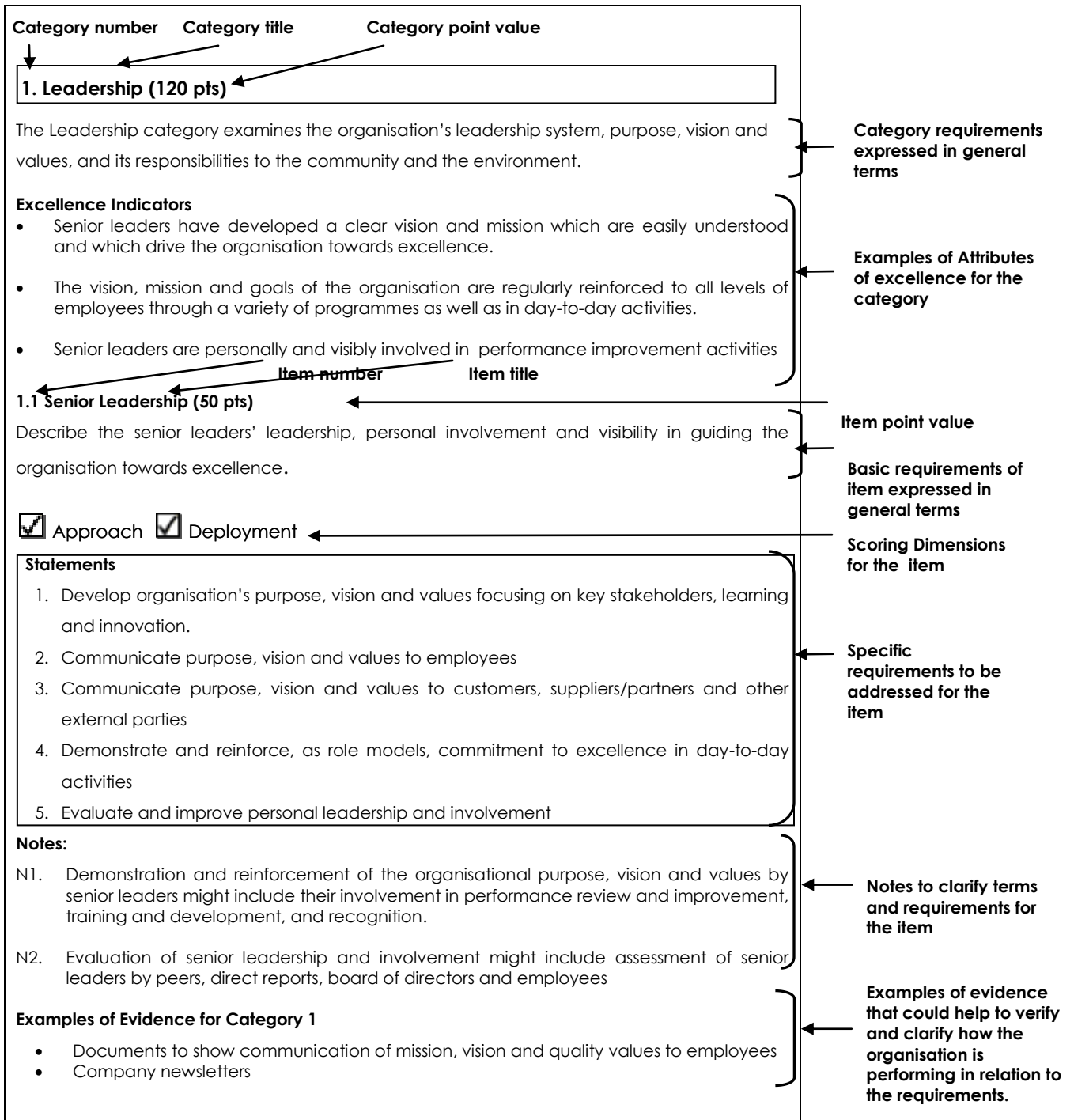


****Interpretation Guide
to the
Business Excellence Standard***

(Revised on May 2010)*

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.



Criteria Description

1 Leadership (120 pts)

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 leaders have developed a clear vision and mission which are easily understood and which drive the organisation towards excellence.
- Senior leaders are personally involved in communicating the organisation's directions 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 leaders are personally and visibly involved in performance improvement activities.
- Senior leaders are personally involved in recognition of teams and individuals for their contributions to quality and performance improvement.
- Senior leaders 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 leaders 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 Leadership (50pts)

Describe the senior 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 leaders might include their involvement in performance review and improvement, training and development, and recognition.
- N2. Evaluation of senior leadership and involvement might include assessment of senior leaders by peers, direct reports, board of directors and employees.
- N3. "Senior leader" 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 (40pts)

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 Corporate Social Responsibility (30pts)

Describe how the organisation addresses its responsibility to the community, environment and public, ensures ethical behaviours and practises good citizenship.

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. Establish corporate governance system for transparency and accountability.
15. Evaluate and improve the corporate governance system.
16. 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.
- N3. Corporate governance is the system by which organisations are directed and controlled to ensure accountability to owners/shareholders and stakeholders, transparency of operations, and fair treatment of all stakeholders.
- N4. The corporate governance system would include approval of strategic directions, ensuring that financial and human resource plans are in place to meet strategic objectives, review of management performance, organisational controls and risk management, conflict of interest policies, disclosure, reporting and audits. The rights and responsibilities of key parties involved in the system such as the organisation's governance board, management, and owners/shareholders are specified in the corporate governance structure.

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
- Audit reports e.g. internal audit reports

2 Planning (70pts)

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 (70pts)

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

Approach Deployment

Statements

17. Use and analyse both internal and external information to develop strategies and strategic objectives to address its strategic challenges.
18. Involve employees in strategy development.
19. Establish short-term strategies and goals.
20. Establish long-term strategies and goals.
21. Set stretch goals based on benchmarks or customer requirements.
22. Develop and cascade action plans aligned to strategies and goals.
23. Manage financial and other risks associated with actions plans.
24. Resources are allocated to support action plans.
25. Set targets for individual employees linked to strategies and goals.
26. Measure performance against plans and review regularly.
27. 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. "Strategy deployment" 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. Risk management is a structured and disciplined approach that aligns strategy, processes, people, technology and knowledge with the purpose of evaluating and managing all the uncertainties the organisation faces as it create value through its products, services and operations. It should also include the organisation's agility based on contingency plans or the organisation's ability to redirect resources to higher-priority products, services or areas as a result of changes in the society, ethics, regulation, economic environment and technology.

- 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 4A.
- 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
- Records related to risk management
- Records on resource allocation, budgeting

3 Information (70 pts)

The Information category focuses on the management of information, knowledge and the use of comparative and benchmarking information and knowledge 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 and Knowledge (50 pts)

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

Approach Deployment

Statements

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

Notes:

- N1. "Information" refers to data on indicators of process and organisational performance, and strategic success while knowledge refers to actionable information useful for creating value
- N2. "Knowledge assets" refers to both explicit and tacit knowledge within people, technology, systems and practices, work relationships, teams, networks and are actionable in nature. Explicit knowledge is knowledge documented or encoded in print, electronic, or audio-visual formats or embedded in prototype, equipment, or technology (e.g. intranet, manuals). Tacit knowledge is undocumented knowledge (e.g. expertise, past experiences of what works, and knowledge from informal network of co-workers)
- N3. Analysis of information might include trends, projections, comparisons, root cause analysis, and cause-effect correlation. Analysis should help organisations assess the financial viability and potential benefits or gains from its initiatives in relation to the associated risks
- N4. Management of knowledge might include how knowledge is collected, structured, analysed, stored, safeguarded, transferred and applied. Involvement of stakeholders might include employee contributions to the organisational

knowledge base or the incorporation of customer and supplier knowledge to the existing knowledge/intellectual capital of the organisation

- N5. The information and knowledge management process should evaluate the usefulness of the information and knowledge gathered and how effectively that information and knowledge are used.

3.2 Comparison and Benchmarking (20pts)

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

Approach Deployment

Statements

35. Develop criteria for selecting comparative and benchmarking information to improve performance.
36. Use comparative and benchmarking information to improve processes, set stretch goals, and/or encourage breakthrough improvements.
37. 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, how effectively the information is used and the training of personnel in the acquisition and use of information.

Examples of Evidence for Category 3

- Records on information and knowledge 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 (100pts)

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 learning 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 engagement, g 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

38. Develop human resource strategies, policies and plans aligned to corporate objectives.
39. Involve line managers in implementing plans.
40. Review human resource strategies, policies and plans regularly.

Notes:

- N1. Human resource plans should include job redesign, education and training, compensation and recognition, promotion of good labour-management relations, knowledge sharing and learning, HR outsourcing/outplacement, manpower planning and talent management
- N2. A 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 Engagement (20pts)

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

Approach Deployment

Statements

41. Develop strategies to encourage employee engagement in improvement and innovation.
42. Develop mechanisms to engage individual employees in improvement and innovation.
43. Develop mechanisms to encourage teamwork in improvement and innovation.
44. Review effectiveness of employee engagement mechanisms
45. Evaluate and improve overall employee engagement process.

Notes:

- N1. Employee engagement is often characterised by high-performing work environments in which people are motivated to do the best for their customers and contribute to the success of the organisation
- N2. The organisation might use different ways to encourage different categories of employees to contribute to the organisational's goals and objectives. This would enhance a sense of belonging and engagement with the organisation. Examples include suggestion schemes, task forces, and teams.

4.3 Employee Learning and Development (20pts)

Describe how the organisation determines employee learning and development needs.

Describe how education and training is delivered and reviewed.

Approach Deployment

Statements

46. Determine learning and development needs based on organisation's goals and objectives.
47. Develop plans based on the needs identified.
48. Deliver programmes based on plans.
49. Review effectiveness of programmes.
50. Evaluate and improve the learning and development process.

Notes:

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

4.4 Employee Well-being and Satisfaction (20pts)

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

Approach Deployment

Statements

51. Create work environment that enhances employee well-being and satisfaction.
52. Develop harmonious employee-management relationship.
53. Measure and assess employee satisfaction.
54. Evaluate and improve employee well-being and satisfaction system.

Notes:

- N1. To enhance employee well-being and satisfaction, organisations could consider workplace health promotion, counseling, recreational activities, career and personal development, flexible work hours, and arrangements to make the work environment family-friendly through activities such as the provision of on-site childcare centres.
- N2. A supportive environment to workplace health promotion refers to existence of policies, structure and programmes that enhance employee health and satisfaction, where;
 - “policies” refers to health-related and health-linked policies, e.g. subsidies to health activities, policy on nutritious food at the workplace.
 - “Structure” refers to having a formal system to solicit employee feedback, committee/ designated person(s) to oversee health and wellness programme
 - “programmes” refers to availability of health risk assessment and wellness activities, which include physical and sporting activities, educational activities on healthy eating, mental wellbeing and smoking control.
- N3. To measure employee satisfaction, employee feedback surveys could be conducted. To measure employee well-being, data on safety, absenteeism, turnover, grievances, and employee health and satisfaction levels could be gathered. The results of such measures should be reported in Item 7C.

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

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

Notes:

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

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 learning
- 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 engagement activities

5 PROCESSES (90pts)

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

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

Notes:

- N1. Ideas from all sources are harnessed. This includes employee and customer feedback, research/benchmarking studies, and inputs from partners and suppliers.
- 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 developments.

5.2 Process Management and Improvement (30pts)

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

Approach Deployment

Statements

69. Define key production and delivery processes of its products and services and their support processes.
70. Measure process performance and set targets.
71. Analyse variances in process performance and take actions.
72. Sustain its operations in emergencies and disasters for business continuity.
73. Improve key processes for higher performance and customer satisfaction.

Notes:

- N1. The organisation has to define key processes for the production and delivery of products/services that are most important in running the business and maintaining or achieving a sustainable competitive advantage.
- N2. The areas to address also cover key 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. The organisation might adopt various approaches to improve processes. These include technology adoption, process research and development, use of process improvement tools, process reengineering, and benchmarking.
- N4. Disasters and emergencies might be related to natural, human or technologically- related events that have the potential to disrupt and impact the continuity of operations. Natural events include weather-related and pandemic events. Human events are deliberate acts of man which include fraud and terrorism. Technological events include IT system and power failures.
- N5. Response to disasters and emergencies would include prevention, mitigation, and management activities to support continuity of operations.

5.3 Supplier and Partnership Management (20pts)

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

Approach Deployment

Statements

74. Identify and select suppliers and partners who fit into the organisation's overall strategy.
75. Communicate requirements to suppliers and partners.
76. Assess suppliers and partners to ensure requirements are met.
77. Provide performance feedback to suppliers and partners.
78. Improve capabilities of suppliers and partners to meet organisation's requirements.

Notes:

- N1. To achieve organisational goals, identifying suppliers and partners to work with for a win-win approach is essential.
- 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. "Partnership" might include relationships with distributors and regulatory bodies; and collaboration with competitors and complementary organisations. The partnership could take various forms, including strategic partnerships, joint ventures and alliances.
- N4. Determining how requirements are met might include audits, process reviews, receiving inspections, certifications, testing and rating systems.
- N5. Plans and processes might include supply/partnership chain resilience due to outsourcing, 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
- Record on business continuity management and plans
- 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 (100pts)

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

- 79. Segment markets and customers.
- 80. Determine current and future customer/market requirements for each segment.
- 81. Analyse and incorporate requirements into strategic and improvement plans.
- 82. Evaluate and improve the process for determining customer requirements.

Notes:

- N1. The item aims to address how the organisation seeks to understand the voice of customers and market needs. The focus is on meeting customer's expectations and requirements, delighting customers and building loyalty. The organisation needs to segment customers and markets.
- N2. Examples of listening and learning strategies are customer focus groups, interviews with lost customers, use of customer complaint process to improve service, 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 (30pts)

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

Approach Deployment

Statements

- 83. Provide customers with easy access to conduct business with the organisation and make complaints.
- 84. Set and deploy customer contact performance measures for employees in the response chain.
- 85. Ensure customer complaints are resolved and analysed for improvements.
- 86. Train and empower employees to delight customers.
- 87. Evaluate and improve the customer relationship management process.

Notes:

- N1. The item examines how the organisation builds customer relationships to acquire new customers, retain existing customers, and market. Customer relationships might include development of partnerships and alliances with customers
- N2. Examples of customer contact requirements include response time, reliability, service staff behaviour, and after-sales services
- N3. Effective analysis should lead to the elimination of the causes of complaints and to the setting of 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
- N5. Results against key customer contact requirements should be reported in Item 7A

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

88. Gather and analyse information on customer satisfaction and retention.
89. Use the information to develop strategic and improvement plans.
90. 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 (450pts)

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.

Results

Statements

91. Improvements trends and targets met for customer satisfaction and retention indicators.
92. Improvement trends and targets met for product and service performance indicators.
93. Favourable comparison of results with competitors or benchmarks.

Notes:

- N1. Customer satisfaction results reported in the item are derived from methods described in item 6C. Results might be supported by customer feedback, customer's overall assessment of products/services, and customer awards. The indicators should go beyond satisfaction indicators to include relevant indicators of future success in the marketplace and organisational sustainability. These indicators could include those relating to customer loyalty, repeat business and longer-term customer relationships.
- N2. The combination of direct customer measures/indicators in statement 91 with product and service performance measures/indicators in statement 92 provides an opportunity to determine the relationship between the organisation's product/service attributes and evidence of customer satisfaction, loyalty and positive referrals.

7.2 Financial and Market Results (90pts)

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

Results

Statements

- 94. Improvement trends and targets met for financial performance indicators.
- 95. Improvement trends and targets met for marketplace indicators.
- 96. Favourable comparison of results with competitors or benchmarks.

Notes:

- N1. The item examines the organisation's key financial and market results, with the aim of understanding financial sustainability and marketplace 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 95 might include measures of charitable donations, or grants and the number of new programmes or services offered.

7.3 People Results (100pts)

Summarise the organisation's human resource results, including those on employee engagement, well-being, satisfaction and development.

Results

Statements

97. Improvements trends and targets met for employee engagement indicators.
98. Improvement trends and targets met for employee learning indicators.
99. Improvement trends and targets met for employee well-being and satisfaction indicators.
100. 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.
- N3. Results reported for health as one of the indicators of well-being might include :
 - Medical cost and medical leave
 - Employee behaviour and practices, e.g exercise frequency, dietary habits.
 - Employee health status, e.g BMI, blood pressure, cholesterol.

7.4 Operational Results (120pts)

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.

Results

Statements

101. Improvement trends and targets met for the performance indicators of key business and support processes.
102. Improvement trends and targets met for supplier and partner performance indicators.
103. Improvement trends and targets met for community and environment protection indicators.
104. Improvement trends and targets for governance system indicators.
105. 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 key performance goals as presented in the Organisational Profile, and in items 2A, 5A, 5B, 5C. Include results not reported in items 7A, 7B, and 7C.
- N2. Supplier and partner results reported in statement 102 should address requirements described in item 5C.
- N3. Results on the organisation's contribution to the community, society and the environment reported in statement 103 should address requirements described in item 1C.
- N4. Results on the organisation's key measures reported in statement 104 should address requirements in item 1C and include compliance, audit report findings, etc.

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