

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' - some of them can get quite heated!

Our own view is that organisational excellence is much more about an attitude of mind - the journey towards creating a sustainable organisation rather than necessarily the destination. 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 European Foundation for Quality Management ("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.

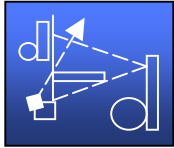
If you keep up with what is generally recommended in management thinking, there will be few surprises. We like the comment of one enlightened company chairman we know, who described the eight concepts as "great big dollops of common sense". However a potential problem is that common sense is not always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

The eight concepts are:

- ❖ Results Orientation
- ❖ Customer Focus
- ❖ Leadership & Constancy of Purpose
- ❖ People Development & Involvement
- ❖ Continuous Learning, Innovation & Improvement
- ❖ Management by Processes & Facts
- ❖ Partnership Development
- ❖ Corporate Social Responsibility

What follows is an outline of some of the main issues relevant to each concept. They are illustrative, not exhaustive. Precisely how they apply may be different in each organisation - the Concepts are not just a tick list. We have not wrestled with the semantics of each word; it is meant to be general guidance, not a scientific 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.

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.

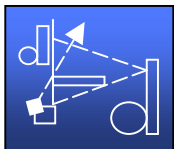


Results Orientation

This is about satisfying the needs of all relevant stakeholders, and doing so in a balanced way. It includes customers, employees, partners/suppliers and society as well as financial stakeholders. 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.

Organisations aspiring to excellence:

- ❖ identify their stakeholders
- ❖ understand the needs and expectations of stakeholders
- ❖ anticipate the needs of stakeholders
- ❖ assess/monitor the perceptions and views of stakeholders
- ❖ know how their own performance compares with others
- ❖ plan to meet the needs of current & future stakeholders to build long term success
- ❖ use results from all stakeholders in managing the organisation and planning
- ❖ know that excellence really is about achieving results
- ❖ know that excellent results are about more than just 'we've met our budget this quarter'!

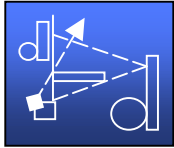


Customer Focus

The customer is the real judge of the organisation's outputs, and ultimately decides the organisation's fate. Success is best achieved through clearly focusing on customer needs - both current and future. This is certainly less of an 'alien' idea than it perhaps once was! Most organisations now realise that they need to think deeply about customers and their needs, although there are still cases where one might think they are just paying lip-service.

Organisations aspiring to excellence:

- ❖ know and understand their customers
- ❖ know that a real focus on satisfying the needs and wants of customers builds long term success
- ❖ segment customers as necessary to help meet their specific needs
- ❖ understand their customers' current and future buying motivations and habits
- ❖ develop appropriate relationships with customers
- ❖ manage the processes that deliver products and services to customers
- ❖ assess/monitor the perceptions and views of customers
- ❖ respond to and act on feedback from customers, including complaints
- ❖ monitor competitor activity
- ❖ understand their own sources of competitive advantage



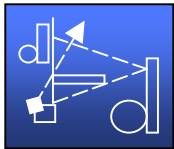
Leadership & Constancy of Purpose

Leaders have the vital role of creating and reinforcing the appropriate working environment so that people and thus the organisation can excel. They must ensure that there is widespread clarity and consistency about the aims of the organisation.

Leadership is not just managing, but it doesn't automatically demand 'charismatic' leaders. 'Constancy of purpose' doesn't rule out strategic and operational changes, but does need an element of stability, usually around core values and broad direction.

Organisations aspiring to excellence have leaders who:

- ❖ recognise that anyone with responsibility for others is a leader, and also people who are in positions of influence even though not having others reporting to them
- ❖ role model the organisation's values and act with fairness and integrity
- ❖ create a culture of involvement, improvement and innovation
- ❖ lead by example and are involved in improvement activity
- ❖ recognise, meet and work jointly with stakeholders
- ❖ ensure the management systems are effective in supporting the organisation's aims
- ❖ maintain a constancy of purpose when the going gets tough
- ❖ but can adapt and realign the organisation's direction if necessary
- ❖ understand that without the respect of their 'followers' they are just managers.

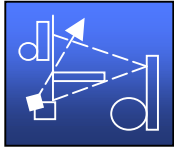


People Development & Involvement

People's (i.e. employees') full involvement and potential is released when there are shared values and the culture is one of trust and empowerment

Organisations aspiring to excellence:

- ❖ understand the skills they need (now and future) to meet their aims through their people
- ❖ recruit and develop the right people
- ❖ support their people to develop their potential
- ❖ involve their people in the development of the organisation
- ❖ have effective communication up, down and across the organisation
- ❖ reward and recognise their people appropriately to support commitment
- ❖ understand that it is the whole team of people who produce the organisation's results
- ❖ know that their diversity is a strength
- ❖ in short, don't just say that their people are their greatest assets but do nothing!

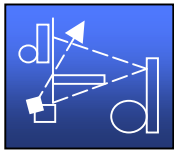


Continuous Learning, Innovation & Improvement

Organisations maximise performance when their culture is one of continuously seeking better ways of doing things, and when knowledge within the organisation is managed and shared constructively. Many organisations have staff suggestion schemes. This is about making improvement a way of life - and more things need to be in place than just a suggestion scheme to be effective.

Organisations aspiring to excellence:

- ❖ learn from their own activities and results
- ❖ compare their own performance with others'
- ❖ are open to learning from other organisations - whether in the same industry or not - and all stakeholders
- ❖ create a culture where improvement is the norm and people actively look for better approaches
- ❖ have a focus on the future, not just today
- ❖ capture and share the learning of their own people
- ❖ know that 'the person who never failed never did anything'
- ❖ know that 'not invented here' and 'I'm not sharing our ideas with my colleagues' are equally unwelcome



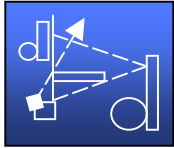
Management by Processes & Facts

Much work crosses a number of functions in an organisation and smooth flows are needed to get the best from them. Better decisions come from using facts - including stakeholder perceptions - rather than just relying on management's impressions.

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' or the 'flavour of the day'.

Organisations aspiring to excellence:

- ❖ create a framework of processes to deliver and support the aims of the organisation
- ❖ have processes that are stakeholder focused
- ❖ understand that processes should be managed end-to-end
- ❖ measure, manage and improve their process performance
- ❖ take decisions on reliable factual information
- ❖ ensure that their processes meet, as a minimum, any regulatory requirements

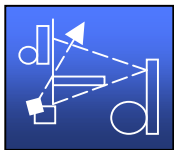


Partnership Development

Is about the creation of mutually beneficial partner relationships, involving trust, knowledge-sharing and joint working. There have already been moves away from buying from suppliers purely on the basis of the lowest current price, towards lower overall costs.

Organisations aspiring to excellence:

- ❖ recognise where there may be advantages in working in partnership with other organisations
- ❖ work co-operatively with partners to deliver value to stakeholders
- ❖ build sustainable relationships with their partners, sharing aims and plans
- ❖ have partnerships where there is alignment of values and culture
- ❖ know that support in partnerships should be two-way



Corporate Social Responsibility

Long-term sustainability is best achieved by adopting an appropriate ethical approach and exceeding the expectations of the community at large. (It is applicable to all organisations, not just formal 'corporate' bodies)

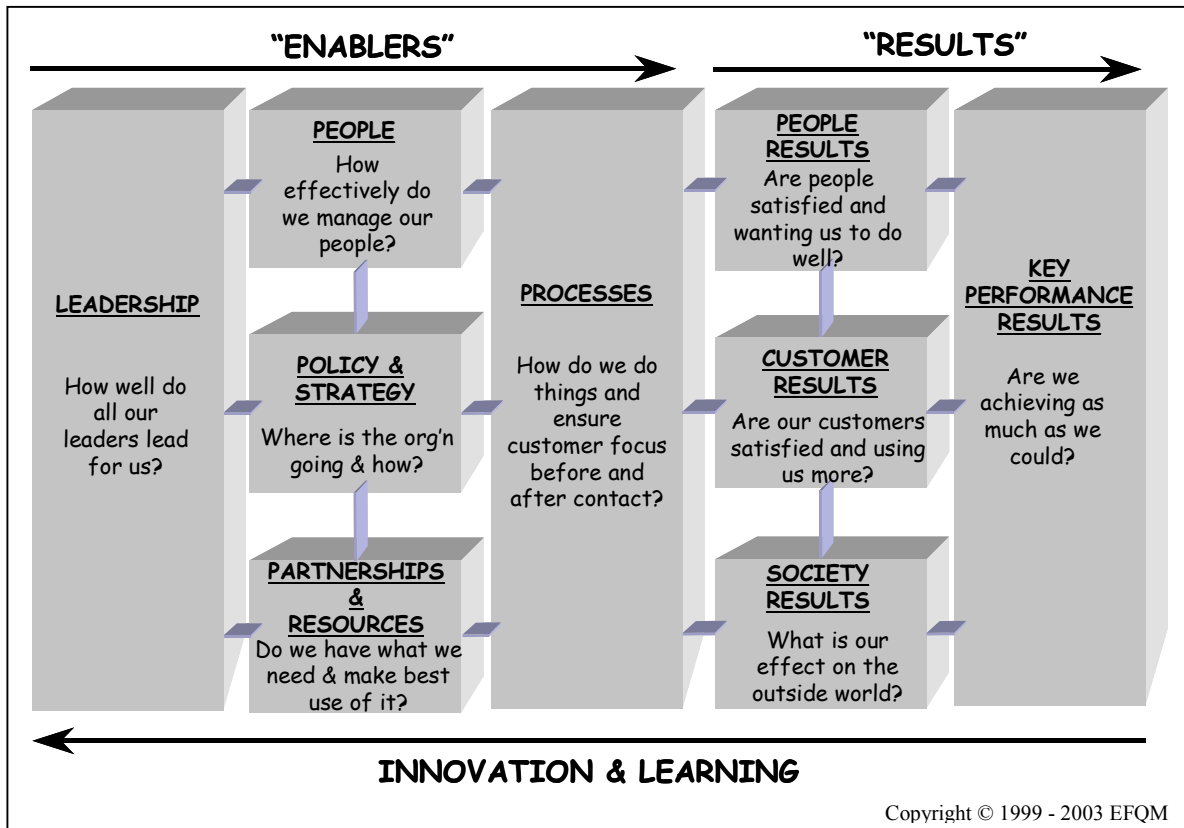
Awareness of the importance has grown recently, although maybe in its 'infancy' compared with acceptance of other stakeholders.

Organisations aspiring to excellence:

- ❖ identify what 'society' means to them and see their responsibility to it as integral to the way they work
- ❖ identify how they can deliver benefits to society
- ❖ want to do more than the bare minimum regulatory requirements
- ❖ consider the effects of their operations and products on the community and the environment, and work to minimise any adverse impact
- ❖ operate ethically and with openness and transparency
- ❖ know that some people prefer to work for an organisation that cares about society
- ❖ understand that any organisation needs its 'licence to operate' from society

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 implementation logic that can help anyone think about what it all means for their organisation. The Model is represented thus:



The implementation 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**eview - 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.quality-foundation.co.uk/>