

# EFQM EXCELLENCE MODEL

*“ Excellent Organisations achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders. ”*



**EFQM**<sup>®</sup>  
Leading Excellence

# EFQM SHARES WHAT WORKS

EFQM is committed to help organisations drive improvement through the use of the EFQM Excellence Model, a comprehensive management framework used by over 30,000 organisations in Europe. For the last 20 years, we have managed the development of this Model, incorporating the experiences and learning from these organisations to ensure it reflects reality and offers a path for sustainable excellence.

To help you implement our Model, we provide training, assessment tools and recognition. But our real talent comes from gathering good practices and integrating those within our portfolio. EFQM, a not-for-profit membership Foundation, aims to share what works, through case studies, online seminars, working groups, conferences and thematic events. We nurture a network of world-class organisations and their leaders who share our passion for business excellence.

We believe that the EFQM Model is a common framework that helps us all to improve our businesses. Sharing our member's enthusiasm, their motivation and the results they achieve; that is what we work for at EFQM.

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# EFQM Excellence Model 2013

## The basis for the Model

The EFQM Excellence Model is based on a set of European values, first expressed in the European Convention on Human Rights (1953) and the European Social Charter (revised in 1996). This treaty is ratified by the 47 member states of the Council of Europe and the principles are incorporated into national legislation.

The Fundamental Concepts of Excellence build on the foundation of these basic human rights, assuming they are universally applied.

Recognising the role business can play in supporting the broader goals of the United Nations, the UN Global Compact (2000) was established. This initiative encourages organisations to actively apply these values, set out as 10 Principles for sustainable and socially responsible business, across their global operations. Whilst a number of these principles are explicitly covered in the EFQM Excellence Model, a number are implicit, including those relating to human rights, corruption, bribery and forced labour, as these are already a legal requirement within Europe.

The EFQM Excellence Model assumes that an excellent organisation will respect and comply with the 10 principles of the UN Global Compact, regardless of whether legally obliged to do so or not.

## The need for a Model

Regardless of sector, size, structure or maturity, organisations need to establish an appropriate management framework to be successful. The EFQM Excellence Model is a practical, non-prescriptive framework that enables organisations to:

- Assess where they are on the path to excellence; helping them to understand their key strengths and potential gaps in relation to their stated Vision and Mission.
- Provide a common vocabulary and way of thinking about the organisation that facilitates the effective communication of ideas, both within and outside the organisation.

- Integrate existing and planned initiatives, removing duplication and identifying gaps.
- Provide a basic structure for the organisation's management system.

Whilst there are numerous management tools and techniques commonly used, the EFQM Excellence Model provides an holistic view of the organisation and it can be used to determine how these different methods fit together and complement each other. The Model can therefore be used in conjunction with any number of these tools, based on the needs and function of the organisation, as an overarching framework for developing sustainable excellence.

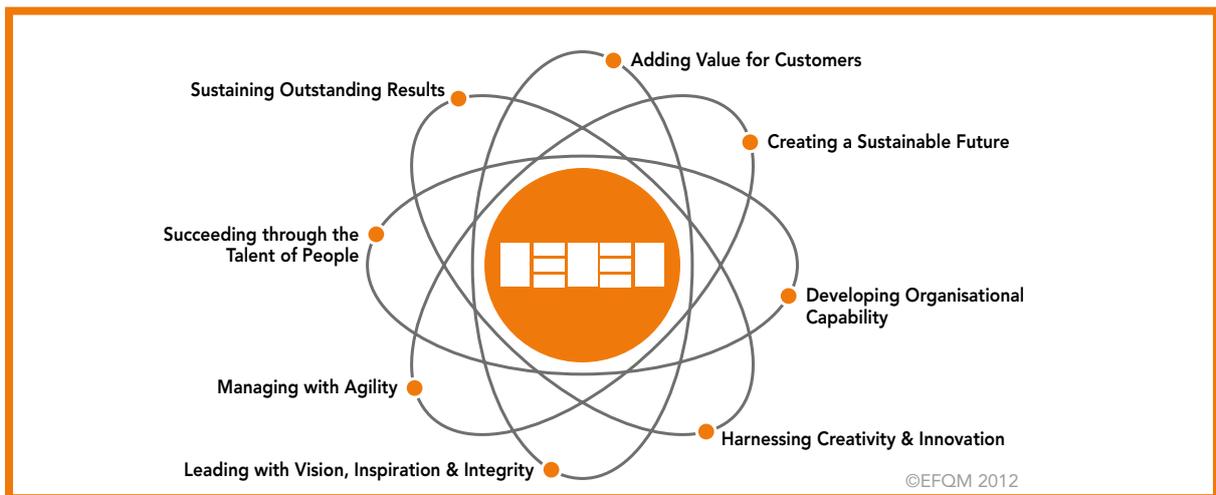
*Excellent Organisations achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders.*

All organisations strive to be successful, some fail, some achieve periods of success but ultimately fade from view, and a few achieve sustainable success, gaining deserved respect and admiration.

The EFQM Foundation was formed to recognise and promote sustainable success and to provide guidance to those seeking to achieve it. This is realised through a set of three integrated components which comprise the EFQM Excellence Model:

- The Fundamental Concepts of Excellence: The underlying principles which are the essential foundation of achieving sustainable excellence for any organisation.
- The EFQM Excellence Model: A framework to help organisations convert the Fundamental Concepts and RADAR logic into practice.
- RADAR logic: A dynamic assessment framework and powerful management tool that provides the backbone to support an organisation as it addresses the challenges it must overcome if it is to realise its aspiration to achieve sustainable excellence.

# Fundamental Concepts of Excellence



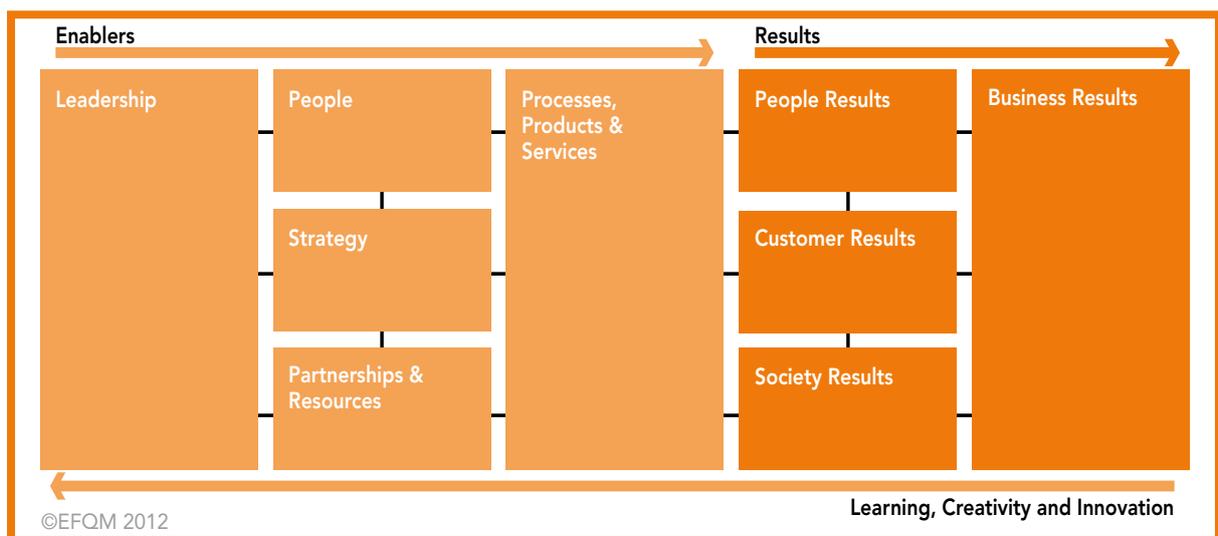
## Adding Value for Customers

Excellent organisations consistently add value for customers by understanding, anticipating and fulfilling needs, expectations and opportunities.

In practice, we find that excellent organisations:

- Know who their different customer groups are, both existing and potential, and anticipate their different needs and expectations.
- Transform needs, expectations and potential requirements into attractive and sustainable value propositions for both existing and potential customers.
- Build and maintain a dialogue with customers, based on openness and transparency.
- Strive to innovate and create value for their customers, involving them, where appropriate, in the development of new and innovative products, services and experiences.
- Ensure people have the necessary resources, competencies and empowerment to maximise the customer experience.
- Continually monitor and review the experiences and perceptions of their customers and respond appropriately to any feedback.
- Compare their performance with relevant benchmarks and learn from their strengths and opportunities for improvement in order to maximise the value generated for customers.

# The Criteria



The EFQM Excellence Model represented in the diagram above is a non-prescriptive framework based on nine criteria. Five of these are 'Enablers' and four are 'Results'. The 'Enabler' criteria cover what an organisation does and how it does it. The 'Results' criteria cover what an organisation achieves. 'Results' are caused by 'Enablers' and 'Enablers' are improved using feedback from 'Results'.

The arrows emphasise the dynamic nature of the Model, showing learning, creativity and innovation helping to improve the Enablers that in turn lead to improved Results.

Each of the nine criteria has a definition, which explains the high level meaning of that criterion.

To develop the high level meaning further, each criterion is supported by a number of criterion parts. Criterion parts are statements that describe in further examples what, typically, can be seen in excellent organisations and should be considered in the course of an assessment.

Finally, below each criterion part are guidance points. Many of these guidance points are directly linked to the Fundamental Concepts mentioned earlier. Use of these guidance points is not mandatory. They are intended to give examples to aid interpretation of the criterion part.

# 1. Leadership

## EFQM Criterion Definition

Excellent organisations have leaders who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times. They are flexible, enabling the organisation to anticipate and react in a timely manner to ensure the on-going success of the organisation.

- 1a. Leaders develop the Mission, Vision, Values and ethics and act as role models.
- 1b. Leaders define, monitor, review and drive the improvement of the organisation's management system and performance.
- 1c. Leaders engage with external stakeholders.
- 1d. Leaders reinforce a culture of excellence with the organisation's people.
- 1e. Leaders ensure that the organisation is flexible and manages change effectively.

### 1a. Leaders develop the mission, vision, values and ethics and act as role models.

#### For example, leaders in excellent organisations:

- Secure their future by defining and communicating a core purpose that provides the basis for their overall Vision, Mission, values, ethics and corporate behaviour.
- Champion the organisation's values and are role models for integrity, social responsibility and ethical behaviour, both internally and externally, to develop and enhance the organisation's reputation.
- Set and communicate a clear direction and strategic focus; they unite their people to share and achieve the organisation's Mission, Vision and strategic goals.
- Develop and support a shared leadership culture for the organisation and review and improve the effectiveness of personal leadership behaviours.

### 1b. Leaders define, monitor, review and drive the improvement of the organisation's management system and performance.

#### For example, leaders in excellent organisations:

- Define and use a balanced set of results to review progress, provide a view of long and short term priorities and manage the expectations of the key stakeholders.
- Understand and develop the underlying capabilities of the organisation.
- Evaluate the set of results achieved to improve future performance and provide sustainable benefits to all their stakeholders.
- Base decisions on factually reliable information and use all available knowledge to interpret current and predicted performance of the relevant processes.

- Deliver high levels of stakeholder confidence by adopting effective mechanisms to understand future scenarios and effectively manage strategic, operational and financial risks.

### 1c. Leaders engage with external stakeholders.

#### For example, leaders in excellent organisations:

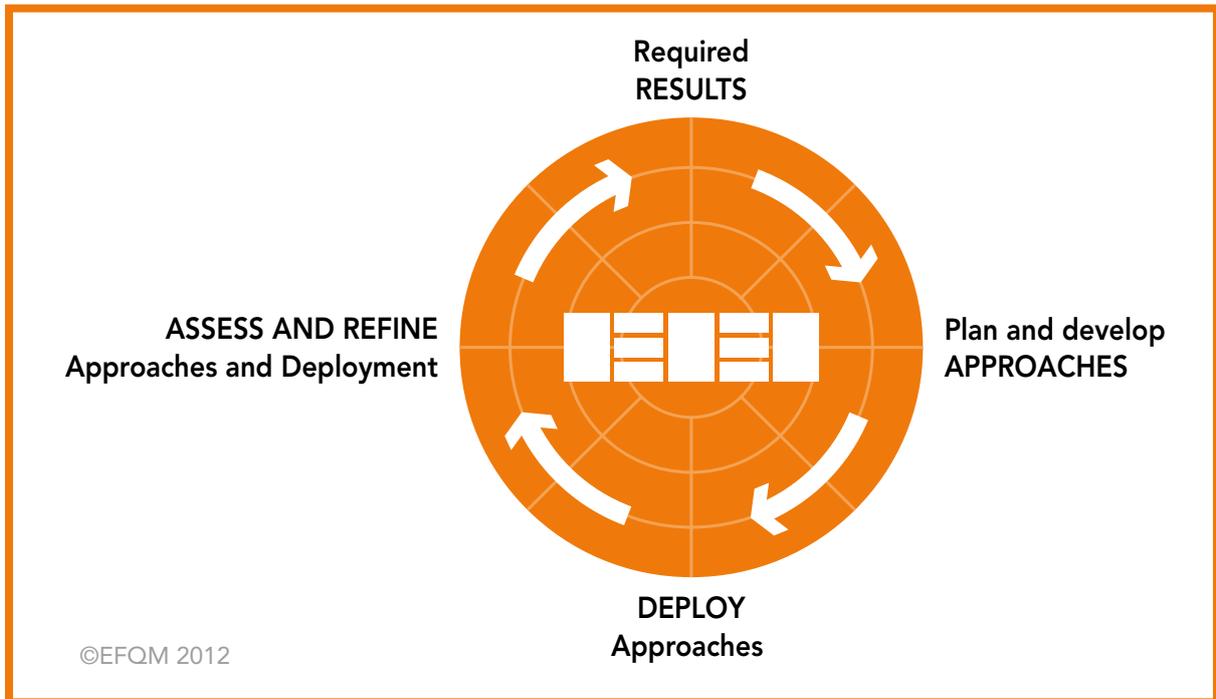
- Use approaches to understand, anticipate and respond to the different needs and expectations of their key stakeholders.
- Establish shared values, accountability, ethics and a culture of trust and openness throughout the value chain.
- Are transparent and accountable to their stakeholders and society at large for their performance and ensure their people act ethically, responsibly and with integrity.
- Ensure transparency of financial & non-financial reporting to relevant stakeholders, including appropriate governance bodies, in line with their expectations.
- Encourage their stakeholders to participate in activities that contribute to the wider society.

### 1d. Leaders reinforce a culture of excellence with the organisation's people.

#### For example, leaders in excellent organisations:

- Inspire people and create a culture of involvement, ownership, empowerment, improvement and accountability through their actions, behaviours and experience.
- Recognise sustainable advantage is dependent on the ability of leaders to learn quickly and rapidly respond when necessary.
- Support people throughout the organisation to achieve their plans, objectives and targets.
- Recognise their efforts and achievements in a timely and appropriate manner.
- Promote a culture which supports the generation of new ideas and new ways of thinking to encourage innovation and organisational development.
- Promote and encourage equal opportunities and diversity.

# RADAR



The RADAR logic is a dynamic assessment framework and powerful management tool that provides a structured approach to questioning the performance of an organisation.

At the highest level, RADAR logic states that an organisation needs to:

- Determine the Results it is aiming to achieve as part of its strategy.
- Plan and develop an integrated set of sound Approaches to deliver the required results both now and in the future.
- Deploy the approaches in a structured way to ensure implementation.
- Assess and refine the deployed approaches based on monitoring and analysis of the results achieved and ongoing learning activities.

# Scoring for the EFQM Excellence Model

The RADAR Assessment and Management tool is the evaluation method used to score organisations applying for the EFQM Excellence Award and most national Excellence awards in Europe. It can also be used by organisations carrying out Self-Assessment and wishing to use a score for benchmarking or other purposes.

The underlying principle for scoring using the RADAR is that when an organisation's performance improves over time, their score against the Model will increase. 50% of the points available are allocated to the Enablers and 50% are allocated to the results. This is to ensure the organisation has the capability to sustain this performance into the future.

When an organisation is scored using the RADAR matrix, weights are given to each of the nine criteria to calculate the number of points awarded. These weights were established in 1991 as the result of a wide

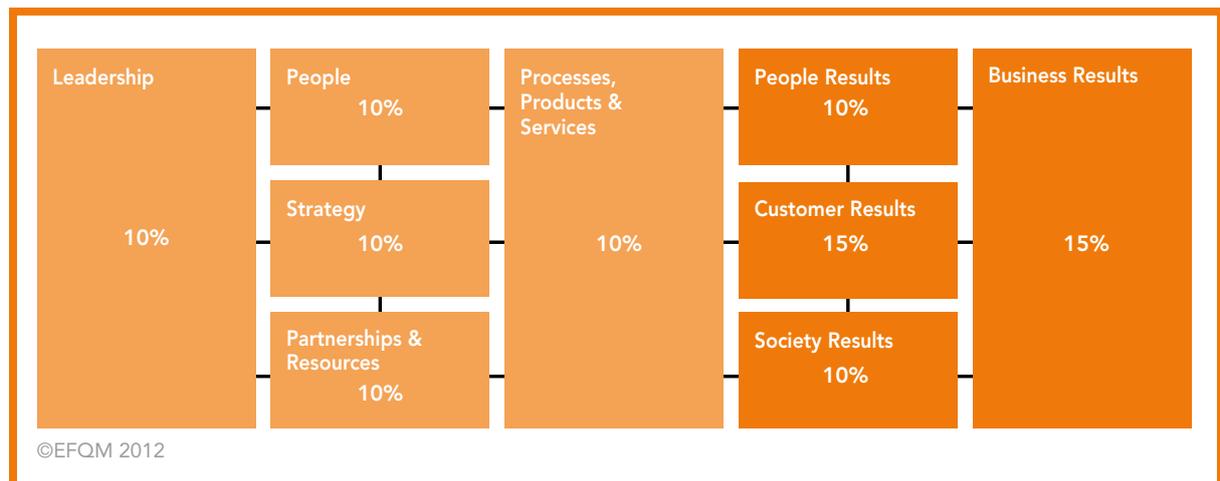
consultation exercise across Europe. They have been periodically reviewed by EFQM and the diagram below illustrates the current weightings.

Generally each criterion part is allocated equal weight within that criterion; for example, each of the 5 criterion parts for Leadership contributes 20% of the 100 points allocated to criterion 1.

There are however two exceptions:

- Criterion part 6a takes 75% of the points allocated to criterion 6, whilst criterion part 6b takes 25%;
- Criterion part 7a takes 75% of the points allocated to criterion 7, whilst criterion part 7b takes 25%.

Each criterion part is assessed using the RADAR matrix and a score agreed. These scores are then combined to give a score for that criterion. The weighting is then applied to give an overall score from 0 to 1000 points.



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