

The EFQM Model



EFQM[®]

About EFQM

EFQM is an innovative, not-for profit organisation, fusing data-driven insights, curated learning and development and networking opportunities for the benefit of organisations and individuals worldwide.

Working across international borders, we support leaders as they manage cultural change and transformation to deliver performance improvements and benefits for their key stakeholders.

Through our carefully designed portfolio of products and services, we provide a looking glass for organisations and individuals to examine where they are and to help put a spotlight on where action is required.

By becoming a successful partner to organisations around the world, we can deliver on our own ambition – to build a better future for people, for communities and for organisations themselves.

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1 Introducing the EFQM Model

Since its inception, the EFQM Model has provided a blueprint for organisations across and beyond Europe to develop a culture of improvement and innovation.

Now, through the application of up-to-date content, insightful data, a new language and a fresh look at megatrends and various global shifts that are reshaping the world we live in, the EFQM Model provides a modern reflection of what good looks like right now.

To co-create the new EFQM Model, we surveyed nearly 2000 change experts, facilitated 24 workshops internally, spoke face to face with leaders in over 60 diverse organisations and created a core team of experts and contributors from across industries and academia.

Through this unique collaboration, we were able to craft, prototype and perfect a flexible framework that's fit for purpose and which helps organisations recode their ways of working, both in the short and long term.

Built on design thinking, the new Model has shifted from being a simple assessment tool to one that offers a vital framework and methodology to help with the changes, transformation, and disruption that individuals and organisations face every day.

Simply put, the EFQM Model will help your organisation achieve success by measuring where you are on the path to creating sustainable value. It will help you understand the gaps and possible solutions available, empowering you to progress and significantly improve your organisation's performance.

1 Introducing the EFQM Model

1.1 Guiding Principles that shaped the EFQM Model



The EFQM Model not only remains relevant but continues to set the management agenda for any organisation wanting a long term, sustainable future.

The EFQM Model, a globally recognised framework that supports organisations in managing change and improving performance, has experienced a number of improvement cycles over the years to make sure that it not only remains relevant but continues to set the management agenda for any organisation wanting a long term, sustainable future.

Whilst the specific content and visual identity of the EFQM Model may have changed over time, what has not changed are the underlying principles on which it is based. Regardless of the size of the organisation or whether it is public, private or third sector, these principles are as important today as they have ever been and this latest edition of the EFQM Model is no different in continuing to stress the importance of:

- The primacy of the customer
- The need to take a long term, stakeholder centric view
- Understanding the cause and effect linkages between why an organisation does something, how it does it and what it achieves as a consequence of its actions.



www.un.org/sustainabledevelopment/sustainable-development-goals/

Given that the birthplace of the Foundation is Europe, it is not surprising to find that this most recent update of the EFQM Model, like its predecessors, acknowledges the existence of a set of European Values, best expressed in:

- The EU Charter of Fundamental Rights
- The European Convention on Human Rights
- The European Union Directive 2000/78/EC
- The European Social Charter.

The Foundation also recognises the role that organisations can play in supporting the goals of the United Nations and these goals have also helped to shape this latest edition of the EFQM Model:

- The United Nations Global Compact (2000). Ten principles for sustainable and socially responsible business. www.unglobalcompact.org
- The United Nations 17 Sustainable Development Goals are a call for action by all countries to promote social equity, sound governance and prosperity while protecting the planet.

There is an assumption and expectation that any organisation using the EFQM Model will respect and act upon the essence of the messages contained in the above, regardless of whether it is legally obliged to do so or not.

1 Introducing the EFQM Model

1.2 Research Findings that shaped the EFQM Model

EFQM undertook a number of separate but connected research initiatives between July 2018 and May 2019 to help it identify the necessary improvements to be made if its Model was to be acknowledged as leading edge. The outcomes from the different research initiatives identified a number of significant changes in the way organisations have worked in the past and now need to work in the future if they are to remain relevant and, ultimately, be recognised as outstanding.

These outcomes, summarised on these two pages, helped to shape the content and structure of the Model described on the following pages:

An organisation, as well as creating and delivering sustainable value propositions for its stakeholders, in most cases its customers, also has a duty of care to the ecosystem in which it operates. Delivering value and enhancing performance for any organisation is of course necessary, but it is not sufficient. The economic, environmental and social conditions within the ecosystem in which it operates must also be taken into account and taken seriously

The need for a different type of Leadership style, less hierarchical, less command and control, more collaborative

The imperative of taking a different approach to working with the People that an organisation employs, recognising the value inherent in working with a more diverse population

Nowadays, more than ever, an organisation has to deal with managing two challenges in parallel, the effective management of change and, at the same time, managing today's operations. Successfully managing this dilemma helps an organisation in its drive to be fit for the future

A mindset for creativity and innovation, including disruptive thinking, is an essential ingredient in helping an organisation generate increased value and improved levels of performance

The ability to identify and then respond in an agile, effective and efficient manner to the opportunities and threats that exist within the organisation's ecosystem

Developing a culture based on Co-creation rather than win-lose in an organisation's relationship(s) with others in its ecosystem

1 Introducing the EFQM Model

1.3 The EFQM Model: Concept & Structure

The strategic nature of the EFQM Model, combined with its focus on operational performance and a results orientation, makes it the ideal framework for testing the coherence and alignment of an organisation's ambitions for the future, referenced against its current ways of working and its responses to challenges and pain-points.



Using it provides the opportunity to see the whole, to take the holistic perspective and appreciate that an organisation is a complex but, at the same time, an organised system. Just like the world at large, an organisation should not be seen as linear, mechanical and predictable, rather it is far better understood as a complex adaptive system, made up of interdependent humans in a dynamic living world.

Any organisation using the EFQM Model:

- Recognises that it does not operate in a vacuum. It understands that it is part of a larger, complex ecosystem in which other players, known and unknown, can help or hinder its progress and that it is in its own interest to engage with and maximise the opportunity to learn and grow from others within its ecosystem
- Accepts the opportunity to act as a Leader in its sphere of influence, behaving as an inspiration to others and demonstrating what can be achieved for the benefit of others as well as itself
- Understands that it will face ever-increasing speeds and volumes of change and that it must be prepared to anticipate, address and respond appropriately, embracing the challenge of managing for today, and at the same time, forecasting the future and making sure it is prepared for it.

The EFQM Model structure is based on the simple but powerful logic of asking three questions:

- **“Why”** does this organisation exist? What Purpose does it fulfil? Why this particular Strategy? (Direction)
- **“How”** does it intend to deliver on its Purpose and its Strategy? (Execution)
- **“What”** has it actually achieved to date? “What” does it intend to achieve tomorrow? (Results).

Central to the rationale of the EFQM Model, the “red thread”, is the connection between the Purpose and Strategy of an organisation and how that is used to help it Create Sustainable Value for its most important *Stakeholders and deliver outstanding Results.

*A stakeholder is a person, group or organisation that has a direct or indirect stake or interest in the organisation, its activities and performance, because it can either affect the organisation or be affected by it. Examples of external stakeholders include owners (shareholders), customers, suppliers, partners, government agencies and representatives of the community or the wider society. Examples for internal stakeholders are people or groups of people. An outstanding organisation considers the needs, demands, requests and expectations of the stakeholders in its ecosystem, balances them, and evaluates its performance in relation to its most important stakeholders, its “Key Stakeholders”.

DIRECTION

Positioning statement

For an organisation to achieve and sustain outstanding results that meet or exceed the expectations of its stakeholders it:

- Defines an inspiring Purpose
- Creates a Vision that is aspirational
- Develops a Strategy that is centred on Creating Sustainable Value
- Builds a winning culture.

This Direction setting prepares the way forward for the organisation to be seen as a leader in its ecosystem and well positioned to execute its plans for the future.

2 The EFQM Model

DIRECTION

continued

Criterion 1

Purpose, Vision & Strategy

Positioning statement

An outstanding organisation is defined by a Purpose that inspires, a Vision that is aspirational and a Strategy that delivers.

The Purpose of the organisation:

- Explains why its work is important
- Sets the scene for it to create and deliver sustained value for its stakeholders
- Provides a framework in which it takes responsibility for its contribution to, and impact on, the ecosystem in which it operates.

The Vision of the organisation:

- Describes what the organisation is attempting to achieve in the long-term
- Is intended to serve as a clear guide for choosing current and future courses of action
- Provides, along with the organisation's Purpose, the basis for setting the Strategy.

The Strategy of the organisation:

- Describes how it intends to fulfil its Purpose
- Details its plans to achieve the strategic priorities and move closer to its Vision.

1.1 Define Purpose & Vision

1.2 Identify & Understand Stakeholders Needs

1.3 Understand the Ecosystem, own Capabilities & Major Challenges

1.4 Develop Strategy

1.5 Design & Implement a Governance & Performance Management System

2 The EFQM Model

DIRECTION

continued

Criterion 2

Organisational Culture & Leadership

Positioning statement

Organisational Culture is the specific collection of values & norms that are shared by people and groups within an organisation that influence, over time, the way they behave with each other and with Key Stakeholders outside the organisation.

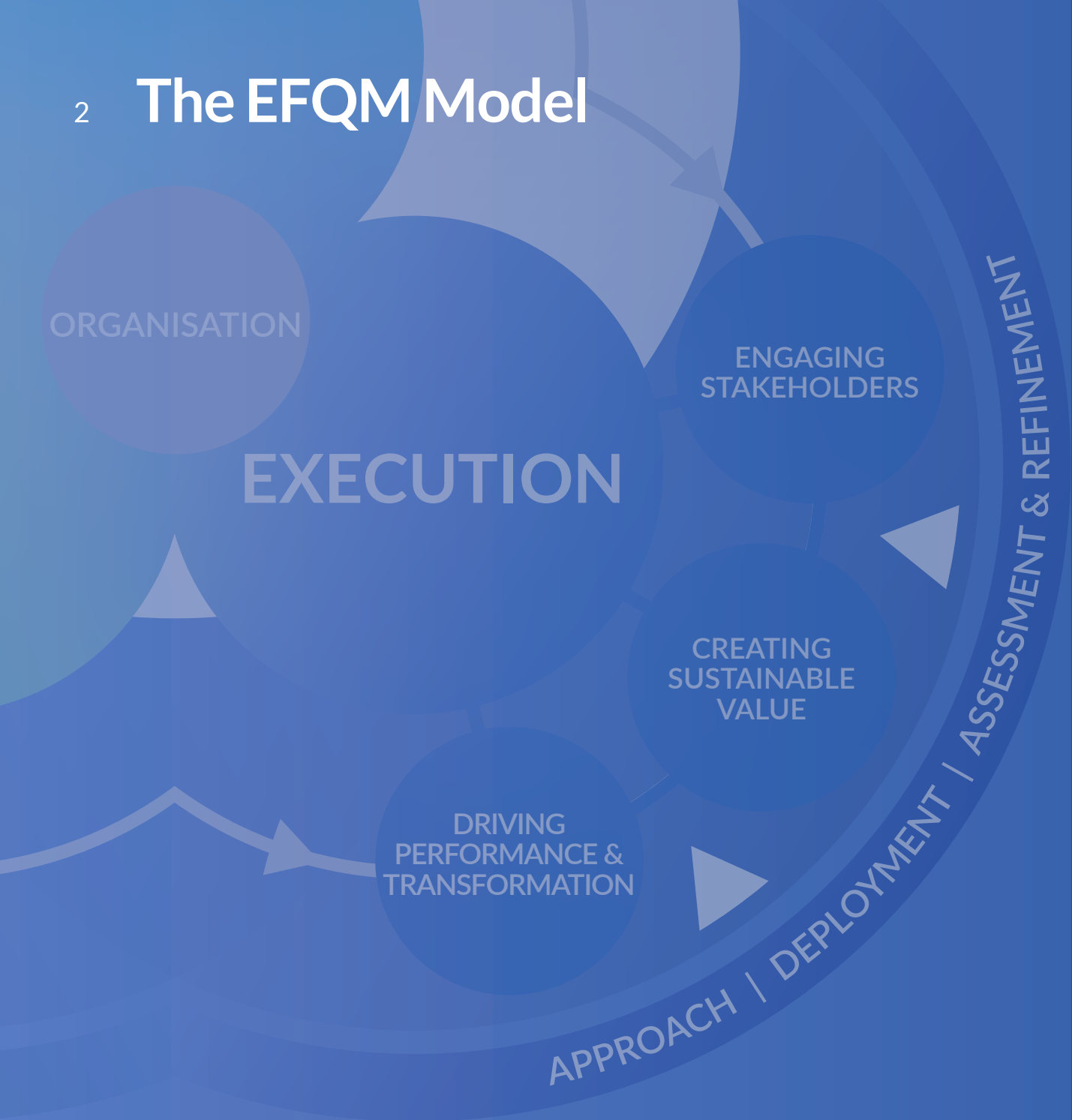
Organisational leadership relates to the organisation as a whole rather than any individual or team that provides direction from the top. It is about the organisation acting as a leader within its ecosystem, recognised by others as a role model, rather than from the traditional perspective of a top team managing the organisation.

In an outstanding organisation, leadership is positioned as an activity not a role and leadership behaviours are evident across all levels and parts of the organisation. This role model leadership behaviour inspires others, reinforces, and when necessary, adapts the values and norms, helping to steer Organisational Culture.

An organisation that aspires to be recognised as outstanding, a leader within its ecosystem, achieves success through a focus on the following activities:

- 2.1 Steer the Organisation's Culture & Nurture Values
- 2.2 Create the Conditions for Realising Change
- 2.3 Enable Creativity & Innovation
- 2.4 Unite Behind & Engage in Purpose, Vision & Strategy

2 The EFQM Model



EXECUTION

Positioning statement

For an organisation to achieve and sustain outstanding results that meet or exceed the expectations of its Stakeholders it is necessary, but not sufficient, for it to:

- Define an inspiring Purpose
- Create a Vision that is aspirational
- Develop a Strategy that is centred on Creating Sustainable Value
- Build a winning culture.

The Direction setting as outlined above, prepares the way forward for the organisation, but it then needs to execute its Strategy effectively and efficiently, ensuring that it:

- Knows who the stakeholders are in its ecosystem and engages fully with those that are Key to its success
- Creates Sustainable Value
- Drives the levels of performance necessary for success today and, at the same time, drives the necessary improvement and transformation if it is to be successful in the future.

2 The EFQM Model

EXECUTION continued

Criterion 3

Engaging Stakeholders

Positioning statement

Having decided which Stakeholders are the most important to the organisation, i.e. its Key Stakeholders, and independent of the specific groups identified, it is highly likely that there is a degree of similarity in applying the following principles when engaging with Key Stakeholders.

An outstanding organisation:

- Identifies the specific types and categories within each of its Key Stakeholder Groups
- Uses its understanding of Key Stakeholders needs and expectations to achieve continued engagement
- Involves Key Stakeholders in deploying its Strategy and Creating Sustainable Value and recognises the contributions they make
- Builds, maintains and further develops the relationship with Key Stakeholders based on transparency, accountability, ethical behaviour and trust
- Works with its Key Stakeholders to develop a common understanding and focus on how, through co-development, it can contribute to, and draw inspiration from, the United Nations Sustainable Development Goals and Global Compact ambitions
- Actively gathers the perceptions of its Key Stakeholders rather than waiting for them to make contact.
- Evaluates its performance in relation to Key Stakeholders needs and decides on the appropriate actions to be taken to help secure its future, as perceived by these Key Stakeholders.

In practice, we find that an outstanding organisation will include the following groups in the classification of its Key Stakeholders:

- 3.1 Customers: Build Sustainable Relationships**
- 3.2 People: Attract, Engage, Develop & Retain**
- 3.3 Business & Governing Stakeholders – Secure & Sustain Ongoing Support**
- 3.4 Society: Contribute to Development, Well-Being & Prosperity**
- 3.5 Partners & Suppliers: Build Relationships & Ensure Support for Creating Sustainable Value**

2 The EFQM Model

EXECUTION continued

Criterion 4

Creating Sustainable Value

Positioning statement

An outstanding organisation recognises that Creating Sustainable Value is vital for its long-term success and financial strength.

The organisation's clearly defined Purpose, enriched by the Strategy, defines for whom the organisation should be Creating Sustainable Value. In most cases, customers, segmented appropriately, are the target group for Creating Sustainable Value, although some organisations might also focus on selected Key Stakeholders within its Society or Business & Governing Stakeholder segments.

An outstanding organisation acknowledges that Key Stakeholder needs may change over time and that it is important to collect and analyse feedback to improve or change their products, services or solutions.

The different elements to Creating Sustainable Value are shown below in a step by sequence. It is recognised that the organisation's plans for today and the future may well run in parallel or overlap at times, depending on the nature of the organisation's business.

4.1 Design the Value & How it is Created

4.2 Communicate & Sell the Value

4.3 Deliver the Value

4.4 Define & Implement the Overall Experience

2 The EFQM Model **EXECUTION** continued

Criterion 5

Driving Performance & Transformation

Positioning statement

Now and in the future, an organisation needs to be able to meet the following two important requirements at the same time to become and remain successful.

On the one side, it needs to continue managing successfully the delivery of its current business operations. (“Driving Performance.”)

On the other side, there are constant changes inside and outside the organisation that need to be managed in parallel if it is to remain successful. (“Driving Transformation.”)

The combination of Driving Performance & Transformation confirms the necessity for the organisation to deliver for today while preparing for the future.

Major elements in enabling performance & transformation are innovation and technology, the ever-increasing importance of data, information & knowledge and the focussed use of critical assets and resources.

- 5.1 Drive Performance & Manage Risk
- 5.2 Transform the Organisation for the Future
- 5.3 Drive Innovation & Utilise Technology
- 5.4 Leverage Data, Information & Knowledge
- 5.5 Manage Assets & Resources

RESULTS

Positioning statement

What the organisation has achieved in relation to what has been described in the Direction & Execution sections, including the forecast for the future. In practice we find that an outstanding organisation provides results data for:

- Stakeholder Perceptions
- Creating Sustainable Value
- Driving Performance & Transformation

2 The EFQM Model

RESULTS

Criterion 6

Stakeholder Perceptions

Positioning statement

This criterion concentrates on results based on feedback from Key Stakeholders about their personal experiences of dealing with the organisation – their *perceptions*.

These perceptions could relate to past as well as current Key Stakeholders and could be obtained from a number of sources, including surveys, focus groups, ratings, press or social media, external recognition, advocacy, structured review meetings, investor reports and compliments/complaints, including feedback compiled by customer relationship management teams.

In addition to the perceptions that a Key Stakeholder may have of an organisation based on personal experiences, perceptions may also be shaped by the environmental and social impact reputation of the organisation. For instance, the degree to which the organisation is perceived by its Key Stakeholders as contributing successfully to one or more of the United Nations Sustainable Development Goals and Global Compact ambitions.

In practice, we find that an outstanding organisation:

- Knows how successful it is at executing its Strategy to meet the needs and expectations of its Key Stakeholders
- Uses its analysis of past and current performance to predict future performance
- Uses Key Stakeholder Perception Results to stay informed and influence its current Direction and the Execution of its Strategy.

Examples of Key Stakeholder Perception Results and topics to be covered *could include, but are not listed in any priority order or limited to:*

- **Customer Perception Results**
- **People Perception Results**
- **Business & Governing Stakeholders Perception Results**
- **Society Perception Results**
- **Partners & Suppliers Perception Results**

2 The EFQM Model

RESULTS

continued

Criterion 7

Strategic & Operational Performance

Positioning statement

This criterion concentrates on results linked to the organisation's performance in terms of:

- The ability to fulfil its Purpose, deliver the Strategy and Create Sustainable Value
- Its fitness for the future.

These results are used by the organisation to monitor, understand and improve its overall performance and to forecast the impact this performance will have on both the perceptions of its Key Stakeholders as well as its future strategic ambitions.

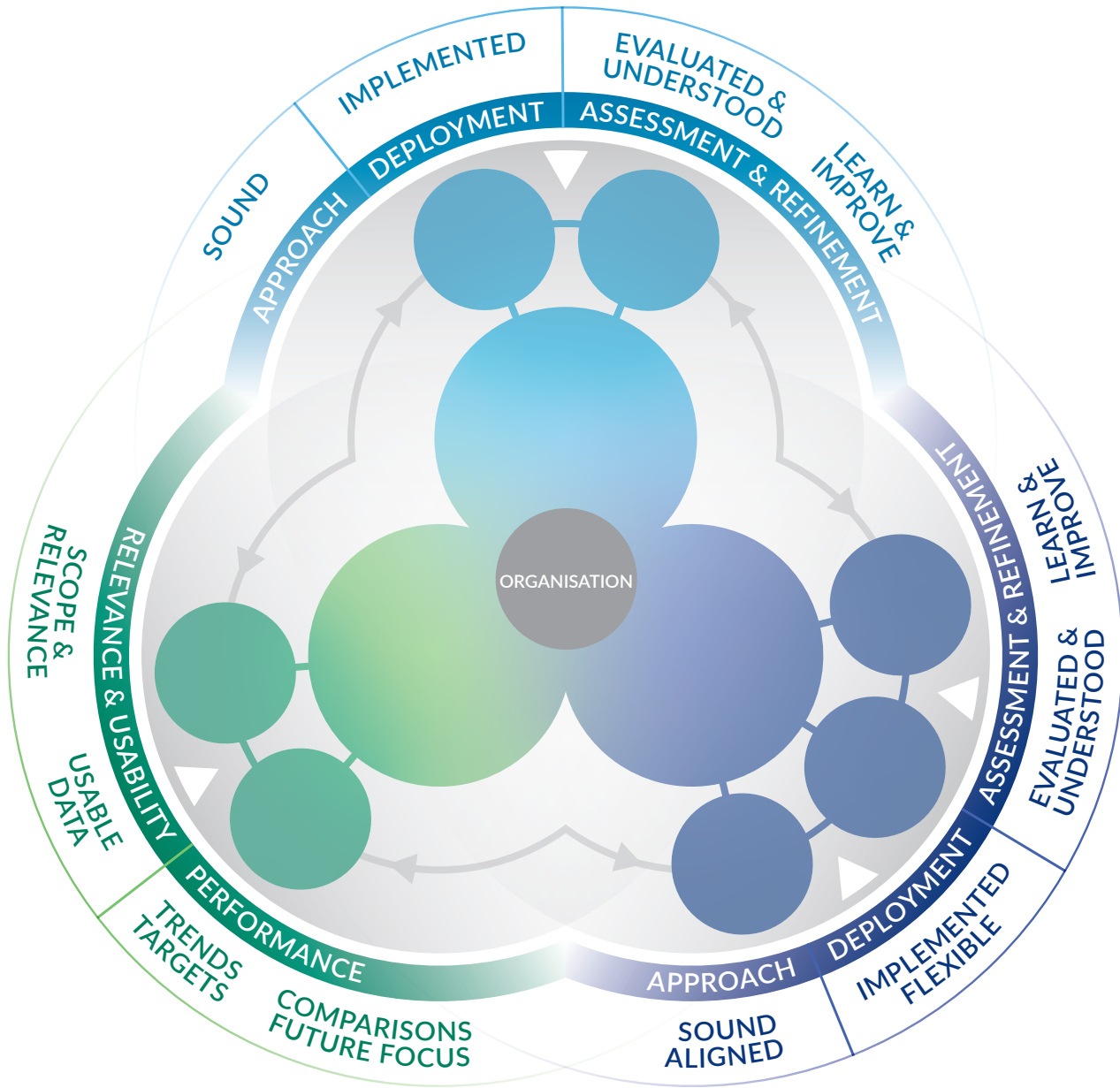
In practice, we find that an outstanding organisation:

- Uses both financial and non-financial indicators to help it measure its strategic and operational performance
- Understands the linkages between Key Stakeholder perceptions and actual performance and is able to predict, with a high degree of certainty, how future performance will evolve
- Considers the current and future needs and expectations of its Key Stakeholders when deciding on the most appropriate performance indicators to match its strategic & operational objectives
- Understands the cause and effect relationships that impact on performance and uses the results achieved to stay informed and influence its current Direction & Execution
- Uses the results currently being achieved to forecast its future performance with an expected degree of certainty.

Strategic and Operational Performance indicators, *could include, but are not limited to:*

- **Achievements in delivering its Purpose and Creating Sustainable Value**
- **Financial Performance**
- **Fulfilment of Key Stakeholders Expectations**
- **Achievement of Strategic Objectives**
- **Achievements in Driving Performance**
- **Achievements in Driving Transformation**
- **Predictive Measures for the Future.**

3 The EFQM Diagnostic Tool: RADAR



3.1 Introduction

RADAR is the acronym that EFQM uses to describe the logic behind the diagnostic tool it has developed to help any organisation:

- Better manage its current way of working
- Diagnose its current strengths and opportunities for improvement.

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

- Determine the **R**esults it is aiming to achieve as part of its strategy
- Have in place a number of **A**pproaches that will deliver the required results, both now and in the future
- **D**eploy these approaches appropriately
- **A**ssess and **R**efine the deployed approaches to learn and improve.

To help deliver a more robust analysis, the RADAR elements are broken down into a number of **A**tttributes and with each **A**tttribute there is an associated description that expands upon what is meant and what the organisation should be able to clearly demonstrate.

See tables 1 – 3 on the following pages.

An individual or a team can use the RADAR logic at the **A**tttribute level, in conjunction with the EFQM Model:

- To help identify where an organisation's current strengths and opportunities for improvement exist
- To help an organisation describe its future in terms of the desired results and the necessary actions that need to be taken to achieve those desired results.

3.2 The EFQM Diagnostic Tool: RADAR

Applying RADAR for Direction & Execution

Table 1 shown right is used to support the analysis of the approaches within Criterion 1 (Purpose, Vision & Strategy) and Criterion 2 (Organisational Culture & Leadership).

N. B. Note that for Direction, the “Aligned” and “Flexible” Attributes are not used

Table 2 shown right is used to support the analysis of the approaches within Criterion 3 (Engaging Stakeholders), Criterion 4 (Creating Sustainable Value) and Criterion 5 (Driving Performance & Transformation).

User(s) of the RADAR logic should apply the Attributes described in the appropriate charts below to the information presented in Direction & Execution respectively.

The descriptions associated with each Attribute provide guidance on what the organisation should be looking to demonstrate.

Table 1: Analysis of Direction

| Elements | Attributes | Description |
|-------------------------|------------------------|---|
| Approaches | Sound | The approaches have a clear rationale, aim to fulfil and respond to Key Stakeholder needs, are described appropriately and are designed to be fit for the future. |
| | <i>Aligned</i> | <i>N.B. Not applied to Direction</i> |
| Deployment | Implemented | The approaches are deployed in relevant areas in an effective and timely manner. |
| | <i>Flexible</i> | <i>N.B. Not applied to Direction</i> |
| Assessment & Refinement | Evaluated & Understood | Feedback on the effectiveness & efficiency of the approaches and their deployment are collected, understood and shared. |
| | Learn & Improve | Findings from emerging trends analysis, measurement, learning and benchmarking are used to inspire creativity and generate innovative solutions to improve performance in appropriate timescales. |

Table 2: Analysis of Execution

| Elements | Attributes | Description |
|-------------------------|------------------------|---|
| Approaches | Sound | The approaches have a clear rationale, aim to fulfil and respond to Key Stakeholder needs, are described appropriately and are designed to be fit for the future. |
| | Aligned | The approaches support an organisation's direction and are integrated with other relevant approaches. |
| Deployment | Implemented | The approaches are deployed in relevant areas in an effective and timely manner. |
| | Flexible | The execution enables flexibility and adaptation. |
| Assessment & Refinement | Evaluated & Understood | Feedback on the effectiveness & efficiency of the approaches and their deployment are collected, understood and shared. |
| | Learn & Improve | Findings from emerging trends analysis, measurement, learning and benchmarking are used to inspire creativity and generate innovative solutions to improve performance in appropriate timescales. |

3.3 The EFQM Diagnostic Tool: RADAR

Applying RADAR for Results

The RADAR Results table shown below is used to support the analysis of Criterion 6 (Stakeholder Perceptions) and Criterion 7 (Strategic & Operational Performance).

User(s) of the RADAR logic should apply the Attributes described in the chart below to the evidence presented. Typically, this evidence will be data sets that show Strategic and Operational performance, presented in response to the titles of each Results Criterion. The descriptions associated with each Attribute provide guidance on what the organisation should be looking to demonstrate.

| Table 3: Analysis of Results | | |
|------------------------------|-------------------|--|
| Elements | Attributes | Description |
| Relevance & Usability | Scope & Relevance | A set of results that clearly link to the Purpose, Vision & Strategy of the organisation are identified. The selected set of Results is reviewed and improved overtime. |
| | Usable Data | Results are timely, reliable, accurate and appropriately segmented to provide meaningful insights that support performance improvement and transformation |
| Performance | Trends | Positive trends or sustained outstanding performance over the strategic period/cycle |
| | Targets | Relevant targets are set in line with the Strategy and are consistently achieved |
| | Comparisons | Relevant external comparisons suitable to position own performance in line with the strategic direction are made and are favourable |
| | Future Focus | Based on current cause & effect relationships, analysis of data sets, performance patterns & predictive measures, the organisation understands the drivers for outstanding performance in the future |

3.4 Scoring using the RADAR Matrix Charts

EFQM and its National Partners run programmes that recognise those organisations who, when assessed against the criteria of the EFQM Model, can demonstrate outstanding, sustainable performance.

Organisations applying for recognition when assessed against the EFQM Model are scored out of 1000 points. The 1000 points are divided across the seven criteria as illustrated in the graphic below.



3.4 The EFQM Diagnostic Tool: RADAR

Scoring using the RADAR Matrix Charts

In Direction & Execution, each Criterion part is allocated equal weight within that Criterion. For example:

- Each of the 5 Criterion parts in Purpose, Vision & Strategy contributes 20% of the 100 points allocated to Criterion 1
 - a. 1.1 = 20 points
 - b. 1.2 = 20 points
 - c. 1.3 = 20 points
 - d. 1.4 = 20 points
 - e. 1.5 = 20 points
- Each of the 4 Criterion parts in Creating Sustainable Value contributes 25% of the 200 points allocated to Criterion 4
 - a. 4.1 = 50 points
 - b. 4.2 = 50 points
 - c. 4.3 = 50 points
 - d. 4.4 = 50 points

In the Results, there are no Criterion parts and so the 200 points available for Stakeholder Perception and 200 points for Strategic & Operational Performance are scored at the levels of Criteria 6 & 7.

When following the EFQM assessment approach and using the RADAR logic to score, there are two clear rules to be applied, one in association with Direction & Execution, the other with Results:

- When scoring any of the Criterion parts in Direction & Execution, the overall score in that Criterion part should not exceed that of the score given to the soundness of the approaches. No matter how well all other attributes have been scored in that Criterion part, the score derived for Sound is the “Master” of the others
- When scoring Results (Criteria 6 & 7), the overall score in each Criterion must not exceed that of the “Scope and Relevance.” No matter how well all other attributes have been scored in Criterion 6 & 7, the score derived for Scope and Relevance is the “Master” of the others.

Organisations interested in gaining external recognition for their achievements are assessed by a team of Assessors using RADAR scoring matrix charts. These scoring matrices are available for viewing on EFQM's digital platform and learning how to apply them is addressed on the Assessor training courses that EFQM and its Partners offer.

The three scoring matrices can also be used by organisations wanting to self-assess against the EFQM Model, producing a numerical value at the same time as producing a set of strengths and opportunities for improvement.

The attraction for an organisation to produce an overall score using the 1000 point scale as part of its self-assessment, as well as gaining a scoring profile against each of the seven Criteria, is that it offers an opportunity to compare with other organisations who also use the EFQM Model and RADAR logic. It also gives the organisation a starting point from which it can measure its progress, or regression, against the outcomes from future self-assessments.

4 Glossary

Agile: The organisation's ability to change direction/focus in response to an emerging opportunity or threat in a timely way.

Approach: The overall way by which something is made to happen; an approach comprises processes and structured actions within a framework of principles and policies.

Benchmarking: A systematic comparison of approaches with other relevant organisations that gains insights that will help the organisation to take action to improve its performance.

Business Model: The elements of the business that create and deliver value; these elements normally include the value proposition, the customer segments and their associated relationships, the channels used to take products, services and solutions to market, the revenue & cost streams, partners, and the critical resources and processes of the organisation.

Circular Economy: A circular economy is a regenerative approach, in contrast to the traditional linear economy, which has a 'take, make, dispose' model of production. It is an economic system which can be achieved through long-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing, and recycling http://ec.europa.eu/environment/circular-economy/index_en.htm

Community: The term community typically refers to the various individuals, groups and institutions that have a vested interest in the welfare and success of the organisation, its associated neighbourhoods and the impact that it may have on its ecosystem.

Comparisons: Data used to compare the performance of one organisation or process with another.

Competence: The ability or skill to do something efficiently and effectively.

Creativity: The ability to move away from current rules, methods and relationships to generate ideas for new or improved processes, products, services, solutions, systems or social interactions.

Culture: The specific collection of values and norms that are shared by people and groups within an organisation that influence, over time, the way they behave with each other and with Key Stakeholders outside the organisation.

Customer: The recipient of the products and/or services provided by the organisation. The Customer is one of the Key Stakeholders, in many cases the primary Key Stakeholder, for whom the organisation aspires to Create Sustainable Value.

Disruptive Thinking: Breaking free from the confines of routine thinking, getting a new, larger, different perspective, seeing things from another angle or in another light.

Diversity & Inclusion: The extent to which the people within the organisation recognise, appreciate and utilise, the characteristics that make individuals unique Diversity & Inclusion can relate to age, beliefs, class, ethnicity, physical abilities, race, religion & sexual orientation.

Ecosystem: A fundamental principle of an ecosystem is interdependence, i.e. something that happens in one part of the system may affect other parts within the system. In the context of an organisation there are many factors external to it that affect how it operates, but over which it has no control. These can include government policy, the economic and societal make-up within its region and neighbourhoods, the prevailing religious and cultural expectations of its communities, demands for sustainability and available financing.

Empowerment: The process by which individuals or teams are granted power, operate with a degree of autonomy in their actions, are able to take decision making responsibilities and have access to resources and control over their own lives. In doing so, they gain the ability to achieve their highest personal and collective aspirations and goals. When an individual is empowered, he/she has a greater sense of motivation and self-confidence.

Ethical Behaviour: Ethics are well founded standards in a culture that make a person's actions right or wrong. They influence behaviour and help an individual to make the right choices and act responsibly.

Forecast: The ability to predict or calculate what will happen or be needed in the future as a result of the study and analysis of available, relevant data.

Gender Balance: Within the context of an organisation, it relates to women having the same opportunities as men to progress their careers, including increasing women's representation in decision-making bodies.

Global Compact: <https://www.unglobalcompact.org>

Good Practice/Best Practice: Superior approaches, policies, processes or methods that lead to exceptional achievement. Since it is difficult to find out what is best, the term “good practice” is preferred by most organisations. Ways to find good practice outside the organisation can include benchmarking and external learning.

Governance: A framework of authority and control within an organisation used to help it fulfil its legal, financial, ethical and general stewardship obligations.

Innovation: The practical translation of ideas into new or existing products, services, solutions, processes, systems, organisational structures or social interactions.

Integrity: Integrity is the quality of having a strong moral or ethical code. This includes values such as respect, fairness, trustworthiness and honesty.

Intellectual Property: The value of an organisation that is not captured in its traditional financial accounts. It represents the intangible assets of an organisation and is often the difference between market and book value.

Knowledge: The expertise and skills acquired by a person through experience and education, involving the theoretical and/or practical understanding of a subject. While data are raw facts and information is data with context and perspective, knowledge is information with guidance/ability for action.

Learning: The process of gaining skills, knowledge and understanding through study and experiences.

Learning Network: A group of people with a common goal or interest who pool their individual information, knowledge and experience to actively learn together.

Manage Change: An approach for leading the transition of individuals, teams and organisations from their current state to a defined, desired future state. It is an organisational process aimed at helping those stakeholders affected by the change to understand, accept and embrace it.

Megatrends: Topics that are expected/predicted to be global influences in the coming years. These are the topics that, regardless of size, reach or Private/Public sector status, an organisation should heed if it is to remain relevant.

Partner: An external party with whom the organisation strategically chooses to work with to achieve common objectives and provide long term mutual benefit.

Partnership: A durable working relationship between the organisation and one or more partners that creates and shares greater value for both parties. Partnerships can be formed with, for example, suppliers, distributors, customers, educational establishments, consultancies or research organisations.

People: All individuals employed by the organisation (full time, part-time, including volunteers), including leaders at all levels
Perception: Whatever a Key Stakeholder may think or feel about the organisation, his or her opinion may be different to what they say about the organisation for any number of reasons. How the Key Stakeholder expresses his or her view can be achieved in any number of ways but, regardless, the reality is that the Key Stakeholder has a perception and the organisation needs to first understand and then manage this perception if it is to continue to meet its Key Stakeholder needs.

Process: A set of activities, repeated over time, that interact with one another as the output from one activity becomes the input for another activity. Processes add value for external or internal customers by transforming inputs into outputs, using resources. Typically, there are three types of processes: main or ‘core’ processes, management processes and support processes.

Prosumer: A way of segmenting an organisation’s customers beyond the more traditional definitions. The digital and online world of the 21st century offers significant potential for an organisation to engage its customers in designing the products, services or solutions they wish to consume.

Purpose Statement: A statement that describes the *raison-d’être* of an organisation i.e., what it does and why it does it and which is understood by its stakeholders.

Sell the Value: Regardless of whether the organisation is private or public sector, its value proposition, its offering, still has to be ‘sold’ to Key Stakeholders so that they will decide to take the product, service or solution on offer.

4 Glossary

Society: The social infrastructure outside the organisation that can be affected by, or, equally, can impact on the organisation. This can be representatives of the immediate Community or the Wider Society, including, for example, Special Interest Groups.

Strategy: Derived from a careful analysis of its ecosystem, the way an organisation intends to achieve, over a particular time period, its strategic priorities, moving from where it is now to where it wants to be in the future whilst remaining true to its Purpose.

Sustainability: The long-term future of the organisation, as perceived by its various Key Stakeholders, i.e. the Business & Governing Stakeholders, its People, its Community, its Partners & Suppliers.

Third Sector Organisation: An organisations that is neither public sector nor private sector. Typically, it can be a voluntary or community organisation, a registered charity, self-help or community group. Generally, the organisation is independent of government and motivated by the desire to achieve social goals. It needs to make a surplus (profit) on its actions to be financially sustainable and any profit made from its actions is reinvested in the pursuit of the organisation's ambitions.

Transparency: The situation in which collaboration, cooperation and collective decision making happens in an open manner and people can trust that business is being conducted fairly and honestly.

United Nations Sustainable Development Goals:
<https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

Value Proposition: The differentiating value that the organisation's products, services and solutions offer to customers.

Values: Operating philosophies or principles that guide an organisation's internal conduct as well as its relationship with the external world. Values provide guidance for people on what is good or desirable and what is not. They exert major influence on the behaviour of individuals and teams and serve as broad guidelines in all situations.

Vision: Description of what the organisation is attempting to achieve in the long-term. It is intended to serve as a clear guide for choosing current and future courses of action and, along with the organisation's Purpose, it is the basis for strategies and policies.

5 Acknowledgements

5.1 Introduction

Nearly 2,000 individuals contributed to the review of the 2013 EFQM Model, a process that started in June 2018 and culminated in the launch of the next generation of the EFQM Model at the EFQM Forum in Helsinki (23rd-24th October 2019).

EFQM wishes to acknowledge the support it has received from, and offer sincere thanks to, the following individuals and organisations. Without them it would not have been possible to produce what EFQM believes to be a World Class Model that any organisation can use, to help it achieve outstanding levels of performance.

5.2 EFQM Core Team

First and foremost, on the roll call of recognition for the delivery of this most recent version of the EFQM Model is the Core Team, created by EFQM to help it drive the development process. EFQM wishes to acknowledge the efforts that each and every member of the Core Team made over the duration of this project. Their professional attitude and approach to the challenge they were presented with was exemplary and their efforts and commitment to help the Foundation produce the best possible, next generation EFQM Model is highly appreciated.

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5.3 Survey respondents

Responding to 86 questions in a survey is more than a 5-minute task and receiving 1200+ responses was a strong indicator to EFQM of the level of interest in the EFQM Model renewal initiative. The survey responses provided by this second group were instrumental in enabling the Core Team to make a flying start.

5.4 EFQM Vienna Forum Workshop Participants

The third group to whom EFQM wishes to extend its thanks are the 60+ people who participated in a workshop on Day 2 of the EFQM Forum 2018 in Vienna to listen to the initial thoughts of the Core Team and respond to some challenging comments that had been identified in the survey responses.

5.5 C-Suite Interviewees

The fourth group that EFQM wishes to acknowledge, and offer thanks to, are the C-Suite individuals who agreed to be interviewed by Core Team members, responding to the question "As a C-Suite Executive: What keeps you awake at night?" Not all interviewees wished to be recognised by name in any subsequent EFQM articles or publications, so we have restricted ourselves to listing the different industry sectors that engaged in this step in the process:

- Automotive
- Aviation
- Circular Economy
- Confectionary, Food & Beverage
- Consulting
- E-commerce
- Education
- Electronics & Semiconductors: Technology: Information, Communications, Technology (ICT)
- Energy
- Financial Services
- Healthcare: Public & Private
- Industrial Automation
- Manufacturing
- Not for Profit
- Online Business
- Pharmaceuticals
- Public Sector
- Steel
- Trade Union
- Transport

5 Acknowledgements

5.6 Co-Development Testing Organisations

The fifth group worthy of mention is the 24 organisations that volunteered to enter into the Co-Development testing phase. The feedback from these organisations proved invaluable in helping the Core Team crystallise its thinking in terms of what final adjustments were necessary to ensure the EFQM Model would be fit for the future. Our sincere thanks go to the following organisations who undertook the testing in their European operations:

- Bosch Rexroth S.p.A: Italy
- CLUB EXCELENCIA EN GESTIÓN: Spain
- Enagas: Spain
- ESBAS: Turkey
- Geriatric Health Centres of the City of Graz (GGZ): Austria
- Helsana Versicherungen AG: Switzerland
- Robert Bosch GmbH, Plant Bamberg: Germany
- Robert Bosch GmbH, Plant Blaichach: Germany
- Robert Bosch Car Multimedia GmbH: Germany
- Siemens: Digital Factory: UK
- Signify: The Netherlands
- TetraPak: Italy
- UNOPS: Denmark
- Vamed: Austria
- West Lothian Council: Scotland
- Wheatley Group: Scotland
- Wiener Konzerthaus: Austria

Thanks are due also to the following organisations from the United Arab Emirates (UAE), who participated in the Co-Development testing of the Model and provided equally valuable feedback.

- Abu Dhabi Police
- Dubai Airport Free Zone Authority
- Dubai Electricity & Water Authority
- Dubai Municipality
- Dubai Police
- Knowledge & Human Development Authority (KHDA)

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5.7 Translators

The working language of EFQM is English but its Model is used in many countries around the world where English is not the first language. Benefitting from this significant global coverage is made possible due to the support EFQM receives from a cohort of translators, many of whom work for our National Partners. We thank them most sincerely for their efforts in helping us to make this latest version available in so many different languages.

5.8 EFQM Office

And last, but by no means least, the following members of the EFQM Office team who were fully involved in the development process and whose support and engagement were essential ingredients to the success of the project.

Geoff CARTER: Model Development Core Team Leader & Programme Advisor

Gianluca MULÉ: Chief Operating Officer

Samuli PRUIKKONEN: Senior Manager – Assessment & Recognition

Vinciane BEAUDUIN: Senior Manager – Digital Marketing

My sincere thanks to everyone mentioned above for your time, your thoughts and your interest in helping EFQM with its own transformation as well as the transformation of its globally recognised, leading edge Model.

Russell LONGMUIR
Chief Executive Officer
EFQM

6 Further help

Involvement & Engagement

Becoming an EFQM Member is the opportunity for you to join a network that connects organisations globally, regardless of size and sector, and provides the opportunity to share, learn and converse with peers. As an EFQM Member you are provided with professional support in designing & executing your road map for performance improvement, gaining insights as you progress. You will have access to a range of exclusive benefits that will support the organisation to overcome any challenges, manage change and deliver Sustainable Value for your Stakeholders.

Join the Community on TOTEM, the EFQM Engagement Tool. This is the place where you can share interesting articles, ask questions, post photos of your team(s) activities, at work, where they have been, what they are doing and have fun.

Access to further resources

The EFQM Knowledge Base is a repository of curated and validated content on a variety of topics, sectors, and material. You will be able to surf through success stories, insights, articles, videos, podcasts, tools or data analytics to support your organisation's improvement journey or your own personal development. www.knowledgebase.efqm.org

Training & individual certification

EFQM's training portfolio offers courses that support and help develop your ambitions to become skilled in the application of the EFQM Model. Starting with a foundation course that provides a basic understanding of the EFQM Model, you can then follow three, interchangeable paths according to your own needs:

- The Assessor Path, for those who want to become a qualified EFQM Assessor and take part in an external or internal assessment
- The Practitioner Path, for those who want to use the Model as a management tool, for instance to help manage and land change successfully
- The Lens Path where the focus is on using the Model to examine a specific management topic such as Innovation, including how to use the Model in diagnostic mode to assess your organisation's strengths and opportunities for improvement in the chosen topic.

Recognition

EFQM Recognition is a great way to demonstrate that your organisation is committed to improving its performance and being fit for the future. The different levels of recognition provide milestones on the journey, helping to motivate an organisation's people and sustain momentum.

The EFQM Global Excellence Award is the ultimate competition for recognising outstanding organisations globally. If your organisation enters into this competition it is "playing in the champions league," subjecting itself to a very rigorous assessment process conducted by a team of experienced EFQM Assessors who, collectively, have experience in different sectors and come from different cultural backgrounds.

EFQM Assessments, regardless of whether it is for an external or internal assessment, are supported by an online platform; the EFQM Assess Base. This is an intuitive platform to support your organisation as it goes through the assessment process. From a beginner to a more mature level, you will find the tool that will help you and your team to identify your strengths and opportunities for improvement. Thematic tools (Lens) on management topics such as innovation or the circular economy, are also available on this platform, enabling your organisation to gain specific information on both its process and performance in these important areas. www.assessbase.efqm.org

You can follow EFQM on LinkedIn, Twitter, Facebook or Instagram to keep on top of the latest news and what is happening within the community.

For any other information or need for support, feel free to contact us at info@efqm.org or visit www.efqm.org

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