

Assessing global companies

and other large organisations





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Contents

Executive summary	2
Introduction	3
Link to strategic planning process	3
Why assess at a global level?	3
1 Defining the objectives, benefits and business needs	4
Benefits for management	5
Business needs	5
2 Setting the scope	6
3 Key design parameters for Global assessment	8
Focus on either global or local issues	9
Use of internal, peer or external assessors	9
Depth of analysis and number of associates involved in assessment	9
Other parameters	10
Assessment as a mandatory requirement	10
Assessments linked to a collective bonus award	10
Uniformity or customisation of Excellence Model by market	10
4 Selecting the best approach for your situation	11
5 Practical guidelines for each approach	13
5.1 Assessment conducted by top management	14
5.2 Assessment at key sites with focus on global issues	15
5.3 Assessment at individual sites by peers	16
5.4 Assessment based on national Excellence Models	17
5.5 Assessment at individual sites with a collective bonus award	18
6 Consolidation of results	19
Calibration of scores from assessments at different sites	20
Combining and averaging scores	20
Appendix	21
EFQM Award process for Global Organisations	22
Cooperation with other Excellence Organisations	22
Types of Global Application	22
The documents needed for a Global Application	22
The Award process for a Global Application	23
Contributors	24
Additional resources	24

Executive summary

Are you doing everything it takes to implement your strategy brilliantly around the world?

Turning strategy into action takes a lot more than just a clear vision and collective will (though they definitely help!).

What today's leaders – and their organisations – need are strong problem solving skills, a deep awareness of what constitutes excellent performance for their business and a shared understanding in every corner of the world in which the business operates of what it takes to achieve it.

Today, every business operates in a global context – and this includes local businesses. After a wave of digitalisation, off-shoring and outsourcing, organisations are coming back to basics. Making these strategies work is now the highest priority. Effective implementation of business strategies is widely recognised as the key challenge of today's senior executives – and one that is not such a simple matter in increasingly complex organisations which span several countries. Promises made to the board and stakeholders are under intense scrutiny: failing to deliver effectively and on time is no longer tolerated.

Understanding the capability of the organisation is vital, both before and after promises are made. Where are your strengths and weaknesses in delivering the business strategy? Which areas need your particular attention? Who doesn't have the resources or processes that are required?

EFQM provides proven techniques which can be used in such assessments at the Operating or Business Unit level and, using an approach similar to those we outline in the accompanying guidelines, can provide integrated insights into global business capabilities to ensure that strategy is linked to implementation.

How these guidelines can help

Experience shows us that the first important step in any plan to undertake a global assessment is clarity of purpose, i.e. what benefits are we looking to get out of the exercise? There is no single right answer to this question, each situation is different. For one organisation it can be better to identify where the good practices are living and breathing in the Company, allowing for further deployment of those practices, for another, it can be to identify the gap between current state and desired state with a high degree of confidence and rigour.

Our working group of 15 companies, which operate in all regions of the world, has developed a short catalogue of proven approaches to global assessment. This document can provide inspiration and guidance to managers tasked with setting up an approach to global assessment, or it can be used to review how such assessments are currently conducted.

The guidelines help managers engaged in global assessment to understand the benefits and risks of various proven approaches, and help them design the best approach in responding to their specific business needs. Validated approaches and tools for global assessment are only part of the answer; it is also our aim to share what works in practice. A series of real-world cases are available on-line to support these guidelines, showing how some of our member companies have successfully implemented global assessment.

We also encourage globally operating companies to be increasingly ambitious – and to eventually seek Award level status for their global operations, a process that is also defined in these guidelines.

Introduction

These guidelines review best adapted approaches to understanding business capability and performance across multiple operating units, in different countries and potentially across different regions. The guidelines are based on the practical experience of global companies within the EFQM network, each of which is enthusiastic to share what works.

We provide a catalogue of typical approaches to guide those given the task of implementing assessment across countries or regions, accompanied on-line by a series of similarly structured cases from member companies.

Link to strategic planning process

Global assessment can provide valuable inputs to the strategic planning process, as:

- Input to the mid-term planning process: the top issues are positioned against the strategic goals of the company
- Detailed feedback is used to set annual targets and action plans

Why assess at a global level?

The business world has been transformed through globalisation over the last twenty years, with waves of change driven by outsourcing, digitisation and offshoring. The 21st century corporation can be a complex organisation: a network of companies, suppliers and contractors operating simultaneously on distributed processes in several parts of the world.

Steps in designing the best adapted approach to Global assessment

Objectives

Understand management expectations for the assessment of the business
Define the business need and set goals for the global assessment



Scope

Set the scope – in terms of business units, operating entities, functions and participants which are to be covered by the global assessment



Parameters

Selecting the most appropriate choice for the key design parameters, such as a focus on global or local issues



Managing the implementation of strategy and identifying areas for improvement within such organisations is no simple task, and many companies are now challenged by their own complexity to identify and prioritise attention.

Understanding where today's global business can perform better requires a systematic and integrated review of capabilities across several countries. The EFQM Model provides a common structure and measures which can be used in such assessments at the operating or business unit level and, together with these guidelines, provide insights at a global or regional level.



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1 ■ Defining the objectives, benefits and business needs