

EFQM Model 2010 in action: the Adoika case study



Adoika is an exceptional company, operating in the hotel and hospitality management sector. From its administrative headquarters in London and Luxembourg, Adoika oversees its expanding worldwide operations, implementing a consistent management system and driving improvement in its business units. The last five years have been a period of continuous progress in its 'key strategic outcomes' – namely a shift into profit, followed by sustained growth in profitability and return on capital employed: and exceptional performance during the recent economic downturn. By studying just what has worked well for this internationally operating group, and where it could still improve, we are sure that EFQM members will learn valuable lessons applicable to their own organisations.

Adoika is also an exception in two other regards. It is the first company to have made a full submission based entirely on the

EFQM Excellence Model 2010. It is also entirely fictional.

Our recent in-depth study of Adoika is a fascinating exercise in understanding how an ambitious growth strategy can be supported by application of the EFQM fundamental concepts. Based on the experience of EFQM's team of experienced assessors and faculty we have structured known strategies, practices and outcomes likely to be found in a hotel group. The choice of such an internationally operating business, in a phase of high growth, allows us to explore a rich amount of material relevant for learning the effective application of the new EFQM model and tools. The case study allows us to explore themes of managing innovation, change and sustainability in a context that is easy to understand and applicable across other sectors of activity, public and private.

At the heart of this hotel operation is 'Adding value for customers': Adoika places the customer 'at the centre of its universe' (according to its corporate values) and has extensive surveys and studies of how well it is performing. Since the founding of Adoika ten years ago, Customer Results Outcomes have been as important, if not more important, than Key Results. During the first five years, the chain preferred to build its customer franchise rather than immediately deliver profitability. Such a focus is respected in the scoring applied to assessments under the 2010 Model: Customer Results and Key Results now have the same weight.

Among Adoika's announced core strategies is to ensure that it is 'easy to do business with' and 'makes you feel special'. These strategies are tracked, both in relation to *perceptions* and *performance indicators*. In our case study, we are careful to question how effectively Adoika is actually impacting customer perceptions, rather than just measuring them.

Our teaching, and application of the EFQM Model 2010, seeks to reinforce the importance of understanding the organisation's own context and strategy: we prioritise key results based on their importance to the organisation being assessed. After customer results, Adoika seeks to achieve

'learning and growth' and improvements in its processes and finances. In the first of these, the organisation's people are expected to embrace innovation, to 'live the company culture' and to listen to customers. The new fundamental concept 'Succeeding through people' is about achieving a balance between the strategic needs of the organisation and the personal development and engagement of its people. During the Adoika case we study to what extent people-focussed initiatives are relevant to the strategy, and how far they lead to alignment throughout the organisation.

Adoika operates in a complex stakeholder structure: it is owned by a US headquartered holding company, which in turn owns and operates some of the business units in the group, and sets demanding expectations for the creation of shareholder value. Customers can be individual guests, major clients, or partners from the airline or tour companies. A key interaction for Adoika is with its business units, which may be locally owned and managed operations. For each of these stakeholders it strives to 'Achieve Balanced Results'. We study how successful the group is at achieving such a balance, and in making timely and effective decisions. The study presents a wealth of data to demonstrate the group's results: our concern under the 2010 Model is to understand the *Relevance* and *Usability* of this data (in particular how the results have been segmented in relation to the key aspects of the business as well as their relevance and integrity).

Such a high growth and ambitious business also allows us to explore themes of sustainability. We study the cause and effect relationships between the enablers described in the case and the key results, and try to build an estimate of our *confidence* in future levels of performance. We can also ask how improvement and innovation will help this hotel group to grow in an otherwise crowded market, and how *creativity* is demonstrated in how the group applies learning.

During the forthcoming 'Upgrade' courses offered to experienced assessors, we will explain the changes that have taken place in the EFQM Model 2010 and how the assessment of an organisation like Adoika would now be undertaken. Those participating in future editions of the EFQM Assessor Training will have the opportunity to explore the world of international hotel management, and Adoika, in depth. It may be fictional, but its application is very real.