



NZ Sectoral & Regional Business Excellence Awards Criteria

Level 2

2009

<region> BUSINESS EXCELLENCE AWARDS

INFORMATION AND GUIDELINES FOR ENTRANTS

These guidelines are designed to assist entrants in the <region> Business Excellence Awards to complete their entries.

To achieve the full benefit of these guidelines it is recommended that entrants attend one of the workshops scheduled for <dates> where the business excellence evaluation criteria and the application and evaluation process will be fully explained. There will be full opportunity for questions and discussion.

Return <number> copies plus the original entry and supporting documentation by <date> to: <Address>

<region> BUSINESS EXCELLENCE AWARDS

YOUR ORGANISATION'S BUSINESS PROFILE

NB: This information does not form part of the evaluation and scoring.

To complement your entry please provide the following profile of your Business in order that the evaluators might better understand your business, the key influences, how you operate and the key challenges you face.

1. Organisational Description

General

- Where is your business located?
- How long has the business been operating?
- What is the ownership structure (private or public, franchise, etc)?
- How is the business structured?

Business Environment

- What are your main products and/or services?
- How do you provide/deliver your products and services to your customers?
- How would you describe your vision for the business?
- How would you describe the behaviours/values that you wish your business to demonstrate?
- What is the make-up of your business's workforce, i.e., numbers and types of employees? Eg, full time, part time, contractors etc
- What equipment, facilities and technology do you use?
- What are your organisation's strengths and/or opportunities in terms of sustainable development (for example, use of recycled materials, carbon neutral activities, strong community involvement, employment of long term unemployed, employee share ownership scheme, product safety, resource efficiency etc)?
- What key regulations relate to your business? Please include as appropriate: OSH regulations; Health & Safety; accreditation requirements; certification requirements; registration requirements; environmental regulations; financial regulations; product regulations etc.

2. Organisational Relationships

Suppliers, Partners and Distributors

- What are your most important types of suppliers, partners and distributors?
- What part do the suppliers, partners and distributors play in your business?
- How do you communicate with your key suppliers, partners and distributors?
- List any other key relationships and how they contribute to your business.

3. Organisational Challenges

Competitive Environment

- What is your competitive position in your industry/sector?
- What are the principal factors that determine your success relative to your competitors?
- What are the key challenges facing your business?

<region> BUSINESS EXCELLENCE AWARDS

1. LEADERSHIP

120 points

The leaders are the people in your business that are responsible for guiding and managing the business.

This section asks you to describe how the leaders set business direction, performance expectations, behaviours and how they monitor the performance of the business.

It also asks you to describe how the business ensures compliance with legal and regulatory requirements, public responsibility and how ethical behaviour is encouraged.

Aspects to consider:

1.1 Setting Direction and Behaviours

- a. How do you create a vision for the business, identify business opportunities and set overall business direction?
- b. How do you communicate and reinforce the vision/future direction and business objectives with everyone?
- c. What are the key behaviours / values for the business that everyone is expected to exhibit?

1.2 Establishing Performance Expectations

- a. How do you communicate and reinforce performance expectations with all employees?
- b. How do you encourage innovation?
- c. How do you encourage responsiveness to customer requirements in the business?
- d. How do you encourage continuous improvement and learning?

1.3 Monitoring Performance

- a. How do you monitor overall business performance?
- b. How do you take action to improve performance?

1.4 Public, Ethical, Regulatory and Legal Responsibilities

- a. How do you ensure the business meets its key legal and regulatory requirements?
- b. How do you ensure that all employees follow ethical business practices?
- c. How do you demonstrate a commitment to sustainable development (social, economic and environmental responsibility)?

2. STRATEGY AND PLANNING

85 points

Strategy and Planning is the process by which the future direction of the business is determined i.e. strategy. Planning involves determining the actions, responsibilities and resources that will ensure the business achieves its short- and long- term strategies. In this section you are asked to describe how you establish strategy and plans, communicate these and monitor your performance to plan.

Aspects to consider:

2.1 Developing Future Directions

- a. How do you establish your business objectives and what are they?
- b. How do you conduct your business planning in order to meet your objectives?
- c. How do you take account of the needs of your customers and other stakeholders in your planning process?
- d. How do you take account of your competitors and their capabilities in your planning process?
- e. How do you take account of risks to your business including business strengths, weaknesses, opportunities and threats?

2.2 Communicating the Plans

- a. How you communicate your business plans to all relevant stakeholders of the business?
- b. How do you ensure that all employees understand and are committed to achieving these plans?

2.3 Monitoring Performance to Plan

- a. How do you monitor progress in achieving the plan and the business objectives?
- b. How do you ensure everyone is accountable for the results?

<region> BUSINESS EXCELLENCE AWARDS

3. CUSTOMER AND MARKET

85 points

Customer and market focus asks you to describe how you determine the market requirements and expectations, determine the requirements and expectations of your customers, acquire new customers, build relationships with your customers, monitor customer perception of your success and develop future opportunities.

Aspects to consider:

3.1 Customer and Market Knowledge

- a. How do you segment your market and/or customer groups?
- b. How do you determine key customer requirements and their relative importance to customers?
- c. How do you ensure that your products and/or services meet key customer requirements?

3.2 Customer Relationships

- a. How do you seek and obtain new customers?
- b. How do you satisfy existing customers and ensure that you retain loyal customers?
- c. How do you ensure that everyone throughout the business understands and responds to customer needs?
- d. How do you increase repeat business and positive referrals?
- e. How do you collect, manage and respond to customer complaints and feedback?

3.3 Customer Satisfaction

- a. How do you determine whether or not your customers are satisfied?
- b. How do you use / have you used customer feedback / customer satisfaction information to improve your business?

<region> BUSINESS EXCELLENCE AWARDS

4. INFORMATION AND ANALYSIS 90 points

Information and analysis of this information is the foundation of a performance-oriented business. It means having a fact based measurement system with the use of information and data (knowledge) to support key business activities, to make decisions based on fact, as well as analyse the performance of the business.

In this section you are asked to define the key information and data used by the business, how this is analysed and made available to others both inside and outside the business.

Aspects to consider:

4.1 Key Information and Data

- a. How do you determine which key business information and data you will use to manage the business and to track performance?
- b. How do you collect, collate and analyse the information and data to track the performance of the business?
- c. How do you use this information and data to support daily operations and make business decisions?

4.2 Managing and Using Information

- a. How do you ensure that information and data is reliable, accurate and made available in a timely fashion?
- b. How do you ensure that the systems used to store and manage information and data are reliable, user friendly and kept current with business needs and directions?
- c. How is information and data made available to customers, suppliers and partners, as appropriate?
- d. How is information and data made available to employees for decision-making in their daily activities?

<region> BUSINESS EXCELLENCE AWARDS

5. WORKFORCE

85 points

Excellent businesses encourage their people to develop and use their full potential while contributing to the achievement of the business's short and long term goals.

In this section you are asked to describe how the work and jobs are organised, how training and education provides the skills and knowledge required and how the employee work environment is measured and improved to ensure satisfied committed employees.

Aspects to consider:

5.1 Organising Work and Jobs

- a. How do you structure work and jobs in the business?
- b. How do you recruit, hire and induct new employees?
- c. How do you motivate your employees and develop a culture that promotes customer focus, high performance and innovation?
- d. How do you involve employees in decisions relating to their work?
- e. How do you manage and monitor employee performance?

5.2 Training and Education

- a. How do your training and development activities both of employees and leaders support the achievement of the business's plans and objectives?
- b. How does training and development support and enable employees to develop their full potential?
- c. How do you motivate and develop your workforce to become involved in social, economic and/or environmental responsibility activity?

5.3 Work Environment

- a. How do you establish and maintain a safe and healthy work environment and provide support for all employees?
- b. How do you monitor the level of well being, satisfaction and engagement of all employees?

<region> BUSINESS EXCELLENCE AWARDS

6. PROCESSES

85 points

Processes are the way things are done to carry out the business.

Key Processes are those processes that "touch" the customer and may include the design, development, manufacture and delivery of products and/or services to customers or suppliers.

6.1 Work System Design

- a. What are the core competencies of your business?
- b. What are your key processes that enable you to provide products and/or services to your customers?
- c. Describe how these key processes were designed and implemented.
- d. Describe how you determine the key customer requirements for these key processes.
- e. How do you manage your internal support processes, (eg, HR, Finance, IT etc) to ensure they meet your business needs and allow you to meet your customers needs?
- f. How does the organisation ensure that it does not put any stakeholders at risk when developing new products and / or services, (for example, using ingredients in food manufacture that have any uncertainty, for example additives that have been banned in other countries such as food colouring in children's food, or referring clients to use services that are likely to have ethical, social or environmental risks).

6.2 Work Process Management & Improvement

- a. Do you have specific measures to monitor the performance of the key processes and to ensure that they meet the key requirements?
- b. How do you identify improvement opportunities and find ways to increase the efficiency and effectiveness of your key processes?
- c. How prepared are you for a potential disaster or workplace emergency? address how you would ensure continuity of operations.

<region> BUSINESS EXCELLENCE AWARDS

7. RESULTS

450 points

The results are the outputs from the business activities.

In this section you are asked to describe the business's performance and improvement in five key areas – products and services, customer, financial and market, workforce and business effectiveness. You are asked to provide the actual results and where possible the trends (performance over time).

7.1 Products and Services

90 Points

- a. Describe your current performance levels and trends, for areas of product and/or service performance that are important to your customers.

7.2 Customer

90 Points

- a. Describe your current levels and trends for customer growth and retention.
- b. Describe your current levels and trends for customer satisfaction
- c. Describe any other relevant customer measures / indicators that you use

7.3 Financial and Market

90 Points

- a. Describe your current levels and trends of relevant financial performance.
- b. Show any other relevant results for measures/indicators of financial and market performance.

7.4 Workforce

90 Points

- a. Describe your current levels and trends for workforce satisfaction.
- b. Show any other relevant results for measures/indicators relating to your workforce.

7.5 Business Effectiveness

90 Points

- a. Describe your current performance levels and trends for key business processes.
- b. Describe your current performance levels and trends related to business efficiency and effectiveness.
- c. Describe your current levels and trends for measures / indicators of regulatory, legal, health & safety, compliance, etc.,
- d. Summarise your organisation's results in relation to sustainable development issues and impacts identified as most important by your stakeholders and the organisation

<region> BUSINESS EXCELLENCE AWARDS

A New lense; sustainable development

These awards include questions and hints about sustainable development.

What is sustainable development and how does it relate to my organisation?

Sustainable development is a much misunderstood term. The most well-known definition is

development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

1987, Brundtland Commission

A sustainable organisation is one that integrates economic (for example support of local suppliers, fairness of remuneration), social (for example being a good employer, human rights, contributing to the local community), and environmental (for example water, waste, energy, conservation) considerations into its strategy, practices and culture (and achieves improvements in economic, social, and environmental performance). In New Zealand, there has been an expansion of this concept to include cultural performance (the *quadruple bottom line*), from within the Local Government Act 2002. Although this Act does not apply to many of the applicants of these awards, the New Zealand context of cultural performance should not be overlooked. (Note the reference to Tangata Whenua in the results section). For the purposes of these awards, cultural considerations are included within social considerations.

To make the concept of sustainable development more meaningful in the context of New Zealand organisations, we have developed a set of principles that, if they are being followed, will mean that the organisation is operating with the principle of sustainable development.

Occasionally within the questions, we have included a brief explanation of sustainable development (social, environmental and economic). This is merely to remind the applicant of the meaning and breadth of sustainable development. It may be that the organisation is focused on only one or two aspects of sustainable development. In fact, this often occurs as organisations begin to explore what sustainable development means for them. And with the rapid rise of "Green consumerism", quite often the focus is environmental sustainability. That is a valid approach, although we would expect over time to see evidence of how the organisation was thinking more holistically to cover the more complex aspects of sustainable development.

For these awards, the judges are looking for the smart integration of the economic, social and environmental considerations relevant to the individual organisation, to achieve excellence in sustainable business performance. The below principles are designed to be a guide to the breadth of factors that the judges will be considering in assessing applicants responses to the questions that make explicit reference to sustainable development and/or environmental, social, economic and stakeholder considerations.

<region> BUSINESS EXCELLENCE AWARDS

The principles are:

- Good Employer – the organisation is committed to employees' satisfaction, development and wellbeing. The organisation, from the most senior management level display and model fairness and equity in all aspects of employee dealings and show no tolerance for discrimination, bullying or harassment. Workplaces are safe and healthy and employees are encouraged to provide input and participate.
- Environmental responsibility – the organisation is respectful of environmental limits and operates in an environmentally efficient way in the design and delivery of its products/services. There is a continual quest for environmental improvement and employees are encouraged to become involved in this process.
- Integrated and long term thinking – seeking solutions that are mutually reinforcing rather than accepting that a gain in one area will necessarily be achieved at the expense of another. Considering the long term (inter generational) implications of all decisions.
- Community contribution and fairness – the organisation contributes to making the communities in which it operates better places to live and do business and employees are encouraged to become involved in achieving this goal. All employees demonstrate honesty and fairness when dealing with stakeholders.
- Cultural consideration – working in partnerships with Maori to empower Maori in decisions that affect them
- Integration of sustainable development into the organisation – sustainable development is a corporate priority and is reflected in all aspects of the organisation, including business processes (such as decision making, performance management) to ensure that decisions are made with their sustainability effects in mind. There is clear evidence of management commitment to sustainable development.
- Minimising risk and maximising opportunity – Addressing risks and uncertainty when making choices and taking a precautionary approach when making decisions that may cause serious or irreversible damage
- Transparency and accountability – the organisation is transparent and accountable about its performance in matters that are important to stakeholders.
- Influencing others – the organisation actively encourages the supply chain and its employees to improve their own sustainable development performance. When possible, actively encourage policy makers to reward (through an appropriate mix of carrots and sticks) environmental sustainable development excellence.

<region> BUSINESS EXCELLENCE AWARDS

Why sustainable development?

For organisations new to sustainable development, there may be some question as to why sustainable development should be integrated into their organisations. For this reason, the business case for sustainable development, as defined by the New Zealand Business Council for Sustainable Development (NZBCSD) is reproduced below. It is based on the belief that operating within a well-defined framework of sustainable development helps companies:

- Be more efficient and competitive
- Engage in responsible entrepreneurship
- Increase their financial return and reduce risk for shareholders
- Attract and retain employees
- Improve customer sales and loyalty
- Grow supplier commitment
- Strengthen community relations
- Contribute to environmental sustainability

(New Zealand Business Council for Sustainable Development,
(www.shapenz.org.nz/vision.asp)

Stakeholders and stakeholder engagement

Stakeholder is a term that is used repeatedly in the criteria, generally as one of the key levers to achieve sustainable development. Included in the term stakeholders are those that have the ability to impact significantly on your organisation and those you have the ability to significantly impact upon such as community groups, environmental advocates, customers, media, neighbors, shareholders, employees. Stakeholders are important to the concept of sustainable development as they can be critical to the success of the organisation and to ensuring the organisation does not become too internally focused.

For large organisations, good practice examples of stakeholder involvement include a stakeholder council, that reports to the board every quarter on issues and impacts that are of concern to them. Or formal stakeholder engagement processes that bring stakeholder groups together to build a shared understanding of issues of significance to key groups. For smaller organisations, good practice may include identifying stakeholders (both groups and individuals) and ideally meeting with them, or at least doing some desk based research, or role-playing (i.e. if I was the local neighbourhood group, what would I care most about?) as the organisation builds capacity in stakeholder engagement. And of course, the point of knowing what issues are important to key stakeholders is not just for knowledge sake but to use this knowledge to both minimize risk (reputational, financial) and maximize opportunities for both the organisation and the community.

Resources

For organisations that are new to sustainable development, the Ministry for the Environment keeps an up to date page of references useful for organisations integrating sustainable development:

(www.mfe.govt.nz/publications/sus-dev/sustainable-business-oct07/sustainable-business-oct07.html)

<region> BUSINESS EXCELLENCE AWARDS

Hints for completing the sustainable development questions

1. Leadership

Setting Direction and behaviours

Judges will be looking for evidence of how the organisation displays a commitment to sustainable development as part of its organisational leadership. In demonstrating its commitment to sustainable development, include how sustainable development is integrated into the strategic planning process, into goals and performance, policy, governance (where does responsibility for sustainable development performance lie?), staff training, monitoring and external initiatives.

There are many different ways an organisation could do this. For example, public statements, policies or positions, memberships to sustainable business organisations such as the Sustainable Business Network (www.sustainable.org.nz). There are also external accreditations such as Carbon Zero (<http://www.destinationcarbonneutral.co.nz>), green globe (<http://www.greenglobenz.com>), for tourism businesses, and related awards such as the EECA Awards (<http://www.eeca.govt.nz/news/awards/index.html>) and the SBN sustainable business awards.

Public, ethical, regulatory and legal responsibilities

In assessing the question regarding ensuring the business meets its public responsibilities judges will be looking for evidence of understanding the organisation's impact (on the environment, community and economy) and addressing any negative impacts. Good practice could also include the organisation understanding community needs and taking action to actively support and strengthen the community in these areas.

Involvement of key stakeholders (those that have the ability to impact significantly on your organisation and those you have the ability to significantly impact upon such as community groups, environmental advocates, customers, media, neighbours, shareholders, employees) in understanding this impact/needs work would constitute good practice. Their views regarding key sustainable development issues and impacts are vital in assisting the organisation to manage risks and maximise opportunities.

Taking a leadership stand in making it easy for the supply chain (both customers and those in the manufacturing/contractor end) to improve their sustainable development performance would also constitute good practice. For example, requiring all manufacturers to adhere to minimum environmental and labour standards, or, for customers, providing the option of electronic statements rather than printed statements.

2. Strategy

Developing future directions

In bullet 3, the judges will be looking for examples of engagement with stakeholders to support the organisation in understanding the issues that are important to them.

<region> BUSINESS EXCELLENCE AWARDS

3. Customers

Customer and Market Knowledge

In regards to the question about customer requirements, include here matters of importance to customers, not just about the product and service but also about how the organisation conducts itself, eg ethical behavior, support for the local community, that the organisation displays environmental responsibility.

4. Information and Analysis

Key information

At the question about ensuring stakeholders are not put at risk, include here if relevant a discussion about how the organisation minimizes risks for the communities in which it operates, its customers, staff and the supply chain affected by the organisation's products/services. For example for a food manufacturer; do they use ingredients (eg additives) that are potentially risky for instance they are banned in other countries but allowed in New Zealand?

6. Processes

Work Process Management & Improvement

In the question regarding improvement opportunities, include here how you identify environmental improvement opportunities within organisational processes. For example product redesign for improved resource efficiency.

7. Results

Products and services

Include here results from issues that were identified in the leadership category including matters of importance to customers, not just about the product and service but also about how the organisation conducts itself, eg ethical behavior, support for the local community, leadership in environmental responsibility

Workforce Focussed Results

Results might include measures of employee well-being, satisfaction, staff climate survey results, learning and development, innovation and suggestion rates, safety/accident statistics, staff complaints about ethical or bullying behavior, on the job improvements, changing supervisory rations, new skill acquisition, internal promotion rates, productivity improvements, staff turnover, absenteeism, grievances, Equal Opportunity Employer (EEO) statistics (such as diversity, ratio of basic salary of men to women by employee category) , evidence of wage rates meeting living wage etc.

Business Effectiveness

It takes years for an organisation to build a non financial reporting system that integrates a full set of sustainable development data. It is expected that an organisation that has been producing a sustainability report will have much of this data already. However, most organisations, particularly those new to sustainable development will have limited systems in place. The judges will be looking for the building over time of the non financial reporting system designed to capture sustainable development results. In time results could include the following list. However, judges will also be looking for results in the areas identified as key sustainable development issues and impacts by the organisation (which may not be covered by the examples below):

<region> BUSINESS EXCELLENCE AWARDS

Environmental Results

- energy use
- materials use
- energy efficiency results
- carbon emissions
- emissions and waste, eg carbon emissions, water discharged, waste by type and disposal methods
- water use
- product improvements to minimize environmental impact
- results of initiatives to mitigate negative environmental impacts

Economic Results

- Standard entry level wage compared to minimum wage
- Spending on locally based suppliers
- Financial implications for the organisations activities due to climate change

Social Results (including ethical and cultural)

- employee time donated to voluntary causes,
- donations and in-kind support to community groups,
- breaches of ethical behaviour,
- breaches of regulatory and/or legal compliance,
- customer labeling,
- customer health and safety,
- stakeholder trust,
- staff perception of the organisation as a good citizen (referring to its environmental and social responsibility and ethical behavior),
- specific engagement with Tangata Whenua about matters of cultural significance to Maori,
- results of initiatives to mitigate negative social impacts
- partnerships within your supply chain that are designed to improve industry environmental and/or social outcomes.

See the global reporting initiative for sample indicators (www.globalreporting.org).