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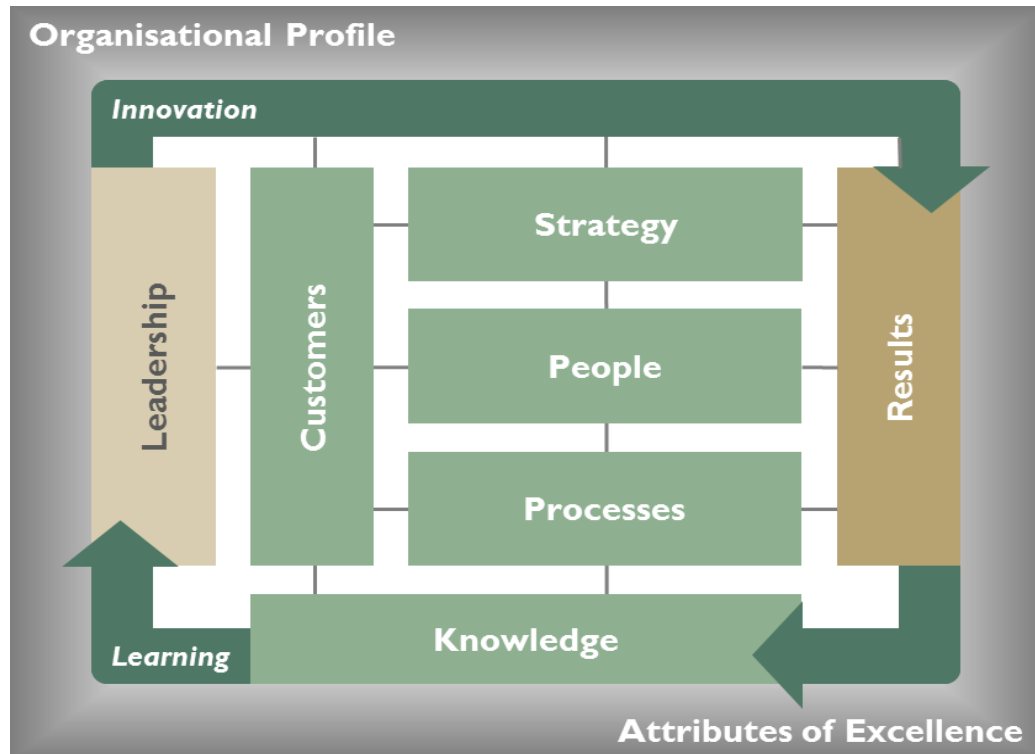
Business Excellence Framework

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BE Framework serves as a tool to provide a holistic organisational diagnosis...



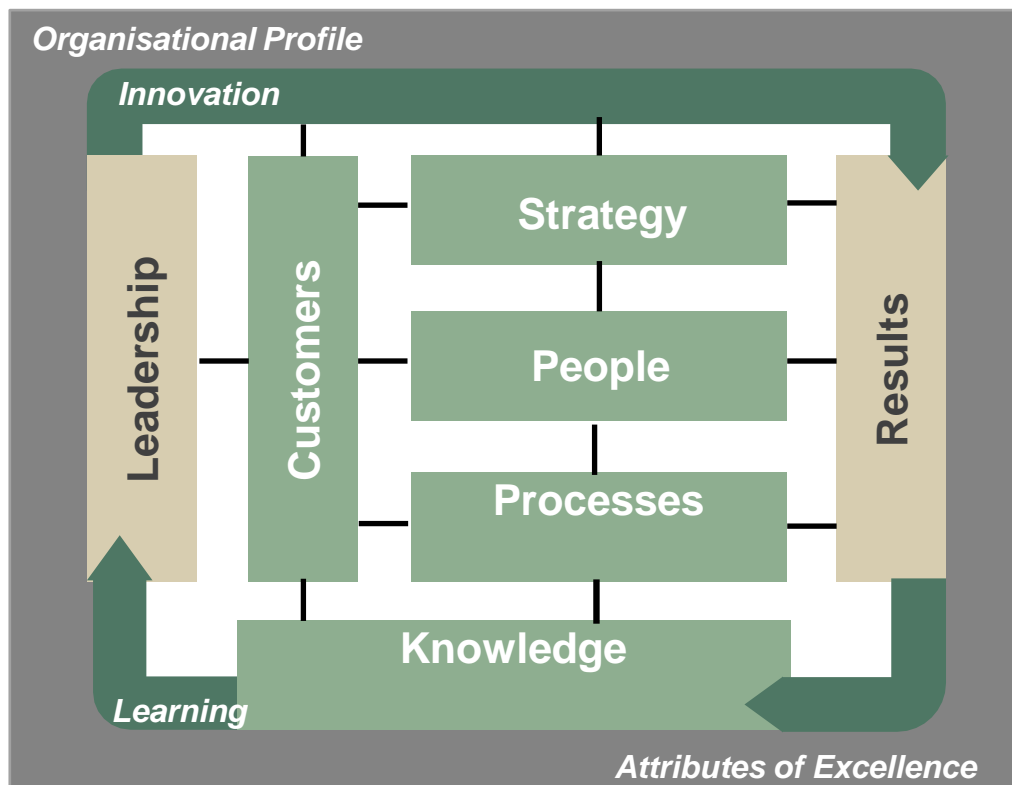
Business Excellence (BE) Framework

- **Seven** levers of framework
- Identify **key strengths** and **opportunities for improvement** to achieve desired business outcomes (e.g. growth or transformation)
- Assesses **effectiveness** of **approaches** and **deployment**

Background of BE Framework

- Similar to other internationally benchmarked frameworks.
- Closely aligned with the Malcolm-Baldrige framework.
- Relevant and robust (24 years in existence and updated regularly).

Singapore BE Framework



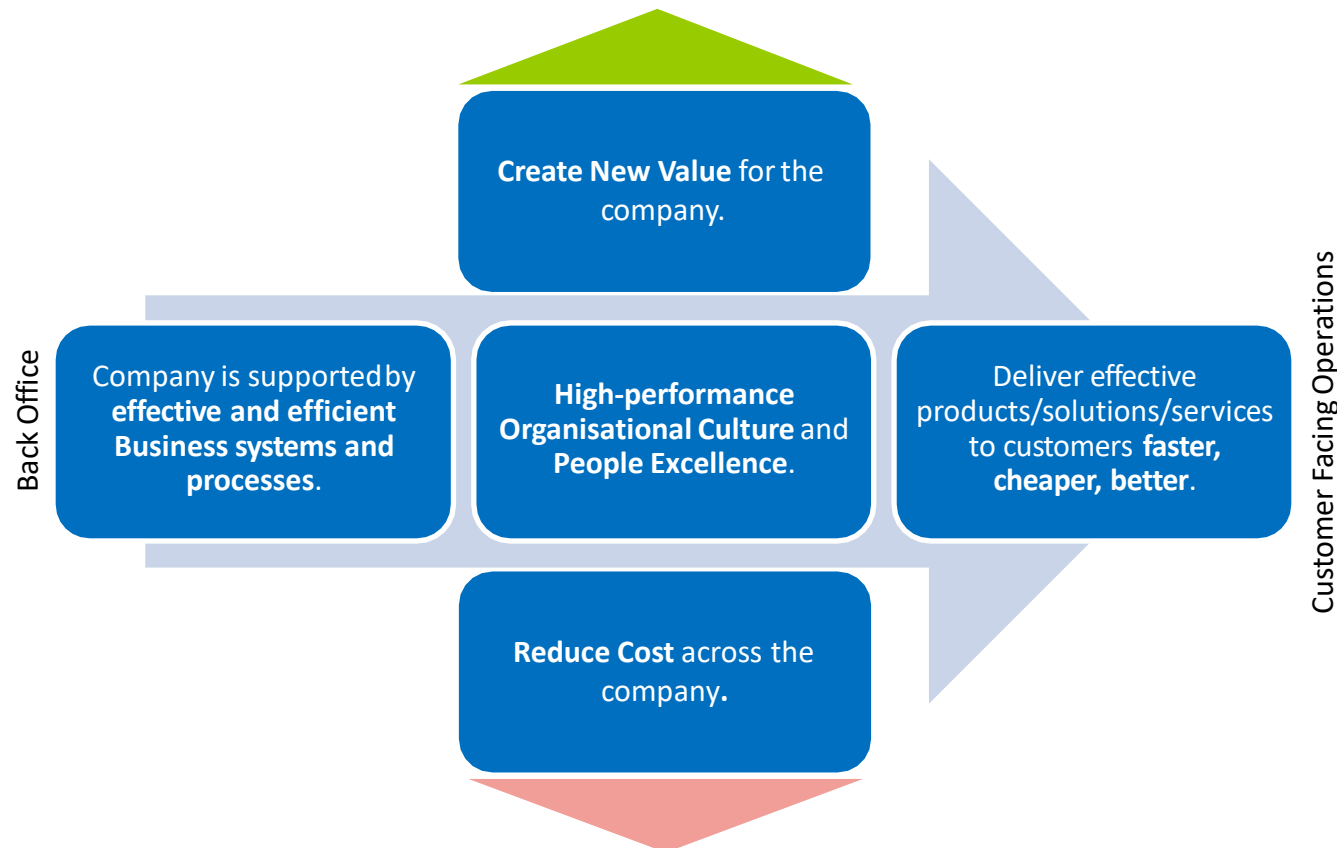
Malcolm-Baldrige Framework



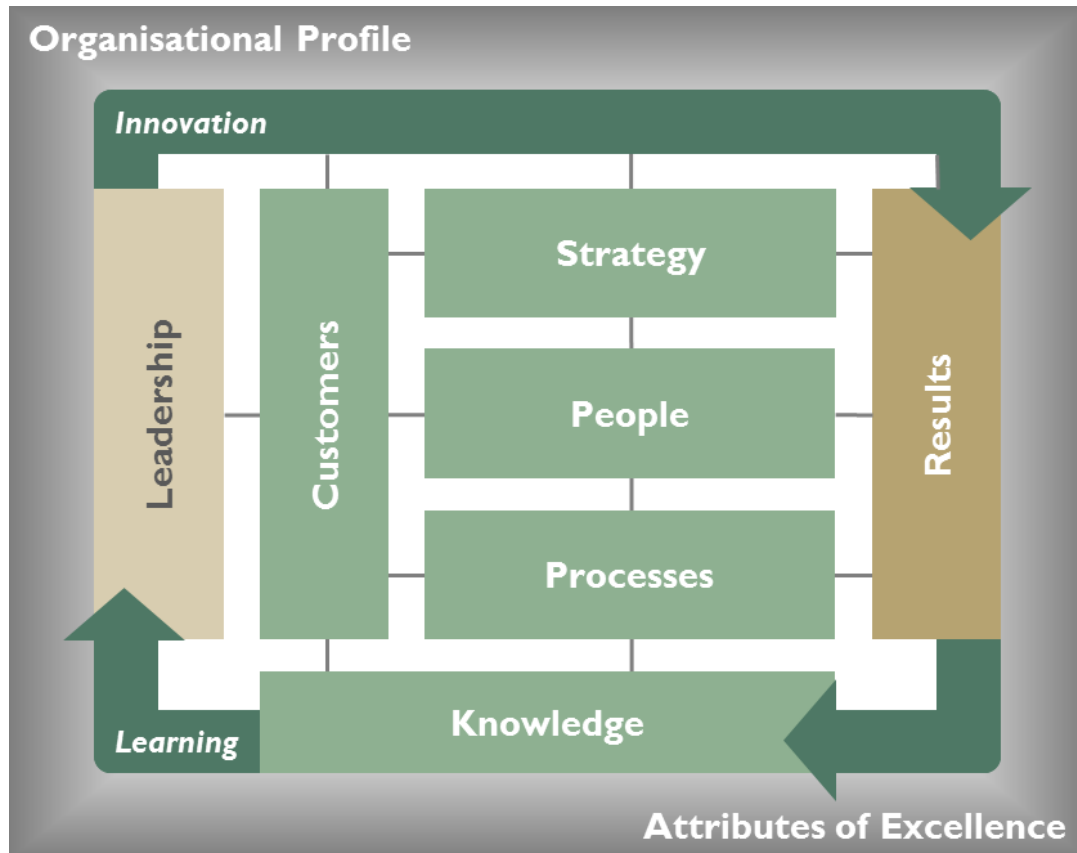
From Baldrige Performance Excellence Program, 2015, 2015-2016 Baldrige Excellence Framework: A Systems Approach to Improving Your Organization's Performance. Gaithersburg, MD: U.S. Department of Commerce, National Institute of Standards and Technology, <http://www.nist.gov/baldrige>.

Benefits of implementing BE Framework

- Review of organisation's management systems and processes.
 - Identify Strengths and Areas of Improvements (AFIs), and develop a strategic roadmap.
 - Undergo assessment to validate and close gaps to deliver superior results.
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Overview of BE Framework



Components

- **Organisational profile**

Sets the context for the way the organisation operates and serves as an overarching guide for how the framework is applied

- **Attributes of excellence**

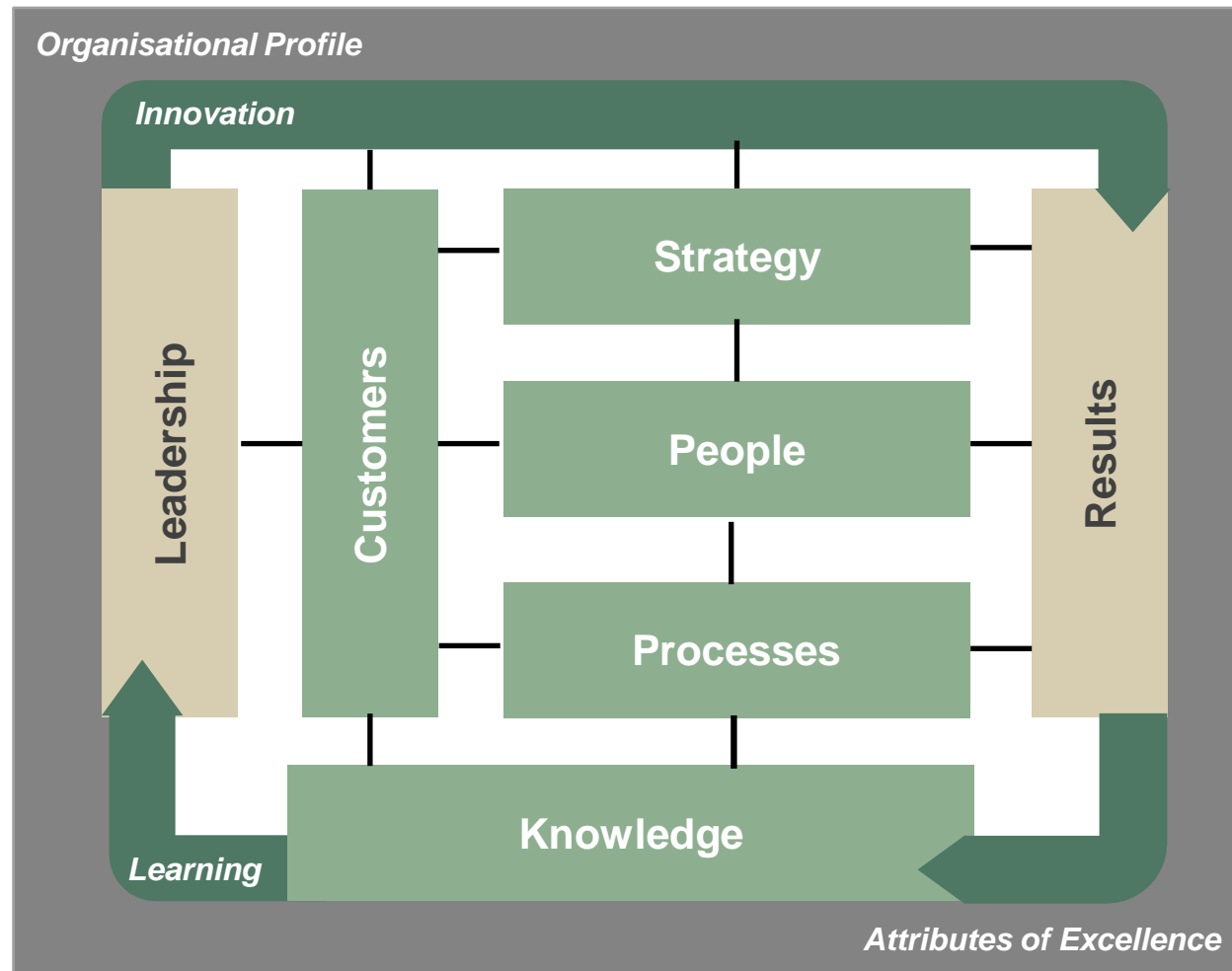
Describes key characteristics of high performing organisations and are embedded throughout all the critical drivers of the framework.

- **7 key drivers of excellence**

Key categories - Leadership, customers, strategy, people, processes, knowledge and results

BE Framework

Forward-Looking

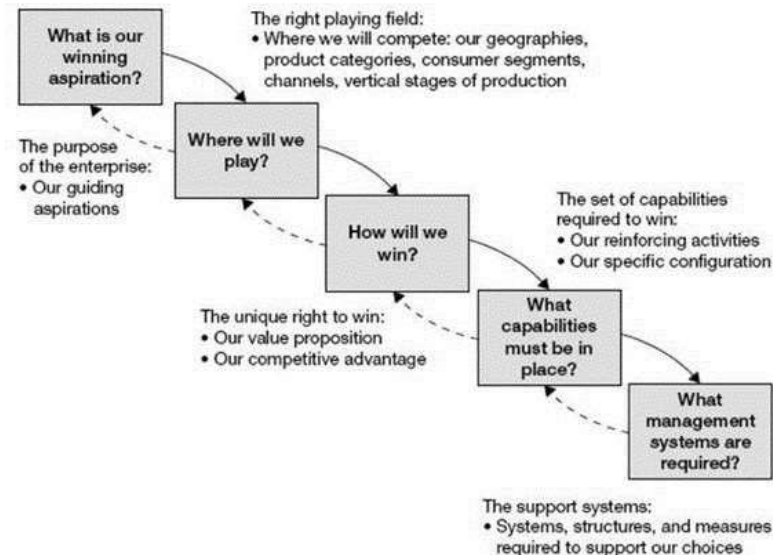


Internal-Looking

Why BE requires an Organisational Profile?

- The Organisational Profile(OP) is the most important piece of self-assessment for the company.
 - The OP describes what the company sell to customers.
 - How does the company do it?
 - What are the key competencies of the company?
 - What are the relationships among the company's customers and suppliers?
 - Where are the challenges and how will the company face them?
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An integrated cascade of choices



The purpose of an Organisational Profile

- It helps the organisation focus on its key performance requirements and results.
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The Organisational Profile (OP) is a snapshot of the organisation, describing its operational context. It addresses:

- its key influences within and outside the company
 - how it operates
 - its organisational directions
 - its relationships with key customers, suppliers, partners & stakeholders
 - its strategic challenges
- 

What is in the Organisational Profile (1/2)?

- Describe the context in which the company operates in.

I Organisational Description	
1	<p>Organisational Environment</p> <p>e.g. Nature of main products & services, organisation's purpose, vision & values, employee profile, major equipment, facilities & technologies used, regulatory environment</p>
2	<p>Organisational Relationships</p> <p><u>a. Relationship with Parent Organisation</u> e.g. if organisation is a subsidiary – proportion of employees which subsidiary represents; how products/services relate to parent organisation, etc</p> <p><u>b. Relationship with Customers</u> e.g. Major markets, key customer/market requirements, special relationship with key customer groups such as partnerships</p> <p><u>c. Relationship with Suppliers and/or Partners</u> e.g. Number, most important types of suppliers/partners, special relationship</p>

What is in the Organisational Profile (2/2)?

- Companies can spend significant time on this section.
 - Critical to the future of the company.
 - In particular, important to ensure that the rest of the BE categories are aligned towards the strategic directions.
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I Organisational Challenges		
1	Competitive Environment	e.g. Number/types of competitors, competitive position in industry, key factors determining competitiveness, changes that affect competition.
2	Organisational Directions	e.g. Major new thrusts, new business alliances, introduction of new technologies, changes in strategy, unique factors that must continue.
3	Strategic Challenges	e.g. Operational, human resource, business & global challenges.

What is an excellent organisation (1/2)?

- Attributes of excellence describe key characteristics of high performing organisations. These underpin the critical drivers of the framework.

	Attribute	Description
1.	Leading with Vision & Integrity	Leaders inspire with their vision and values. They are steadfast in their principles but flexible in the details. They co-create the future with stakeholders and set the direction for achieving excellence.
2.	Creating Value for Customers	Value is created when organisations know their customers intimately . They understand the complexity of their evolving needs and expectations and enhance the customer experience through quality offerings.
3.	Driving Innovation & Productivity	Innovative organisations succeed not by imitation but by re-invention. Employees are passionate about innovation, committed to improvements and processes that are highly effective and efficient.
4.	Developing Organisational Capability	Future-ready organisations embrace new knowledge and technologies to keep abreast of global trends. They strengthen internal capabilities and knowledge sharing to identify opportunities for growth and improve decision-making.

What is an excellent organisation (2/2)?

	Attribute	Description
5.	Valuing People & Partners	Valuing people and partners to create a culture of empowerment . Employees are highly skilled and deliver high performance. Organisations build strong partnership for shared ownership and achievement of goals.
6.	Managing with Agility	Competition demands organisations to execute with consistency and respond to changes with agility. This requires flexibility in their operations to manage change and skills in assessing rewards and risks.
7.	Sustaining Outstanding Results	High performing organisations are poised for market leadership and growth. They achieve outstanding financial results while meeting the interests of employees and other stakeholders. They balance short-term gains and long-term returns .
8.	Adopting an Integrated Perspective	An integrated perspective promotes a culture of alignment internally and with external partners . It reaps synergies from optimising linkages among core functions.
9.	Anticipating the Future	High performing organisations anticipate and invest for the future . Leaders are committed to responsible and sustainable business practices. Understanding and balancing these priorities provide key stakeholders and customers with confidence in the organisations' sustainability.

Category 1 :: Leadership

- The Leadership category examines the organisation's leadership, mission, vision and values, corporate governance system as well as responsibility to the community and the environment.
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1.1 Senior Leadership

How senior leaders guide the organisation to **achieve and sustain excellence**.

Describe how the organisation's senior management:

- a. Develops the organisation's mission, vision and values, and communicates them to key stakeholders.
- b. **Engages key stakeholders** to drive the organisation's performance.
- c. Acts as **role models** and grooms future leaders.

1.2 Organisational Culture

How the organisation **develops a culture that is consistent with its values**, and encourages learning, innovation as well as the achievement of strategic goals.

Describe how the organisation's senior management:

- a. Develops a culture that, supports the organisation's mission, vision and values to drive growth.
- b. **Translates values into desired employee behaviors** to enable innovation, learning and achieve the organisational goals.
- c. Embraces organisational change for sustainability.

Category 1 :: Leadership

1.3 Corporate Governance and Social Responsibility

How the organisation maintains a **governance system that practices good corporate citizenship**, protects the interests of stakeholders and fulfils its responsibility to the community and the environment it operates in.

Describe how the organisation:

- a. Establish a **governance system** to ensure accountability and transparency.
- b. Implements policies and **involves stakeholders** to contribute to the community and the environment.

Category 2 :: Customers

- The Customers category focuses on how the organisation understands market and customer requirements, and future trends to build relationships with customers and create superior customer experiences.
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2.1 Customer Requirements

How current market and customer requirements are determined and **future needs are anticipated**.

Describe how the organisation:

- a. **Segments markets and customers** and understands their current and future requirements.
- b. Incorporates market and **customer requirements into strategic plans**.

Category 2 :: Customers

2.2 Customer Experience

How the organisation engages customers to **co-create products, services or experiences**, improve customer loyalty and enhance customer experiences

Describe how the organisation:

- a. **Incorporates customer expectations** in designing touch points, products, processes and services.
- b. Ensures customer feedback is addressed and analysed.
- c. Provides access for customers to seek assistance and information to enhance the customer experience.
- d. **Set performance standards** at customer touch points to ensure consistent service delivery.

2.3 Customer Satisfaction

How the organisation determines and **improves customer satisfaction**.

Describe how the organisation:

- a. Determines and improves customer satisfaction for various customer segments.
- b. Determines **current and future drivers of customer satisfaction**.
- c. Incorporates customer satisfaction and feedback in the strategic plans.

Category 3 :: Strategy

- The Strategy category focuses on the development and implementation of strategic plans based on the organisation's external environment and internal capabilities. The plans should address current and future challenges as well as the organisation's mission and vision.
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3.1 Strategy Development

How the organisation **develops a strategy** and determines strategic goals.

Describe how the organisation:

- a. Determines organisational challenges and anticipates external changes and risks.
- b. Develops **strategic goals, and long- and short-term strategies** to address the vision and mission.
- c. Engages key stakeholders in the strategy development process.

3.2 Strategy Implementation

How strategies are **translated into long- and short-term action plans**.

Describe how the organisation:

- a. Develops and implements long- and short-term action plans.
- b. Manages **organisational risks** associated with plans.
- c. Allocates resources in a timely manner to achieve strategic goals.
- d. **Engages key stakeholders** in the strategy implementation process.
- e. Measures performance against plans and targets.

Category 4 :: People

- The People category focuses on how the potential of employees is effectively harnessed to achieve excellence.
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4.1 Human Resource Planning

How the organisation **develops HR plans** to achieve strategic goals and ensures high performance of employees

Describe how the organisation:

- a. Anticipates HR needs and develops HR plans and policies which are **aligned to strategic goals** and organisational values.
- b. Establishes a recruitment and selection process to meet organisational needs.
- c. Identifies and grooms employees for high performance.

4.2 Employee Learning and Development

How the learning and development of employees result in **higher productivity and personal growth**.

Describe how the organisation:

- a. **Engages employees to identify** current and new competencies required to meet strategic goals
- b. Provides learning and development opportunities to employees to drive organisational productivity and personal growth

Category 4 :: People

4.3 Employee Engagement and Well-Being

How the organisation engages employees, and enhances their well-being and satisfaction to improve organisational health and performance.

Describe how the organisation:

- a. Supports individual and team participation to achieve strategic goals.
- b. Develops a work environment that enhances employee health and well-being.
- c. Measures employee satisfaction, engagement and well-being.

4.4 Employee Performance and Recognition

How the employee performance management and recognition systems encourage employees to achieve high performance and productivity as well as cultivate work behaviours that support innovation.

Describe how the organisation:

- a. Supports high performance, productive and innovative behaviours to achieve strategic goals
- b. Reinforces desired behaviours and organisational values
- c. Reward and recognizes employees to achieve organisational goals

Category 5 :: Processes

- The Processes category focuses on the management of key and support processes to achieve the organisation's strategic goals.
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5.1 Innovation Capabilities

How the organisation **harnesses innovation** to design new products and services as well as their related production and delivery systems.

Describe how the organisation:

- a. Develops and implements innovative ideas to **create value**.
- b. Involves key stakeholders (e.g. customers, employees) in generating and implementing innovative ideas and solutions.

Category 5 :: Processes

5.2 Process Management

How production, delivery and support processes for products and services are managed.

Describe how the organisation:

- a. Manages key and support production and service delivery processes to meet customer and operational requirements.
- b. Drives process improvement to **improve productivity** and ensure timely delivery
- c. Sustains key processes in times of emergencies to ensure business continuity

5.3 Supplier and Partner Management

How key suppliers and partners for the production and delivery of products and services are managed.

Describe how the organisation:

- a. Identifies and manages key suppliers and partners to achieve organisational goals
- b. Engages key suppliers and partners to **co-create** products and services

Category 6 :: Knowledge

- The Knowledge category focuses on how the organisation harnesses information for learning, planning and decision-making, which includes competitive analysis and benchmarking.
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6.1 Knowledge Management

How knowledge is generated from information collected, and used to **create value** for the organisation.

Describe how the organisation:

- a. Collects and manages information **for strategy development, decision-making and organisational learning**
- b. Ensures the accuracy, accessibility and reliability of information

2. Analytics for Performance Management

How the organisation leverages on analytics for decision-making, performance management, organisational learning and improvement.

Describe how the organisation:

- a. Leverages on information and knowledge to create new value
- b. Uses comparative and benchmarking knowledge to improve performance

Category 7 :: Results

- The Results category focuses on the organisation's performance in key areas. This includes qualitative and quantitative results, as well as comparative data and competitive analysis. The indicators should go beyond current levels to include relevant indicators of future success.

Sub-category (point value)	Areas to address (include current levels and trends in key measures of these areas)	Examples (may be quantitative & qualitative)	Related category
7.1 Customer Results (110 points)	<p>a. Customer satisfaction and experience</p> <p>b. Product and service performance</p> <p><i>Different market and customer segments should be addressed</i></p>	<ul style="list-style-type: none"> - Customer satisfaction, loyalty and overall experience - Customer feedback, etc 	2. Customer

Category 7 :: Results

Sub-criteria (point value)	Areas to address (include current levels and trends in key measures of these areas)	Examples (may be quantitative & qualitative)	Related category
7.2 Financial & Market Results (120 points)	<p>a. Financial performance, including financial results and economic value</p> <p>b. Marketplace performance, including growth and market share, position and acceptance</p> <p><i>Competitors and industry standards should be considered</i></p>	<p>- Aggregate measures such as revenue growth, net income and profitability, value-added, liquidity, debt-to-equity ratio, return on investment, asset utilisation, surplus, and market share, etc</p>	3. Strategy

Category 7 :: Results

Sub-criteria (point value)	Areas to address (include current levels and trends in key measures of these areas)	Examples (may be quantitative & qualitative)	Related category
<p>7.3 People Results (110 points)</p>	<p>a. Human resource planning</p> <p>b. Employee learning and development</p> <p>c. Employee engagement and well-being</p> <p>d. Employee performance and recognition</p> <p><i>Different categories of employees should be addressed</i></p>	<ul style="list-style-type: none"> - Employer Branding activities - Recruitment programme - Engagement levels - Training and development levels and expenditure - Talent development programme and retention rates, etc 	<p>4. People</p>

Category 7 :: Results

Sub-criteria (point value)	Areas to address (include current levels and trends in key measures of these areas)	Examples (may be quantitative & qualitative)	Related category
<p>7.4 Operational Results (110 points)</p>	<p>a. Process performance b. Suppliers and partners performance c. Governance system and contribution to the community, society and the environment</p> <p><i>Results not addressed in sub-categories 7.1, 7.2, and 7.3 which relate to the organisation's key performance requirements should be considered</i></p>	<ul style="list-style-type: none"> - Relevant indicators on productivity, efficiency and innovation such as inventory turns and delivery time - Specific indicators on process performance Supplier assessment ratings - Compliance, audit findings, etc. 	<p>5. Process</p>

Scoring System

- The BE Framework provides a structured method for evaluating an organisation's performance.
- Assessors use a 3-dimensional scoring system to evaluate the :
 - (1) **Approach** adopted by organisation to drive performance
 - (2) **Deployment** of the approaches throughout the organisation
 - (3) **Results** achieved within the organisation and with its external stakeholders

BE Assessment Scoring Rubric (Categories 1 – 6)

- Approach refers to how the organisation addresses the criteria requirements.
- Deployment refers to the extent to which the approach is applied by the organisation.

BAND	LIMITED	FAIR	GOOD	VERY GOOD	EXCELLENT
Score*	1% – 19%	20% – 39%	40% – 59%	60% – 79%	80% – 100%
Approach	Reactive and undefined	Beginning of a planned approach	Sound approaches aligned with basic organisational needs	Effective, progressive and well-integrated with organisational needs	Exceptional, innovative approach and fully-integrated with organisational needs and recognised as best practice in the field
	No planned review and refinement		Ongoing review and refinement		
Deployment	Not deployed	To few functional/operational areas	To key functional/operational areas	To most functional/operational areas and is consistently practised	To all functional/operational areas and is consistently practised
	No planned review and refinement		Ongoing review and refinement		

* Take the lower of the two scores for Approach & Deployment

BE Assessment Scoring Rubric (Category 7)

- Results are critically important as they take up 45% of the total scoring of 1000 points

BAND	LIMITED	FAIR	GOOD	VERY GOOD	EXCELLENT
Score	1% – 19%	20% – 39%	40% – 59%	60% – 79%	80% – 100%
Reporting of Results	Not reported for key areas	Reported for some key customer, financial, people and operational requirements	Reported for most key customer, financial, people and operational requirements	Results reported for all customer, financial, people and operational requirements	
Performance levels • Improvement trends • Comparative Information	Poor	Good in few areas	Good in key areas Some comparisons and benchmarks	Good and sustained in most areas Favourable comparisons & benchmarks in key areas relative to industry	Excellent and sustained in all areas Excellent comparisons & benchmarks in most areas with evidence of global best practices

*Take the lower of the two scores for Reporting of results and Performance levels

The Big Picture

