



NZ Sectoral & Regional Business Excellence Awards Criteria

Level 3

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>

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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?
- 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 the organisation's strengths in terms of sustainable development (for example, recycling, use of recycled materials, carbon neutral activities, strong community involvement, employment of long term unemployed, resource efficiency)?

- 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?
- 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?

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REGIONAL AWARD CRITERIA

1. LEADERSHIP

12.0 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 and public responsibility.

Aspects to consider:

1.1 Business Direction and Behaviours

- How do your leaders set and communicate overall business direction?
- What are the key behaviours/values for the business that everyone is expected to exhibit?

1.2 Performance Expectations

- How do you establish performance expectations for the business and ensure they are understood by your workforce?
- How do you encourage innovation and responsiveness to customer requirements in the business?

1.3 Monitoring Performance

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

1.4 Legal, Regulatory and Public Responsibilities

- How do you ensure the business meets its key legal and regulatory requirements and address its public responsibilities (i.e. environmental and social responsibilities)?

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2. BUSINESS PLANNING

8.5 points

Business 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 plans to all stakeholders, implement the plans and monitor your performance to those plans.

Aspects to consider:

2.1 Business Planning

- How do you conduct your business planning and what are your key business objectives?
- How do you take account of the needs of your customers and other stakeholders in your planning process?

2.2 Communicating the Plans

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

2.3 Implementing the Plans

- How do you convert your strategic objectives into processes and plans of action?
- How do you develop and deploy these processes and action plans throughout the business to achieve the strategic objectives?

2.4 Monitoring Performance to Plan

- How do you monitor progress in achieving the plan and the business objectives?

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3. CUSTOMERS AND MARKETS

8.5 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 Knowledge

- How do you determine your customer and market requirements?
- How do you ensure that your products and/or services meet customer requirements?

3.2 Customer Relationships

- How do you obtain new customers?
- How do you satisfy existing customers, increase repeat business and ensure that you retain loyal customers?
- How do you obtain and respond to customer complaints and feedback?

3.3 Customer Satisfaction

- How do you determine whether or not your customers are satisfied?
- Do you have a complaints process and how do you use this process and the information it provides?

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4. INFORMATION AND ANALYSIS 9.0 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 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, and how this is made available to others both inside and outside the business.

Aspects to consider:

4.1 Key Information and Data

- What business information do you use to manage and track the performance of the business?
- How do you use this information to make business decisions?

4.2 Managing and Using Information

- How do you ensure that business information and data is reliable, accurate and timely?
- How is information and data made available to customers and partners / suppliers, where appropriate?
- How is information and data made available to your workforce for decision-making in their daily activities?

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5. WORKFORCE

8.5 points

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

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 work environment is measured and improved to ensure a satisfied committed workforce.

Aspects to consider:

5.1 Organising Work and Jobs

- How do you organise work and jobs in the business?
- How do you manage and monitor workforce performance?
- How do you recruit, hire and induct new employees?

5.2 Training and Education

- How do you address the training and development of your workforce in the business?

5.3 Work Environment

- How do you establish and maintain a safe and healthy work environment and provide support for your workforce?
- How do you monitor the levels of satisfaction of your workforce?

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6. PROCESSES

8.5 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 Managing Key Processes

- What are your key processes that enable you to provide products and/or services to your customers?
- How do you determine the customer’s requirements for these key processes?
- How do you monitor process performance and identify improvement opportunities to increase the efficiency and effectiveness of your key processes?

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7. RESULTS

45.0 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 four key areas - 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 Customer

12.0 Points

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

7.2 Financial and Market

11.0 Points

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

7.3 Workforce

11.0 Points

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

7.4 Business Effectiveness

11.0 Points

- Describe your current performance levels and trends for key business processes.
- Describe your current performance levels and trends related to increases in business efficiency and effectiveness.
- Summarize your organisation's results in relation to the sustainable development issues and impacts identified as most important by your stakeholders and the organisation

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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.

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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.

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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)

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Hints for completing the sustainable development questions

Leadership

1.4 How do you know what public responsibilities the organization has?

The 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, neighbors, shareholders, employees) in understanding this impact/needs work would constitute good practice. Their views regarding 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.

Addressing public responsibilities is best done when the culture supports such thinking. In looking for good practice, judges would also be looking for how sustainable development and public responsibilities are integrated at all levels of the organisation; strategy, policies, practices and culture.

3. Customers

3.1 Customer 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, for example the customer base may prefer to support an organisation that the organisation displays environmental responsibility or gets actively involved in supporting the local community.

6. Processes

6.1 Managing key 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.

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7. Results

7.1 Customer

Include here results from issues that were identified in 3.1 that were important to customers, not just about the product and service but also about how the organization conducts itself, eg ethical behavior, support for the local community, leadership in environmental responsibility

7.3 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.

7.4 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):

Environmental Results

- energy use
- material use
- recycling results
- 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

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,

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- stakeholder trust,
- staff perception of the organization as a good citizen (referring to its environmental and social responsibility and ethical behavior),
- results of initiatives to mitigate negative social impacts
- partnerships within your supply chain that are designed to improve industry environmental and/or social outcomes.