away from buying everything from suppliers purely on the basis of the lowest current price, towards lower overall long-term cost. Partnership working is now virtually a given in public/not-for-profit organisations in the UK.



Taking Responsibility for a Sustainable Future (*formerly Corporate Social Responsibility*)

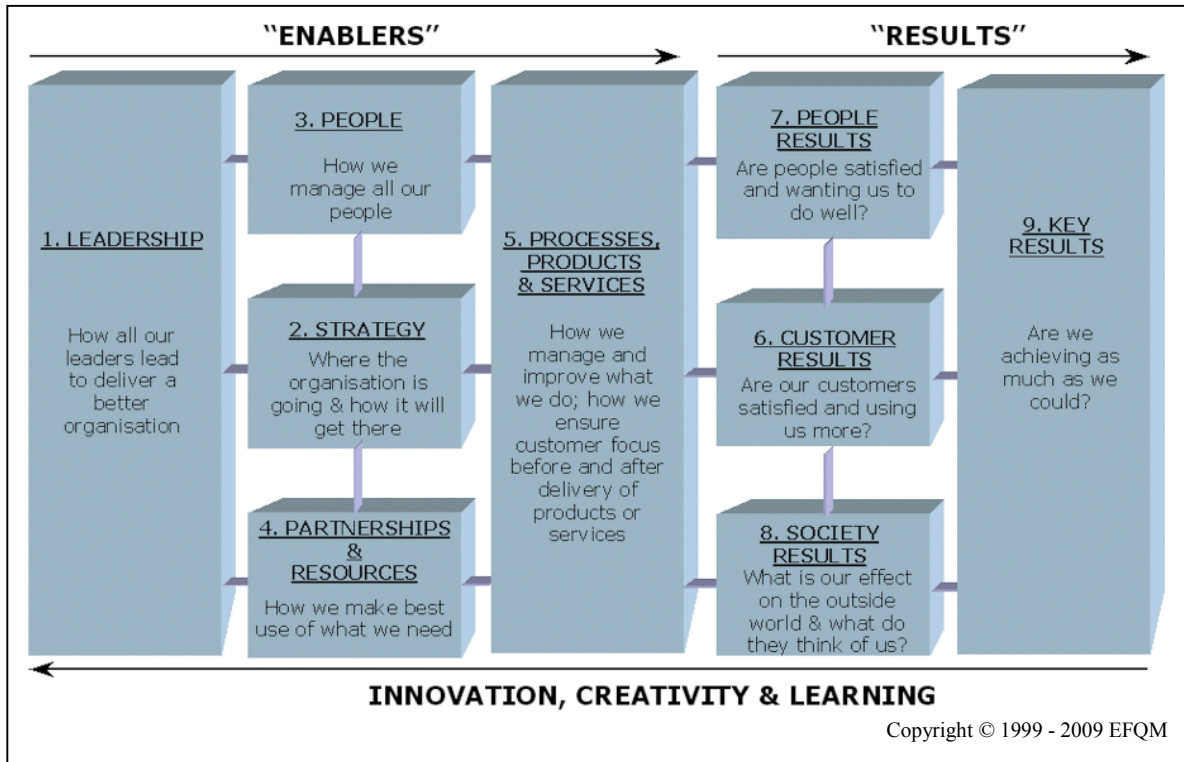
Long-term sustainability is best achieved by embedding an ethical culture, clear values and high standards of personal - and hence organisational - behaviour.

It is about focussing on delivering economic, social and ecological benefits by its operations.

The importance of this has grown tremendously, although 'wider society' is still in its infancy compared with awareness of other stakeholders. Some organisations are not always clear yet on what they can do to support the concept.

The EFQM Excellence Model

Now it is not always easy to implement a 'concept' in practical terms. That is where the EFQM Excellence Model itself comes in. It takes the concepts and shapes them into a framework of nine interconnected boxes and an associated management logic that can help anyone think about what it all means for their organisation. The Model is represented thus:



The management logic is known as RADAR, which stands for:

- ❖ **R**esults - decide what results you are trying to achieve
- ❖ **A**pproach - develop the approach(es) you need to meet those targets
- ❖ **D**eployment - deploy (implement) the approaches systematically
- ❖ **A**ssess & **R**efine - assess and review the effectiveness of the approaches, and implement improvements as necessary

Research has shown that businesses using such excellence frameworks can deliver superior performance. More detail of the Model is not within the scope of this short article, but more information may be found via the references below.

Resources

D&D Excellence website at <http://www.ddexcellence.com/> particularly the following sections

- ❖ About Excellence
- ❖ Downloads
- ❖ Does it work?

European Foundation of Quality Management website at <http://www.efqm.org/>

British Quality Foundation website at <http://www.bqf.org.uk/>