



Introducing Excellence





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. All of these National organisations have worked with EFQM to develop the Fundamental Concepts of Excellence and 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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1. *Introducing Excellence: using the EFQM Excellence Model to improve performance*

Introduction

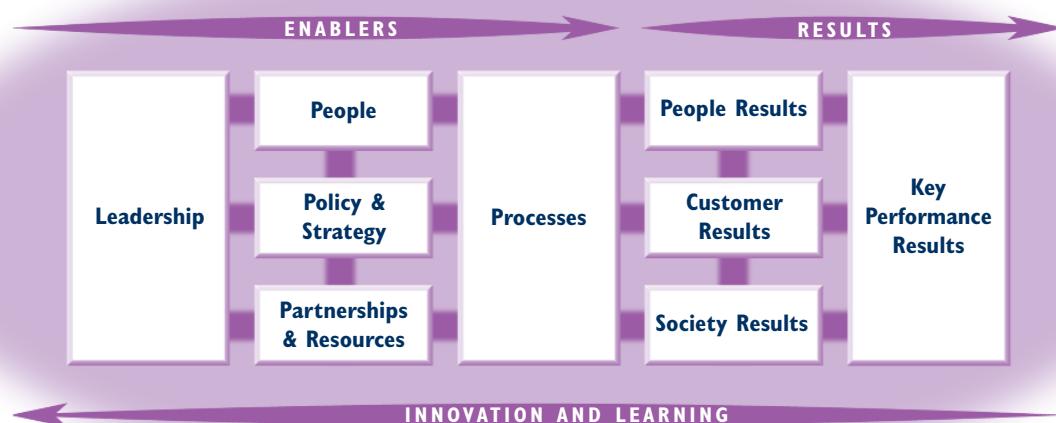
This brochure provides a brief description of the EFQM Excellence Model and the Fundamental Concepts upon which the Model is based; it also outlines how organisations can use the Model and the process of Self-Assessment to improve

performance, and how they can benefit from making applications for The European Quality Award.

The EFQM Excellence Model is flexible and can be applied to organisations large and small, in the public as well as the private sector.

2. The EFQM Excellence Model

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The EFQM Excellence Model, a non-prescriptive framework based on nine criteria, can be used to assess an organisation's progress towards excellence*. The Model recognises there are many approaches to achieving sustainable excellence in all aspects of performance. It 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 arrows emphasise the dynamic nature of the Model. They show innovation and learning help to improve enablers which in turn lead to improved results.

Definitions of the nine criteria and the criterion parts are given in Appendix 1. For convenience, we use the terms "Enablers" and "Results" to designate two categories of criteria. Enabler criteria are concerned with how the organisation undertakes key activities; Results criteria are concerned with what results are being achieved.

At the heart of the Model lies the RADAR logic. The elements of RADAR are Results, Approach, Deployment, Assessment and Review. The elements of Approach, Deployment, Assessment and Review are used when assessing "Enabler" criteria and the Results element is used when assessing "Results" criteria.

Within this non-prescriptive framework, certain Fundamental Concepts underpin the Model. Behaviours, activities or initiatives based on these concepts are often referred to as Total Quality Management. This is what we mean when we use the words "Total Quality Management" in this brochure.

The concepts are not listed in any particular order and the list is not meant to be exhaustive. They will change as excellent organisations develop and improve.

3. The Fundamental Concepts of Excellence

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 both 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 utilising 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 the constantly changing and increasingly demanding world of today 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 the 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 taking care to minimise any adverse impact.

4. Self-Assessment and performance improvement

Adoption of the process of Self-Assessment is EFQM's recommended strategy for improving performance. EFQM is convinced that, applied rigorously, Self-Assessment will help organisations, large and small, in the private and public sectors, work more effectively.

Self-Assessment is a comprehensive, systematic and regular review of an organisation's activities and results referenced against the EFQM Excellence Model.

The Self-Assessment process allows the organisation to discern clearly its strengths and areas in which improvement can be made. Following this process of evaluation, improvement plans are launched, which are monitored for progress. Organisations carry out this cycle of evaluating and taking action repeatedly so that they can achieve genuine and sustained improvement.

Organisations using the EFQM Excellence Model for Self-Assessment have found the exercise results in a wide range of benefits, notably:

- Provides a highly structured, fact based approach to identifying and assessing an organisation's strengths and areas for improvement and measuring progress periodically;
- Educates people on the Fundamental Concepts and framework for managing and improving the organisation and how it relates to their responsibilities;
- Integrates the various improvement initiatives into normal operations;
- Facilitates comparisons with other organisations, of a similar or diverse nature, using a set of criteria that is widely accepted across Europe as well as identifying and allowing for the sharing of "good practice" within an organisation.

To summarise, the Self-Assessment process offers organisations an opportunity to learn: to learn about the organisation's strengths and weaknesses, about what "excellence" means to the organisation, about the organisation's progress on the journey to excellence, how far it still has to go and how it compares with other organisations.

The process of Self-Assessment is explained in greater detail in EFQM's brochure *Assessing for Excellence*.

5. The EFQM Levels of Excellence Scheme

The EFQM Levels of Excellence Scheme was created to provide consistent European-wide recognition to organisations at each step of their journey to Excellence. Some were asking for simple, practical ways to begin their journey whilst mature organisations wanted more sophisticated products and services to enhance their efforts to achieve ever-higher levels of excellence. Organisations apply to whichever level they think is most appropriate for their level of maturity. The scheme is run by both EFQM and its National Partners, making it possible for organisations to apply in their native language. All Levels involve assessment against the EFQM Excellence Model.

The main objectives of the scheme are to:

- Extend recognition to organisations at every level of achievement;
- Maximise the number of organisations who are able to apply the principles of the EFQM Excellence Model for organisational improvement;
- Provide independent feedback from practising managers to support organisations in their quest to improve;
- Provide practical products and services that help organisations achieve improved levels of excellence.

The EFQM Levels of Excellence Scheme has three strands

I. European Quality Award (EQA)

The European Quality Award is Europe's most prestigious Award for organisational excellence and is the top Level of the EFQM Levels of Excellence. It has been run annually since 1992. Recognition by means of a prestigious award remains a key stimulator of excellence. Organisations who are achieving world class quality standards remain the target group and are the potential applicants for the European Quality Award (EQA). Nevertheless, it remains open to members and non-members regardless of their size and sector. Separate categories exist for large organisations, operational units, the public sector and small and medium enterprises (SMEs).

II. Recognised for Excellence

This Level is also available to both EFQM members and non-members. It is based on the full EFQM Excellence Model, and offers applicants the benefits of a structured approach to identify organisational strengths and areas for improvement, and recognises successful efforts to implement excellence and good practice. It requires a shorter application document and a modified assessment process when compared to the EQA. The programme will recognise organisations whose score is confirmed at 400 or more points. Applicants who achieve this level can be considered well managed organisations and they will be able to use the recognition in their commercial and promotional efforts.

III. Committed to Excellence

Committed to Excellence is designed for organisations at the beginning of their journey to excellence. The emphasis will be on helping organisations understand their current level of performance and to establish improvement priorities. This Level is based on a two-stage process. The first stage involves applicants going through a Self-Assessment at a high level, using the 9 criteria of the EFQM Excellence Model. This will provide a broad overview of performance against an established framework used by role model organisations. The output of this assessment will result in the applicant identifying a limited number of improvement areas relevant to their organisation. The second stage calls for organisations to demonstrate that improvement actions have been deployed. Organisations that demonstrate they are Committed to Excellence will be able to use the recognition in their commercial and promotional efforts.

Who is the scheme aimed at?

All organisations (for EQA this is limited to European organisations) - large businesses, public sector organisations, small and medium-sized enterprises and operational units - can participate. The scheme provides user friendly, practical ways to begin an organisation's journey towards excellence and is therefore primarily designed for those organisations that:

- Want to find out more about how they manage their business or an operational unit within their business and would value independent feedback from practising managers;
- Are looking for a holistic approach to improving their business;
- Want a simple and practical approach to find out more about how leading edge organisations manage and improve their businesses;
- Would value some form of recognition for their initial efforts in seeking to become an excellent company.

If you want to know more

If you would like to know more about EFQM Levels of Excellence please visit our home page at www.efqm.org where you will find details about the scheme and application forms. In addition, our web-site holds a roll of honour of organisations who have been recognised through both the European Quality Awards and the other Levels of Excellence.

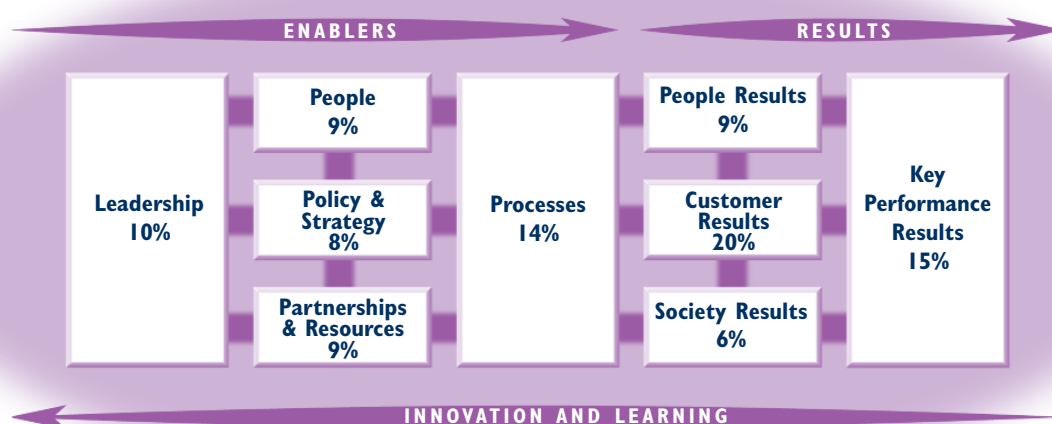
6. Further Help

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

TITLE	PURPOSE	AUDIENCE
Introducing Excellence	Overview of the Model, the Concepts, the Levels of Excellence Recognition Scheme and Self-Assessment.	Anyone with a general enquiry or interest on EFQM, the EFQM Excellence Model and Model related activities.
Fundamental Concepts of Excellence	To provide detailed information on the Fundamental Concepts. To persuade senior executives that the Model has value, and is based on sound business sense.	Those with an interest in the concepts underpinning the Model. Senior Executives and people who need to persuade Senior Executives.
The EFQM Excellence Model	To provide details on the EFQM Excellence Model, including the linkages with the Fundamental Concepts, criteria and criterion parts.	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 Course & Self-Assessment Training Courses.
The EFQM Excellence Model Public Sector Version	As above with Public Sector differences.	As above but also for those with a specific interest in using the Model within Public Sector organisations.
The EFQM Excellence Model Small and Medium Enterprise Version	As above with SME differences.	As above but also for those with a specific interest in using the Model within SMEs.
Assessing for Excellence - A Practical Guide for Self-Assessment	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.	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.
Pack of Advice	Providing general advice on the implementation of Excellence into an organisation using the EFQM Excellence Model.	Those wishing for easy description and live examples of the implementation of the Model.
CD-ROM Self-Assessment Workbook	A structured set of 90 questions based on the EFQM Excellence Model.	Organisations wishing to undertake an easy questionnaire approach to Self-Assessment.
Excellence One Tool Box and CD-ROM	A comprehensive, interactive, online learning platform for Performance Excellence.	Any organisation or individual wishing to have access to regular news updates, latest management practices and tools and discussion forums on Performance Excellence topics.

The EFQM Excellence Model



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The percentages shown are those used for assessing applications for The European Quality Award.

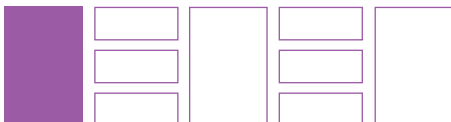
Organisations practising Self-Assessment may use the percentages shown but they may also, of course, select percentages more appropriate

to the particular features of their own organisation. Furthermore, some organisations prefer not to “score” their internal Self-Assessment but to concentrate on the “strengths” and “improvements” that are highlighted. (See EFQM brochure: Assessing for Excellence: a practical guide to Self-Assessment.)

Definitions of the criteria and criterion parts in the EFQM Model are given below - a further more detailed description of the Model in terms of “guidance points” for each sub-criterion is given in “The EFQM Excellence Model” also available from EFQM.

Model Criteria

1. LEADERSHIP



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

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

1c. Leaders interact with customers, partners and representatives of society

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

1e. Leaders identify and champion organisational change

2. POLICY AND STRATEGY



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

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

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

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

3. PEOPLE



Excellent 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

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

3c. People are involved and empowered

3d. People and the organisation have a dialogue

3e. People are rewarded, recognised and cared for

4. PARTNERSHIPS AND RESOURCES



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

4b. Finances are managed

4c. Buildings, equipment and materials are managed

4d. Technology is managed

4e. Information and knowledge are managed

5. PROCESSES



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

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

5c. Products and Services are designed and developed based on customer needs and expectations

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

5e. Customer relationships are managed and enhanced

6. CUSTOMER RESULTS

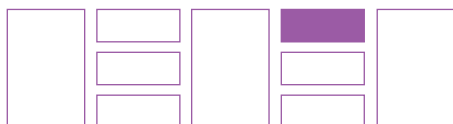


Excellent organisations comprehensively measure and achieve outstanding results with respect to their customers.

6a. Perception Measures

6b. Performance Indicators

7. PEOPLE RESULTS



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

7a. Perception Measures

7b. Performance Indicators

8. SOCIETY RESULTS



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

8a. Perception Measures

8b. Performance Indicators

9. KEY PERFORMANCE RESULTS



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

9a. Key Performance Outcomes

9b. Key Performance Indicators

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