



Asian Productivity Organization

# ***UNDERSTANDING BUSINESS EXCELLENCE***

*An awareness guidebook for SMEs*

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## 1. INTRODUCTION

This guidebook provides the gateway to business success. It explains in a simple manner what Business Excellence (BE), BE Models (BEMs), BE Assessments and the benefits of BE are. We also have a second guidebook titled “Implementing Business Excellence: An Implementation Guidebook for SMEs”. The second guidebook provides some simple tools and steps that will quickly help your organization improve its business capability and performance.

## 2. WHAT IS BUSINESS EXCELLENCE?

Business Excellence (BE) is about developing and strengthening the management systems and processes of an organization to improve performance and create value for stakeholders. BE is much more than having a quality system in place. BE is about achieving excellence in everything that an organization does (including leadership, strategy, customer focus, information management, people and processes) and **most importantly achieving superior business results.**

### **HINT – Definition of Stakeholder**



*“Person, group or organisation that has a direct or indirect stake or interest in the organisation because it can either affect the organisation or be affected by it. Examples of external stakeholders are owners (shareholders), customers, suppliers, partners, government agencies and representatives of the community or society. Examples of internal stakeholders are its people or groups of people.”*

*European Foundation for Quality Management (EFQM)(2010).  
EFQM user guide: Understanding an organisation’s stakeholders*

### **THOUGHT**



*“If you want to run a company that is sustainable beyond your life time, then yes, you should go ahead and adopt business excellence”.*

*Kenny Yap  
CEO, Qian Hu Corporation Ltd  
The first SME to win the Singapore Quality Award in 2004*

Later on we will explore in more detail “what is BE?” Now though let us find out “How good is your organization?” and how far your organization has already progressed towards BE. You can then decide if you would like some help on this journey.

## 3. HOW GOOD IS YOUR ORGANIZATION?

When was the last time you critically analyzed your organization’s performance? How has your organization been performing for the last three (3) years? Is your organization a leader or a laggard? Or do you not know how your organization compares against others? Do you even know what you should be measuring?

Of course, no one wants to be a laggard. Every organization desires to achieve higher levels of performance. This leads to the following questions:

- Why are there high-performing organizations? What did high-performing organizations do to achieve greater business results? What do these organizations practice that others do not? How did they do it?
- How, then, do we achieve greater business results for our own organization? How and when do we begin setting off on a brand new journey?

Fortunately, there has been considerable research undertaken on how high performing organizations have achieved their success. This is good news as it means you do not need to do the research! The key ingredients for success have been encapsulated in a set of “BE Core Values and Concepts” which we will come to later in Section 4.1. Before browsing through the next section, let us do a self-analysis of your organization.

Based on a rating below (see Figure 1), please indicate your organization’s level of agreement with the following statements:

<b>Rating:</b> 0 = Disagree    1 = Partly agree    2 = Mostly agree    3 = Fully agree	
Statements	Rating (0 - 3)
1. We have a clear vision (we know where we want to go) and this is clearly communicated to all managers and employees.	
2. Our leadership team is always seeking new ways to sustain and grow the organization.	
3. We hold discussions and meetings to see how we can address and minimize the negative impact of our products, services, processes and sites to the environment and community.	
4. We regularly track and assess our customers’ needs and requirements, and their satisfaction levels.	
5. We seek, monitor and record customer complaints and take appropriate action to ensure that problems do not occur again.	
6. We encourage individual initiative, innovation, rapid response, cooperation and effective communication throughout our organization.	
7. We develop succession plans for leadership and management positions, and career progression plans for employees.	
8. We determine and monitor the key factors that affect employee well-being, satisfaction and motivation so that we can improve the work environment.	
9. We have many initiatives in place to improve the quality of our processes, products and services.	
10. We track daily operations and overall organizational performance using a full range of information (e.g. financial, customer satisfaction, employee satisfaction, environmental, suppliers, and key processes).	
Total score	

**Figure 1 – Simple business excellence assessment**

Now let us review what your score means in terms of BE (see Figure 2).

<b>Total score</b>	<b>Interpretation of total score</b>
25 – 30	Congratulations! Your organization is on the road to BE and serves as a model for others in the business.
19 – 24	Your organization is showing sincere efforts in implementing improvement initiatives and is ready to achieve greater heights in BE.
13 – 18	Your organization has started its BE journey. You need a more systematic approach to improvement that considers how BE can be more widely used in all parts of the business – both horizontally across all processes and vertically through all tiers of management. This is a good time to undertake a comprehensive business excellence self-assessment to identify your strengths and opportunities for improvement.
7 – 12	Your organization has some understanding of the basics of BE but implementation of systems has been sporadic or poor. There is a need to re-evaluate the direction and capabilities of your organization and staff, and potentially seek BE assistance so that your organization can move to the next level.
0 – 6	Your organization would benefit from implementing some basic management systems such as a performance measurement system to sustain your business; otherwise the future of your organization is at risk.

**Figure 2 – Scoring guide for simple business excellence assessment**

*To improve your score consider the following:*

- Review your organization’s mission and vision with your employees, customers, and other stakeholders. Try to make your mission and vision inspiring and easy to communicate.
- Have a meeting with your leaders and managers and write down examples of how they are implementing the mission and vision, and discuss what more could be done.
- Undertake a survey to assess whether the development needs and well-being of your people are being met. Identify a few simple actions that can improve the situation.
- Review the data and facts you use to support business plans, decisions and daily management of the business. Do you have too much data and too little time to make sense of the data, or do you need more data so that decisions are based on facts rather than gut feeling?
- Select one key process and assess whether it can be improved. Begin with a blank piece of paper and consider if you were developing the process today what should it look like (draw a process flow chart) and the level of performance you would expect. Compare this with what you currently have to see if the process can be improved.
- Check that you have performance results for each key stakeholder (shareholders, customers, employees, suppliers, and local community). Ensure that someone is responsible for recording and reporting these results on a regular basis and can provide examples of actions they have taken to improve the results. If no actions have been taken then consider whether the measure is useful or if someone needs to take greater responsibility for improving performance in that area.

**REFLECTIONS:**

- After answering all the questions, what is your decision?
- Are you ready to take on the challenge to BE?

## 4. UNDERSTANDING BUSINESS EXCELLENCE

To prepare for the BE challenge, the remainder of this guidebook will provide you with an understanding of BE and describe the benefits of BE. To implement BE, please refer to the second guidebook titled “Implementing Business Excellence: An Implementation Guidebook for SMEs”

To understand BE, it is necessary to understand the core values and concepts from which Business Excellence Models (BEMs) were derived. In this section, the core values and concepts, BEMs, and their relationship are explained along with a description of how BE relates to the use of other improvement initiatives your organization may be undertaking.

### 4.1 Business Excellence Core Values and Concepts

BE core values and concepts (refer to Figure 3) are the attributes, beliefs and/or behaviors that BE organizations exhibit. They are the foundations of BE and are embedded into the fabric of successful organizations.

- **Visionary leadership:** Your organization’s senior leaders should set directions and create a customer focus, clear and visible organizational values, and high expectations for the workforce. The directions, values, and expectations should balance the needs of all your stakeholders.
- **Customer-driven excellence:** Performance and quality are judged by an organization’s customers. Thus, your organization must take into account all product features and characteristics and all modes of customer access and support that contribute value to your customers.
- **Organizational and personal learning:** Achieving the highest levels of organizational performance requires a well-executed approach to organizational and personal learning that includes sharing knowledge via systematic processes. Organizational learning includes both continuous improvement of existing approaches and significant change or innovation, leading to new goals and approaches.
- **Valuing workforce members and partners:** An organization’s success depends increasingly on an engaged workforce that benefits from meaningful work, clear organizational direction, and performance accountability and that has a safe, trusting, and cooperative environment.
- **Agility:** Success in today’s ever-changing, globally competitive environment demands agility - a capacity for rapid change and flexibility.
- **Focus on the future:** Ensuring an organization’s sustainability requires understanding the short and longer term factors that affect your organization and marketplace.
- **Managing for innovation:** Making meaningful change to improve an organization’s products, services, programs, processes, operations, and business model to create new value for the organization’s stakeholders.
- **Management by fact:** Organizations depend on the measurement and analysis of performance. Such measurements should derive from business needs and strategy, and they should provide critical data and information about key processes, outputs, and results.
- **Societal responsibility:** An organization’s leaders should stress responsibilities to the public, ethical behaviour, and the need to consider societal well-being and benefit.
- **Focus on results and creating value:** An organization’s performance measurements need to focus on key results. Results should be used to create and balance value for your key stakeholders.
- **Systems perspective:** Managing your whole organization holistically and understands how its components interact, and are aligned to achieve success.

Figure 3 – Core values and concepts of 2011-2012 Baldrige Criteria for Performance Excellence

### 4.2 What is a Business Excellence Model?

Business Excellence Models (BEMs) were first called Total Quality Management models. Today they are usually referred to as Business Excellence Models – this term helps to communicate the importance of “excellence” in all aspects of a business, not only product and process quality. The models, such as Figure 4, are used to assess how well BE core values and concepts (the ingredients of success) are embedded in an organization. These models are now used in at least 83 countries as a key mechanism to help businesses to improve.

BEMs help organizations to assess their strengths and areas for improvement and guide them on what to do next. BEMs provide senior managers with a holistic method with which to manage their business and get buy-in to key decisions that will lead to sustainable and measurable success. In a sense, the BEMs serve as the organization’s own internal business consultant – ensuring that business decisions incorporate the needs of all stakeholders, are aligned to the organization’s objectives and take into account current thought on international best practices.

Figure 4 shows the Baldrige Criteria for Performance Excellence (CPE) which is used in the United States but has been adopted in many countries in Asia (in some countries small revisions have been made to it). The model is composed of seven categories. Six of these, labeled 1 to 6, are called the ‘Process’ categories and the other is called the “Results” category. The processes show what an organization does and the Results show what an organization achieves. Good processes lead to good results.

Organizations use BEMs to understand and assess which processes need to be improved to improve results. When considering an organization’s level of excellence it is important to take into account the ‘Organizational Profile’ (as shown at the top of Figure 4) as every organization is different. This considers an organization’s environment, key working relationships, and strategic situation - including competitive environment, strategic challenges and advantages, and performance improvement system.

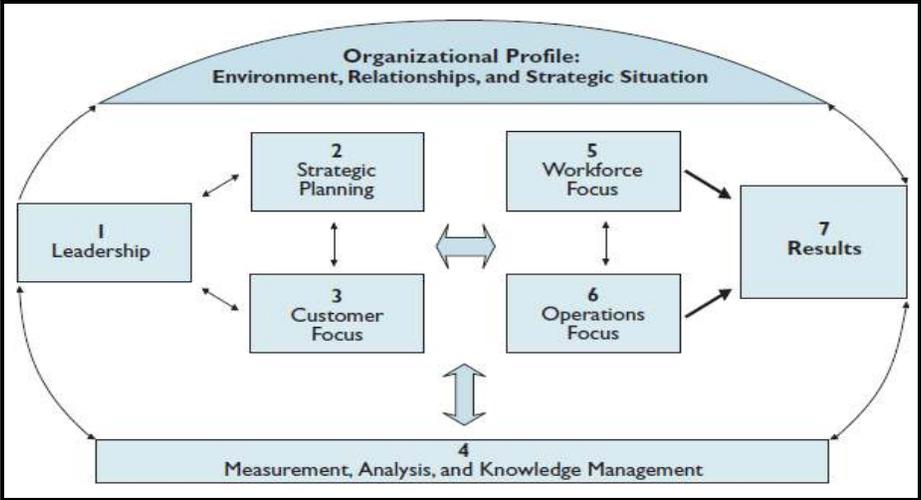


Figure 4 – 2011-2012 Baldrige Criteria for Performance Excellence

Whilst Figure 4 provides an overview of a BEM, Figure 5 shows in more detail the seven categories. The categories are broken down into items. Figure 6 shows the scores attached to each item – indicating their importance. This weighting can vary dependent on the BEM but most BEMs have a maximum score of 1000 points. The scoring is important when organizations apply for a national BE award as it enables the BE maturity of applicant organizations to be compared. When an organization is not applying for an award, the scores are useful for tracking year on year improvements.

Whilst scores are important for monitoring progress, the main value from using BEMs is that they help organizations to clearly understand their strengths and opportunities for improvement for each category and/or item. This information helps organizations to identify what they need to do to improve.

- 1 **Leadership:** examines how your organization’s senior leaders’ personal actions guide and sustain your organization. Also examined are your organization’s governance system and how your organization fulfills its legal, ethical, and societal responsibilities and supports its key communities.
- 2 **Strategic Planning:** examines how your organization develops strategic objectives and action plans. Also examined are how your chosen strategic objectives and action plans are implemented and changed if circumstances require, and how progress is measured.
- 3 **Customer Focus:** examines how your organization engages its customers for long-term marketplace success. This engagement strategy includes how your organization listens to the voice of its customers, builds customer relationships, and uses customer information to improve and identify opportunities for innovation.
- 4 **Measurement, Analysis, and Knowledge Management:** examines how your organization selects, gathers, analyzes, manages, and improves its data, information, and knowledge assets and how it manages its information technology. The category also examines how your organization uses review findings to improve its performance.
- 5 **Workforce Focus:** examines your ability to assess workforce capability and capacity needs and build a workforce environment conducive to high performance. The category also examines how your organization engages, manages, and develops your workforce to utilize its full potential in alignment with your organization’s overall mission, strategy, and action plans.
- 6 **Operations Focus:** examines how your organization designs, manages, and improves its work systems and work processes to deliver customer value and achieve organizational success and sustainability. Also examined is your readiness for emergencies.
- 7 **Results:** examines your organization’s performance and improvement in all key areas—product and process outcomes, customer-focused outcomes, workforce-focused outcomes, leadership and governance outcomes, and financial and market outcomes. Performance levels are examined relative to those of competitors and other organizations with similar product offerings.

**Figure 5 – Description of the seven categories of 2011-2012 Baldrige CPE**

Categories and Items		Point Values
<b>1</b>	<b>Leadership</b>	<b>120</b>
	1.1 Senior Leadership	70
	1.2 Governance and Societal Responsibilities	50
<b>2</b>	<b>Strategic Planning</b>	<b>85</b>
	2.1 Strategy Development	40
	2.2 Strategy Implementation	45
<b>3</b>	<b>Customer Focus</b>	<b>85</b>
	3.1 Voice of the Customer	45
	3.2 Customer Engagement	40
<b>4</b>	<b>Measurement, Analysis, and Knowledge Management</b>	<b>90</b>
	4.1 Measurement, Analysis, and Improvement of Organizational Performance	45
	4.2 Management of Information, Knowledge, and Information Technology	45
<b>5</b>	<b>Workforce Focus</b>	<b>85</b>
	5.1 Workforce Environment	40
	5.2 Workforce Engagement	45
<b>6</b>	<b>Operations Focus</b>	<b>85</b>
	6.1 Work Systems	45
	6.2 Work Processes	40
<b>7</b>	<b>Results</b>	<b>450</b>
	7.1 Product and Process Outcomes	120
	7.2 Customer-Focused Outcomes	90
	7.3 Workforce-Focused Outcomes	80
	7.4 Leadership and Governance Outcomes	80
	7.5 Financial and Market Outcomes	80
<b>TOTAL POINTS</b>		<b>1,000</b>

Figure 6 - Weighting/scores attached to 2011-2012 Baldrige CPE



“If you want sustainability in an organization, and you want to go from “great” to “really, really great,” you’ve got to have some kind of a model . . . and Baldrige is that model! . . . MidwayUSA has benefitted tremendously from the Baldrige Criteria: Our sales are up over 20 percent per year over the last five years. Our profits are up over 40 percent per year for that same time. Customer satisfaction at 93 percent is at an all-time high. Employee satisfaction at 82 percent is at an all-time high also. All the winds are blowing in the right direction at MidwayUSA and it’s all because of our efforts in engaging the Baldrige Criteria”.

Larry Potterfield  
 CEO of MidwayUSA  
 2009 Baldrige Award recipient

[http://www.nist.gov/baldrige/publications/upload/2011\\_2012\\_Business\\_Nonprofit\\_Criteria.pdf](http://www.nist.gov/baldrige/publications/upload/2011_2012_Business_Nonprofit_Criteria.pdf)

### 4.3 The relationship between Business Excellence Models and Core Values and Concepts

Figure 7 shows that the core values and concepts are at the centre of BE. It is the core values and concepts that are important to embed inside an organization. The BE processes and results are located at the outer rim of the core values. One can see from the figure that the core values and concepts cut across and impact on all the BE processes and results. For instance, “Managing for Innovation” is an important part of all BE processes. Therefore, it is important to know:

- How does the leadership team provide an environment for innovation?
- How do strategies encourage innovation in products, operations, and service delivery?
- How do operational processes enable the achievement of innovative designs for products and services?
- How does listening to the customer, identify opportunities for innovation?
- How does comparing performance and systems with other organizations assist innovation and improvement?
- How does organizational culture benefit from the diverse ideas, cultures, and thinking of a workforce?

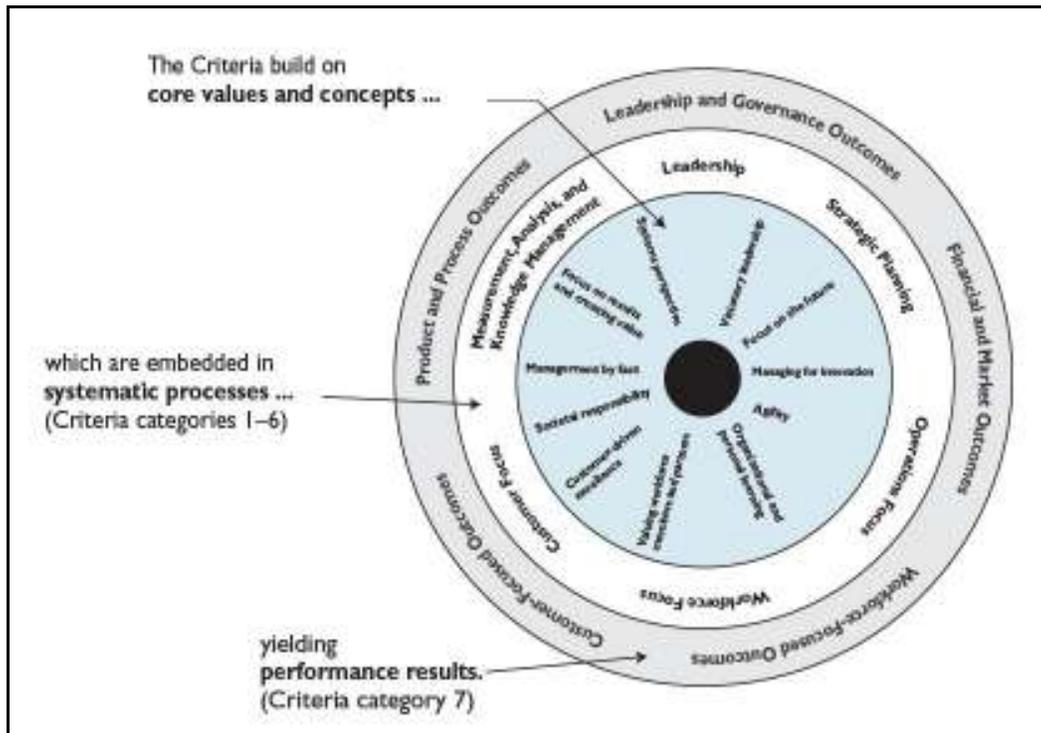


Figure 7: The linkages between processes, results and core values and concepts of Baldrige CPE



**“Good business leaders create a vision, articulate the vision, passionately own the vision, and relentlessly drive it to completion.”**

*Jack Welch, Chairman GE*

**“Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction and skillful execution; it represents the wise choice of many alternatives”.**

*William A. Foster*

**“If you can't describe what you are doing as a process, you don't know what you're doing”.**

*W. Edwards Deming*

**“Quality is what the customer says it is”.**

*Feigenbaum*

**“You cannot have a better investment than in people”.**

*Heinrich Grafe, General Manager, Conrad Centennial Singapore  
Recipient of Singapore Quality Award and Service Excellence Award in 2007*

**“The business excellence journey has strengthened the management of information. The alignment and integration of process across business units have enhanced efficiency and effectiveness. The integration of processes and information has also aided staff to see the big picture and understand how one function can affect the others”.**

*Lim Siew Lang, Director of Information Technology, ST Electronics  
Singapore Technologies Engineering Ltd, Recipient of Singapore Quality Award with Special Commendation in 2007*

**“The business excellence framework highlighted the once-not-so-visible processes and created greater awareness of performance measures in the organization. More importantly, business excellence represents the underlying platform for other improvement initiatives”.**

*Chow Khin Choong, Manager, ST Kinetics, Singapore Technologies Engineering Ltd.  
Recipient of Singapore Quality Award with Special Commendation in 2007*

#### **4.4 Business Excellence Models as an overarching framework**

BE is not an initiative. BE is a management philosophy based around performance improvement and meeting and surpassing stakeholder needs. It is a belief in a set of core values and concepts (see Section 4.1) that overtime have delivered success for many organizations. So, whether it is a large corporation, a university, hospital or a small and medium enterprise, BE can be applied to boost organizational performance.

BE can be achieved through the successful integration and application of a range of improvement programs, initiatives and quality tools (see Figure 8). The framework shown in Figure 8 should serve as a guide as it provides examples of the types of improvement initiatives / tools that could be used (there are many others).



**Figure 8 - BEM as an overarching framework for managing numerous improvement programs, initiatives and quality tools within an organization**

**THOUGHT** 

**“I think where organizations get off track is when they think Baldrige is just an initiative, rather than a model for organizing and managing the enterprise and all its initiatives. If Baldrige is reduced to an initiative, rather than an overall model and a way of thinking, then organizations can say they have done it and moved on. We see this all the time. But in organizations that embrace the Baldrige Framework as an overarching model, they never move beyond it. This includes very high-performing organizations, including our Award recipients.”**

*Jamie Ambrosi, Deputy Director,  
Baldrige Performance Excellence Program*

## 5. BUSINESS EXCELLENCE ASSESSMENTS

BEMs are essentially assessment models. They are used to assess an organization's strengths and areas for improvement. From this information, senior management can make sensible decisions on the actions needed to achieve the desired results.

There are many different ways that organizations can assess their systems and performance against BEMs. The five principal ways are:

(1) **A questionnaire approach.** Consists of a set of questions to assess an organization's performance for each category item. The results can then be analyzed to determine appropriate actions.

(2) **A pro forma approach.** This involves forms being designed for all of category items. Each form would require the organization to record how it addressed that particular item, its strengths, weaknesses, and actions for improvement.

(3) **A workshop approach.** This approach usually involves a senior management team gathering data and evidence to present to peers at a workshop. At the workshop, performance against the model is scored and action plans are agreed upon.

(4) **A matrix chart approach.** This involves the creation of a company specific achievement matrix within the framework of a BEM. It typically consists of a series of statements of achievements for each category using a scale of 1-10 points. Individuals or teams use the matrix to score their business processes/organization.

(5) **An award approach.** This approach involves writing a full submission document along the lines described by the administrators of a country's national BE award. Based on the evidence within the submission document and supporting evidence from a site visit, internal or external assessors evaluate the organization and provide feedback.

The decision of which approach to use depends on the company's objectives and level of BE maturity. In general, it is recommended that companies in the first instance use a questionnaire approach and then develop, once they are more mature, a more sophisticated approach. Whichever assessment approach is used it is recommended that all the senior management team are involved and at least a cross-section of employees so that a consensus view on the state of the organization and the actions required is obtained. Involving a wide-group of participants will help everyone to understand the issues the organization is facing and lead to a greater level of buy-in to any actions that follow.

For assistance in undertaking a BE assessment, please contact your national BE administrator, their contact details can be found at [www.apo.bpir.com](http://www.apo.bpir.com).

## 6. THE USE OF BUSINESS EXCELLENCE MODELS IN ASIA

There are numerous BEMs used in Asia. Asian countries and member countries of the APO with business excellence awards are China, Fiji, India, Indonesia, Iran, Japan, Korea, Malaysia, Mongolia, Nepal, Pakistan, Philippines, Republic of China, Singapore, Sri-Lanka, Thailand, and Vietnam. The criteria elements of some of the BEMs used in Asia are shown in Figure 9. The most common model in Asia is the Baldrige CPE (and many of those that now differ from the current Baldrige CPE were based on earlier versions of the Baldrige CPE).

No	Hong Kong, Indonesia, Pakistan, Philippines, Thailand and Sri Lanka	Japan	Singapore	Malaysia	Republic of China	India*
	2011-2012 Baldrige Criteria for Performance Excellence	Japan Quality Award Criteria	Singapore BE Framework	Malaysia BE Framework	ROC National Quality Award Framework	EFQM Excellence Model
1	Leadership	Leadership	Leadership	Leadership	Leadership	Leadership
		Social responsibilities of management				
2	Strategic Planning	Strategic planning and deployment	Planning	Planning	Strategic Management	Strategy
3	Operations focus	Value creation process	Processes	Processes	Process Management	Processes, products and services
					R&D and innovation	
4	Customer focus	Understanding and interaction with customers and markets	Customers	Customers	Customer and Market Focus	
5	Measurement, analysis and knowledge management	Information management	Information	Information	Information Management	
6	Workforce focus	Individual and organizational ability to improve	People	People	Human Resource and Knowledge Management	People
7	Results	Activity results	Results	Results	Results	People results
						Customer results
						Society results
						Key results

\* Note: India has four national quality / BE awards: (1) CII-EXIM Bank Award for Business Excellence (EFQM Excellence Model), (2) Rajiv Gandhi National Quality Award (Rajiv Gandhi National Quality Award criteria), (3) IMC Ramkrishna Bajaj National Quality Award (IMC Ramkrishna Bajaj National Quality Award criteria), (4) Golden Peacock National Quality Award (Golden Peacock National Quality Award criteria)

**Figure 9 - Criteria of several BEMs in Asia in 2011**

## 7. THE BENEFITS OF BUSINESS EXCELLENCE FOR SMALL AND MEDIUM ENTERPRISES

Research on the overall benefits of using BEMs indicates that organizations with a BE approach obtain significant operational and financial benefits. Research has shown that SMEs obtain benefits more quickly than large organizations as they can move quickly to make changes to how their business is run. A list of SME benefits is shown below:

### **FACT**

***A National University of Singapore study shows that enterprises certified to the Singapore Quality Class (SQC) have consistently outperformed their counterparts in the industry by an average of 50% in terms of sales growth over a five-year period. Those that had won the Singapore Quality Award (SQA) achieved an even higher sales growth of 75% above the industry average***

*SPRING Singapore*

- i. BEMs help organizations to understand how well all the different functions, units, processes, systems are working together to produce the desired business results. This helps managers and employees to understand their business better and make better decisions
- ii. BEMs help managers and employees to have a common viewpoint on the health of their organization and the key issues that are faced. This enables managers and employees to unite together to tackle the issues and move the organization forward.
- iii. BE helps SMEs to implement a cohesive improvement strategy which integrates a range of improvement initiatives, tools and/or techniques such as Improvement Teams, Lean, Statistical Process Control (SPC), ISO9001, ISO 14001 and Balanced Scorecard. BEMs can be used as an overarching framework for managing and aligning various organizational improvement initiatives. The adoption of the most appropriate improvement initiatives varies according to the organizational situation and level of the organization's maturity.
- iv. BE helps organizations to address various business challenges. 'Strategic Planning' helps to address changes in the business environment such as the financial crisis. 'Workforce focus' helps to address human resources, cultural and social issues. 'Operations focus' helps to address multiple legal requirements and international standards. 'Leadership' helps to address accountability, corporate governance, environmental and societal issues.
- v. Many SMEs cannot afford to have independent directors or consultants to assess and appraise the management and health of their organization on a regular basis. Regular BE self-assessments can go some way in fulfilling this role and ensuring that due diligence is paid to the development of the business and key risks are identified and addressed.

Other benefits from BE:

- i. BE assessments serve as an organizational health check.
- ii. External BE assessments (undertaken by independent evaluators) provide an outsider's view on the health of the organization and enable the organization to be considered for a quality / BE award.
- iii. Achieving BE certification or winning a quality / BE award provides public recognition.
- iv. BE assessments enable organizations to compare their performance against others both domestically and globally.
- v. BEMs provide a common framework for learning and sharing 'best practices' both within and between organizations.
- vi. BEMs help SMEs to develop a systematic and robust system that supports rapid growth and expansion whilst ensuring alignment of strategy.

### SUCCESS STORIES



- The leading provider of print, value-chain management and logistics services in Singapore was one of the early adopters of the BE framework back in 1997.
- It adopted a strategic business innovation process to develop new business models and business streams.
- It leveraged on technology to improve its processes and support the business innovations.
- It has established an international presence in 12 countries and it has become the preferred partner of global brands such as Microsoft, IBM and Hewlett-Packard.
- From 2003 to 2008, it tripled its productivity.

*Teckwah Industrial Corporation Ltd  
SME recipient of the Singapore Quality Award (2006)*

- The company has progressed from a general ship repairer to a market leader in turbocharger repair solutions.
- It has a strong customer-focused ethos which is evident from its good track record of highly satisfied customers and ability to retain large shipping companies as key customers.
- By using the BE Framework, the company addressed the key challenges of maintaining its competitive edge, retaining its talents, optimizing resources, and continuously innovating.
- The framework enabled the company to align its productivity improvement initiatives such as Kaizen and Six Sigma with its business objectives, and integrate them with related initiatives.
- It's value-added per employee, averaged over a three-year period, was double the industry average.

*Tru-Marine Pte Ltd  
SME recipient of the Singapore Quality Award (2009)*

- The company provides waterproofing products and services and started its BE journey in 2002.
- It adopted a robust business planning process which was supported by a comprehensive performance management system and other initiatives to develop the capabilities of its people.
- These improvements have led to significant productivity improvements.
- Bestcoat's productivity was on average 32 percent higher than its industry counterparts.

*Bestcoat Contract Services  
SME recipient of the Singapore Quality Class*

### **SUCCESS STORIES - Continued**



- The company started as a small automotive moulding manufacturer to Malaysian national cars (Proton and Perodua) and later expanded its market to multinational companies such as Suzuki, Ford-Mazda, Mitsubishi, Toyota and General Motors.
- It was selected for the Japan-Asean TQM project as a first generation of TQM Model Company in Malaysia.
- Supported by a strong leadership and a successful implementation of improvement initiatives such as ISO9000, QS 9000, Kaizen, Lean Production System and Total Productive Maintenance. The implementation of these initiatives has led to significant quality, delivery, cost and moral improvement throughout the company.
- Over time, the company has expanded from merely producing simple parts to creating the complete range of components through sheer dedication and a relentless commitment to excellence which subsequently led to its being listed publicly on the Main Market of Bursa Malaysia in April 2001.

*Ingress Corporation Berhad  
SME recipient of the Malaysia Quality Management Excellence Award (2001)*

### **Some Key Findings from the APO's 2009/2010 Impact of Business Excellence Project**

- BE has a major impact on competitiveness and performance.
- While awards are important, they are for recognition and not the prime motivator for the majority of companies. The prime motivator is to "improve performance".
- BEMs are relevant for long-term competitiveness and sustainability.
- BEMs are overarching frameworks within which other initiatives/quality tools fit.
- Organizations should focus on implementing the core values and concepts of BE – the BEMs just assess where you are on your journey.
- BE help organizations to deal with various business challenges including meeting requirements of multiple standards and regulations, government policy and trade tax, financial crisis, cultural and social integration, diseases (Swine flu/epidemics), and environmental issues (Green house effect, CO<sub>2</sub> eliminated, climate, green products, recycling).
- Surveyed companies, on average, improved their performance from average performance in their industry before their first BE assessment to above average performance (measured in terms of their business results).

## 8. FURTHER INFORMATION

This guidebook has described what business excellence is and why it is important for SMEs. For further assistance, you should contact your local national custodian for Quality, Productivity and/or BE. For more information on your local National Productivity Organization (NPO), including contact address, please link to: [http://www.apo-tokyo.org/04npo\\_list.htm](http://www.apo-tokyo.org/04npo_list.htm).

The prime links for you to obtain information about BE are as follows:

- Business Performance Improvement Resource (<http://www.apo.bpir.com>)
- Baldrige Performance Excellence Program (<http://www.nist.gov/baldrige/>)
- European Foundation for Quality Management (EFQM) (<http://www.efqm.org/en/>)
- Singapore Quality Award (SQA) (<http://spring.gov.sg/BE>)

For further information on the Asian Productivity Organizations (APO), link to: <http://www.apo-tokyo.org>

## 9. ABOUT THE MAIN CONTRIBUTORS

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