The European Foundation for Quality Management (EFQM®) is a membership based not for profit organisation, created in 1988 by fourteen leading European businesses, with a Mission to be the driving force for sustainable excellence in Europe and a Vision of a world in which European organisations excel.

EFQM has promoted the concept of partnership with similar National organisations in Europe to help promote sustainable excellence in European organisations. These National organisations work with EFQM to promote the EFQM Excellence Model. Contact details for our partners can be found at http://www.efqm.org/partnership_distribution/npo_details.htm

By January 2003, EFQM membership had grown to around 800 organisations from most European countries and most sectors of activity. Together with the National organisations the membership network runs to thousands of organisations with several million individuals employed in those organisations.

In addition to being the owner of the EFQM Excellence Model and managing The European Quality Award, EFQM also provides a portfolio of services for its members.
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Regardless of sector, size, structure or maturity, to be successful, organisations need to establish an appropriate management framework. The EFQM Excellence Model is a practical tool that is used by organisations in a number of ways:

- As a tool for Self-Assessment by measuring where they are on the path to excellence; helping them understand the gaps; and then stimulating solutions;
- As the basis for a common vocabulary and way of thinking about the organisation which is shared across all functions;
- As a framework for positioning existing initiatives, removing duplication and identifying gaps;
- As a structure for the organisation’s management system.

EFQM, together with its partner organisations, is committed to researching and updating the Model with the practical and academic inputs from thousands of organisations both within and outside of Europe. In this way we ensure the Model remains dynamic and in line with current management thinking.

1. The Need for a Model
Perhaps the most frequently asked question about adopting the Model is, ‘How do you know it works’. One of the most convincing answers to this comes from a piece of extensive research carried out in 2000 by Dr. Vinod Singhal of the Georgia Institute of Technology and Dr. Kevin Hendricks of the University of Western Ontario. A summary of that research is presented here and a longer paper on their work is on the EFQM website at www.efqm.org.

**Quality Award Winners also Improve Financial Performance**

A recent study by Dr. Vinod Singhal of the Georgia Institute of Technology and Dr. Kevin Hendricks of the University of Western Ontario provides hard evidence that the effective implementation of TQM principles impacts bottom-line business results. The 5 year study of more than 600 quality award winners showed that, as a whole, they experienced significant improvement in the value of their common stock, operating income, sales, return on sales, employment, and asset growth.

Drs. Singhal and Hendricks compared the financial performance of nearly 600 - quality award winning firms against a control sample of firms similar in size and operating in the same industries. Both groups were tracked over a five-year period starting one year before to four years after the award winners won their first award. The award winners averaged significantly larger increases in several measures of financial performance than the control group (Figure 1). Award winners experienced a 44% higher stock price return, a 48% higher growth in operating income and 37% higher growth in sales compared to the control group. Award winners also outperformed the controls on return on sales, growth in employees, and growth in assets.

One interesting finding was that firms who win awards based on models such as the Baldrige or the European Quality Award or other independent quality awards, experienced better results than those winning supplier awards only (Figure 2). After adjusting for the performance of the controls, the independent award winners averaged a 61% increase in stock returns, 73% increase in operating income, 33% increase in sales, 17% increase in return on sales, 25% increase in employment and 49% increase in assets - all of which are well above the increases experienced by firms winning supplier awards only. This evidence provides a compelling case for why firms should use criteria such as the European Excellence Model for planning, training and assessment, and why various state and federal agencies should support such award initiatives.

There is a common perception among smaller firms that performance excellence models are more applicable to larger firms. The findings indicate that this perception may not be true. After adjusting for the performance of the controls, smaller award winners averaged a 63% increase in operating income, 39% increase in sales, 17% increase in return on sales, 21% increase in employment, and 42% increase in assets - all of which are well above the increases experienced by the larger award winners (Figure 3). Similarly the findings indicated that lower capital-intensive award winners do significantly better than higher capital-intensive award winners (Figure 4).

In summary, the results of this study indicated that effective adoption of performance excellence principles embedded in various quality award criteria do make good economic sense. To obtain a copy of this study visit the EFQM website at www.efqm.org. Dr. Singhal can be reached at vinod.singhal@mgt.gatech.edu or by phone at 404-894-4908 in USA.
Comparison of ‘Independent’ and ‘Supplier’ Award Winners
Average % Change in Performance Measures (Figure 2)

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Independent</th>
<th>Supplier</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stock Price</td>
<td>61%</td>
<td>36%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>73%</td>
<td>33%</td>
</tr>
<tr>
<td>Sales</td>
<td>66%</td>
<td>33%</td>
</tr>
<tr>
<td>Return on Sales</td>
<td>33%</td>
<td>23%</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>17%</td>
<td>9%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>25%</td>
<td>11%</td>
</tr>
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Comparison of Smaller and Larger Award Winners
Average % Change in Performance Measures (Figure 3)

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Smaller Firms</th>
<th>Larger Firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Income</td>
<td>63%</td>
<td>22%</td>
</tr>
<tr>
<td>Sales</td>
<td>39%</td>
<td>20%</td>
</tr>
<tr>
<td>Return on Sales</td>
<td>17%</td>
<td>7%</td>
</tr>
<tr>
<td>No. of Employees</td>
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<td>9%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>42%</td>
<td>18%</td>
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Comparison of Lower and Higher Capital Intensive Winners
Average % Change in Performance Measures (Figure 4)

<table>
<thead>
<tr>
<th>Performance Measures</th>
<th>Low Capital</th>
<th>High Capital</th>
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</thead>
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<td>Operating Income</td>
<td>65%</td>
<td>21%</td>
</tr>
<tr>
<td>Sales</td>
<td>33%</td>
<td>25%</td>
</tr>
<tr>
<td>Return on Sales</td>
<td>17%</td>
<td>7%</td>
</tr>
<tr>
<td>No. of Employees</td>
<td>15% 15%</td>
<td>15% 15%</td>
</tr>
<tr>
<td>Total Assets</td>
<td>38% 22%</td>
<td>38% 22%</td>
</tr>
</tbody>
</table>
3. The Fundamental Concepts of Excellence and the EFQM Excellence Model

3.1. The Concepts as a basis for Excellence

The Fundamental Concepts of Excellence are applicable to all organisations regardless of sector, industry or size and underpin the EFQM Excellence Model.

Full details on these Concepts can be found in our brochure “The Fundamental Concepts of Excellence,” but here we show the definitions and descriptions of each for easy reference.

### Results Orientation

**The Concept**
Excellence is achieving results that delight all the organisation’s stakeholders.

**How the Concept is put into practice**
In the fast changing environment that is today’s world, excellent organisations are agile, flexible and responsive as stakeholder needs and expectations change, often frequently and quickly. Excellent organisations measure and anticipate the needs and expectations of their stakeholders, monitor their experiences and perceptions, and monitor and review the performance of other organisations. Information is gathered from both current and future stakeholders. This information is used in order to set, implement and review their policies, strategies, objectives, targets, measures and plans, for the short, medium and longer term. The information gathered also helps the organisation to develop and achieve a balanced set of stakeholder results.

### Customer Focus

**The Concept**
Excellence is creating sustainable customer value.

**How the Concept is put into practice**
Excellent organisations know and intimately understand their customers. They understand that customers are the final arbiters of product and service quality. They also understand that customer loyalty, retention and market share gain is maximised through a clear focus on the needs and expectations of both existing and potential customers. They are responsive to those customers’ present needs and expectations. Where appropriate they segment their customers to improve the effectiveness of their response. They monitor competitor activity and understand their competitive advantage. They effectively anticipate what customers’ future needs and expectations will be and act now in order to meet and where possible exceed them. They monitor and review the experiences and perceptions of their customers and where things go wrong they respond quickly and effectively. They build and maintain excellent relationships with all their customers.
Leadership and Constancy of Purpose

The Concept
Excellence is visionary and inspirational leadership, coupled with constancy of purpose.

How the Concept is put into practice
Excellent organisations have leaders who set and communicate a clear direction for their organisation. In doing so they unite and motivate other leaders to inspire their people. They establish values, ethics, culture and a governance structure for the organisation that provides a unique identity and attractiveness to stakeholders. Leaders at all levels within these organisations constantly drive and inspire others towards excellence and in so doing display role model behaviour and performance. They lead by example, recognising their stakeholders and working with them on joint improvement activity. During times of turbulence they display a constancy of purpose and steadiness that inspires the confidence and commitment of their stakeholders. At the same time they demonstrate the capability to adapt and realign the direction of their organisation in the light of a fast moving and constantly changing external environment, and in so doing carry their people with them.

Management by Processes and Facts

The Concept
Excellence is managing the organisation through a set of interdependent and interrelated systems, processes and facts.

How the Concept is put into practice
Excellent organisations have an effective management system based upon, and designed to deliver, the needs and expectations of all stakeholders. The systematic implementation of the policies, strategies, objectives and plans of the organisation are enabled and assured through a clear and integrated set of processes. These processes are effectively deployed, managed and improved on a day-to-day basis. Decisions are based on factually reliable information relating to current and projected performance, process and systems capability, stakeholder needs, expectations and experiences, and the performance of other organisations, including, where appropriate, that of competitors. Risks are identified based on sound performance measures and effectively managed. The organisation is governed in a highly professional manner, meeting and exceeding all corporate external requirements. Appropriate prevention measures are identified and implemented, inspiring and maintaining high levels of confidence with stakeholders.

People Development and Involvement

The Concept
Excellence is maximising the contribution of employees through their development and involvement.

How the Concept is put into practice
Excellent organisations identify and understand the competencies needed, both now and in the future, in order to implement the organisation’s policies, strategies, objectives and plans. They recruit and develop their people to match these competencies and actively and positively support them throughout. Personal development is promoted and supported allowing people to realise and unlock their full potential. They prepare people to meet and adapt to the changes required of them both in terms of operational changes and personal capabilities.

They recognise the increasing importance of the intellectual capital of their people and use their knowledge for the benefit of the organisation. They seek to care, reward and recognise their people in a way that builds their commitment and encourages their loyalty to the organisation. They maximise the potential and the active involvement of their people through shared values and a culture of trust, openness and empowerment. They utilise that involvement to generate and implement ideas for improvement.
**Continuous Learning, Innovation and Improvement**

*The Concept*
Excellence is challenging the status quo and effecting change by using learning to create innovation and improvement opportunities.

*How the Concept is put into practice*
Excellent organisations continuously learn, both from their own activities and performance and from that of others. They rigorously benchmark, both internally and externally. They capture and share the knowledge of their people in order to maximise learning across and within the organisation. There is an openness to accept and use ideas from all stakeholders. People are encouraged to look beyond today and today’s capabilities. They are careful to guard their intellectual property and to exploit it for commercial gain, where appropriate. Their people constantly challenge the status quo and seek opportunities for continuous innovation and improvement that add value.

**Partnership Development**

*The Concept*
Excellence is developing and maintaining value-adding partnerships.

*How the Concept is put into practice*
Excellent organisations recognise that in today’s constantly changing and increasingly demanding world, success may depend on the partnerships they develop. They seek out, and develop, partnerships with other organisations. These partnerships enable them to deliver enhanced value to their stakeholders through optimising core competencies. These partnerships may be with customers, society, suppliers or even competitors and are based on clearly identified mutual benefit. Partners work together to achieve shared goals, supporting one another with expertise, resources and knowledge and build a sustainable relationship based on mutual trust, respect and openness.

**Corporate Social Responsibility**

*The Concept*
Excellence is exceeding the minimum regulatory framework in which the organisation operates and to strive to understand and respond to the expectations of their stakeholders in society.

*How the Concept is put into practice*
Excellent organisations adopt a highly ethical approach by being transparent and accountable to their stakeholders for their performance as a responsible organisation. They give consideration to, and actively promote, social responsibility and ecological sustainability both now and for the future. The organisation’s Corporate Social Responsibility is expressed in its values and integrated within the organisation. Through open and inclusive stakeholder engagement, they meet and exceed the expectations and regulations of the local and, where appropriate, the global community. As well as managing risk, they seek out and promote opportunities to work on mutually beneficial projects with society inspiring and maintaining high levels of confidence with stakeholders. They are aware of the organisation’s impact on both the current and future community and take care to minimise any adverse impact.
3.2. Linking the Fundamental Concepts and the EFQM Excellence Model

Being the basis for the EFQM Excellence Model, each Fundamental Concept has a number of direct and indirect links to different Criterion and criterion parts. In addition the Concepts can themselves have an impact on each other. The table below shows some of the significant links and is supported by an explanation of the links for each Concept.

**SIGNIFICANT LINKS BETWEEN THE FUNDAMENTAL CONCEPTS AND EFQM EXCELLENCE MODEL LINKS**

<table>
<thead>
<tr>
<th>Criterion</th>
<th>1 Leadership</th>
<th>2 Policy &amp; Strategy</th>
<th>3 People</th>
<th>4 Partnerships &amp; Resources</th>
<th>5 Processes</th>
<th>6 Customer Results</th>
<th>7 People Results</th>
<th>8 Society Results</th>
<th>9 Key Performance Results</th>
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<td>Concepts</td>
<td>A B C D E A B C D E A B C D E A B C D E A B C D E A B C D E</td>
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<tr>
<td>Results Orientation</td>
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<tr>
<td>Customer Focus</td>
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<td></td>
<td>X X X X X X</td>
</tr>
<tr>
<td>Leadership &amp; Constancy of Purpose</td>
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<tr>
<td>Management by Processes &amp; Facts</td>
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<tr>
<td>People Development &amp; Involvement</td>
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<td></td>
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<td>X X X X X X</td>
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<tr>
<td>Continuous Learning, Innovation &amp; Improvement</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>X X X X X X</td>
</tr>
<tr>
<td>Partnership Development</td>
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<td></td>
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<td></td>
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<td></td>
<td>X X X X X X</td>
</tr>
<tr>
<td>Corporate Social Responsibility</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>X X X X X X</td>
</tr>
</tbody>
</table>

**Results Orientation**
This concept links explicitly to the four Results criteria where the organisation considers the results required for each of the stakeholders. This link takes us back to the Enablers where in Policy and Strategy:
- stakeholders’ requirements and other performance measures are gathered for input to develop policy and strategy;
- policy and strategy is developed ensuring stakeholders needs and requirements are balanced;
- policy and strategy is deployed in order to achieve the expected results.

In People we consider the need to equip our people to deliver the required results and in Processes we use the results achieved as feedback to improve future performance.

**Customer Focus**
Customers are the reason for an organisation to exist, therefore the customer link is strong throughout the Model. The more explicit links are to criterion part 5c, 5d and 5e where the customer facing processes are considered and also in criterion 6 where satisfaction with products and services is measured together with the organisation’s internal customer indicators. In addition there are also links to Leadership where the Leaders interact with customers and in Policy and Strategy where needs and requirements are gathered and then balanced.

**Leadership and Constancy of Purpose**
The importance of Leadership is pervasive throughout the Model, for example in the setting of Policy and Strategy but the major link between the Excellence Model and this Concept is clearly within Criterion 1, Leadership. Measurement of the effectiveness of Leadership may be found in People Results.
Management by Processes and Facts
 Processes are again evidenced throughout the Model but some of the more explicit links with this Concept include:

- 1b where leaders ensure a fit for purpose management system is developed, implemented and improved;
- 2a and b where information is gathered to inform policy and strategy;
- 2d identifying key processes;
- 5a and b where the organisations process management and improvement system is considered.

In addition, to complete the loop, all Results areas provide information that is used to make the decisions in the Enablers.

People Development and Involvement
 The most explicit links for this Concept are to the People criterion where people management, development, support and reward and recognition are considered and in the People Results where levels of satisfaction with the organisation and the internal people indicators are captured.

There are also links to:
- leadership 1d and how leaders motivate, inspire and support people;
- criterion part 2a where people needs and requirements are gathered to influence policy and strategy;
- criterion part 2c where these needs and requirements are balanced with other stakeholders.

Continuous Learning, Innovation and improvement
 This Concept is immediately apparent when one looks at the picture of the Model and it reminds us of the importance of learning from the outputs of the Results criteria and the need to use the information to be innovative and creative in our enabling activities.

This Concept lives in a variety of the Enablers:
- many parts of Leadership are concerned with identifying, promoting, and being involved in improvement, change and learning activities;
- in Policy and Strategy the output from learning activity is used to influence Policy and Strategy;
- criterion 3, People’s knowledge and competencies are improved, they are involved and have opportunities to share ideas and knowledge;
- managing and sharing organisational knowledge is found in 4c,
- 5b looks at the use of innovation and creativity in managing and improving processes;
- in 5c innovation is seen in the development of products and services.

Partnership Development
 The obvious links for this Concept are 4a where the management of partnerships is considered and in criterion 9 where the measurement of the effectiveness of partnerships is often seen. However there are also links in:

- 1c where leaders interact with partners;
- criterion part 2a where the partners needs and requirements are gathered to influence Policy and Strategy;
- 2c where these needs and requirements are balanced with those of other stakeholders.

Corporate Social Responsibility
 As would be expected of a Concept that has global implications, this one is evidenced in many parts of the Model. Explicitly it is found in:

- criterion 1 Leaders develop, promote and ensure effective implementation of the ethics, governance arrangements, equal opportunity, diversity and environmental policies and programmes that society expects and they interact with society stakeholders;
- 2a, society’s input as a stakeholder is collected;
- 2b is where we include other societal measures;
- 2c is concerned with balancing that input with other stakeholder requirements;
- criterion 3 People we consider the equality and fairness in terms and conditions for our employee and how we care for them in general;
- criterion 4, consideration is given to society partners, to the financial governance of our organisation and to the use and disposal of resources that have an impact on society;
- 5a we give consideration to the effective application of standards covering environmental, health and safety the management of processes;
- 5c we consider the after effects of our products and services;
- finally, in 8, measures of Society’s satisfaction with the organisation and internal society indicators are sought.
4. **The EFQM Excellence Model**

4.1. **Overview**

The EFQM Excellence Model is a non-prescriptive framework based on nine criteria. Five of these are ‘Enablers’ and four are ‘Results’. The ‘Enabler’ criteria cover what an organisation does. The ‘Results’ criteria cover what an organisation achieves. ‘Results’ are caused by ‘Enablers’ and ‘Enablers’ are improved using feedback from ‘Results’.

The Model, which recognises there are many approaches to achieving sustainable excellence in all aspects of performance, is based on the premise that:

Excellent results with respect to Performance, Customers, People and Society are achieved through Leadership driving Policy and Strategy, that is delivered through People, Partnerships and Resources, and Processes.

The EFQM Model is presented in diagrammatic form above.

The arrows emphasise the dynamic nature of the Model. They show innovation and learning helping to improve enablers that in turn lead to improved results.

4.2. **Model contents and structure**

The Model’s 9 boxes, shown above, represent the criteria against which to assess an organisation’s progress towards excellence.

Each of the nine criteria has a definition, which explains the high level meaning of that criterion.

To develop the high level meaning further each criterion is supported by a number of criterion parts. Criterion parts pose a number of questions that should be considered in the course of an assessment.

Finally below each criterion part are guidance points. Use of these guidance points is not mandatory nor are the lists exhaustive but are intended to further exemplify the meaning of the criterion part.
4.3. Model Criteria

1. LEADERSHIP

Definition
Excellent Leaders develop and facilitate the achievement of the mission and vision. They develop organisational values and systems required for sustainable success and implement these via their actions and behaviours. During periods of change they retain a constancy of purpose. Where required, such leaders are able to change the direction of the organisation and inspire others to follow.

1a. Leaders develop the mission, vision, values and ethics and are role models of a culture of Excellence

This may include:
- developing the organisation’s mission, vision and culture;
- developing and role modelling values, ethics and public responsibilities that support the culture;
- reviewing and improving the effectiveness of personal leadership behaviours;
- being actively involved in improvement activities;
- stimulating and encouraging empowerment, creativity and innovation, e.g. by changing the organisation’s structure, funding learning and improvement activities;
- encouraging, supporting and acting upon the findings of learning activities;
- prioritising improvement activities;
- stimulating and encouraging collaboration within the organisation.

1b. Leaders are personally involved in ensuring the organisation’s management system is developed, implemented and continuously improved

This may include:
- aligning the organisation’s structure to support delivery of its policy and strategy;
- ensuring a system for managing processes is developed and implemented;
- establishing clear ownership of processes;
- ensuring a process for the development, deployment and updating of policy and strategy is developed and implemented;
- ensuring a process for the effective governance of the organisation is developed and implemented;
- ensuring a process for the measurement, review and improvement of key results is developed and implemented;
- ensuring a process, or processes, for stimulating, identifying, planning and implementing improvements to enabling approaches, e.g. through creativity, innovation and learning activities, is developed and implemented.
1c. Leaders interact with customers, partners and representatives of society

This may include:
- meeting, understanding and responding to needs and expectations;
- establishing and participating in partnerships;
- establishing and participating in joint improvement activity;
- recognising individuals and teams of stakeholders for their contribution to the business, for loyalty etc;
- participating in professional bodies, conferences and seminars, particularly promoting and supporting excellence;
- promoting, supporting and engaging in activities that aim to improve the global environment and the organisation’s contribution to society with the view to respecting the rights and interests of future generations.

1d. Leaders reinforce a culture of Excellence with the organisation’s people

This may include:
- personally communicating the organisation’s mission, vision, values, policy and strategy, plans, objectives and targets to people;
- being accessible, actively listening inspiring, uniting and responding to people;
- helping and supporting people to achieve their plans, objectives and targets;
- motivating and enabling people to participate in improvement activity;
- recognising both team and individual efforts, at all levels within the organisation, in a timely and appropriate manner;
- promoting and encouraging equal opportunities and diversity.

1e. Leaders identify and champion organisational change

This may include:
- understanding the internal and external drivers of change for the organisation;
- identifying and selecting changes that need to be made within the organisation, to the organisation model and in its external relationships;
- leading the development of change plans;
- securing investment, resources and support for change;
- managing the delivery and risks of the overall portfolio of change programmes;
- ensuring the effective delivery of change and managing stakeholders;
- communicating changes and the reasons for them to the organisations people and other stakeholders;
- supporting and enabling people to manage change;
- measuring and reviewing the effectiveness of changes and sharing the knowledge gained.
2. POLICY AND STRATEGY

Definition
Excellent Organisations implement their mission and vision by developing a stakeholder focused strategy that takes account of the market and sector in which it operates. Policies, plans, objectives, and processes are developed and deployed to deliver the strategy.

2a. Policy and Strategy are based on the present and future needs and expectations of stakeholders

This may include:
- gathering and understanding information to define the markets and market segments the organisation will operate in both now and in the future;
- identifying, understanding and anticipating the needs and expectations of current and future stakeholders including customers, employees, partners, society and shareholders;
- identifying, understanding and anticipating developments in the market place, including competitor activity.

2b. Policy and Strategy are based on information from performance measurement, research, learning and external related activities

This may include:
- analysing output from internal performance indicators;
- analysing output from learning activities;
- analysing external image and brand awareness data;
- analysing the performance of competitors and best in class organisations;
- analysing data regarding existing/potential partners core competencies;
- analysing data for both long and short term social, environmental, safety and legal issues;
- analysing data on the effects of products and services throughout their entire life-cycle;
- identifying and understanding economic and demographic indicators;
- analysing data to determine the impact of new technologies and business models on the performance of the organisation.

2c. Policy and Strategy are developed, reviewed and updated

This may include:
- developing, reviewing and updating policy and strategy consistent with the organisation’s mission, vision and concepts of Excellence;
- balancing both long and short-term needs and expectations of stakeholders;
- assessing risks and identifying ways of addressing these risks;
- identifying present and future competitive advantage;
- identifying core capabilities and needs for partnerships/alliances to deliver policy and strategy;
- reaffirming presence in established markets or requirement to change market approach;
- aligning strategy with those of partners and alliances;
- identifying critical success factors;
- aligning and continuously developing social and environmental standards with partners;
- evaluating the relevance and effectiveness of policy and strategy.

2d. Policy and Strategy are communicated and deployed through a framework of key processes

This may include:
- identifying and designing and communicating the framework of key processes needed to deliver the organisation's policy and strategy;
- communicating policy and strategy to stakeholders and evaluating the awareness of it;
- aligning, prioritising, agreeing, cascading and communicating plans, objectives and targets as well as following up achievements;
- establishing organisation wide reporting mechanisms to track progress.
3. PEOPLE

**Definition**
Excellently organisations manage, develop and release the full potential of their people at an individual, team-based and organisational level. They promote fairness and equality and involve and empower their people. They care for, communicate, reward and recognise, in a way that motivates staff and builds commitment to using their skills and knowledge for the benefit of the organisation.

3a. People resources are planned, managed and improved

This may include:
- developing human resource policies, strategies and plans;
- involving employees, and their representatives, in developing human resource policies, strategies and plans;
- aligning the human resource plans with policy and strategy, the organisational structure and the framework of key processes;
- managing recruitment, career development and succession planning;
- promoting and ensuring fairness in all terms of employment including equal opportunities policies, strategies and plans;
- using people surveys and other forms of employee feedback to improve human resource policies, strategies and plans;
- using innovative organisation methodologies to improve the way of working, e.g. restructuring the supply chain, flexible team working.

3b. People’s knowledge and competencies are identified, developed and sustained

This may include:
- identifying, classifying and matching people’s knowledge and competencies with the organisation’s needs;
- developing and using training and development plans to help ensure people match the present and future capability needs of the organisation;
- Developing, mentoring and training all people to help them realise and attain their full potential;
- designing and promoting individual, team and organisational learning opportunities;
- developing and using training and development plans to help ensure people match the present and future capability needs of the organisation;
- designing and promoting individual, team and organisational learning opportunities;
- appraising and helping people improve their performance.

3c. People are involved and empowered

This may include:
- encouraging and supporting individual and team participation in improvement activities;
- encouraging and supporting people’s involvement e.g. through in-house conferences, ceremonies and community projects;
- providing opportunities that stimulate involvement and support innovative and creative behaviour;
- training managers to develop and implement guidelines empowering people to take action;
- encouraging people to work together in teams.

3d. People and the organisation have a dialogue

This may include:
- identifying communication needs;
- developing communications policies, strategies and plans based on communications needs;
- developing and using top down, bottom up and horizontal communication channels;
- identifying and ensuring opportunities to share best practice and knowledge.

3e. People are rewarded, recognised and cared for

This may include:
- aligning remuneration, redeployment, redundancy and other terms of employment with policy and strategy;
- recognising people in order to promote and sustain their involvement and empowerment;
- promoting awareness and involvement in health, safety, the environment and issues on social responsibility;
- setting the levels of benefits, e.g. pension plan, health care, childcare;
- recognising and taking account of diversity and different cultural backgrounds promoting social and cultural activities;
- providing resources and services that meet legal essentials and in some cases, exceed these requirements.
4. PARTNERSHIPS AND RESOURCES

Definition
Excellent organisations plan and manage external partnerships, suppliers and internal resources in order to support policy and strategy and the effective operation of processes. During planning and whilst managing partnerships and resources they balance the current and future needs of the organisation, the community and the environment.

4a. External partnerships are managed
This may include:
- identifying key organisation and community partnership opportunities in line with policy and strategy and the organisation’s mission;
- structuring partnership and supplier relationships to create and maximise value;
- forming supply chain partnerships that add value to customers;
- identifying and leveraging core competencies of partners and supporting mutual development;
- ensuring cultural compatibility and the sharing of knowledge with partner organisations;
- generating and supporting innovative and creative thinking through the use of partnerships;
- creating synergy in working together to improve processes and add value to the customer/supplier chain.

4b. Finances are managed
This may include:
- developing and implementing financial strategies and processes for using financial resources in support of overall policy and strategy;
- designing the financial planning and reporting to cascade the financial stakeholders expectations throughout the organisation;
- establishing reporting mechanisms;
- evaluating investment in and divestment of both tangible and non-tangible assets;
- using financial mechanisms and parameters to ensure an efficient and effective resourcing structure;
- developing and introducing methodologies for managing risks to financial resources to all appropriate levels in the organisation;
- establishing and implementing core governance processes at all appropriate levels in the organisation.
4c. Buildings, equipment and materials are managed

This may include:
- developing a strategy for managing buildings, equipment and materials that supports the organisation’s policy and strategy;
- managing the maintenance and utilisation of assets to improve total life cycle performance;
- managing the security of assets;
- measuring and managing any adverse effects of the organisation’s assets on the community and employees (including ergonomics, health and safety);
- utilising resources in an environmentally sound manner throughout the entire life-cycle of a product;
- optimising inventory management;
- optimising consumption of utilities;
- reducing and recycling waste;
- minimising any adverse global impact of products, production processes and services;
- optimising transportation usage.

4d. Technology is managed

This may include:
- developing a strategy for managing technology that supports the organisation’s policy and strategy;
- identifying and evaluating alternative and emerging technologies in the light of their impact on business and the society;
- managing the technology portfolio including the identification and replacement of outdated technology;
- exploiting existing technology;
- developing innovative and environmentally friendly technology (i.e. conserving energy and resources, minimisation of waste and emissions, encouraging recycling and re-use);
- using Information and Communication Technologies to support and improve the effective operation of the organisation;
- using technology to support improvement.

4e. Information and knowledge are managed

This may include:
- developing a strategy for managing information and knowledge that supports the organisation’s policy and strategy;
- identifying the organisation’s information and knowledge requirements;
- collecting, structuring and managing information and knowledge in support of policy and strategy;
- providing appropriate access, for both internal and external users, to relevant information and knowledge;
- using information technology to support internal communication and information and knowledge management;
- assuring and improving information validity, integrity and security;
- cultivating, developing and protecting unique intellectual property in order to maximise customer value;
- seeking to acquire, increase and use knowledge effectively;
- generating innovative and creative thinking within the organisation through the use of relevant information and knowledge resources.
5. PROCESSES

*Definition*
Excellent organisations design, manage and improve processes in order to fully satisfy, and generate increasing value for, customers and other stakeholders.

5a. Processes are systematically designed and managed

This may include:
- designing the organisation’s processes, including those key processes needed to deliver policy and strategy;
- identifying process stakeholders and managing interface issues inside the organisation and with external partners for the effective management of end-to-end processes;
- establishing the process management system;
- applying systems standards covering, for example, quality management systems, environmental systems, occupational health and safety systems in process management;
- implementing process indicators and setting performance targets;
- reviewing the effectiveness of the process framework in delivering the organisation’s policy and strategy.

5b. Processes are improved, as needed, using innovation in order to fully satisfy and generate increasing value for customers and other stakeholders

This may include:
- identifying and prioritising opportunities for improvement, and other changes, both incremental and breakthrough;
- using performance and perception results and information from learning activities to set priorities and targets for improvement and improved methods of operation;
- stimulating and bringing to bear the creative and innovative talents of employees, customers and partners in incremental and breakthrough improvements;
- discovering and using new process designs, operating philosophies and enabling technology;
- establishing appropriate methods for implementing change;
- piloting and controlling the implementation of new or changed processes;
- communicating process changes to all appropriate stakeholders;
- ensuring people are trained to operate new or changed processes prior to implementation;
- ensuring process changes achieve predicted results.
5c. Products and Services are designed and developed based on customer needs and expectations

This may include:
- using market research, customer surveys and other forms of feedback to determine customer current needs and expectations for products and services;
- anticipating and identifying improvements aimed at enhancing products and services in line with customers’ and other stakeholders, future needs and expectations;
- designing and developing new products and services together with customers and partners that add value for the customers;
- understanding and anticipating the impact and potential of new technologies on products and services;
- developing new products and services for both the current established market and to gain access to other markets;
- using creativity, innovation and key competencies of both internal people and external partners to design and develop competitive products and services.

5d. Products and Services are produced, delivered and serviced

This may include:
- producing or acquiring products and services in line with designs and developments;
- marketing, communicating the value proposition, and selling products and services to existing and potential customers;
- delivering products and services to customers;
- servicing products and services, including recycling where appropriate.

5e. Customer relationships are managed and enhanced

This may include:
- determining and meeting customers day to day contact requirements;
- handling feedback received from day to day contacts including complaints;
- proactive involvement with customers in order to discuss and address their needs, expectations and concerns;
- following up on sales, servicing and other contacts in order to determine levels of satisfaction with products, services and other customer sales and servicing processes;
- seeking to maintain creativity and innovation in the customer sales and servicing relationship;
- establishing partnerships with customers which add value to the supply chain;
- using regular surveys, other forms of structured data gathering and data gathered during day to day customer contacts in order to determine and enhance customer relationship satisfaction levels;
- advising customers on the responsible use of products.
6. CUSTOMER RESULTS

**Definition**
Excellent organisations comprehensively measure and achieve outstanding results with respect to their customers.

6a. Perception Measures
These measures are of the customers’ perceptions of the organisation (obtained, for example, from customer surveys, focus groups, vendor ratings, compliments and complaints).

Depending on the purpose of the organisation examples of measures that may be made include:
- **Image:**
  - accessibility;
  - communication;
  - transparency;
  - flexibility;
  - pro-active behaviour;
  - responsiveness.
- **Products and services:**
  - quality;
  - value;
  - reliability;
  - design innovation;
  - delivery;
  - environmental profile.
- **Sales and after sales support:**
  - capabilities and behaviour of employees;
  - advice and support;
  - customer literature and technical documentation;
  - handling complaints;
  - product training;
  - response time;
  - technical support;
  - warranty and guarantee provisions.
- **Loyalty:**
  - intention to repurchase;
  - willingness to purchase other products and services from the organisation;
  - willingness to recommend the organisation.

6b. Performance Indicators
These measures are the internal ones used by the organisation in order to monitor, understand, predict and improve the performance of the organisation and to predict perceptions of its external customers.

Depending on the purpose of the organisation examples of measures that may be made include:
- **Image:**
  - number of customer accolades and nominations for awards;
  - press coverage.
- **Products and services:**
  - competitiveness;
  - defect, error and rejection rates;
  - seals of approval, environmental labels;
  - guarantee provisions and warranty provisions;
  - complaints;
  - logistic indicators;
  - product life cycle;
  - innovation in design;
  - time to market.
- **Sales and after sales support:**
  - demand for training;
  - handling of complaints;
  - response rates.
- **Loyalty:**
  - duration of relationship;
  - effective recommendations;
  - frequency/value of orders;
  - lifetime value;
  - numbers of complaints and compliments;
  - new and/or lost business;
  - customer retention.
7. PEOPLE RESULTS

**Definition**
Excellent organisations comprehensively measure and achieve outstanding results with respect to their people.

7a. Perception Measures

These measures are of the people’s perception of the organisation (obtained, for example, from surveys, focus groups, interviews, structured appraisals).

Depending on the purpose of the organisation examples of measures that may be made include:

- **Motivation:**
  - career development;
  - communication;
  - empowerment;
  - equal opportunities;
  - involvement;
  - leadership;
  - opportunity to learn and achieve;
  - recognition;
  - target setting and appraisal;
  - the organisation’s values, mission, vision, policy and strategy;
  - training and development.

- **Satisfaction:**
  - organisation’s administration;
  - employment conditions;
  - facilities and services;
  - health and safety conditions;
  - job security;
  - pay and benefits;
  - peer relationships;
  - the management of change;
  - the organisation’s environmental policy and impact;
  - the organisation’s role in the community and society;
  - working environment.

7b. Performance Indicators

These measures are the internal ones used by the organisation in order to monitor, understand, predict and improve the performance of the organisation’s people and to predict their perceptions.

Depending on the purpose of the organisation examples of measures that may be made include:

- **Achievements:**
  - competency requirements versus competencies available;
  - productivity;
  - success rates of training and development to meet objectives;
  - external awards and recognition.

- **Motivation and involvement:**
  - involvement in improvement teams;
  - involvement in suggestion schemes;
  - levels of training and development;
  - measurable benefits of team work;
  - recognition of individuals and teams;
  - response rates to people surveys.

- **Satisfaction:**
  - absenteeism and sickness levels;
  - accident levels;
  - grievances;
  - recruitment trends;
  - staff turnover and loyalty;
  - strikes;
  - use of organisation provided facilities and benefits.

- **Services provided to the organisation’s people:**
  - accuracy of personnel administration;
  - communication effectiveness;
  - speed of response to enquiries;
  - training evaluation.
8. SOCIETY RESULTS

Definition
Excellent organisations comprehensively measure and achieve outstanding results with respect to society.

8a. Perception Measures
These measures are of the society's perception of the organisation (obtained, for example, from surveys, reports, press articles, public meetings, public representatives, governmental authorities). Some of the measures contained in the guidance for Perception Measures may be applicable to Performance Indicators and vice versa.

Depending on the purpose of the organisation examples of measures that may be made include:
- Image:
  - responsiveness to contacts;
  - as an employer;
  - as a responsible member of the community.
- Performance as a responsible citizen:
  - disclosures of information relevant to the community;
  - equal opportunities practices;
  - impact on local regional, national and global economies;
  - relationships with relevant authorities;
  - ethical behaviour.
- Involvement in the communities where it operates:
  - involvement in education and training;
  - involvement of community bodies in relevant activities;
  - support for medical and welfare provision;
  - support for sport and leisure;
  - voluntary work and philanthropy.
- Reduction and prevention of nuisance and harm from its operations and/or throughout the lifecycle of its products and services:
  - health risks and accidents;
  - noise and odour;
  - hazards (safety);
  - pollution and toxic emission;
  - analysis of the supply chain;
  - environmental performance evaluation/lifecycle evaluation.

8b. Performance Indicators
These measures are the internal ones used by the organisation in order to monitor, understand, predict and improve the performance of the organisation and to predict perceptions of society.

Depending on the purpose of the organisation examples of measures that may be made include:
- Handling changes in employment levels;
- Dealings with authorities on issues such as:
  - certification;
  - clearances;
  - import/export;
  - planning;
  - product release.
- Accolades and awards received:
  - Exchange of information in relation to Social Responsibility good practices, auditing and social reporting.

- Reporting on activities to assist in the preservation and sustainability of resources:
  - choice of transport;
  - ecological impact;
  - reduction and elimination of waste and packaging;
  - substitution of raw materials or other inputs;
  - usage of utilities e.g. gases, water, electricity, recycling.
9. KEY PERFORMANCE RESULTS

**Definition**
Excellent organisations comprehensively measure and achieve outstanding results with respect to the key elements of their policy and strategy.

9a. Key Performance Outcomes
These measures are key results defined by the organisation and agreed in their policy and strategies.

Depending on the purpose and objectives of the organisation some of the measures contained in the guidance for Key Performance Outcomes may be applicable to Key Performance Indicators and vice versa.

- **Financial outcomes may include:**
  - Market related and general data (sales, share price, dividends etc);
  - Profitability (gross margins, earnings per share, earnings before interest and tax, contribution margin etc);
  - Investment and asset related information (Return on invested capital, Return on net assets, Return on capital employed etc);
  - Budgetary Performance (Performance against organisation or unit budgets).

- **Non-Financial outcomes may include:**
  - Market Share;
  - Time to market;
  - Success rates;
  - Volumes;
  - Process performance.

9b. Key Performance Indicators
These measures are the operational ones used in order to monitor and understand the processes and predict and improve the organisation’s likely key performance outcomes.

Depending on the purpose of the organisation examples of measures that may be made include:

- **Financial:**
  - Cash flow;
  - Depreciation;
  - Maintenance costs;
  - Project costs;
  - Credit ratings.

- **Non Financial:**
  - Processes (performance; assessments; innovations; cycle times);
  - External resources including partnerships (supplier performance; supplier price; number and value added of partnerships; number and value added of joint improvements with partners);
  - Buildings, equipment and materials: (defect rates; inventory turnover; utilisation);
  - Technology: (innovation rate; value of intellectual property; patents; royalties);
  - Information and knowledge: (accessibility; integrity; value of intellectual capital).
4.4. Red Threads Through The Model

Earlier in this brochure we looked at some linkages between the concepts and the Excellence Model. There are however, a number of topics that run through the Model - some Red Threads. The graphic of the Excellence Model portrays this with the lines between the criterion boxes. These Red Threads mean that when implementing improvement actions or considering your processes you will most certainly be impacting more than one of the criterion parts. The following list whilst not definitive illustrates some of those threads.

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>RED THREAD PATH</th>
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<tbody>
<tr>
<td>Communications</td>
<td>1c – Leaders communications with external stakeholders</td>
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<td></td>
<td>1d – Leaders communication with internal stakeholders</td>
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<td></td>
<td>2e – Communicating policy and strategy</td>
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<td></td>
<td>3d – Internal communications</td>
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<td></td>
<td>5b – Communicating process changes and improvements</td>
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<td>7)</td>
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<td></td>
<td>Measuring satisfaction and effectiveness of communications</td>
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<td>8)</td>
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<tr>
<td>Corporate Social Responsibility</td>
<td>1a – Vision, Values and Ethics reflect organisations CSR position</td>
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<td></td>
<td>1c – Relationship with external stakeholders</td>
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<td></td>
<td>1d – Relationship with internal stakeholders</td>
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<td></td>
<td>1e – Leading analysis of changes in the external environment</td>
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<td></td>
<td>2a – Input from stakeholders to strategy</td>
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<td></td>
<td>2b – Input from measures and data including environmental and demographic factors</td>
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<td></td>
<td>2c – Developing strategy including CSR strategy</td>
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<td></td>
<td>2d – Deployment of strategy including all stakeholders</td>
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<td></td>
<td>3a – Ethical and fair values in recruitment and terms of employment</td>
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<td></td>
<td>3b – Developing people</td>
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<td></td>
<td>3c – Involvement of people in external projects and conferences</td>
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<td></td>
<td>3e – Caring for people promoting cultural and social activities</td>
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<td></td>
<td>4a – Partnerships including those with society organisations and local suppliers</td>
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<td></td>
<td>4b – Financial strategies to support CSR strategies</td>
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<td>4c – Environmental management</td>
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<td>5c – Customer and partner input to product</td>
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<td>5d – Producing products recycling etc in mind</td>
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<td>5e – Daily relationship with customers</td>
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<td>6a – Customers perception of image etc</td>
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<td>7a – Peoples perception of organisation as employer</td>
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<td>8 – All</td>
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<td></td>
<td>9 – Partnership, financial, process efficiency, performance against standards</td>
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<td>Creativity &amp; Innovation</td>
<td>1a – Leaders stimulating and encouraging</td>
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<td></td>
<td>2b – Using creativity outcomes as inputs to policy and strategy</td>
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<td></td>
<td>3c – Provision of opportunities for creative and innovative behaviour</td>
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<td></td>
<td>4a – Using partnerships to promote innovation and creativity</td>
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<td></td>
<td>4e – Using information and knowledge to prompt innovation and creativity</td>
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<td></td>
<td>5b – Using stakeholders innovation and creativity to change and improve processes</td>
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<td></td>
<td>5c – Using creativity and innovation to develop products and services</td>
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<td>5e – Using creativity and innovation to enhance the customer relationship</td>
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<td>Measuring the effectiveness of creativity and innovation processes</td>
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<td>(e.g. innovation in design)</td>
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<td>Customers</td>
<td>1c – Leaders involvement with customers</td>
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<td></td>
<td>2a – Establishing customers needs and expectations</td>
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<td></td>
<td>2c – Balancing needs and expectations</td>
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<td>5b – Improving processes to satisfy customer</td>
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<td>5c – Customer facing processes</td>
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<td>5d – Customer facing processes</td>
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<td>5e – Customer relationship management</td>
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<td></td>
<td>6a – Customer perception results</td>
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<td></td>
<td>6b – Internal customer results</td>
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</tbody>
</table>
| Governance | 1b – Processes for effective governance of organisation developed and implemented  
| | 2a – Gathering needs and expectations from stakeholders  
| | 2b – Gathering data inputs for policy and strategy development  
| | 4b – Establishing and implementing core governance process at all levels  
| | 9a – Reporting financial outcomes  
| | 9b – Reporting financial measures  
| Knowledge | 2b – Using knowledge to influence policy and strategy  
| | 3d – Identifying, developing and sustaining peoples individual knowledge  
| | 4e – Managing the organisations knowledge  
| | 7 – Measuring satisfaction with increase in knowledge and people indicators for increasing knowledge  
| | 9 – Using knowledge to improve business  
| Market and Market Definition | 2a – Collecting information to identifying market and market segments  
| | 2b – Indicators regarding external image and brand and competitors performance  
| | 2c – Reaffirming market position  
| | 3b – Matching people with current and future organisational needs  
| | 4a – Adding value to customer/supply chain through partnerships  
| | 5c – Developing new products for both the current and future markets  
| | 5d – Marketing, communicating and selling products  
| | 6a – Customer perception  
| | 6b – Internal indicators  
| | 7a – People perception of organisation  
| | 7b – Loyalty  
| | 8a – Society image  
| | 9 – Market share, position  
| People (Internal) | 1d – Leaders involvement with people  
| | 2a – Establishing people needs and expectations  
| | 2c – Balancing needs and expectations  
| | 3a – People planning and managing  
| | 3b – Identify, developing and sustaining people skills  
| | 3c – Involving and empowering people  
| | 3d – Organisational communications with people  
| | 3e – Rewarding, recognising and caring for people  
| | 7a – People perception results  
| | 7b – Internal people results  
| Process Methodology | 1b – Developing a system for managing processes and assigning process owners as part of the management system  
| | 2d – Identifying and developing key process framework  
| | 5a – Describing the system for designing and managing processes  
| | 5b – Describing the system for improving processes  
| | 6j  
| | 7j – Measuring the effectiveness of processes  
| | 8j  
| | 9j  
| Suppliers/Partners | 1c – Leaders involvement with supplier/partners  
| | 2a – Establishing needs and expectations  
| | 2c – Balancing needs and expectations  
| | 4a – Managing partnerships  
| | 9a – Partnership/supplier key performance results  
| | 9b – Partnership/supplier key performance indicators  
| Sustainability | 1b – Developing the management framework  
| | 1c – Promoting, supporting and engaging in activities that promote rights and interests of future generations  
| | 2a – Gathering data for needs for both now and the future  
| | 2c – Balancing long and short term needs  
| | 3b – Developing people for current and future needs  
| | 5c – Anticipating and enhancing customers future needs for product design and development  
| | 6j  
| | 7j – Sustainability of results  
| | 8j  
| | 9j |
5.1. The RADAR logic

At the heart of the Model lies the logic known as RADAR.

**RADAR consists of four elements:**
- **Results**
- **Approach**
- **Deployment**
- **Assessment and Review**

This logic states that an organisation needs to:
- Determine the Results it is aiming for as part of its policy and strategy making process. These results cover the performance of the organisation, both financially and operationally, and the perceptions of its stakeholders.
- Plan and develop an integrated set of sound Approaches to deliver the required results both now and in the future.
- Deploy the approaches in a systematic way to ensure full implementation.
- Assess and Review the approaches followed based on monitoring and analysis of the results achieved and ongoing learning activities. Finally, identify, prioritise, plan and implement improvements where needed.

When using the Model within an organisation the Approach, Deployment, Assessment and Review elements of the RADAR logic should be addressed for each Enabler criterion part and the Results element should be addressed for each Results criterion part.

### Applying RADAR Logic

The RADAR logic can be used under a number of different circumstances. The most commonly known is assessment or Self-Assessment using the RADAR scoring matrix, but others exist.

One example is developing a management system. The RADAR elements, together with the Model criterion parts, can be used to stimulate your thinking. It will prompt you to consider questions regarding the approaches to be used, how you will deploy them and how you will measure the effectiveness of your chosen path.

Another example is using the RADAR as a method of structured problem analysis. The RADAR elements give you a structure to work through a process, project or approach and identify problem areas.

Results, Approach, Deployment, Assessment and Review are the RADAR elements. These should apply to each of the Model criterion parts. The following describes the specific elements of the RADAR concept that should be addressed using the attributes that can be seen in bold.

**Results**

This covers what an organisation is achieving. In an excellent organisation the results show positive trends and/or sustained good performance. Targets will be set, appropriate and met or exceeded. Performance will be compared externally and will compare well with others, particularly against best in sector and/or world class. The cause and effect link between approaches adopted and results achieved will be clear. Additionally, the scope of the results will address the relevant areas. Where it helps understanding and the identification of improvement opportunities, the results will be segmented, for example by customer or by department.

**Approach**

This covers what an organisation plans to do and the reasons for it. Excellent organisations will have sound approaches. A sound approach has a clear rationale that focuses on the organisations present and future needs; is delivered through a well-defined and developed process or processes, and has a clear focus on the stakeholder needs. In addition the approaches will be integrated. An integrated approach has a clear basis in policy and strategy and is linked to other approaches where appropriate.

**Deployment**

This covers what an organisation does to deploy the approach. In an excellent organisation the approach will be implemented in relevant areas in a systematic way. Systematic implementation is well planned and is introduced in a manner suitable for the approach and the organisation.

**Assessment & Review**

This covers what an organisation does to review and improve both the approach and the deployment of the approach. In an excellent organisation the approach and deployment of it, will be subject to regular measurement, learning activities will be undertaken, and the output from both will be used to identify, prioritise, plan and implement improvement.

The RADAR Matrix showing the construction of elements and attributes in a table format used to apply the logic when scoring an organisation follows.
5.2. Scoring Matrix

The RADAR scoring matrix is the evaluation method used to score applications for the European Quality Award and most national quality awards in Europe. It can also be used by organisations carrying out Self-Assessment and wish to use a score for benchmarking or other purposes.

When an organisation is scored using the RADAR scoring matrix weights are given to each of the nine criteria, as shown in the diagram below, to calculate the number of points awarded. These weights were established in 1991 as the result of a wide consultation exercise across Europe. These weights have been widely accepted and have been reviewed from time to time by EFQM, most recently in 2002.

Generally each criterion part is allocated equal weight within that criterion, for example 1a attracts 20% of the points allocated to criterion 1.

There are however three exceptions:
1. Criterion part 6a takes 75% of the points allocated to criterion 6, whilst criterion part 6b takes 25%;
2. Criterion part 7a takes 75% of the points allocated to criterion 7, whilst criterion part 7b takes 25%;
3. Criterion part 8a takes 25% of the points allocated to criterion 8, whilst criterion part 8b takes 75%.

The first step to scoring is to use the RADAR scoring matrix to allocate a percentage score to each criterion part. This is achieved by considering each of the elements and attributes of the matrix for each of the criterion parts in the Model. The scoring summary sheet (page 31) is then used to combine the percentage scores awarded to the criterion parts to give an overall score on a scale of 0 -1000 points.
### RADAR SCORING MATRIX©

#### RESULTS

<table>
<thead>
<tr>
<th>ELEMENTS</th>
<th>ATTRIBUTES</th>
<th>0%</th>
<th>25%</th>
<th>50%</th>
<th>75%</th>
<th>100%</th>
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<tbody>
<tr>
<td><strong>TRENDS</strong></td>
<td>trends are positive AND/OR</td>
<td>No Results or anecdotal information</td>
<td>Positive trends an/or satisfactory performance for about 1/4 of results over at least 3 years</td>
<td>Positive trends an/or sustained good performance for about 1/2 of results over at least 3 years</td>
<td>Positive trends an/or sustained good performance for about 3/4 of results over at least 3 years</td>
<td>Positive trends an/or sustained good performance for all results over at least 3 years</td>
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<tr>
<td></td>
<td>there is sustained good performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TARGETS</strong></td>
<td>targets are achieved</td>
<td>No Results or anecdotal information</td>
<td>Achieved and appropriate for about 1/4 of results</td>
<td>Achieved and appropriate for about 1/2 of results</td>
<td>Achieved and appropriate for about 3/4 of results</td>
<td>Achieved and appropriate for all results</td>
</tr>
<tr>
<td></td>
<td>targets are appropriate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>COMPARISONS</strong></td>
<td>results compare well with others AND/OR</td>
<td>No Results or anecdotal information</td>
<td>Favourable comparisons for about 1/4 results</td>
<td>Favourable comparisons for about 1/2 results</td>
<td>Favourable comparisons for about 3/4 results</td>
<td>Favourable comparisons for all results</td>
</tr>
<tr>
<td></td>
<td>results compare well with acknowledged 'World Class'</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CAUSES</strong></td>
<td>results are caused by approach</td>
<td>No Results or anecdotal information</td>
<td>Cause and effect visible for about 1/4 results</td>
<td>Cause and effect visible for about 1/2 results</td>
<td>Cause and effect visible for about 3/4 results</td>
<td>Cause and effect visible for all results</td>
</tr>
</tbody>
</table>

| TOTAL | | | | | | |
|-------|---|---|---|---|---|
| 0 | 5 | 10 | 15 | 20 | 25 |

#### Scope

<table>
<thead>
<tr>
<th>ELEMENTS</th>
<th>ATTRIBUTES</th>
<th>0%</th>
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<th>50%</th>
<th>75%</th>
<th>100%</th>
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</thead>
<tbody>
<tr>
<td><strong>SCOPE</strong></td>
<td>results address relevant areas</td>
<td>No Results or anecdotal information</td>
<td>Results address 1/4 of relevant areas and activities</td>
<td>Results address 1/2 of relevant areas and activities</td>
<td>Results address 3/4 of relevant areas and activities</td>
<td>Results address all of relevant areas and activities</td>
</tr>
<tr>
<td></td>
<td>results are appropriately segmented e.g. by customer, by business</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

| TOTAL | | | | | | |
|-------|---|---|---|---|---|
| 0 | 5 | 10 | 15 | 20 | 25 |

| OVERALL TOTAL | | | | | | |
|---------------|---|---|---|---|---|
| 0 | 5 | 10 | 15 | 20 | 25 |

<table>
<thead>
<tr>
<th>ELEMENTS</th>
<th>ATTRIBUTES</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>0%</td>
</tr>
<tr>
<td>APPROACH</td>
<td></td>
</tr>
<tr>
<td>Sound</td>
<td>No evidence or anecdotal</td>
</tr>
<tr>
<td>Integrated</td>
<td>No evidence or anecdotal</td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>DEPLOYMENT</td>
<td>Implemented</td>
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<tr>
<td>Systematic</td>
<td>No evidence or anecdotal</td>
</tr>
<tr>
<td></td>
<td>0</td>
</tr>
<tr>
<td>ASSESSMENT &amp; REVIEW</td>
<td>Measurement</td>
</tr>
<tr>
<td>Learning</td>
<td>No evidence or anecdotal</td>
</tr>
<tr>
<td>Improvement</td>
<td>No evidence or anecdotal</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
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<tr>
<td>Overall Total</td>
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</table>
SCORING SUMMARY SHEET

1. Enablers Criteria

<table>
<thead>
<tr>
<th>Criterion Number</th>
<th>1 %</th>
<th>2 %</th>
<th>3 %</th>
<th>4 %</th>
<th>5 %</th>
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<tbody>
<tr>
<td>Criterion Part</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1a</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1b</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1c</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1d</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1e</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sum of parts

- Enter the score awarded to each criterion (of both sections 1 and 2 above).

Note: The score awarded is the arithmetic average of the % scores for the criterion part. If applicants present convincing reasons why one or more parts are not relevant to their organisation it is valid to calculate the average on the number of criterion addressed. To avoid confusion (with a zero score) parts of the criteria accepted as not relevant should be entered "NR" in the table above.

2. Results Criteria

<table>
<thead>
<tr>
<th>Criterion Number</th>
<th>6 %</th>
<th>7 %</th>
<th>8 %</th>
<th>9 %</th>
<th>10 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Criterion Part</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6a</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6b</td>
<td></td>
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</table>

Score awarded

3. Calculation of Total Points

<table>
<thead>
<tr>
<th>Criterion</th>
<th>Score Awarded</th>
<th>factor</th>
<th>Points Awarded</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Leadership</td>
<td></td>
<td>x 1.0</td>
<td></td>
</tr>
<tr>
<td>2 Policy &amp; Strategy</td>
<td></td>
<td>x 0.8</td>
<td></td>
</tr>
<tr>
<td>3 People</td>
<td></td>
<td>x 0.9</td>
<td></td>
</tr>
<tr>
<td>4 Partnership and Resources</td>
<td></td>
<td>x 0.9</td>
<td></td>
</tr>
<tr>
<td>5 Processes</td>
<td></td>
<td>x 1.4</td>
<td></td>
</tr>
<tr>
<td>6 Customer Results</td>
<td></td>
<td>x 2.0</td>
<td></td>
</tr>
<tr>
<td>7 People Results</td>
<td></td>
<td>x 0.9</td>
<td></td>
</tr>
<tr>
<td>8 Society Results</td>
<td></td>
<td>x 0.6</td>
<td></td>
</tr>
<tr>
<td>9 Key Performance Results</td>
<td></td>
<td>x 1.5</td>
<td></td>
</tr>
</tbody>
</table>

Total points awarded

- Enter the score awarded to each criterion (of both sections 1 and 2 above).
- Multiply each score by the appropriate factor to give points awarded.
- Add points awarded to each criterion to give total points awarded for application.
6. EFQM Glossary of Terms

The following is a list of terms used throughout the EFQM Excellence Model guidance material. It has been compiled in order to help understanding and use of the Model.

**Benchmark** - A measured, “best-in-class” achievement; a reference or measurement standard for comparison; this performance level is recognised as the standard of excellence for a specific business process.

**Benchmarking** - A systematic and continuous measurement process; a process of continuously comparing and measuring an organisation’s business processes against business leaders anywhere in the world to gain information that will help the organisation take action to improve its performance.

**Core competencies** - A well performed internal activity that is central to an organisation’s competitiveness, profitability or efficiency.

**Corporate Governance** - Defining and implementing a system of rules, processes, procedures and relationships to manage the organisation and fulfill its legal, financial and ethical obligations.

**Corporate Social Responsibility** - Policies and practices to measure and manage the environmental performance and social impact of the organisation, its reputation in these areas, and two-way communication with society and stakeholders.

**Creativity** - The generation of ideas for new or improved working practices and/or products and services.

**Critical success factors** - The prior conditions that must be fulfilled in order that an intended strategic goal can be achieved.

**Culture** - The total range of behaviours, ethics and values which are transmitted, practised and reinforced by members of the organisation.

**Empowerment** - The vesting of employees with necessary skills, knowledge, information and authorities in such a way as to enable them to take all actions necessary to produce the specified outputs in the most effective and efficient way. A periodic setting of clear targets gives the necessary guidance within the framework of the overall objectives of the organisation.

**End to end processes** - A value stream that crosses functions and organisations in order to create or deliver a product or service.

**Equal opportunities** - The practice of ensuring that all employees and users of services receive fair and equal treatment.

**Ethics** - The universal morals that the organisation adopts and abides by.

**Excellence** - Outstanding practice in managing the organisation and achieving results based on a set of Fundamental Concepts which will include: results orientation, customer focus, leadership and constancy of purpose management by processes and facts, involvement of people, continuous improvement and innovation, mutually beneficial partnerships, corporate social responsibility.

**External Customers** - The external customers of the organisation. These may also include other customers in the distribution chain.

**Finances** - The short-term funds required for the day-to-day operation of the business, and the capital funding from various sources required for the longer term financing of the organisation.

**Fundamental Concepts of Excellence** - The set of principles and ideals upon which the EFQM Excellence Model framework is based.

**Good/best practice** - An error free, proven and documented working practice that exceeds the norms of known, current operational performance within a specific business environment.

**Governance** - The framework of authority and control within an organisation.

**Innovation** - The practical translation of ideas into new products, services, processes, systems and social interactions.

**Intelectual capital** - The value of an organisation that is not captured in its traditional financial accounts. It represents the intangible assets of an organisation and is the difference between market and book value. Commonly defined components are human capital, structural capital and customer capital.

**Key Performance Results** - Those results, not covered by Customer, People and Society that it is imperative for the organisation to achieve.

**Knowledge** - Knowledge is part of the hierarchy made up of data, information and knowledge. Data are raw facts. Information is data with context and perspective. Knowledge is information with guidance for action.

**Lagging Indicators** - Lagging Indicators show the final outcome of an action, usually well after it has been completed. Profitability is a lagging indicator of sales and expenses. Perception measures are also referred to as lagging (trailing/following) indicators. A perception result relates to direct feedback from a stakeholder e.g. when employees respond via an internal attitude survey.

**Leaders** - The people who coordinate and balance the interests of all who have a stake in the organisation, including: the executive team, all other managers and those in team leadership positions or with a subject leadership role.

**Leading Indicators** - Leading indicators, sometimes referred to as driving indicators, are usually measured more frequently than lagging indicators. They are the result of a measurement process that is driven by the organisation itself and it is entirely within their span of control e.g. measuring process cycle times. Leading Indicators are those that...
predict, with a degree of confidence, a future outcome. Employee satisfaction, although a lagging indicator, for the morale of staff, is usually recognised as a leading indicator of customer satisfaction.

**Learning** - The acquiring and understanding of information that may lead to improvement or change. Examples of organisational learning activities include benchmarking, internally and externally led assessments and/or audits, and best practice studies. Examples of individual learning include training and professional qualifications.

**Management System** - The framework of processes and procedures used to ensure that the organisation can fulfil all tasks required to achieve its objectives.

**Mission** - A statement that describes the purpose or “raison d’etre” of an organisation. It describes why the business or function exists.

**Organisational agility** - The ability of an organisation to react positively to required changes in speed, focus, goals, actions, and timescales that effect its ability to perform.

**Partnerships** - A working relationship between two or more parties creating added value for the customer. Partners can include suppliers, distributors, joint ventures, and alliances.

*Note: Suppliers may not always be recognised as formal partners.*

**People** - All of the individuals employed by the organisation including full time, part time, temporary and contract employees.

**Perception** - The opinion of an individual or group of people.

**Performance** - A measure of attainment achieved by an individual, team, organisation or process.

**Policy and Strategy** - Strategy is the way an organisation implements its mission and vision, based on the needs of major stakeholders and supported by relevant policies, plans, objectives, targets and processes.

**Process** - A sequence of activities that adds value by producing required outputs from a variety of inputs.

**Process indicators** - Leading indicators relative to the performance of the process.

**RADAR** - Results, Approach, Deployment, Assessment and Review.

**Stakeholders** - All those who have an interest in an organisation, its activities and its achievements. These may include customers, partners, employees, shareholders, owners, government, and regulators.

**Society** - All those who are, or believe they are, affected by the organisation, other than its people, customers and partners.

**Supply chain** - The integrated structure of activities that procure, produce and deliver products and services to customers. The chain can be said to start with the suppliers of your suppliers and ends with the customers of your customer.

**Sustainable excellence** - Excellent results with respect to Performance, Customers, People and Society are achieved through Leadership driving Policy and Strategy that is delivered through People, Partnerships and Resources, and Processes.

**Values** - The understandings and expectations that describe how the organisation’s people behave and upon which all business relationships are based (e.g. trust, support and truth).

**Vision** - A statement that describes how the organisation wishes to be in the future.
EFQM works in partnership with many national organisations in Europe and licenses a number of organisations to deliver training courses related to the EFQM Excellence Model. We also organise a number of events throughout Europe related to the Excellence Model. Further information on these organisations and events are available via our website (www.efqm.org)

### ASSOCIATED PRODUCTS

<table>
<thead>
<tr>
<th>TITLE</th>
<th>PURPOSE</th>
<th>AUDIENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introducing Excellence</td>
<td>Overview of the Model, the Concepts, the Levels of Excellence Recognition Scheme and Self-Assessment.</td>
<td>Anyone with a general enquiry or interest on EFQM, the EFQM Excellence Model and Model related activities.</td>
</tr>
<tr>
<td>Fundamental Concepts of Excellence</td>
<td>To provide detailed information on the Fundamental Concepts. To persuade senior executives that the Model has value, and is based on sound business sense.</td>
<td>Those with an interest in the concepts underpinning the Model. Senior Executives and people who need to persuade Senior Executives.</td>
</tr>
<tr>
<td>The EFQM Excellence Model</td>
<td>To provide details on the EFQM Excellence Model, including the linkages with the Fundamental Concepts, criteria and criterion parts.</td>
<td>Award Applicants (2004 awards onwards). Self-Assessment practitioners including internal and award assessors. Quality professionals and others with a wish to understand the Model in more detail. Also supporting Material for the EFQM Assessor Training &amp; Self-Assessment Training Courses.</td>
</tr>
<tr>
<td>The EFQM Excellence Model - Public Sector Version</td>
<td>As above with Public Sector differences.</td>
<td>As above but also for those with a specific interest in using the Model within Public Sector organisations.</td>
</tr>
<tr>
<td>The EFQM Excellence Model - Small and Medium Enterprise Version</td>
<td>As above with SME differences.</td>
<td>As above but also for those with a specific interest in using the Model within SMEs.</td>
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<tr>
<td>Assessing for Excellence - A Practical Guide for Self-Assessment</td>
<td>To provide a summary of what Self-Assessment is, the value of it, the different approaches to Self-Assessment and their respective risks and benefits.</td>
<td>People either charged with, or involved in, developing Self-Assessment strategies in their organisation. People who wish to benchmark their current Self-Assessment approach. Also supporting material for the EFQM Self-Assessment Training Course.</td>
</tr>
<tr>
<td>Pack of Advice</td>
<td>Providing general advice on the implementation of Excellence into an organisation using the EFQM Excellence Model.</td>
<td>Those wishing for easy description and live examples of the implementation of the Model.</td>
</tr>
<tr>
<td>CD-ROM Self-Assessment Workbook</td>
<td>A structured set of 90 questions based on the EFQM Excellence Model.</td>
<td>Organisations wishing to undertake a easy questionnaire approach to Self-Assessment.</td>
</tr>
<tr>
<td>Excellence One Tool Box and CD-ROM</td>
<td>A comprehensive, interactive, online learning platform for Performance Excellence.</td>
<td>Any organisation or individual wishing to have access to regular news updates, latest management practices and tools and discussion forums on Performance Excellence topics.</td>
</tr>
</tbody>
</table>
This update of the EFQM Excellence Model was produced in 2002. Inputs were taken from many sources but EFQM expressly wishes to acknowledge the Model Refreshing Review Group Members.

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Xavier Tort-Martorell  
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Jann Jevons  
PACEPerformance Ltd

Geoff Carter  
PACEPerformance Ltd

Diane Dibley  
EFQM

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