

USING THE EFQM EXCELLENCE MODEL AS A FRAMEWORK FOR IMPROVEMENT AND CHANGE

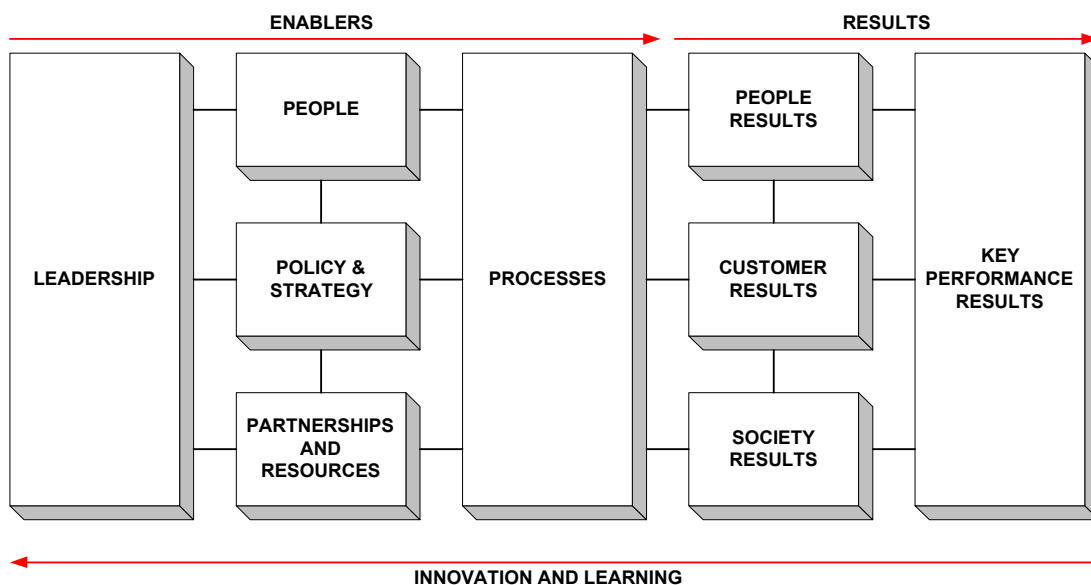
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Summary

The EFQM Excellence model had its origins in Total Quality Management (TQM). It is a holistic framework and is most successful when interpreted as such. We at TQP interpret the model to put the “key delivery process” of an organisation at its centre. This approach is holistic and relies on the leadership team using the model as its central agenda.

1. General introduction - Why the EFQM Excellence Model?

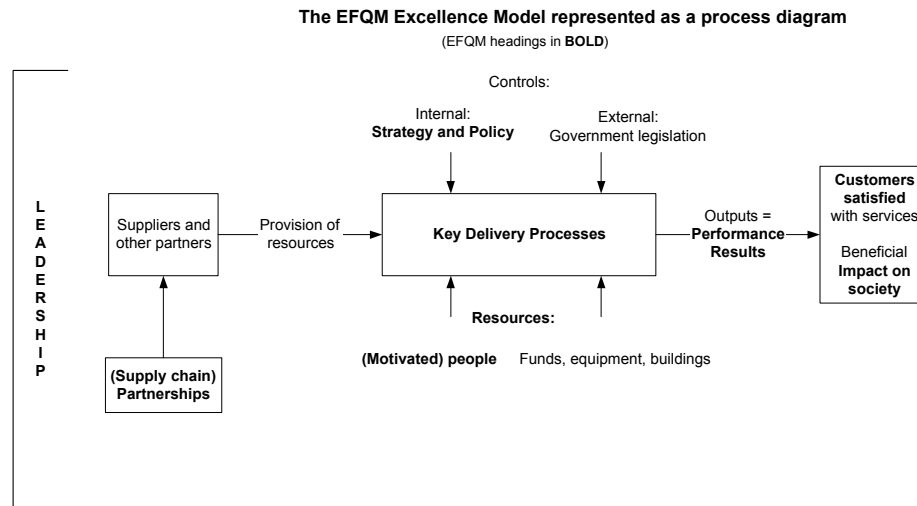
THE EFQM EXCELLENCE MODEL



Used as it was intended, the EFQM Excellence Model provides an ideal framework for managing and continuous improvement in an organisation. The 4 elements of “results” effectively define the purpose of the organisation, while the 5 “enablers” offer a holistic route to establishing methods for achieving results. The model has the added advantage of providing a set of key measures, both hard and soft, which can be used to assess improvement.

The diagram below is intended to illustrate the key messages of the Excellence Model as we, at TQP, see them. To us, the model is centred around the “way the work gets done” for the benefit of the customer. This view of the model makes more sense to us than the standard diagram which, though neat, is slightly confusing:

The enduring purpose of any organisation is to at least satisfy and, if possible exceed the requirements of its customers and key stakeholders. Evidence shows that organisations are successful in the long term if they achieve this primary aim and indeed, those that maintain high levels of satisfaction among their key stakeholders also appear to achieve their aims in terms of performance results.



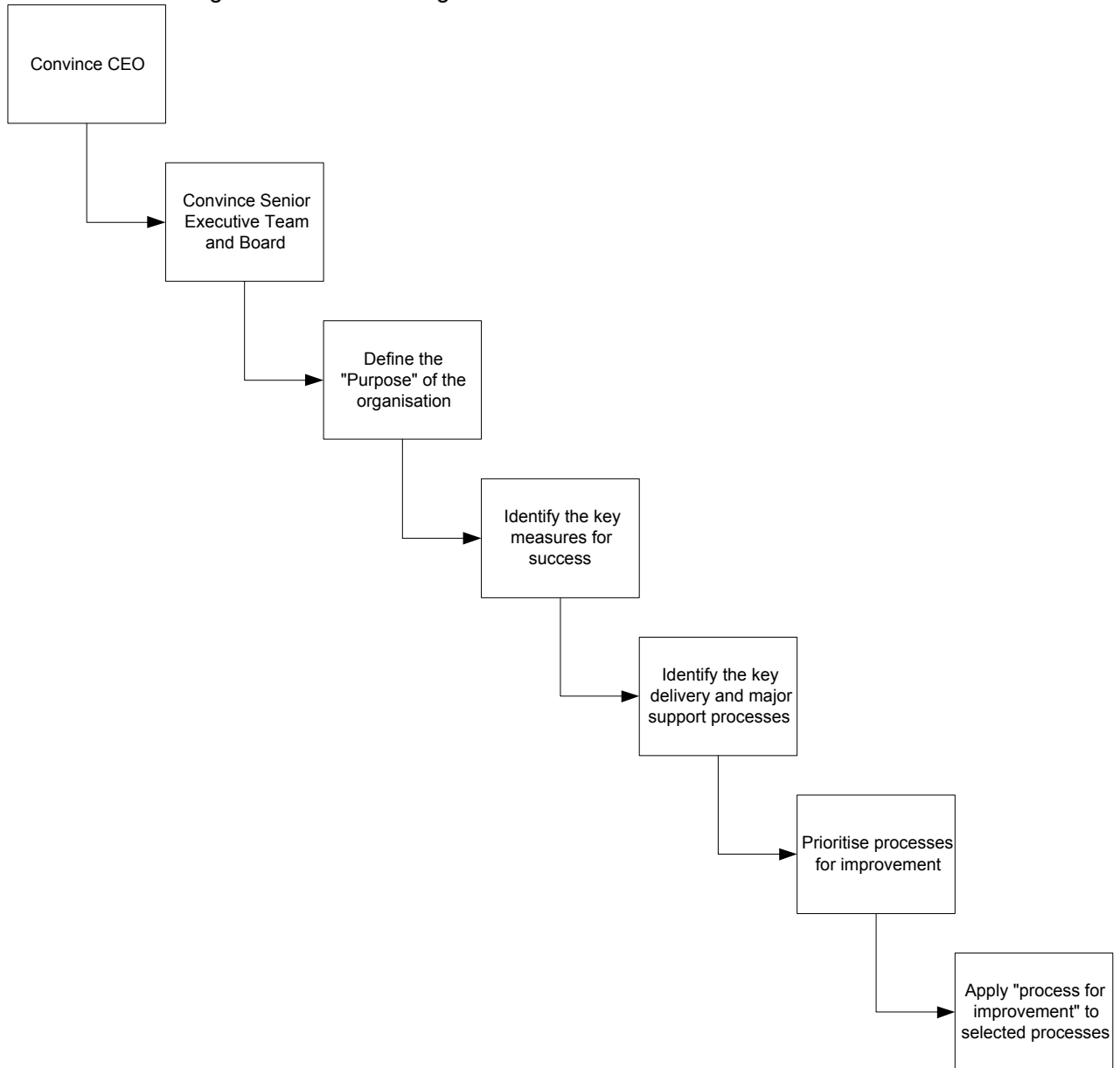
Interpreting the model

The model, either in its standard format or as set out above, should therefore be read from the right hand end working backwards:

- What is our purpose in terms of meeting the needs of our customers, achieving our performance results, maintaining the motivation of our people and having a beneficial impact on society?
- Once we are clear about purpose it becomes much easier to answer the next question – how do we achieve this purpose? What methods do we use?
- The central box of the Excellence Model relates to the management of processes – how does the work which delivers our results actually get done? Which activities constitute our “key delivery” processes and which exist to support these?
- The model demands that key delivery processes be defined, that there is a way of setting priority for which processes should be improved and that there is a method to achieve improvement – a “process for process improvement”.
- The Model also recognises the major “support” processes which exist to ensure that the key delivery processes operate smoothly. These include the provision of staff at the right time and with the right skills, the provision of other resources (money, equipment, buildings), and the development of effective relationships with any external suppliers.
- The whole – and it is vital to be aware that the model exists as a whole, not as 9 separate boxes – is summed up in the strategy and policy of the organisation.
- Finally, the part of the Model which distinguishes it so clearly from its predecessors is the recognition of the critical importance of appropriate leadership.

2. Experience from working with client organisations - Steps involved in using the Model

Set out below is a series of steps for implementing the Excellence Model used by us when working with a number of organisations:



The steps in more detail:

Senior management commitment:

It is fundamental to success that the Chief Executive, as the person with ultimate responsibility for improvement, fully understands the philosophy behind the Excellence model and is fully aware of what this will mean in terms of his leadership style. It will be better not to start at all than to find later that

the Chief Executive has formed a mistaken view of the model and can no longer support its use. It is necessary to gain an active commitment to using the model as an agenda for managing the business, with all this implies for the culture.

Once the CEO is convinced, it is equally important to ensure that the leadership team of the organisation is similarly convinced. The executive members will be most important in this context but it will certainly be necessary to ensure that any non-executives are supportive of the approach, especially if they have the power to block.

Involving all staff to identify purpose and key measures:

Most of our clients employ intelligent people. Experience shows that once such people are clear about the purpose of their work and are given the appropriate freedom, they will find the best way to achieve it.

It is an absolute truism that “what gets measured gets done” and the past 20 years are littered with the debris of inappropriate target setting – especially emanating in the Public Sector from HM Treasury. The Excellence Model suggests the development of a “dash board” of qualitative and quantitative indicators. It has been important to avoid the unrealistic reliance on a narrow range of targeted measures which may drive the organisation away from its real purpose. These indicators are designed to show all is well with the organisation. The key quantitative measures are produced using Control Charts to improve interpretation.

A major step in the achievement of real change is to introduce measures which truly drive the organisation toward its purpose, convincing staff that these are the true measures of success. People do things which make them feel valued. Establishing what the organisation values in terms of the results achieved for its customers and the way people do things is vital to success.

Greatest success seems to flow when as many people, including external stakeholders, as possible are involved in defining the true purpose of the organisation and in loosely agreeing the ways in which this purpose should be measured. We do not believe in airy visioning days. Using the elements of the “results” end of the Model produces clear definitions and has allowed our clients to develop useful statements of purpose and to define the measurement of these in a useable “dash board” format.

This is where the full commitment of the leadership becomes so critical. Some elements of the true purpose of most organisations are hard, sometimes near impossible, to measure. They will be “soft”, obtainable only by survey and not necessarily by statistical measurement. They may also appear to conflict with some existing “sacred cows”. If the use of the model is to have credibility, the leadership must fully understand and embrace the newly agreed measures of success, acting as role models for their implementation.

Identifying key delivery processes, deciding which to improve and how to improve them:

Once the overall purpose of the organisation is clear, it is possible to define the key sets of activities which deliver this outcome. These can be ranked,

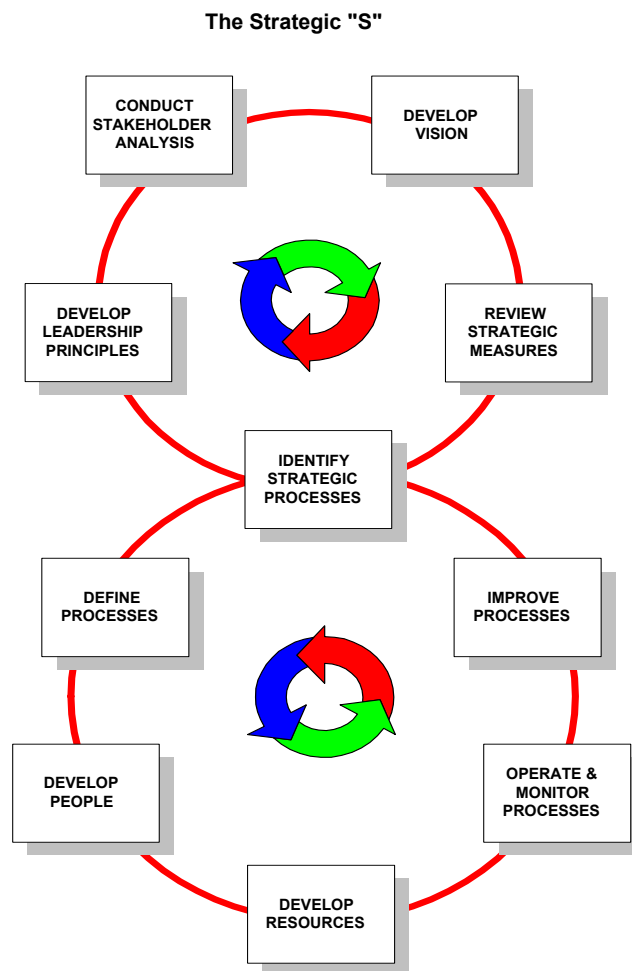
using a matrix tool, according to their criticality and a programme to address their improvement developed.

It often proves best to begin with the process seen as central to the organisations purpose. By facilitating a group of stakeholders to this process to develop a step by step “OK, so what happens next?” flowchart, it quickly becomes obvious where the inefficiencies lie in the process. Such inefficiencies will include waste, especially in terms of time, caused by rework, duplication of effort, delays and barriers. The journey to improvement will include stopping work on the main process to improve the supply chain link with a support process. A frequent example is the way the recruitment process delays development of capacity and capability in the main process. Helping such departments as HR and Finance to understand that their customer is the main process and that they exist to support delivery is a key to unlocking many barriers.

Developing a strategy for Change

TQP’s strategic “S”

The above steps follow the 10 point strategic “S” framework developed by JohnMarsh of TQP. We use this framework with clients to provide a cycle to ensure continuous improvement of local processes is related to strategic direction. It also provides the “process for process improvement” required by the Excellence model.



3. What we believe the Excellence Model is NOT:

- The model is not about setting up 9 separate activity teams each working on a box. It is about a holistic, “joined up” approach, especially where work flows between internal departments.
We experienced one client who had set up 9 teams. Each team pulled together a group of people who spent many hours identifying policies and improvements for their bit of the model. Simultaneously a series of time consuming scoring exercises were carried out. After 2 years the model appeared to be adding no value at all and most people were exhausted with it. In particular, the team responsible for “Processes” had done almost no work. Every time it met it seemed unable to make up its mind what it should be doing. After nearly 2 years effort, everyone realised that they had been defining every other part of the business except the part that produced the results. Without knowing what method they were going to use, the work done in Leadership, People Management and Resources was connected to nothing. Without being clear about the overall purpose, the work done on “enablers” was largely academic. They decided to start again using the approach above and have achieved some significant results.
- It does not work if it is a “slogan”, unsupported by senior managers. We have seen organisations sign up to using the Excellence Model but then delegate management of it to a relatively junior person without power or authority. The framework tends then to become more like a Quality Assurance exercise. Those charged with implementation feel powerless and often resort to scoring exercises or formation of 9 teams as a way of showing that something is happening.
Conversely, where senior teams have decided to use the EFQM as an agenda for all aspects of their management, from Business Planning to the agenda of regular management meetings, its effectiveness is immediately apparent.
- Although the model is about both, the emphasis needs to be more about “results”, about defining purpose and deciding how to measure it correctly, than about focussing on “enablers” in the absence of a clearly defined purpose.
Some organisations have plunged into enablers, somehow assuming that their purpose is understood only to discover later that they need to know “why” they are doing what they do.
- Use of the model should not be led by a need to carry out regular assessments and interminable scoring exercises. Scoring has a key role to play in assessing progress but it should not be the driver, the tail wagging the dog.

4. Other examples of using the EFQM Excellence Model

An organisation in the healthcare sector, who we had worked with for many years, decided to merge itself into part of the Department of Health. The level of trust we had developed with our original client allowed us to work with both sides to the merger.

When key staff from the 2 organisations finally met we used the headings of the Excellence Model to provide the Critical Success Factors, under which detailed merger plans were developed by joint teams. The model provided an ideal framework for managing change. Subsequent to the merger, we have facilitated annual business planning with the new combined organisation using the headings from the model, having previously used it to create a “dashboard” of measures to monitor the progress of the organisation. The model also sets the agenda for one-to-one coaching sessions with senior managers.

Other specific examples of using the model to underpin the management of change include:

- We have developed a Project and Management Development training course for a national Construction Group. The framework for the course is provided by the Excellence Model and the various modules reflect its headings. The partnership approach to supply chain development advocated by the model has provided great benefit to the participants on the 5 courses we have run.
- The introduction of the model to senior managers in a Unitary Authority as a framework for achieving Best Value.

Although the Excellence model has not been explicitly used, its underpinning principles have contributed to the delivery of:

- Consultation workshops
- A review of Mental Health Services in an inner-city area, where we facilitated service users to design their own research method;
- Workshops and training in the tools and techniques of facilitating process improvement a Health Authority;
- Planning the closure of a hospital and subsequent transfer of in-patients to residential accommodation ust;
- Working with inner-city residents in Bristol under the regeneration project – Involving Residents in Solutions.

5. About TQP

TQP's lead consultants are Martin Sandbrook and John Marsh. Martin is based in Bath, UK, while John is currently working with all sectors of the Hawaii State health care system, including setting up an Outcomes Institute to identify priority health areas and to demonstrate return on investment. Martin has written papers on Regeneration in Inner Cities and on Effective Thinking while John is author of 2 books - the “Continuous Improvement Toolkit” and “A Stake in Tomorrow”.

More information and access to other papers relating to change and quality management are available on TQP's website – www.tqp.com or by phoning 01225 423941.