

***Interpretation Guide
to the
Business Excellence Standard***

Introduction

The overall business excellence standard has 7 categories and 21 items. Each item has a set of statements specifying the criteria requirements for the item. In order to facilitate understanding, the interpretation guide on the criteria requirements of the overall business excellence standard is presented in the format below. The excellence indicators are not meant to be exhaustive.

| Category number | Category title | Category point value |
|--|------------------------------------|----------------------|
| 1. | Leadership | (120 pts) |
| <p>The Leadership category examines the organisation's leadership system, purpose, vision and values, and its responsibilities to the community and the environment.</p> | | |
| <p>Excellence Indicators</p> <ul style="list-style-type: none"> Senior Managers have developed a clear vision and mission which are easily understood and which drive the organisation towards excellence. The vision, mission and goals of the organisation are regularly reinforced to all levels of employees through a variety of programmes as well as in day-to-day activities. Senior Managers are personally and visibly involved in performance improvement activities | | |
| 1.1 | Senior Executive Leadership | (50 pts) |
| <p>Describe the senior executives' leadership, personal involvement and visibility in guiding the organisation towards excellence.</p> | | |
| <p><input checked="" type="checkbox"/> Approach <input checked="" type="checkbox"/> Deployment</p> | | |
| <p>Statements</p> <ol style="list-style-type: none"> Develop organisation's purpose, vision and values focusing on key stakeholders, learning and innovation. Communicate purpose, vision and values to employees Communicate purpose, vision and values to customers, suppliers/partners and other external parties Demonstrate and reinforce, as role models, commitment to excellence in day-to-day activities Evaluate and improve personal leadership and involvement | | |
| <p>Notes:</p> <p>N1. Demonstration and reinforcement of the organisational purpose, vision and values by senior executives might include their involvement in performance review and improvement, training and development, and recognition.</p> <p>N2. Evaluation of senior executive leadership and involvement might include assessment of senior executives by peers, direct reports, board of directors and employees</p> | | |
| <p>Examples of Evidence for Category 1</p> <ul style="list-style-type: none"> Documents to show communication of mission, vision and quality values to employees Company newsletters | | |

Category requirements expressed in general terms

Examples of Attributes of excellence for the category

Item point value

Basic requirements of item expressed in general terms

Scoring Dimensions for the item

Specific requirements to be addressed for the item

Notes to clarify terms and requirements for the item

Examples of evidence that could help to verify and clarify how the organisation is performing in relation to the requirements.

Criteria Description

| |
|-------------------------------|
| 1 Leadership (120 pts) |
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The Leadership category examines the organisation's leadership system, purpose, vision and values, and its responsibilities to the community and the environment.

Excellence Indicators

- Senior Managers have developed a clear vision and mission which are easily understood and which drive the organisation towards excellence.
- Senior Managers are personally involved in communicating the organisation's direction to all levels of employees.
- The vision, mission and goals of the organisation are regularly reinforced to all levels of employees through a variety of programmes as well as in day-to-day activities.
- Senior Managers are personally and visibly involved in performance improvement activities.
- Senior Managers are personally involved in recognition of teams and individuals for their contributions to quality and performance improvement.
- Senior Managers encourage staff and provide opportunities for them to try new ideas, experiment, innovate and take responsible risks.
- Employees at all levels confirm that Senior Management strongly supports and drives corporate culture.
- Employees show a strong sense of identity and commitment towards the organisation's vision, and practise the corporate values in their day-to-day work.
- Senior Managers evaluate their own leadership through various sources of feedback and take actions to improve their leadership.
- The organisation has a well-defined policy and goals in relation to its contribution to the community and the environment in which it operates. It has programmes (e.g. community service, donations to charity, environmental conservation activities, hosting educational visits, etc.) to involve employees in achieving its public responsibility objectives.

1.1 Senior Executive Leadership (50pts)

Describe the senior executives' leadership, personal involvement and visibility in guiding the organisation towards excellence.

Approach Deployment

Statements

1. Develop organisation's purpose, vision and values focusing on key stakeholders, learning and innovation.
2. Communicate purpose, vision and values to employees.
3. Communicate purpose, vision and values to customers, suppliers/partners and other external parties.
4. Demonstrate and reinforce, as role models, commitment to excellence in day-to-day activities.
5. Evaluate and improve personal leadership and involvement.

Notes:

- N1. Demonstration and reinforcement of the organisational purpose, vision and values by senior executives might include their involvement in performance review and improvement, training and development, and recognition.
- N2. Evaluation of senior executive leadership and involvement might include assessment of senior executives by peers, direct reports, board of directors and employees.
- N3. "Senior executives" refers to the applicant's highest-ranking official and those reporting directly to that official.
- N4. "Stakeholders" refers to customers, stockholders, employees, suppliers and partners, and might include the community and the public.

1.2 Organisational Culture (50pts)

Describe how the organisation develops a culture that is consistent with its values, and which encourages learning, innovation and achievement of organisation's objectives.

Approach Deployment

Statements

6. Translate values into desired employee behaviours to support innovation, learning and organisation's objectives.
7. Adopt practices that support values.
8. Develop policy and structure to promote values.
9. Introduce programmes to promote values.
10. Close gaps between current and desired culture.

Notes:

- N1. "Organisational Culture" refers to the underlying values, philosophy or beliefs held by members of the organisation, and the practices and behaviour that exemplify and reinforce them.

1.3 Responsibility to Community and the Environment (20pts)

Describe how the organisation addresses its responsibility to the community and the environment.

Approach Deployment

Statements

11. Adopt policy, goals and programmes for organisation's contribution to the community and environment.
12. Communicate policy, goals and programmes to employees and involve them.
13. Communicate policy, goals and programmes to customers, suppliers/partners and other external parties and involve them.
14. Evaluate and improve the process adopted for contribution to community and environment.

Notes:

- N1. Responses to this item might include the organisation's approach to anticipate public concerns and to assess possible impacts of its products, services and operations on the society.
- N2. Responsibility to community might include efforts to strengthen local community services, education and health, sharing of best practices and involvement in activities of trade, business, or professional associations.

Examples of Evidence for Category 1

- Documents to show communication of mission, vision and quality values to employees
- List of activities of senior management relating to quality values and customer focus e.g. committees/taskforces chaired by senior executives, customer visits, training/talks conducted by senior executives, giving recognition to staff, etc.
- Company newsletters
- Management reports
- Minutes of management meetings
- Records of meetings/communication/dialogue sessions with employees/customers/suppliers by senior executives

2 Planning (80pts)

The Planning category focuses on the organisation's planning process and how all key performance requirements are integrated into the organisation's plans. It also examines the deployment of the plans and how performance is tracked.

Excellence Indicators

- Planning is a systematic and closed-loop process, involving regular review and modifications when necessary.
- The planning process uses inputs from a variety of people at all levels throughout the organisation.
- The organization analyses both internal data (e.g. operational performance, quality indicators, etc.) as well as external data (customer feedback, market intelligence, industry trends, etc.) in its planning process.
- The organisation's plans are systematically cascaded down to all levels, and corporate goals are translated into departmental and individual objectives.
- The organisation regularly evaluates its planning process, and refinements are made to improve planning cycle time, planning accuracy and plan deployment.
- The long-term and short-term goals are comprehensive, covering all key aspects of the business, and well-defined in measurable terms.
- Targets set are challenging and achievable.
- The planning process produces an overall business plan, not just a financial or budget plan.
- The organisation has appropriate indicators and data which are regularly monitored to track the achievement of its plans and targets.

2.1 Strategy Development & Deployment (80pts)

Describe the organisation's strategy development process to strengthen organisational performance and competitive position, and the deployment of strategies and goals.

Approach Deployment

Statements

15. Use and analyse internal information to develop strategies.
16. Use and analyse external information to develop strategies.
17. Involve employees in strategy development.
18. Establish short-term strategies and goals.
19. Establish long-term strategies and goals.
20. Set stretch goals based on benchmarks or customer requirements.
21. Develop action plans aligned to strategies and goals.
22. Set targets for individual employees linked to strategies and goals.
23. Measure performance against plans and review regularly.
24. Evaluate and improve the strategic planning process.

Notes:

- N1. Strategy should be interpreted broadly. It might be built around or lead to new products, services, and markets; revenue growth via various approaches, including acquisitions; new partnerships and alliances, and employee relationships. Strategy might be directed at becoming a preferred supplier, a low-cost producer, a market innovator, or a high-end or customised product/service provider.
- N2. The deployment of strategic plans refers to the translation of the plans into action plans contributing to the alignment to strategic objectives and goals, and how resources are allocated to execute the plans.
- N3. The action plans include annual plans, operational plans, human resource plans and marketing plans, as appropriate.
- N4. Details of the organisation's human resource plans should be reported in item 4.1.
- N5. Results on key performance goals should be reported under Category 7.

Examples of Evidence for Category 2

- Records on the strategic planning process
- Corporate plans and goals
- Departmental plans and goals
- Management reports
- Minutes of management meetings
- Records of meetings/communication/dialogue sessions with employees/
customers/ suppliers by senior executives

3 Information (80 pts)

The Information category focuses on the management of information and the use of comparative and benchmarking information to support decision-making at all levels of the organisation.

Excellence Indicators

- Data and information are carefully selected to help in management decision-making, and to track the organisation's performance vis-à-vis its corporate objectives.
- Data/information used for performance measurement and planning cover a broad spectrum of areas including financial, sales and marketing, operations, product and service quality, supplier quality and customer satisfaction.
- The organisation integrates data on various aspects of performance into a few key indicators to track overall performance.
- The organisation has an effective and integrated system to collect and manage data and information which are used in day-to-day management and to drive performance improvements.
- All data/information are assigned owners who review and ensure the accuracy, reliability and accessibility of the data/information.
- Organisation has created systems to capture and disseminate knowledge.
- The organisation has a systematic approach to analyse data and information to support organisational planning and review.
- The organisation regularly evaluates and improves its management of data and information.
- The organisation uses comparative data/information and/or competitive analysis to set "stretch" or challenging goals.
- The organisation has a systematic process to collect and analyse comparative data and information to drive performance improvements.
- The organisation has a systematic approach to benchmark its processes against best-in-class organisations and adopt best practices to improve operational performance.

3.1 Management of Information (55 pts)

Describe how the organisation selects and manages information for planning, day-to-day management and performance evaluation.

Approach Deployment

Statements

25. Select information for planning, day-to-day management and performance improvements.
26. Collect and capture information related to organisation's directions.
27. Ensure information is reliable.
28. Ensure information is easy to access and disseminated quickly to employees, suppliers/partners and customers.
29. Share information to encourage innovation and learning.
30. Analyse and use information from various sources for planning and review.
31. Evaluate and improve the management of information.

Notes:

- N1. This item covers information and knowledge that people need to do their work, improve processes, products and services, keep current with changing business needs and directions; and develop innovative solutions that add value for the customer and organisation.
- N2. Analysis of information might include trends, projections, comparisons, root cause analysis, and cause-effect correlation.
- N3. Evaluation of the information management process might address a variety of factors such as the usefulness of the information gathered and the effectiveness in the use of information.

3.2 Comparison and Benchmarking (25pts)

Describe how the organisation selects and uses comparative and benchmarking information to achieve performance improvements.

Approach Deployment

Statements

32. Develop criteria for selecting comparative and benchmarking information to improve performance.
33. Use comparative and benchmarking information to improve processes, set stretch goals, and/or encourage breakthrough improvements.
34. Evaluate and improve the process for selection and use of comparative and benchmarking information.

Notes:

- N1. Comparative information includes comparisons with competitors and/or comparable organisations.
- N2. Benchmarking refers to finding good practices inside or outside the organisation's industry, and using the knowledge gained to achieve superior performance.
- N3. Evaluation might address a variety of factors such as the usefulness of the information gathered, effectiveness in the use of information, and training in the acquisition and use of information.

Examples of Evidence for Category 3

- Records on information management framework or IS architecture
- Reports on key performance indicators
- Records relating to data integrity/consistency/accessibility
- Records to show dissemination of key data and information to employees
- Benchmarking studies

4 People (110pts)

The People category focuses on how the organisation taps the full potential of the workforce to create a high performance organisation.

Excellence indicators :

- HR is involved in the strategic planning process, providing its inputs as well as developing appropriate plans to support the organisation's short and long-term goals.
- HR planning is proactive rather than reactive, covering all key issues including recruitment, retention, training and development, leadership succession, employee participation, recognition and reward, management-labour relations and employee satisfaction.
- The organisation has a wide variety of mechanisms to encourage employee participation at all levels, promote teamwork and tap on the innovative potential of its employees.
- The organisation has a systematic approach to identify training and development needs for all levels of employees, taking into account skills requirements and current skills inventory.
- The organisation has a systematic approach to assess the effectiveness of training and development undergone by employees.
- The organisation has a systematic approach to measure employee satisfaction, obtain feedback from employees, and act on issues arising from such feedback.
- The organisation has a fair and effective system to measure employee performance.
- The organisation has a wide variety of reward and recognition schemes that support high performance, innovative and creative behaviour, and are linked to the corporate objectives and values.
- The organisation regularly evaluates and improves on its HR planning process, employee participation, training and development process, employee satisfaction approach, and recognition and reward systems.

4.1 Human Resource Planning (20pts)

Describes how human resource requirements and plans are developed from the human resource planning process and aligned to the corporate objectives and how they implemented and reviewed with involvement from line managers.

Approach Deployment

Statements

35. Develop human resource plans aligned to corporate objectives.
36. Involve line managers in implementing plans.
37. Review human resource plans regularly.

Notes:

- N1. Examples of possible elements in the human resource plans are job redesign, education and training, compensation and recognition, promotion of good labour-management relations, knowledge sharing and learning, HR outsourcing/outplacement, employee involvement and talent management.
- N2. Review of the human resource plans should be based on factors like business changes and changes in employee-related performance data such as absenteeism, turnover and employee satisfaction levels.

4.2 Employee Involvement and Commitment (20pts)

Describe how employees contribute to the achievement of organisation's objectives and goals.

Approach Deployment

Statements

38. Develop strategies to encourage employee involvement and commitment in improvement and innovation.
39. Develop mechanisms to involve individual employees in improvement and innovation.
40. Develop mechanisms to encourage teamwork in improvement and innovation.
41. Review effectiveness of employee involvement mechanisms
42. Evaluate and improve overall employee involvement process.

Notes:

- N1. The organisation might use different involvement approaches to encourage different categories of employees to contribute to the organisation's goals and objectives. This would enhance employees' sense of belonging and engagement with the organisation. Examples include suggestion schemes, innovation and quality circles, work improvement teams, problem-solving teams (within work units or cross-functional), centres of excellence, functional teams, self-managed work groups, process improvement teams, and improvement workshops.
- N2. "Employees" refers to organisation's permanent, temporary, and part-time personnel, as well as contract employees supervised by the organisation.

4.3 Employee Education, Training and Development (30pts)

Describe how the organisation determines employee education, training and development needs. Describe how education and training is delivered and reviewed.

Approach

Deployment

Statements

43. Determine education, training and development needs based on organisation's goals and objectives.
44. Develop plans based on the needs identified.
45. Deliver programmes based on plans.
46. Review effectiveness of programmes.
47. Evaluate and improve the education, training and development process.

Notes:

- N1. Education, training and development address the skills, knowledge, competencies and opportunities that employees need to contribute to the organisation and reach their full potential
- N2. Needs determination should take into account job analysis (e.g. the types and levels of skills required), organisational direction and change, and the timeliness of training.
- N3. Education and training delivery might occur inside or outside your organisation and involve on-the-job, classroom, computer-based, distance learning, or other types of delivery (formal or informal)
- N4. Review of education, training and development effectiveness might address effectiveness of delivery of education, training and development, verification of knowledge and skills acquired by employees, impact on individual's performance, and impact on the performance of the organisation.

4.4 Employee Health and Satisfaction (20pts)

Describe how the organisation develops a work environment that enhances the health and satisfaction of employees. Describe the methods for assessing employee satisfaction.

Approach

Deployment

Statements

48. Create work environment that enhances employee health and satisfaction.
49. Develop harmonious employee-management relationship.
50. Measure and assess employee satisfaction.
51. Evaluate and improve employee health and satisfaction system.

Notes:

- N1. Approaches for supporting and enhancing employee health and satisfaction might include workplace health promotion, counselling, recreational activities, career and personal development, flexible work hours, and activities to foster family-friendly work environment such as special work arrangements for family responsibilities and workplace child-care centre.
- N2. Measures and indicators of employee well-being, satisfaction might include data on safety, absenteeism, turnover, grievances, employee satisfaction levels. The results of such measures should be reported in Item 7.3.

4.5 Employee Performance and Recognition (20pts)

Describe how the organisation's employee performance appraisal, recognition, promotion, compensation, and reward systems encourage employees to achieve high performance, aligned to the organisation's objectives and goals.

Approach

Deployment

Statements

52. Align performance appraisal to corporate objectives and values.
53. Introduce variety of rewards and recognition schemes to support corporate objectives.
54. Recognise and reward employee learning and innovation.
55. Evaluate and improve performance and recognition systems.

Notes:

- N1. The organisation might use a variety of performance and recognition approaches - monetary and non-monetary, formal and informal, individual and group, etc.

Examples of Evidence for Category 4

- HR plans
- Records on HR planning process
- Documentation on Learning Needs Analysis (LNA) process and review of training plans
- Documents/evidence of evaluation of training
- Employee opinion surveys and follow-up
- Records tracking turnover rates/absenteeism/grievances
- Performance appraisal documents - samples
- Records on benchmarking of compensation packages
- Records on employee involvement activities

5 PROCESSES (100pts)

The Processes category focuses on the key processes the organisation uses to pursue its objectives and goals, including the innovation processes, production and delivery processes and supplier and partnering management processes.

Excellence Indicators

- The organisation has a systematic process to acquire, evaluate and implement creative ideas from all sources.
- The organisation has a systematic process to translate customer requirements and expectations into product or service design, production and delivery.
- External parties (customers, suppliers, business partners) are involved in key aspects of the design process (e.g. giving inputs, design review, product/service reviews).
- The innovation and design processes are evaluated and improvements are made to shorten cycle time, improve design quality and reduce costs.
- The organisation's key processes have clear objectives and targets (e.g. cycle time, quality level) which are linked to business and quality goals.
- The key processes are systematically measured and regularly reviewed to ensure conformance to performance standards or targets set.
- The organisation has a system to analyse root causes, take prompt corrective action and prevent future re-occurrence when a process fails to meet specified standards or targets set.
- The organisation identifies and selects its suppliers and partners who support the overall organisation strategy.
- The organisation has methods to communicate and proactively ensure that suppliers have the capability and capacity to meet its requirements (e.g. supplier audits, supplier rating and certification system).
- The organisation has plans and actions to help key suppliers improve their abilities to meet key quality and response time requirements (e.g. training, joint planning, long-term agreements, incentives and recognition).

5.1 Innovation Processes (40pts)

Describe how the organisation harvests creative ideas and the design processes for products and services and their related production and delivery systems and processes.

Approach

Deployment

Statements

56. Generate, gather and screen creative ideas from all sources.
57. Implement innovative ideas to achieve business outcomes.
58. Incorporate changing customer/market requirements in the new product/service design and introduction process.
59. Incorporate new technology and knowledge in the new product/service design and introduction process.
60. Involve employees from various departments in the new product/service design and introduction process.
61. Involve customers in the new product/service design and introduction process.
62. Involve suppliers and/or partners in the new product/service design and introduction process.
63. Incorporate procedures for design validation in the new product/service design and introduction process.
64. Design and introduce production and delivery processes for new products/services.
65. Evaluate and improve the innovation and design processes.

Notes:

- N1. Item includes the harnessing of ideas from all sources such as employee and customer feedback, employee suggestions, inputs from partners and suppliers and how your organisation selects and implements the good ideas to create value for the organisation. The implementation of selected ideas might include design of organisational structure and work systems that support innovation.
- N2. The design processes might address modifications and variants of existing products and services; and/or new products and services emerging from research and development or other product/service concept development.

5.2 Process Management and Improvement (40pts)

Describe how the organisation manages and improves its production/delivery processes (including support processes).

Approach

Deployment

Statements

66. Identify key business and support processes.
67. Measure process performance and set targets.
68. Analyse variances in process performance and take actions.
69. Improve key processes for higher performance and customer satisfaction.

Notes:

- N1. The organisation would have to define key processes for production and delivery of products/services that are most important in “running the business” and maintaining or achieving a sustainable competitive advantage. These are processes which would value add the most to your customers, products and services and are those most directly involved in meeting their requirements/expectations.
- N2. The item also covers key support processes, which support the organisation’s production/delivery processes. These might include facilities management, legal, human resource, project management, finance and accounting, and administration processes.
- N3. To achieve better process performance and reduce variability, the organisation might implement approaches such as six sigma methodology, use of ISO 9000:2000 standards, or use of process control tools.
- N4. The organization might adopt various approaches to improve processes, such as technology adoption, process redesign, new process design, benchmarking, and the use of information from customers and suppliers/ partners.

5.3 Supplier and Partnering Processes (20pts)

Describe how the organisation manages its key suppliers and/or partner interaction processes



Approach



Deployment

Statements

70. Identify and select suppliers and partners who fit into the organisation's overall strategy.
71. Communicate requirements to suppliers and partners.
72. Assess suppliers and partners to ensure requirements are met.
73. Provide performance feedback to suppliers and partners.
74. Improve capabilities of suppliers and partners to meet organisation's requirements.

Notes:

- N1. To better accomplish organisation's overall goals, your organisation would need to identify suppliers and partners to work with for a win-win approach to ensure high level of quality service and products.
- N2. "Suppliers" refers to external parties that provide goods and services to the organisation.
- N3. "Partners" refers to external parties with which the organisation interacts collaboratively for the purpose of creating additional value to the organisation and customers. "Partnership" might include: relationships with distributors and regulatory bodies; collaboration with competitors and complementary organisations, including strategic partnerships, joint ventures and alliances.
- N4. Determining how requirements are met might include audits, process reviews, receiving inspection, certification, testing and rating system.
- N5. Plans and processes might include joint planning, partnerships, training, long-term agreements, incentives and recognition.

Examples of Evidence for Category 5

- Records on design process
- Procedures for handling of critical variances in key processes
- Quality manuals
- Quality audit reports

- Evidence of process improvements
- Records on supplier quality e.g. incoming QC, supplier ratings, supplier audits, etc.
- Evidence of feedback/communication with suppliers on requirements and supplier performance

6 Customers (110pts)

The Customer category focuses on how the organisation determines customer and market requirements, builds relationships with customers, and determines their satisfaction.

Excellence Indicators

- There is a logical method for segmenting the customer base, which contributes to improving business performance.
- The organisation has a wide variety of "listening posts" (e.g. focus groups, frontline employees, surveys, feedback forms, etc.) to determine both current and future customer requirements and expectations by customer segment.
- The organisation has a systematic approach to collate, analyse and summarise various sources of customer feedback (e.g. complaints, customer interviews, focus groups, surveys, etc.) into actionable information. There is continual scanning of the marketplace to anticipate potential opportunities to exploit competitive advantage.
- There is demonstration that customers' requirements and expectations are systematically used as inputs in the planning process, and incorporated into the strategic business and improvement plans.
- Several methods are used to ensure ease of customer contact (e.g. toll-free lines, pagers for contact personnel, Internet e-mail, account managers, etc.).
- Service standards are set for various interfaces with the customer (e.g. answering calls within three rings, responding to complaints within 24 hours, etc.).
- Customer-contact employees are adequately trained and empowered (within limits) to manage customer relationships and delight customers.
- There is a system to ensure prompt and effective resolution of all customer complaints.
- Customer complaint data are systematically tracked and used to initiate prompt corrective action to prevent future re-occurrence.
- The organisation has different methods and indicators to measure customer satisfaction (e.g. customer survey, complaints/compliments, repeat business, feedback forms, warranty claims, customer interviews, etc.), and these are regularly and systematically monitored.
- The organisation's ability to satisfy customers has been recognised in the form of customer awards, or other forms of recognition schemes.
- The organisation regularly evaluates and improves on its processes and methods for determining customer requirements and expectations, managing customer relationships and measuring customer satisfaction.

6.1 Customer Requirements (40pts)

Describe how the organisation determines requirements of customers and markets to ensure the relevance of current products/services and to develop new opportunities and /or markets.

Approach

Deployment

Statements

75. Segment markets and customers.
76. Determine current and future customer/market requirements for each segment.
77. Analyse and incorporate requirements into strategic and improvement plans.
78. Evaluate and improve the process for determining customer requirements.

Notes:

- N1. The item aims to address how your organisation seeks to understand the voice of customers and of the market place with a focus on meeting customer's expectations and requirements, delighting customers and building loyalty. To better understand and meet the requirements of both future and current customers and markets, your organisation would need to adopt a customer centric approach by segmenting the customers and markets and determining the appropriate mechanisms to listen to them and learn about them.
- N2. Examples of listening and learning strategies are customer focus groups, interviews with lost customers, use of customer complaint process to understand key product and service attributes, competitive comparisons, and survey/feedback information, including the use of the Internet.
- N3. "Customers" refers to the recipients or beneficiaries of the organisation's outputs, products or services
- N4. "Requirements" refers to expectations, preferences and needs of customers and market.

6.2 Customer Relationship (40pts)

Describe how the organisation manages its relationship with customers for repeat business and/or positive referrals.

Approach

Deployment

Statements

79. Provide customers with easy access to conduct business with the organisation and make complaints.
80. Set and deploy customer contact performance measures for employees in the response chain.
81. Ensure customer complaints are resolved and analysed for improvements.
82. Train and empower employees to delight customers.
83. Evaluate and improve its customer relationship management process.

Notes:

- N1. The item examines your organisation's processes for building customer relationships with the aim of acquiring new customers, retaining existing customers, and developing new markets.
Customer relationship might include development of partnerships and alliances with customers.
- N2. Setting of service standards to ensure quality of service and success outcomes require effective deployment of these information throughout the organisation. Examples of customer contact requirements cover response times, reliability, staff service behaviour, and after sales service.
- N3. Compliant aggregation, analysis, and root cause determination should lead to effective elimination of the causes of complaints and to setting priorities for process, product, and service improvements.
- N4. Improvement of customer relationship management might include equipping customer-contact employees with skills on service delivery, managing expectations and handling problems.

6.3 Customer Satisfaction (30pts)

Describe the organisation's system of determining customer satisfaction and how this information is used to improve its operations.

Approach

Deployment

Statements

84. Gather and analyse information on customer satisfaction and retention.
85. Use the information to develop strategic and improvement plans.
86. Evaluate and improve the process of determining customer satisfaction.

Notes:

- N1. An effective customer satisfaction measurement system is one that provides the organisation with reliable information about customer ratings of specific product and service features and the relationship between these ratings and the customer's likely future market behaviour.
- N2. A key aspect of determining customer's satisfaction is the comparison of satisfaction levels with competing or alternative offerings.

Examples of Evidence for Category 6

- Market intelligence/market research reports
- Evidence of feedback channels for customers
- Customer survey questionnaire sample, report and results (3 year trend data)
- Records on complaint resolution process
- Records relating to customer requirements for different segments
- Records of meetings/communication sessions with customers
- Service recovery plans/procedures
- Customer satisfaction results/trends

7 Results (400pts)

The Results category examines the organisation's performance and improvements in areas of importance to the organisation. It also examines performance levels relative to those of competitors and/or benchmarks.

Excellence Indicators

- There is a clear link between the strategy of the organisation and what it measures.
- The organisation has key indicators of customer, financial and market, people, supplier and partner, and operational and financial performance results.
- All results have targets and trends which are three years or more.
- Absolute results are high relative to that of competitors or industry standards.
- Results consistently meet or exceed targets.
- There is clear linkage of results to approach and deployment.
- Adverse trends are explained and corrective action, already taken or planned, can be demonstrated.
- There are comparisons done with benchmarks within the industry and across industries, as the organisation search to learn from the best.
- The organisation demonstrates best-in-class results in some or most of its key indicators.

7.1 Customer Results (140pts)

Summarise the organisation's customer-focused results, including customer satisfaction and retention results, and product and service performance results.

Result

Statements

- 87. Improvement trends and targets met for customer satisfaction and retention indicators.
- 88. Improvement trends and targets met for product and service performance indicators.
- 89. Favourable comparison of results with competitors or benchmarks.

Notes:

- N1. The customer results category provides a results focus that encompasses your objective evaluation and your customer's evaluation of your organisation's products and services.
- N2. Customer satisfaction results reported in the Item are derived from determination methods described in Item 6.3. Results might be supported by customer feedback, customer's overall assessment of products/services, and customer awards. Results should also go beyond satisfaction measurements to cover loyalty, repeat business, and longer-term customer relationships.
- N3. The combination of direct customer measures/indicators in statement 87 with product and service performance measures/indicators in statement 88 provides an opportunity to determine the cause and effect relationships between the organisation's product/service attributes and evidence of customer satisfaction, loyalty, positive referral, or even the potential obsolescence of product or service offerings.
- N4. Product and service measures appropriate for inclusion might be based on the following: internal quality measurements, field performance of products, defect levels, service errors, response times, and data collected from your customers by other organisations on ease of use or other attributes, as well as customer surveys on product and service performance.

7.2 Financial and Market Results (90pts)

Summarise the organisation's key financial and marketplace performance results.

Result

Statements

- 90. Improvement trends and targets met for financial performance indicators.
- 91. Improvement trends and targets met for marketplace indicators.
- 92. Favourable comparison of results with competitors or benchmarks.

Notes:

- N1. The item examines your organisation's key financial and market results, with the aim of understanding your financial sustainability and your market place challenges and opportunities.
- N2. Results reported in this item might include aggregate measures such as return on investment (ROI), asset utilisation, operating margin, profitability, surplus, profitability by market/customer segment, liquidity, debt to equity ratio, value added per employee, and other financial activity measures.
- N3. For non-profit organisations, measures might include performance to budget, reserve funds, cost avoidance or savings, administrative expenditure as a percentage of budget, and cost of fundraising versus funds raised.
- N4. For non-profit organisations, responses to statement 91 might include measures of charitable donations, or grants and the number of new programmes or services offered.

7.3 People Results (80pts)

Summarise the organisation's human resource results, including those on employee involvement, satisfaction and development.

Result

Statements

- 93. Improvement trends and targets met for employee involvement indicators.
- 94. Improvement trends and targets met for employee training indicators.
- 95. Improvement trends and targets met for employee satisfaction indicators.
- 96. Favourable comparison of results with competitors or benchmarks.

Notes:

- N1. Results reported in this item should relate to the strategies and activities described in statements in the People category.
- N2. Results reported might cover generic and organisation-specific factors. Generic factors might include safety, absenteeism, turnover, satisfaction, and grievances.

7.4 Operational Results (90pts)

Summarise the operational performance results that contribute to the achievement of key organisational performance goals, and the organisation's key supplier and partner results. Include appropriate comparative data.



Result

Statements

97. Improvement trends and targets met for the performance indicators of key business and support processes.
98. Improvement trends and targets met for supplier and partner performance indicators.
99. Improvement trends and targets met for community and environment protection indicators.
100. Favourable comparison of operational results with competitors or benchmarks.

Notes:

- N1. Results reported in this item should address the organisation's key performance requirements and progress toward accomplishment of key performance goals as presented in the Organisational Profile, and in items 2.1, 5.1, 5.2, 5.3. Include results not reported in Items 7.1, 7.2, and 7.3.
- N2. Supplier and partner results reported in statement 98 should address requirements described in Item 5.3
- N3. Results on the organisation's contribution to the community, society and the environment reported in statement 99 should address requirements described in Item 1.3.

Examples of Evidence for Category 7

- Customer survey questionnaire results (3 year trend data)
- Training indicators/results for each employee group
- Employee opinion survey results
- Records on key results tracked by the organisation
- Results on comparative data and benchmarks