

Dear Colleagues,

The New EFQM Model: Update #2: Scoring Criteria 3 & 6

Background

You will remember that earlier this year we shared with you a first communicate, based on an FAQ structure to keep you up to date with matters linked to the introduction of the latest version of the EFQM Model and associated RADAR logic into the marketplace,

<https://www.efqm.org/index.php/frequently-asked-questions/>

This second communicate is to advise you of decisions we have now taken regarding the scoring of:

- Criterion 3 (Engaging Stakeholders)
- Criterion 6 (Stakeholder Perceptions)

This decision has been triggered because the majority of questions you have posed more recently have focused on the challenge of how best to assess and score Criterion 6 given that you were required to derive a single score for the overall performance of an organisation in terms of all Stakeholder Perceptions.

Decision

Based on conversations with different Users in recent weeks, we have decided to move away from this earlier decision and instead, you will now be required to score at the Criterion part level and apply a weighting factor for each of five different Stakeholder Groups in both Criterion 3 & Criterion 6.

This reflects the clear linkage between how an organisation executes its Engaging Stakeholders strategy (C3) and the Perceptions of those Stakeholder Groups (C6).

Weighting Factors (see table below)

- The exact value of the weighting factor to be applied for each of the Criterion parts within C3 & C6 will be the decision of the organisation
- To avoid, for example, an Applicant for the EFQM Global Award (EGA), deciding to allocate the 200 points for Stakeholder Perceptions as follows:
 - o 150 points (75%) to Customer Perceptions,
 - o 50 points (25%) to People Perceptions
 - o 0 points for the other three, recognised Stakeholder groups
- A minimum and maximum weighting factor for the five recognised Stakeholder groups will be introduced as follows:
 - o None of the five recognised Stakeholder groups can be scored below 10% of the maximum number of points available
 - o None of the five recognised Stakeholder groups can be scored above 40% of the maximum

Examples	Customer 3.1 & 6.1	People 3.2 & 6.2	Business & Governing 3.3 & 6.3	Society 3.4 & 6.4	Partner 3.5 & 6.5	Totals
1	20%	20%	20%	20%	20%	100%
2	15%	15%	15%	15%	40%	100%
3	20%	30%	15%	20%	15%	100%
4	40%	30%	10%	10%	10%	100%
5	35%	25%	15%	10%	15%	100%

Note 1: Between the lower threshold of 10% and upper threshold of 40%, AssessBase Users can decide on using weighting factors in 5% bandwidths as shown above.

Note 2: The titles of the five recognised Stakeholder groups do not have to follow exactly the standard titles used by EFQM above

Note 3: Scoring in Criterion 7 will remain as a single numerical value, expressed as a percentage of the available 200 points. The AssessBase for Criterion 7 will no longer be divided into seven separate pages, i.e. 7.1 to 7.7. Instead it will be one section only with the User being able to determine how to segment its Strategic & Operational Performance Results in line with how it manages its Strategy & Operations

Note 4: This updated scoring/weighting protocol will be embedded in the AssessBase so that final scores are calculated automatically. The AssessBase is currently being adjusted accordingly and these changes will be in operation no later than 25th March 2020

Assessment Protocols

The protocols for any EFQM Recognition entry in 2020 will include the following:

- a) The Assessment Team WILL NOT be able to change the weighting factors determined by the Applicant in its submission document
- b) The Assessment team WILL be able to challenge the logic the Applicant used when determining its weighting factors
- c) The Assessment Team WILL be able to adjust its final scores in C3 & C6 based on the weighting rationale offered by the Applicant
- d) This “correction factor” will be justified by the Assessment Team for C3 via the Sound Attribute of RADAR
- e) This “correction factor” will be justified by the Assessment Team for C6 via the Scope & Relevance Attribute of RADAR
- f) When making its judgements it is reasonable to expect that the Assessment Team will be influenced by the information offered by the Applicant, particularly in response to Criterion part 1.2 (Identify & Understand Stakeholder Needs)

A set of guidelines to help Assessors manage the dialogue with Recognition Applicants on a case by case basis will be provided.

Why Change?

- We live in an ever more dynamic and changing world.
- Each organisation is part of a unique ecosystem, has its own strategy etc. and therefore we need flexibility when assessing and scoring C3 and C6 to best reflect not just the current but also the future business situation and priorities of a specific organisation.
- A key strength of the new Model is that it is less prescriptive than earlier versions. It is more flexible in how an organisation can best use it to maximise the benefit.

We have already committed to reviewing the Strengths and Opportunities for Improvement (OFIs) of the AssessBase after the 2020 Forum and that review will also now include the success or otherwise of this scoring decision for C3 & C6.

Kind regards

Russell Longmuir
CEO
EFQM