

# How important are business excellence and benchmarking for sustainable competitiveness?

by  
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CENTRE FOR  
ORGANISATIONAL  
EXCELLENCE  
RESEARCH



# Through Benchmarking Rank Xerox moved from a "Crisis" point to "World-class" in 8 years



## Singapore has benchmarked its performance internationally and actively learnt from higher performing countries

**Singapore is No.1 in the world for customer service in the public sector**

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**Singapore is No.1 for Ease of Doing Business**

Economy	Ease of Doing Business Rank ▲	Starting a Business
Singapore	1	4
Hong Kong SAR, China	2	6
New Zealand	3	1
United Kingdom	4	17
United States	5	9
Denmark	6	27
Canada	7	3
Norway	8	33
Ireland	9	11
Australia	10	2
Saudi Arabia	11	13
Georgia	12	8

**Singapore is No.3 in the world for Global Competitiveness**

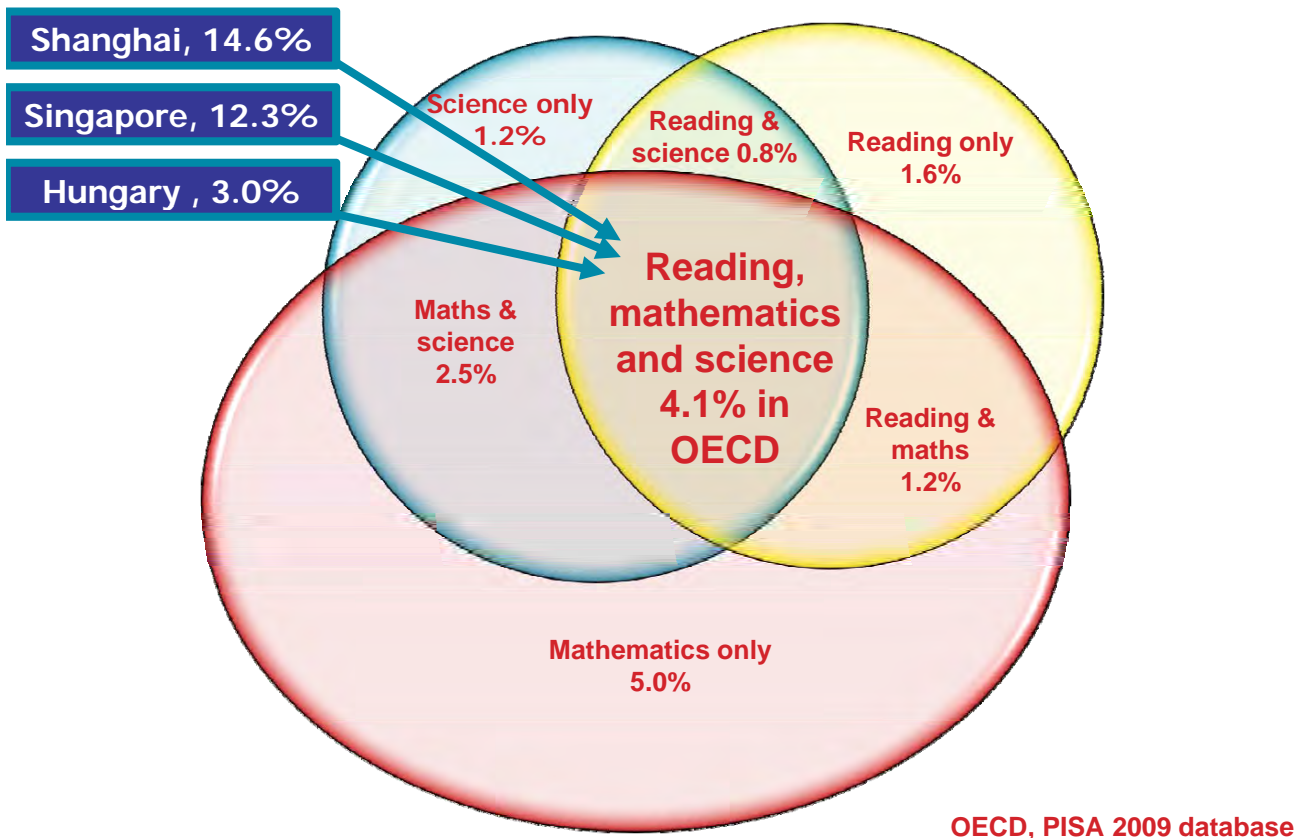
Country/Economy	GCI 2010-2011	
	Rank	Score
Switzerland	1	5.63
Sweden	2	5.56
Singapore	3	5.48
United States	4	5.43

**Singapore is a top 5 performer for Reading, Mathematics and Science**

Country/Economy	Rank	Score
United Kingdom	12	5.25
Taiwan, China	13	5.21
Norway	14	5.14
France	15	5.13
Australia	16	5.11
Qatar	17	5.10
Austria	18	5.09
Belgium	19	5.07
Luxembourg	20	5.05
Saudi Arabia	21	4.95
Korea, Rep.	22	4.93
New Zealand	23	4.92



# All countries need to grow their percentage of “top talent” – how can this be achieved? (top talent = level 5-6)



## Singapore helps schools to improve through providing stepping stones to excellence from “Singapore Quality Class” to “Singapore Quality Award” winners

Hwa Chong Institution (High School Section)



World class



2 Schools

650+ points

SQA winners

35 Schools

400+ points

> 200 Schools



This has been achieved even though Singapore spends less on education than 27 out of 30 OECD countries!

## Hungary is No. 40 in the world for Ease of Doing

Economy	Ease of Doing Business Rank ▲	Starting a Business	Dealing with Construction Permits	Registering Property	Getting Credit	Protecting Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Closing a Business
Taiwan, China	33	24	95	32	72	74	87	17	90	10
South Africa	34	75	52	91	2	10	24	149	85	74
Mexico SUBNATIONAL	35	67	22	105	46	44	107	58	81	23
Peru	36	54	97	24	15	20	86	53	110	96
Cyprus	37	26	75	66	72	93	32	19	104	22
Macedonia, FYR	38	5	136	69	46	20	33	66	65	116
Colombia SUBNATIONAL	39	73	32	55	65	5	118	99	150	29
United Arab Emirates	40	46	26	4	72	120	5	3	134	143
Slovak Republic	41	68	56	9	15	109	122	102	71	33
Slovenia	42	28	63	97	116	20	80	56	60	38
Chile	43	62	68	45	72	28	46	68	68	91
Kyrgyz Republic	44	14	43	17	15	12	150	156	54	138
Luxembourg	45	77	42	129	116	120	15	32	1	45
Hungary	46	35	86	41	32	120	109	73	22	62
Puerto Rico	47	16	150	127	32	16	108	107	99	25

## Hungary is No.52 in the World for Global Competitiveness in 2010/11

Ireland	29	4.74
Chile	30	4.69
Iceland	31	4.68
Tunisia	32	4.65
Estonia	33	4.61
Oman	34	4.61
Kuwait	35	4.59
Czech Republic	36	4.57
Bahrain	37	4.54
Thailand	38	4.51
Poland	39	4.51
Cyprus	40	4.50
Puerto Rico	41	4.49
Spain	42	4.49
Barbados	43	4.45
Indonesia	44	4.43
Slovenia	45	4.42
Portugal	46	4.38
Lithuania	47	4.38
Italy	48	4.37
Montenegro	49	4.36
Malta	50	4.34
India	51	4.33
Hungary	52	4.33
Panama	53	4.33
South Africa	54	4.32
Mauritius	55	4.32
Costa Rica	56	4.31
Azerbaijan	57	4.29



# Achieving sustainable competitiveness – Is Business Excellence the Answer?

**A study on the value and impact of Business Excellence in Asia was conducted, 2009/10**

**India, Japan,  
Singapore, Taiwan  
& Thailand**



**Discussion groups  
at workshops**



**CEO Interviews**

### Section 3 - Business Excellence Profile

3.1 Which statement most accurately describes your knowledge of business excellence?  
If the survey is being completed by a team substitute "I" for "we".

		Tick the one that applies
A	Low understanding - My company has undertaken an assessment against a business excellence framework but I (we) had little involvement in the process.	
B	Basic understanding - My company has undertaken an assessment against a business excellence framework and I was (we were) involved in the process.	
C	Good understanding - My company has undertaken an assessment against a business excellence framework and I was (we were) involved in the process. I have (we have) attended a training course on business excellence.	
D	Very good understanding - My company has undertaken an assessment against a business excellence framework and I was (we were) involved in the process. I am (we are) trained business excellence assessors.	
E	Other - please specify:	

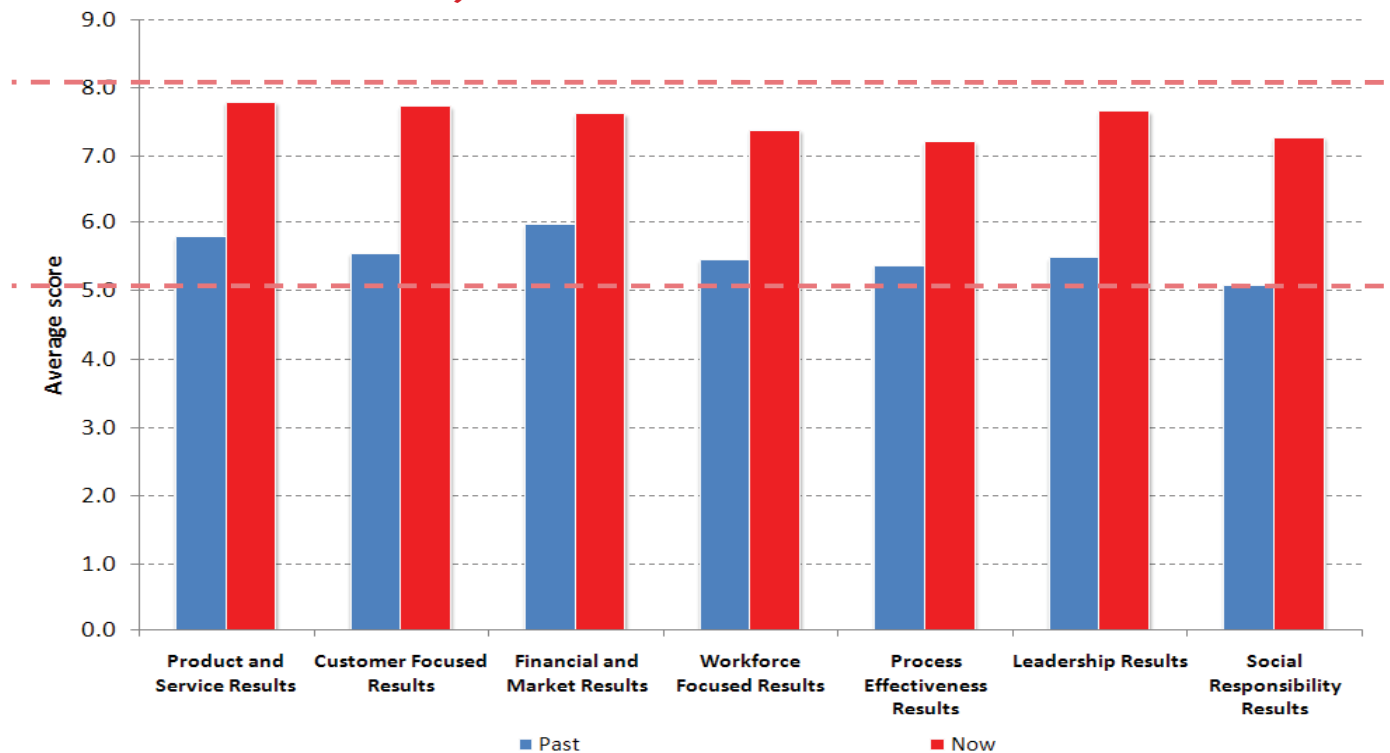
**Survey**

# Six Key Findings

## Key Findings

- 1. Business excellence has a major impact on competitiveness and performance.**
- 2. While awards are important, they are for recognition and not the prime motivator for the majority of companies. The prime motivator is to “improve performance”.**

Surveyed companies, on average, improved their performance from *average performance* in their industry before their first BE assessment to *above average performance* (measured in terms of their business results)



Note: 0 = very poor, 2 = below average, 5 = average in industry, 8 = above average, 10 = world class

## Key Findings

1. Business excellence has a major impact on competitiveness and performance.
2. While awards are important, they are for recognition and not the prime motivator for the majority of companies. The prime motivator is to “improve performance”.
3. **Business excellence frameworks are relevant for long-term competitiveness and sustainability, and only minor changes to the design of the frameworks (if any) are needed.**

## What are the main current and emerging challenges facing companies in your country?



- Meeting requirements of multiple standards (country, regional and international) adds to our costs base. In many cases these standards could be integrated/reduced. (Japan)
- Demand reduction is facing Japan through a shrinking population and changing demographics (Japan)
- World financial crisis (Singapore)
- Cultural and social integration/harmony/race/nationalities/mobile workforce/aging population (Singapore)
- Diseases (Swine flu/epidemics) (India)
- Fraud/Money laundering (India)
- Cost of energy (Thailand)
- Lack of skilled workers (Thailand)
- Government Policy and trade tax (particularly with China) (Taiwan)
- Environmental issues (Green house effect, CO<sub>2</sub> eliminated, climate, green products, recycling)) (Taiwan)

## Will BE help companies to meet these challenges? If not, how does the BE model or use of the model need to change?



Business excellence is appropriate for addressing all challenges as it helps companies to identify what are the main issues/problems they are facing so that they can then be addressed. The models provide an objective means to identify key challenges. (Japan)

**Business excellence helps companies to address macro challenges at the micro level. Therefore Category 2, Strategic Planning helps to address the financial crisis, Category 4, People, helps to address cultural and social issues, Category 5, Processes, helps to address legal requirements and international standards, and Category 1.3, Leadership and social responsibility, helps to address environmental issues. (Singapore)**

Yes, business excellence helps companies to address these challenges via prompting them to address such issues in their strategy. Business excellence is all encompassing (India)

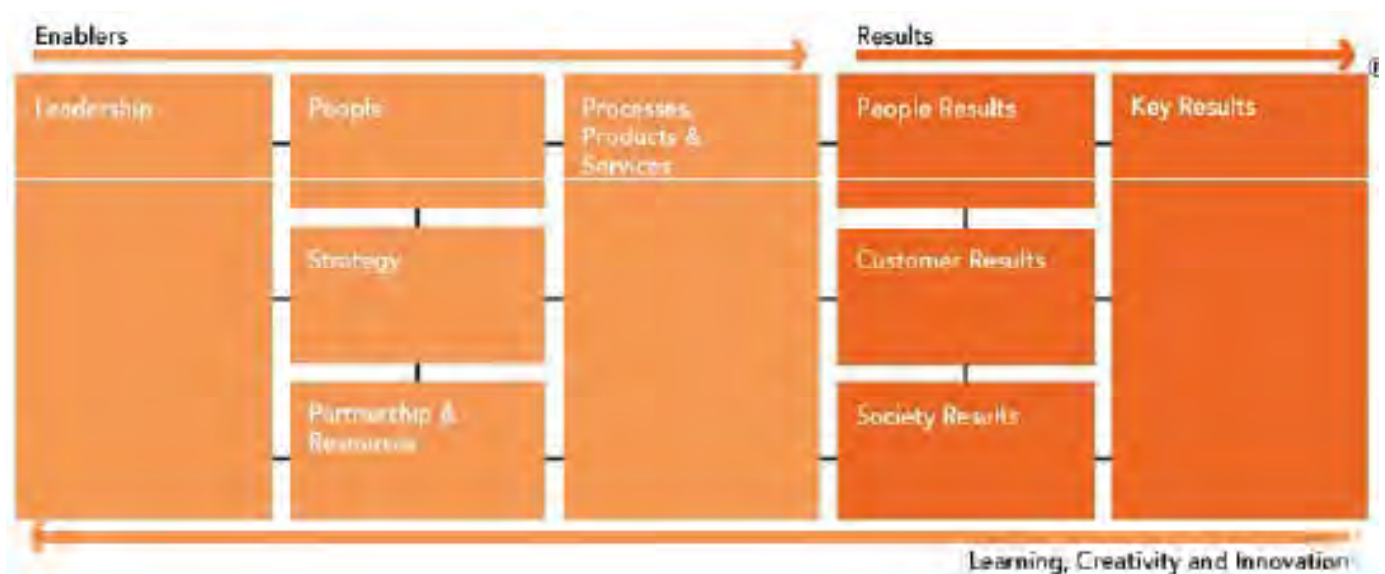
The challenges are addressed through business excellence as it provides a strategic framework for addressing them. Through its emphasis on benchmarking it encourages best practices to be found to help companies to progress (Thailand)



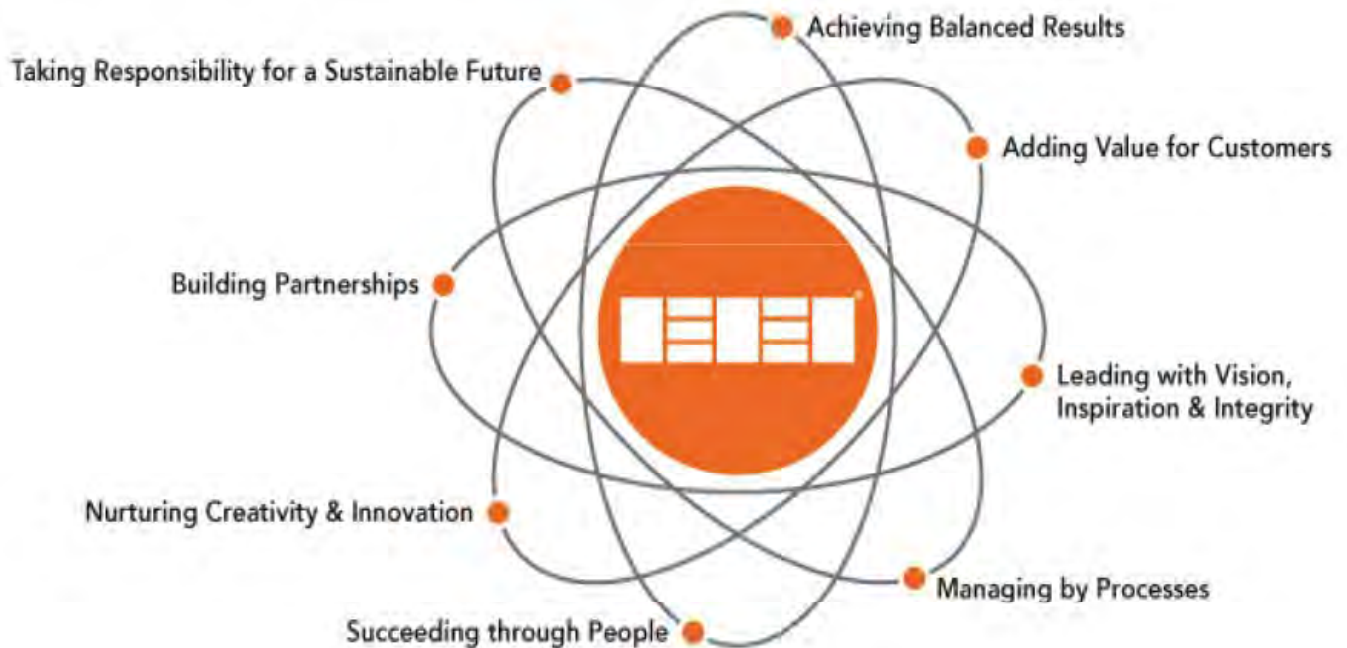
# Key Findings

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4. **Focus on implementing the core values and concepts of business excellence – the frameworks just assess where you are on your journey.**

# EFQM Business Excellence Model



## 2009 revision of the EFQM Model clearly shows the links between the Fundamental Concepts and 9 Business Excellence Categories



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4. Focus on implementing the core values and concepts of business excellence – the frameworks just assess where you are on your journey.
5. **Business excellence frameworks are over-arching frameworks within which other initiatives/quality tools fit**

This poster shows example of how the enablers criteria of Business Excellence Model can be used as an overarching framework for managing and integrating multiple improvement initiatives. It should not be taken as a prescription that the organization must adopt a certain improvement initiatives. The adoption of the most appropriate initiatives varies according to the organizational situation and level of the organization's maturity.



For further information, refer to APO's "Embarking on the Business Excellence Journey" booklet or Centre for Excellence for Business Excellence website, [www.apo.bpir.com](http://www.apo.bpir.com)

### Business Excellence

An overarching philosophy or objective for excellence that can be achieved through the successful implementation and application of a range of improvement programs, initiatives and quality tools.

Leadership	Strategic Planning	Customer Focus	Human Resources	Operations Focus	Measurement, Analysis & Knowledge Management
Corporate Governance Management	Risk Management	Customer Relationship Management	Recognition Programme	Supply Chain Management	Communities of Practice
Corporate Social Responsibility Programme Leadership Development Programme	Balanced Scorecard SWOT Analysis	E-Commerce Quality Management	Employee Satisfaction Survey Suggestion Scheme	Lean ISO9001	Triple Bottom Line Benchmarking
Code of Ethics	Business Plan	Customer Satisfaction	Performance Appraisals	Improvement Teams	Business Excellence Self-assessment
Succession Planning	Strategic Initiatives	Customer Satisfaction Survey	Health & Safety Programme	Plan-Do-Check-Action (PDCA) Cycle	Internal Newsletters/Communication
Management By Walking About (MBWA)	Mission Statement Value Statement	Market Research	Employee Induction	Process Mapping & Documentation	Performance measurement

Is there a road map to success?

**"I think where organizations get off track is when they think Baldrige is just an initiative, rather than a model for organizing and managing the enterprise and all its initiatives. If Baldrige is reduced to an initiative, rather than an overall model and a way of thinking, then organizations can say they have done it and moved on. We see this all the time. But in organizations that embrace the Baldrige Framework as an overarching model, they never move beyond it. This includes very high-performing organizations, including our Award recipients."**

**Jamie Ambrosi, Deputy Director, Baldrige Program**

## Six key findings on business excellence

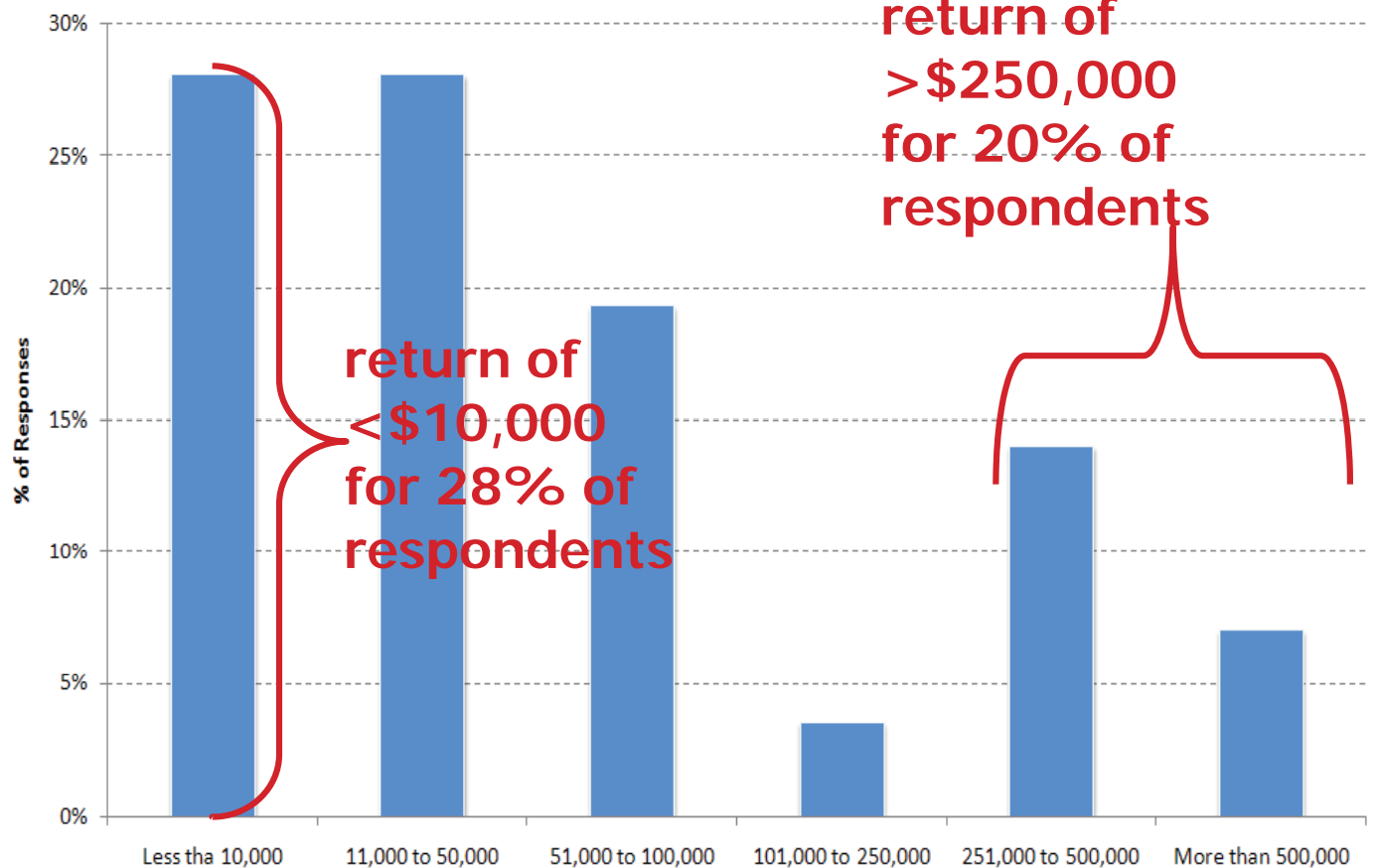
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4. Business excellence frameworks are over-arching frameworks within which other initiatives/quality tools fit
5. Focus on implementing the core values and concepts of business excellence – the frameworks just assess where you are on your journey.
6. **Organisations want increased assistance with benchmarking and learning from best practices.**

## So what has been the impact of the study?

- A Centre of Excellence for Business Excellence has been created in Singapore to help the 20 member countries of the Asian Productivity Organisation increase their focus on business excellence.

# The need for a professional approach to benchmarking

On average, the financial return (US\$) from a typical benchmarking project, after one year of implementation is:



return of  
< \$10,000  
for 28% of  
respondents

return of  
> \$250,000  
for 20% of  
respondents



# Why do some projects fail?

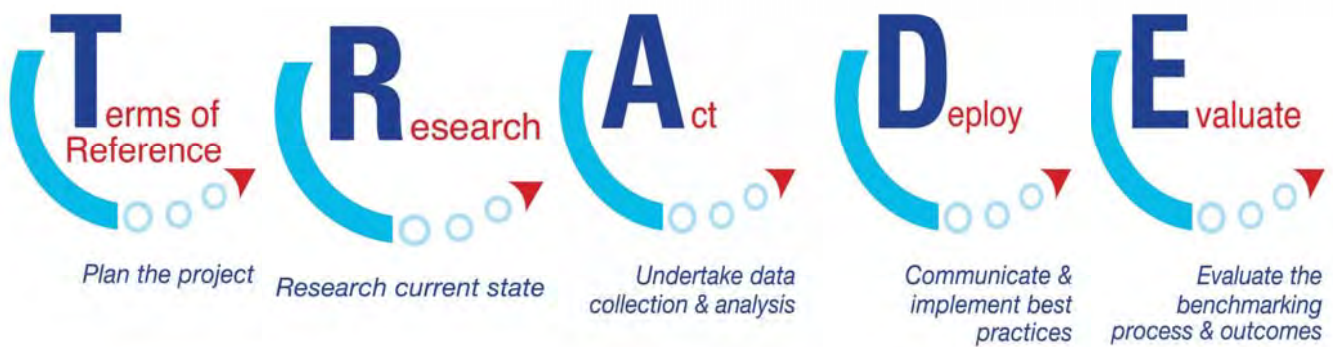
- 25% had received no training in benchmarking
- 30% do not use a benchmarking methodology
- 30% do not develop a project plan e.g. poorly defined aims, stakeholders not identified etc.
- 35% do not undertake a cost/benefit analysis

## Certification has been introduced to increase the professionalism of benchmarking

### Certification Levels



# Best Practice Benchmarking is the most powerful type of benchmarking



*TRADE focuses on the exchange (or "trade") of information and best practices to improve the performance of processes, goods and services.*

**Business Excellence and benchmarking provide the path for success in today's and tomorrow's world....**



**Start your journey to excellence today!**

- Global Business Excellence Conference, Singapore, 17-19 October 2011
- Global Benchmarking Conference, Qatar, 20-21 November, 2011
- New Zealand to host major quality conference in Dec 2012... More news to follow...

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