

## THOUGHTS ON THE DEFINITION OF ORGANISATIONAL EXCELLENCE

D&D Excellence Ltd

The European Foundation for Quality Management's definition is that "*Excellent organisations achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders*". (The word 'outstanding' replaces the word 'superior' that was used in the 2010 definition.)

When D&D has been asked in the past, we have always felt that it is also about building a culture of improvement.

We also think a general definition must be open to some conjecture, because management literature does not seem to reveal a definitive statement. Dictionary definitions concern 'excelling': superiority, or having an unusual degree of good qualities. This is not scientifically precise.

### Key phrases in the EFQM definition

The EFQM has not published additional guidance on the background to their definition. Although the elements of the definition are linked into a whole, we think it is worth looking at three elements in particular.

- ❖ *sustain*: 'Excellence' is not just about hitting your targets this month, quarter, or even year. It is about longevity. Although assessment with the Excellence Model looks for trends of at least three years, this is not really long term sustained good performance in itself but a prerequisite for building towards it. There is not a defined period for sustained performance, but common sense suggests it would run into many years.
- ❖ *meet ... expectations of all their stakeholders*: a key word here is all stakeholders. It is not just about keeping one group of stakeholders happy, it's about balancing the needs of all.
- ❖ *outstanding ... performance*: in concept it may be possible for a firm to be meeting the needs of all stakeholders over a few years, but unless there is some superior performance compared with competitors on important issues there will be the very real risk of failure.

### Our own supplementary point

As we touched upon above when talking of a culture of continuous improvement, we believe Organisational Excellence is a state of mind as well. One would not describe an organisation with a terrible performance as 'excellent'. But if it really wants to get better and works hard at it, building a continuous improvement culture in all its people, arguably it is more in tune with excellence than a company with a great performance which thinks it need not do anything, especially if the latter's results have been largely achieved by a top-down command culture.

### Do something useful!

So for us organisational excellence is about delivering good results and a relentless pursuit of improvement in the way those results are achieved. But it should not be about spending too much time debating the precise meaning of Organisational Excellence. Nothing actually happens until you DO SOMETHING.

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Rather than spend time on a precise conceptual definition of Excellence, we suggest that in the real world you will be better off by accepting a broad explanation of the term, and then spend real time defining what it means for your own organisation including, perhaps, your Vision and Mission, and articulating your longer term goals into SMART targets. And then of course developing and implementing the plans to get there.

#### Excellence, an analogy

For people who like something closer to an illustrative example than a definition, see how this fits.

**“The Excellence Model is like porridge, and your mum would approve.”**

Your mum used to tell you that porridge was good for you. If you liked it, all well and good. If you thought it was boring, you probably suffered until you made your own decisions and changed to a more fashionable breakfast. It may have tasted good – possibly better than porridge - and it might even have been good for you.

But you get older and the body starts creaking a bit. You read up on healthy eating, and you find that porridge really does have many health giving qualities. Your mum was right all along. Something that you thought old-fashioned and boring was very good for you!

The EFQM Excellence Model has been around now for close on 20 years – an age in a time when many management fads come and go rapidly. It’s seen by many as too basic (or too complicated, dependent on their views!), and not the latest thing to buy so that the organisation appears up to date and fashionable. But there is research that it can work, and its essence is actually quite straightforward.

This is not to advocate an organisational improvement diet solely of the Excellence Model – any more than your wise mum would have fed you just porridge. But just as a breakfast of porridge can set you up healthily, the Excellence Model and its fundamental concepts can act as a foundation for a healthy organisation – and help you understand where and how other improvement activities will help you.

(With thanks to Joe Liddane of Setanta Performance International for the original idea.)

#### Summary

We hope this is useful. But remember that it is thinking about the organisation - and acting constructively on those thoughts - that will deliver improvements, not debating the exact meaning of ‘Excellence’.

Dave Richards & Derek Medhurst  
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