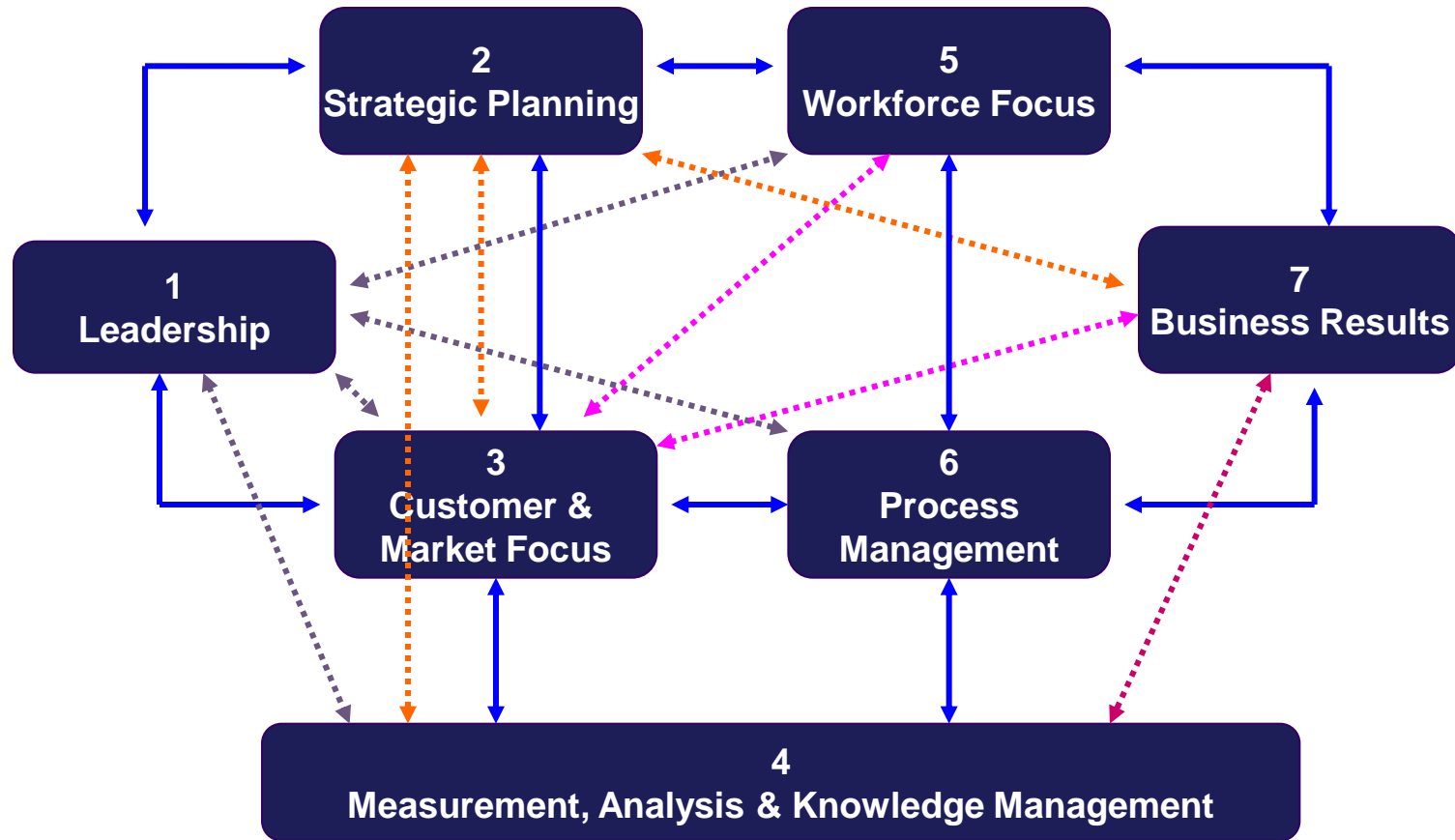




# **A Strategy for Performance Excellence**

# The Framework is Holistic, Non-Prescriptive and addresses the key alignments between business functions



# Categories 1 to 6

## Approach/Deployment - 4 key Dimensions

1. How do you approach business activities? → Effective, systematic approaches
2. To what extent are approaches implemented? → Well-deployed approaches
3. How are the approaches continuously improved? → Evaluation, improvement, and learning are in place
4. How are the approaches integrated and aligned? → Alignment across Categories and with organizational needs

# Category 7

## Results - 4 key Dimensions

1. What are the actual results?
2. Are there identifiable trends to demonstrate sustainability?
3. Compared to what?
  - targets, comparisons and benchmarks
1. Alignment to key business requirements and objectives?

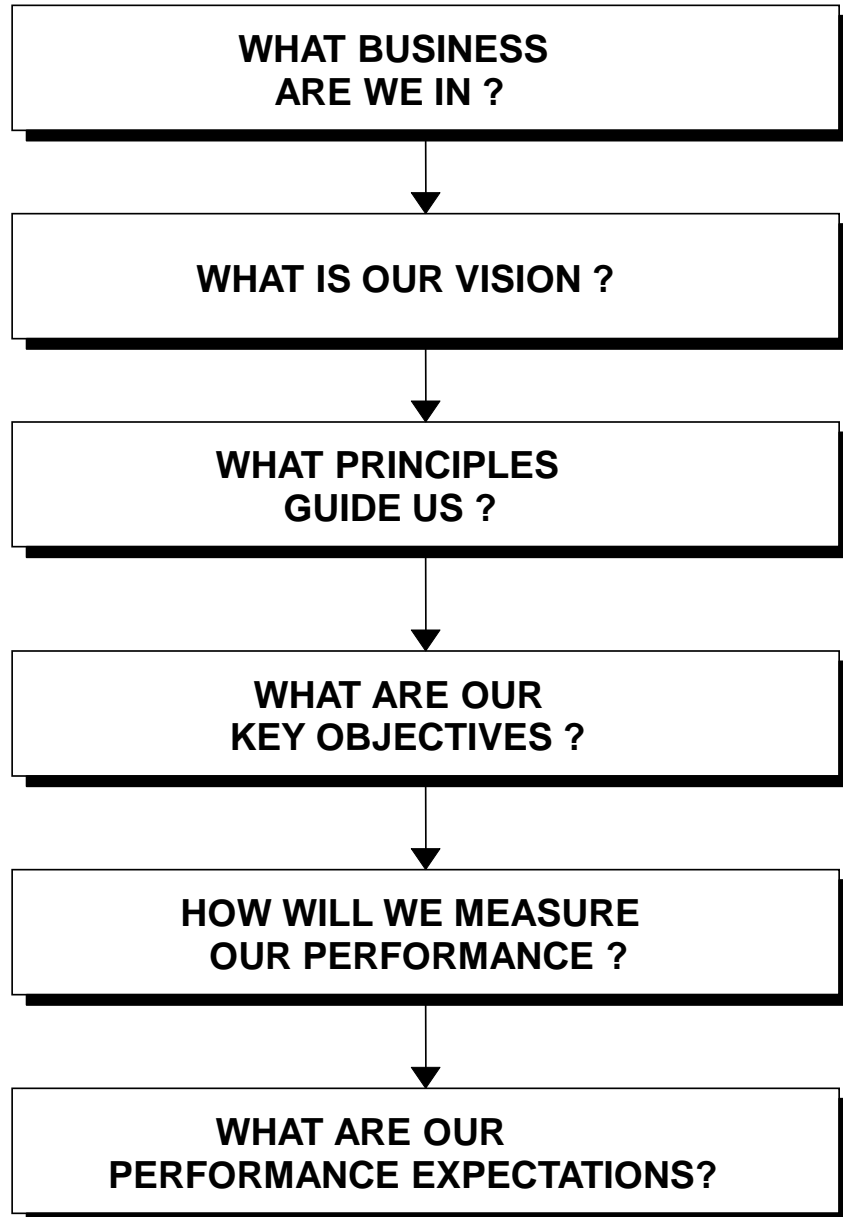
# Category 1 – **LEADERSHIP**

## **PERFORMANCE EXCELLENCE INDICATORS:**

- Sets & communicates a clear vision and direction
- Defines performance expectations & plans for results
- Seeks feedback on their own performance
- Lives the Values – leads by example
- Promotes Continuous Learning & enables & empowers Employees
- Continuously reviews Performance
- Seeks Future Directions for the Business
- Fulfills Public Responsibility



# SETTING THE SCENE



# Management vs Leadership

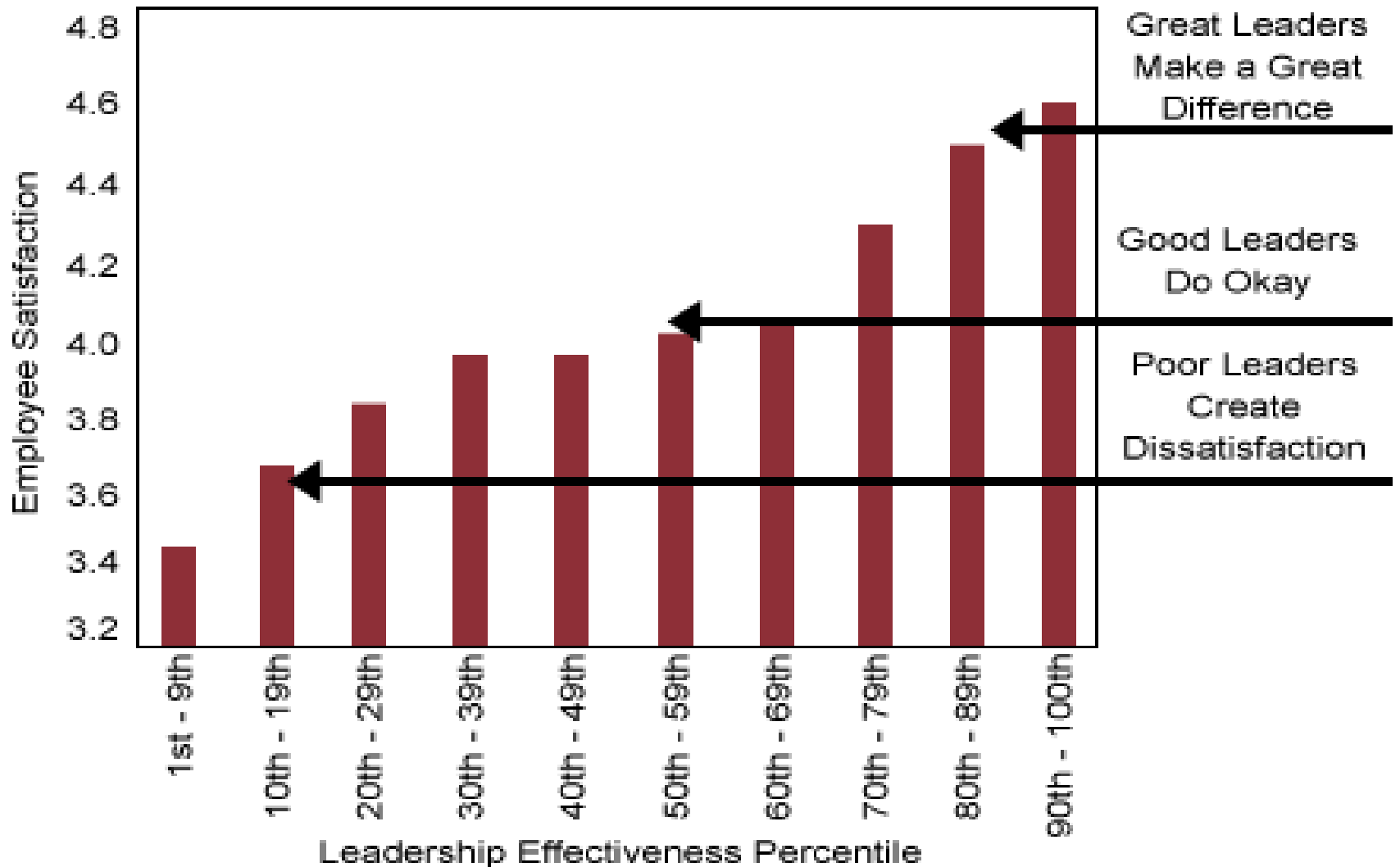
The best organisations differentiate between Leadership and Management

1. Management is a function of position ( transactional )
2. Leadership is a function of the ability to influence and gain commitment from others

“Leadership is neither a position nor a title, leadership is more an influence relationship between leaders and followers within a leadership system”

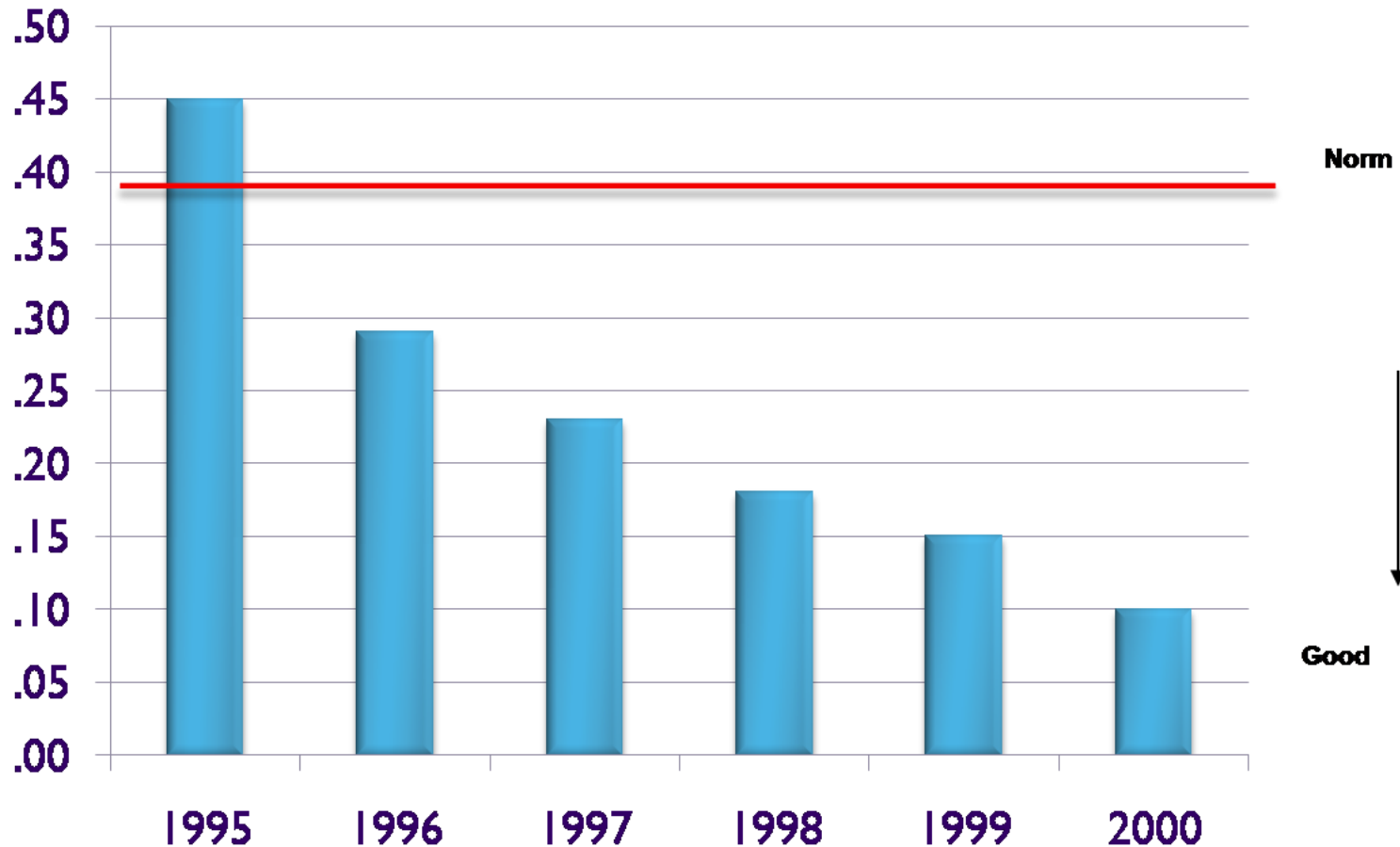
**J Thomas Wren**

# “Leadership” has a significant impact on Staff Satisfaction

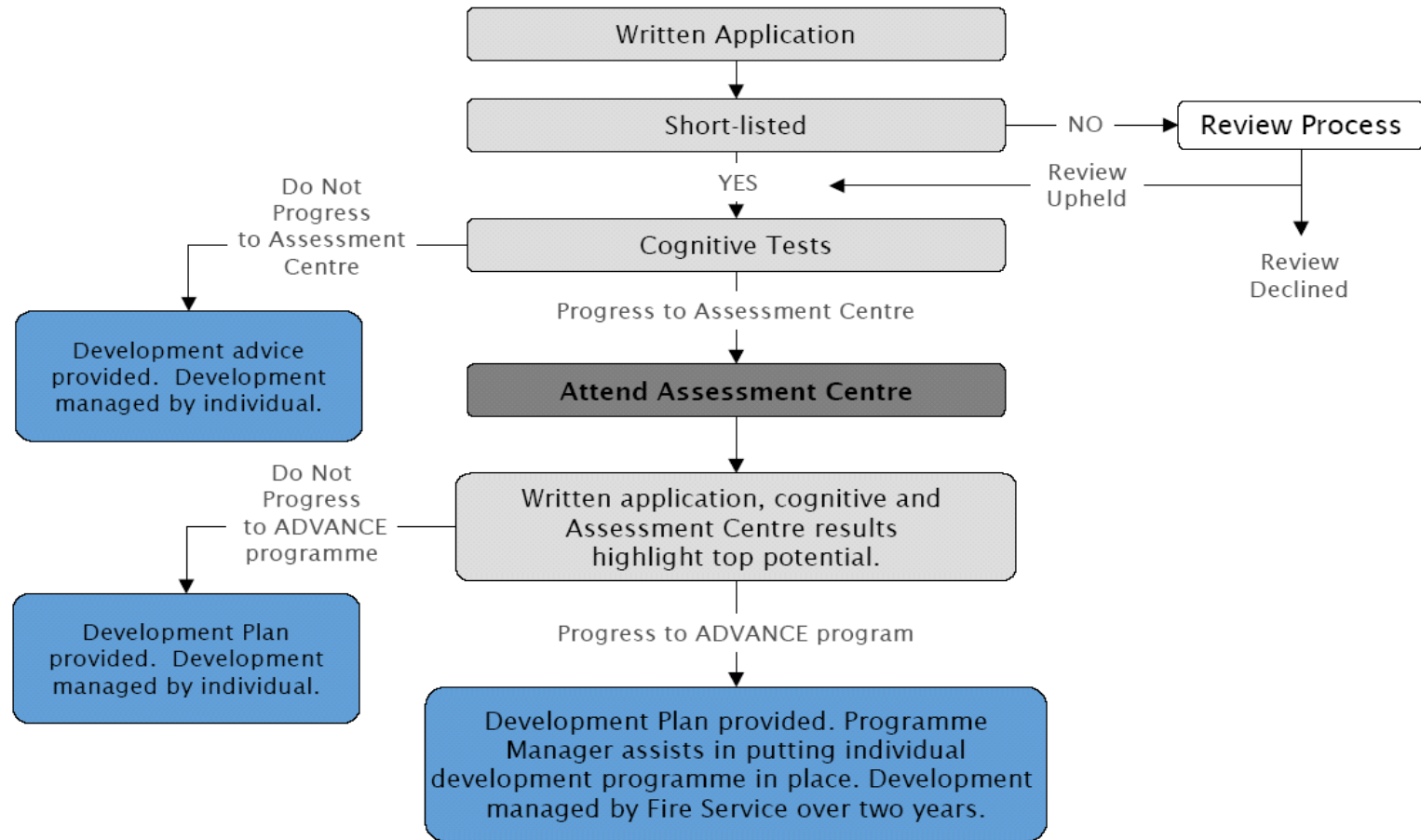




# Staff Perception of Leadership ( gap analysis )



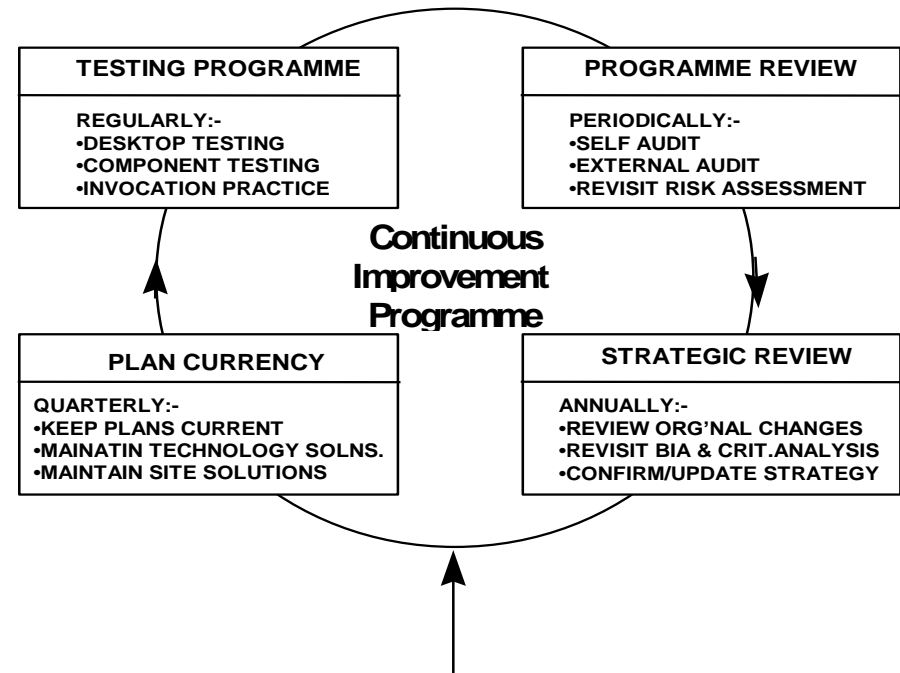
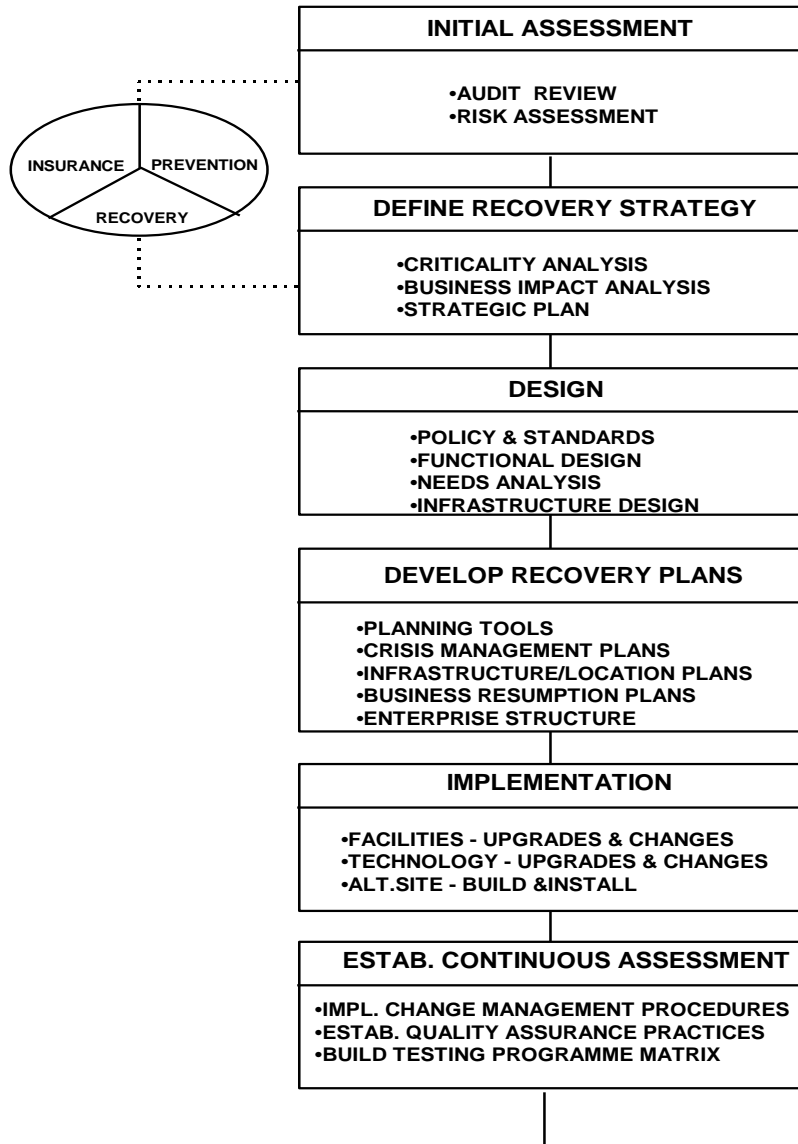
# Leadership Development - NZFS



# Leadership Development - NZFS

- ▶ One-on-one career coaching over two year period
- ▶ Special projects and assignments
- ▶ External secondments
- ▶ Quarterly group sessions (leadership, ethics, governance etc.)
- ▶ Attendance at senior management and stakeholders meetings
- ▶ One-on-one lunches with Chief Executive
- ▶ Tailored external courses
- ▶ Comprehensive project and presentation to Senior Management Team

# Ensuring the continuity of the Business



# Governance & Social Responsibility

- ▶ Governance = the management & controls exercised in the Stewardship of the business, eg, accountability to owners & shareholders, fair treatment, independent auditing, managing risk, disclosure, CEO performance monitoring etc, etc.
- ▶ Social responsibility = resource sustaining processes, eg, recycling, energy conservation etc, supporting local communities, eg, partnerships with a focus on co-operative, beneficial activities ( vs Donations )

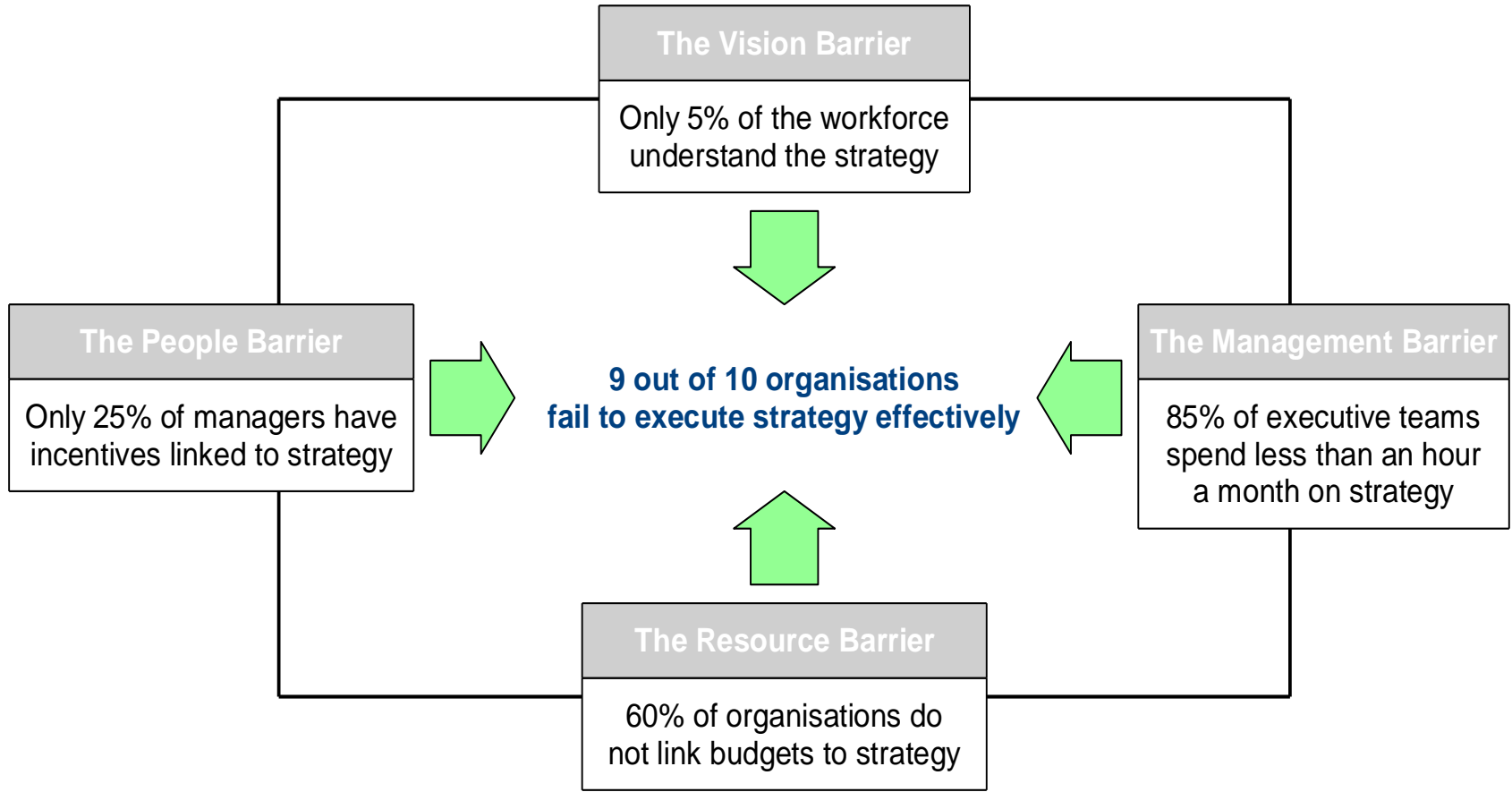
# Category 2 – **STRATEGIC PLANNING**

## **PERFORMANCE EXCELLENCE INDICATORS:**

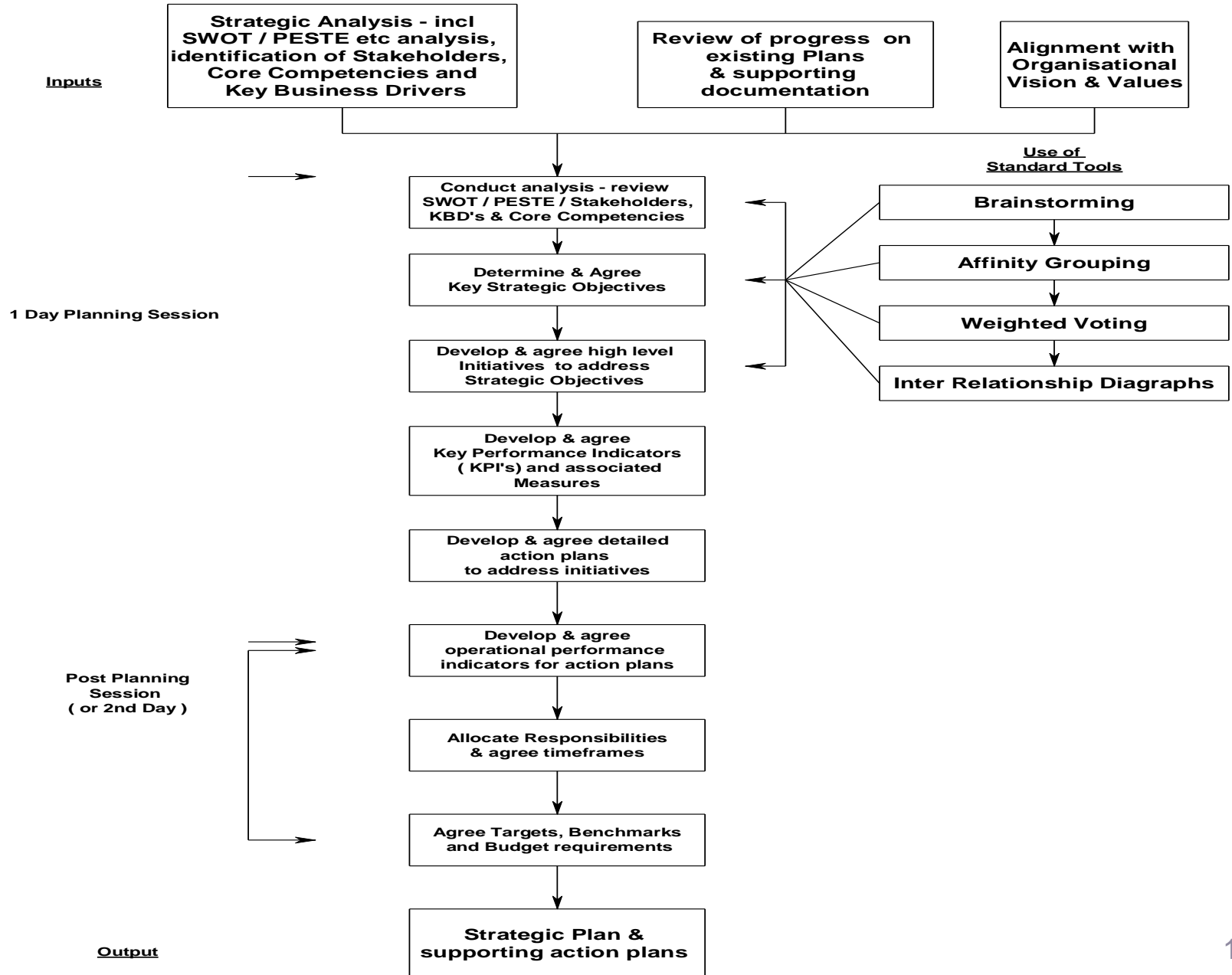
- There is a structured process for planning
- Key Stakeholders are involved in the process
- A broad range of inputs are included
- Action plans are developed with clear timeframes, measures & accountabilities
- The Plan is well deployed through the business
- Performance against the Plan is monitored
- The Plan is aligned to the Vision



# Barriers to Effective Strategy Execution

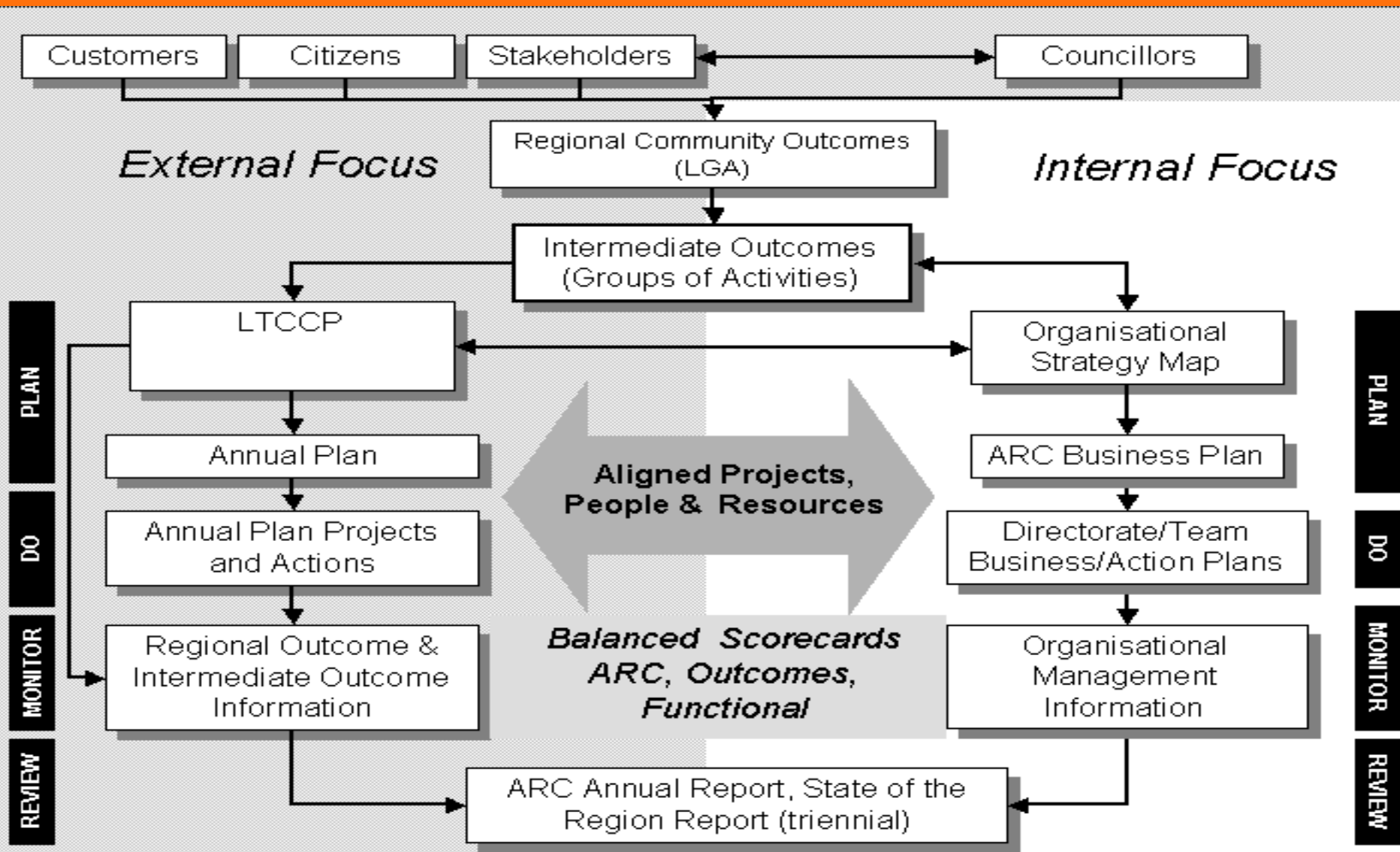


# Strategic Planning / Planning Review Process





# Setting Direction & Priorities



## NZAS 2008 Strategic Map

<b>VISION</b>	The producer of the world's best quality aluminium					
<b>CORE PURPOSE</b>	To create the most sustainable value from our resources and relationships					
<b>BUSINESS RESULTS</b> -Key Result Areas (KRAs)	<b>Health &amp; Safety</b>	<b>People Commitment</b>	<b>Environment &amp; Communities</b>	<b>Market Position</b>	<b>Operational Excellence</b>	<b>Financial Strength</b>
<b>DESIRED OUTCOMES</b>	<p>The goal is zero</p> <ul style="list-style-type: none"> <li>No injuries</li> <li>No occupational illness</li> <li>A safe and healthy workplace</li> <li>Interdependent safety culture</li> </ul>	<p><b>Preferred employer</b></p> <ul style="list-style-type: none"> <li>Engage, recognise and reward employees</li> <li>Retain &amp; grow talent</li> <li>Diverse workforce</li> <li>Employees act like owners of the business</li> <li>Contractors are part of team</li> </ul>	<p><b>Best in class</b></p> <ul style="list-style-type: none"> <li>Waste &amp; energy management</li> <li>Greenhouse performance</li> <li>Leader in high purity and VAP</li> <li>Leader in environmental performance</li> <li>Enduring relationship with communities</li> </ul>	<p><b>Preferred producer status</b></p> <ul style="list-style-type: none"> <li>Responsive to customer needs and market dynamics</li> <li>Leader in high purity and VAP</li> <li>Our products are valued</li> <li>Well established partnerships with end users and suppliers</li> </ul>	<p><b>Sector leader in</b></p> <ul style="list-style-type: none"> <li>Continuous Improvement</li> <li>Operating efficiency</li> <li>Value generation from process and asset</li> </ul>	<p><b>Maximising business value</b></p> <ul style="list-style-type: none"> <li>Optimise production &amp; product</li> <li>Total capital expenditure is NPV positive</li> <li>Maintain second quartile cost-curve position</li> </ul>
<b>KEY DRIVERS</b>	<ul style="list-style-type: none"> <li>HSEQ Management System</li> <li>STOP, Take 5</li> <li>JSA, HAZOP, Near Hit Report</li> <li>ZIP and Safe Days</li> <li>Safety Improvement Teams</li> <li>Safety Leadership Development</li> <li>Taproot</li> <li>Fitness for work</li> </ul>	<ul style="list-style-type: none"> <li>Role description/competency</li> <li>Working Together Principles</li> <li>WPA and WPR system</li> <li>FTS, EAP, Industrial Chaplain</li> <li>Succession planning</li> <li>RTA development programmes</li> <li>Diversity Strategy</li> </ul>	<ul style="list-style-type: none"> <li>ISO 14001</li> <li>HSEQ Management System</li> <li>SD strategies</li> <li>5-year communities plan</li> <li>Energy efficiency and waste reduction projects</li> <li>Community partnership programmes</li> </ul>	<ul style="list-style-type: none"> <li>Lean Six Sigma</li> <li>VAP capture</li> <li>Approved quality certification</li> <li>Collaboration with end users and suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Lean Six Sigma</li> <li>Business Excellence (NZBEF)</li> <li>IPT and Collaboration</li> <li>Asset Management &amp; OEE</li> <li>RT Business Solution</li> <li>PIMS</li> </ul>	<ul style="list-style-type: none"> <li>Secure long-term power contract</li> <li>Rigorous cost management and capital evaluation</li> <li>Integrated planning &amp; valuation process</li> <li>Audits</li> </ul>
<b>2012 TARGETS</b>	<ul style="list-style-type: none"> <li>Zero AIFR</li> <li>Zero LTIFR</li> <li>Zero Occupational Illness</li> </ul>	<ul style="list-style-type: none"> <li>Staff turnover &lt; 10%</li> <li>Fair WPR &gt; 95%</li> <li>Employee opinion survey overall satisfaction 80%</li> </ul>	<ul style="list-style-type: none"> <li>Zero Cat 2+ incidents and zero licence defaults</li> <li>Zero community complaints</li> <li>Greenhouse gas 1.84 t CO<sub>2</sub>e/t Al</li> <li>Site energy use 68.1 GJ/t</li> </ul>	<ul style="list-style-type: none"> <li>Zero Performance defaults</li> <li>VAP: Billet 90,700 tonnes Block 58,650 tonnes HP Ingot 153,320 tonnes</li> <li>354,118 tonnes Saleable</li> <li>6,000 tonnes recycled</li> </ul>	<ul style="list-style-type: none"> <li>95.3% CE</li> <li>13.49 PE</li> <li>0.410 NCR</li> <li>Productivity 438 vFTE</li> <li>Lean operating site</li> </ul>	<ul style="list-style-type: none"> <li>NZ\$ 1,633 / t cash cost</li> <li>NPV positive CAPEX</li> </ul>
<b>2008 TARGETS</b>	<p><b>RTA Targets:</b></p> <ul style="list-style-type: none"> <li>10% LTIFR improvement</li> <li>10% AIFR improvement</li> </ul> <p><b>NZAS Targets:</b></p> <ul style="list-style-type: none"> <li>0.62 AIFR (tbc)</li> <li>All Site ZIP trained</li> <li>Occupational Illness &lt; 4</li> </ul>	<ul style="list-style-type: none"> <li>Staff turnover &lt; 9%</li> <li>Fair WPR &gt; 95%</li> <li>Employee opinion survey overall satisfaction 70%</li> </ul>	<ul style="list-style-type: none"> <li>Zero licence defaults</li> <li>50% reduction in Cat 2+ environmental incidents</li> <li>Zero Cat 2+ community complaints</li> <li>Greenhouse gas 1.89 t CO<sub>2</sub>e/t Al</li> <li>Site energy use 71.2 GJ/t</li> </ul>	<ul style="list-style-type: none"> <li>Zero Performance defaults</li> <li>VAP: Billet 89,800 tonnes Block 53,250 tonnes HP Ingot 138,680 tonnes</li> <li>366,288 tonnes Saleable</li> <li>3,570 tonnes recycled</li> </ul>	<ul style="list-style-type: none"> <li>94.2% CE</li> <li>14.09 PE</li> <li>0.416 NCR</li> <li>Productivity 416 vFTE</li> </ul>	<ul style="list-style-type: none"> <li>NZ\$ 1,539 / t cash cost</li> <li>NPV positive CAPEX</li> </ul>
<b>VALUES</b>	<p>Tenacity in achieving results Fairness and honesty in everything we do Respect for others Care about people and the world in which we live Passion for excellence</p>					

# Key planning requirements

- ▶ Concise / Macro level – 5 or 6 Key Strategic Issues
- ▶ Aligned Initiatives to address each Issue
- ▶ Clearly defined Measures
- ▶ Agreed Targets
- ▶ Assigned Responsibility
- ▶ Established Timeframes
- ▶ Sponsorship / Team focus
- ▶ Costs & Benefits determined – Budgets agreed

**Strategic Plan 2005 - 2007**

**One Page Plan & Supporting Plans**

	<b>Strategic Goals 2005 - 2007</b>	<b>Key Performance Indicators</b>
1	PEOPLE Creating an achievement culture where our people are 'winners'	▪ Staff Satisfaction & LTIF Complaints
2	OPERATIONAL EXCELLENCE: Do it once, do it right, do it now!	▪ \$margin/Kg of Sales & DIFOTIS
3	CUSTOMERS To delight our customers	▪ DIFOTIS, Customer Satisfaction
4	INNOVATION Leading through Innovation	▪ % of new products <1 year old
5	FINANCIAL To meet or exceed our targets in order to grow our business.	▪ EBITDA

**Summary of Initiatives to address Strategic Goals ( refer to following pages for detail of initiatives )**

1	PEOPLE - The development and implementation of an integrated HR strategy which recognises and rewards achievement and develops the capability of our people. [xxx people make the difference] Implementing a structured Human Resources plan. Our employment strategy is to employ the best people who are prepared to put in an outstanding effort. H&S and Environmental focus → culture of excellence [ISO 14000 – 2000].
2	OPERATIONAL EXCELLENCE - Evaluating and improving our (a) Sales/operations planning and (b) Manufacturing capability. Process mapping, analysis, redesign, education, implementation [Lean Manufacturing]. All supported by appropriate measures (DIFOTIS), targets, benchmarks, accountabilities and time frames.
3	CUSTOMERS - Key steps are – (a) Understanding our capabilities, (b) Understanding our customers, (c) Segmenting our customers by need and profitability/potential, (d) Analysing our product base, (e) Aligning the right products with the right customers and (f) Identifying some 'early wins'. In order to develop a customer strategy (Acquisition and retention). Also to develop customers outside the food segment.
4	INNOVATION - Taking leading edge technologies and integrating them into solutions first. We will do this by (a) committing a dedicated resource, (b) getting out there and looking in a structured way, (c) promoting innovation throughout the business, (d) rewarding innovative solutions, (e) implementing a process improvement process, (f) developing a blue sky process and (g) fostering partnerships. Develop products for customers outside the food segment.
5	FINANCIAL - Agreeing specific sales targets and expense budgets. Developing an integrated business and strategic plan. Executing against these.

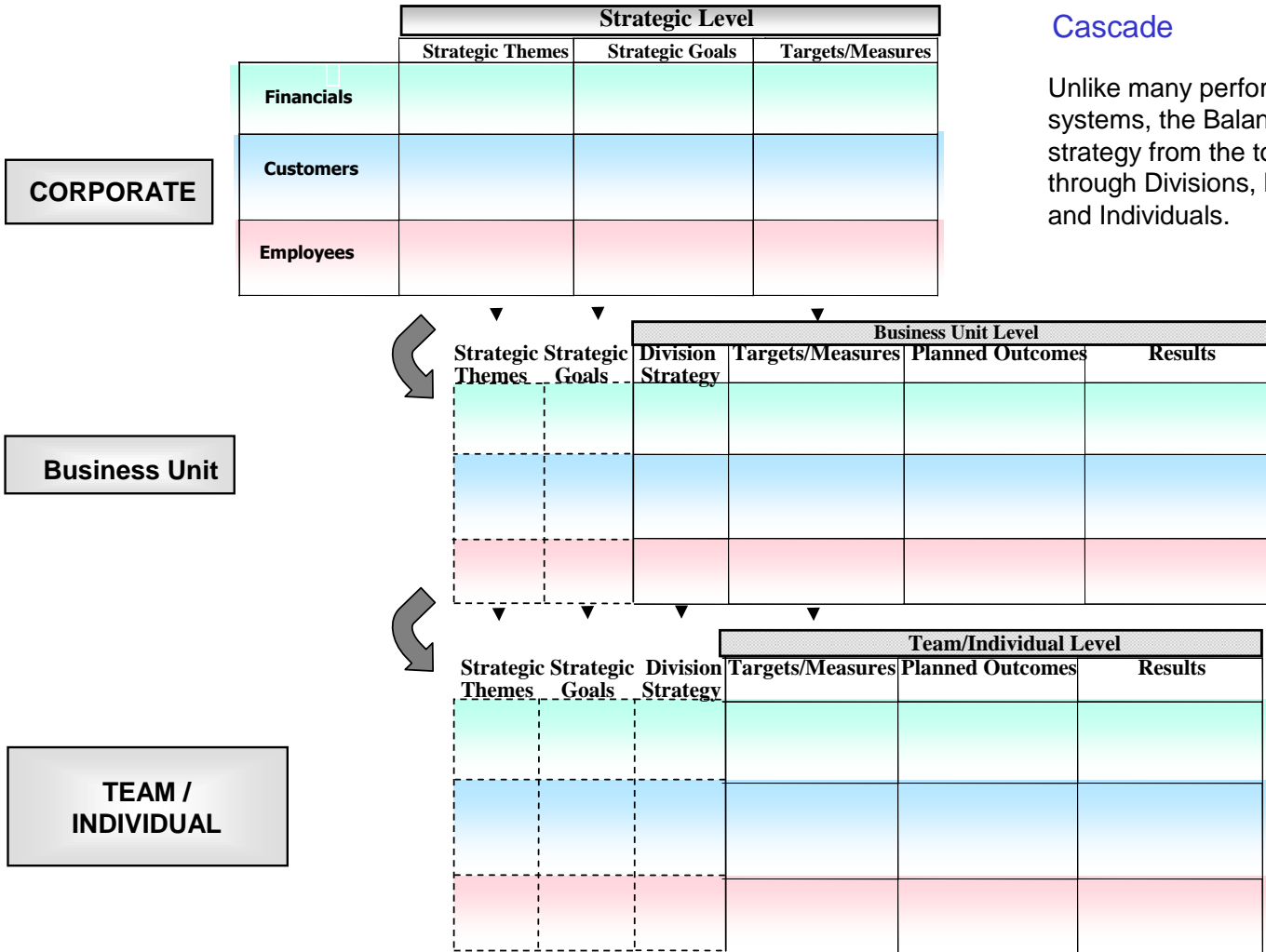
<b>Strategic Goal 3.</b>	CUSTOMERS - "To delight our customers"
--------------------------	--

<b>Current Situation</b>	Our customer service and understanding is variable (good in some areas and poor in others).
--------------------------	---

<b>Initiatives</b>	<b>Actions</b>	<b>Who</b>	<b>When</b>	<b>Performance Indicators</b>
<p>Key steps are –</p> <p>(a) Understanding our capabilities,</p> <p>(b) Understanding our customers,</p> <p>(c) Segmenting our customers by need and profitability/potential,</p> <p>(d) Analysing our product base,</p> <p>(e) Aligning the right products with the right customers</p> <p>(f) Identifying some 'early wins'.</p> <p>In order to develop a customer strategy (Acquisition and retention).</p>	<ul style="list-style-type: none"> <li>○ Undertake a segmentation profile review (by customer and product).</li> <li>○ Develop and roll out non quality customer complaints monitoring system and service recovery program.</li> <li>○ Review product base for gaps (low hanging fruit-vis-à-vis trading opportunities)</li> <li>○ Redevelop business development process – Short term, mid term projects</li> <li>○ Develop and conduct customer satisfaction survey and opportunities for focus group work</li> <li>○ Develop &amp; roll-out contact tree / hierarchy.</li> <li>○ Develop KPI monitors.</li> <li>○ Completion and roll-out of a coordinated customer strategy.</li> </ul>	<p>SP / Sales Team's</p> <p>SP / Sales Team's</p> <p>SP / All</p> <p>SP</p> <p>SP/All</p> <p>SP/MM</p> <p>SP/KD/ BH</p> <p>SP &amp; Mgt Team</p>	<p>April</p> <p>April</p> <p>End May</p> <p>End May</p> <p>End Sept</p> <p>End March</p> <p>End April</p> <p>Sept / Oct</p>	<ul style="list-style-type: none"> <li>○ DIFOTIS</li> <li>○ Customer Retention - % / year turnover.</li> <li>○ Won/lost analysis - %</li> <li>○ Customer satisfaction – survey.</li> <li>○ Forecast accuracy - %.</li> <li>○ Profit per customer - \$ / customer.</li> <li>○ Market segment profitability - \$Sales Margin / KG output</li> </ul>

# Deployment – a critical element

- ▶ Effective Deployment requires a Process
  - Who will communicate – the roles involved
  - What will be communicated - content
  - How it will be Communicated – method / frequency
  
- ▶ Deployment involves Change Management
  
- ▶ Communicate, Communicate, Communicate to facilitate understanding and achieve buy-In
  - The Vision
  - Desired Outcomes
  - Alignments
  - Performance Expectations
  - WIFM
  
- ▶ Monitor, Review and Revise



**Cascade**

Unlike many performance management systems, the Balanced Scorecard cascades strategy from the top of the organization through Divisions, Business Units, Teams and Individuals.

This cascading creates alignment where all levels of scorecards are linked together to direct our actions and guide performance.

Cascaded Information

# Category 3 - **CUSTOMER AND MARKET FOCUS**

## **PERFORMANCE EXCELLENCE INDICATORS:**

- There is strong Market & Customer understanding
- There is understanding of customers perceptions of value
- Continuous monitoring of customer requirements
- Builds enduring customer relationships
- Regularly monitors customer satisfaction
- Always seeking new opportunities





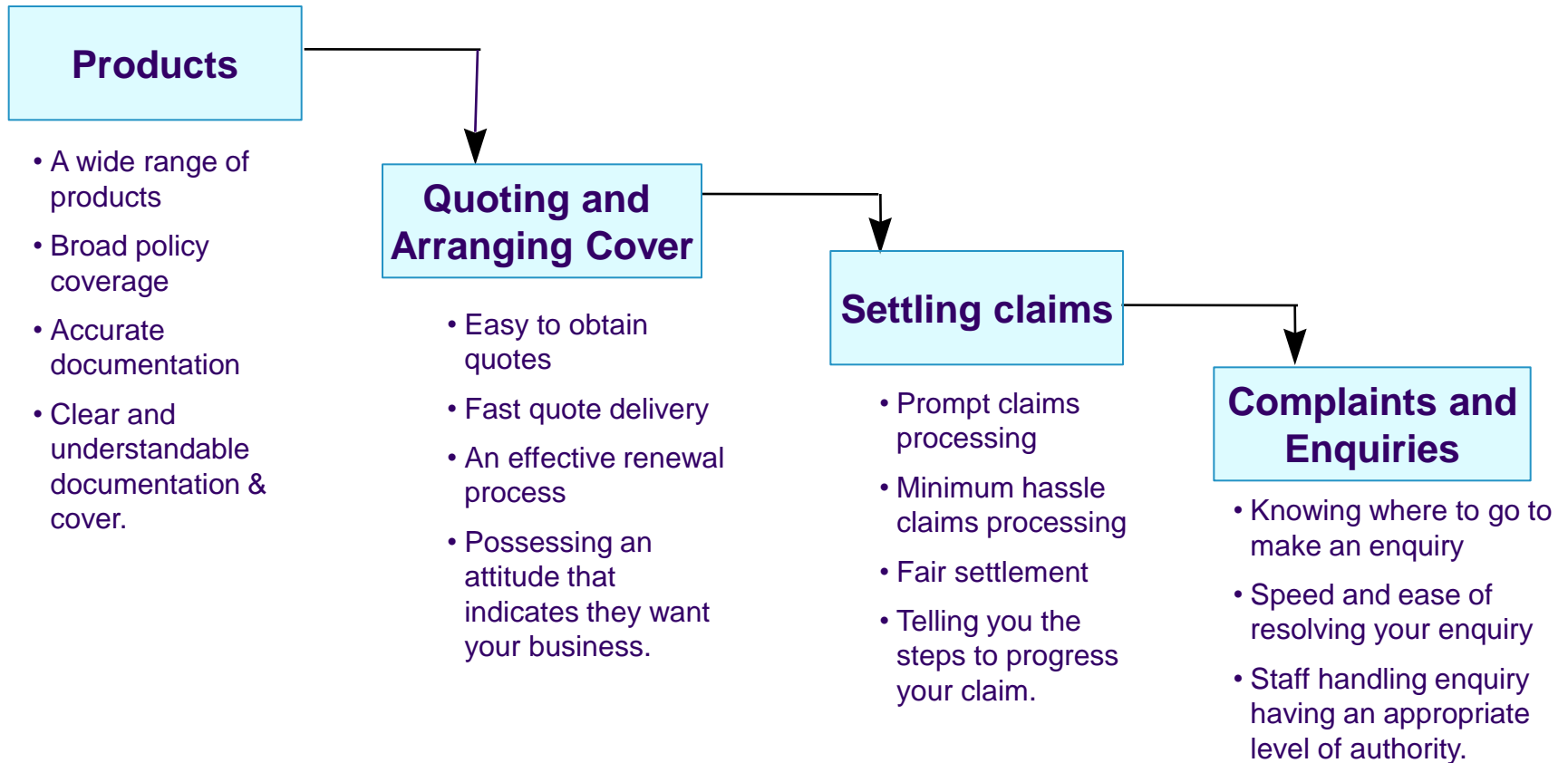
# Our Customers

- ▶ Who are our Customers?
- ▶ How well do we understand their buying behaviours and their perceptions?
- ▶ What are their needs and the relative importance of those needs?
- ▶ Do we know how well we are meeting their needs?

# Customers & Market understanding

- ▶ Market Research ( with discriminating power )
- ▶ Market & Customer Segmentation
- ▶ Value Surveys – what do they value ?
- ▶ Satisfaction Surveys – are we meeting their needs ?
- ▶ Relationship Audits – usually Sales oriented
- ▶ Customer Feedback Process ( i.e. Enquiries & Complaints )
- ▶ Transactional & Post Transactional Surveys
- ▶ Shadow Shopping / Phantom shoppers
- ▶ Customer Relationship Management ( CRM )

# Development of a Product & Services Waterfall ( Value Analysis – Macro & Micro level )



# CRM ( Customer Relationship Management )

1. Needs analysis
  - Define the current relationship we have with our customers.
  - What do we promise ? What do we deliver ?
  - What are the behaviours we wish to encourage ?
2. Customer Segmentation ( usually based on needs )
3. Profit Modelling ( and potential modelling )
4. Value Proposition Development with cost benefit analysis
5. Operationalisation – ( the integration of people, process & technology ) e.g. “ Single View of the customer ”
6. Implementation, monitoring & review

# When asked - Which one of these insurance companies if any do you prefer to use for insurance services? New Zealand Brokers answered



62%



20%



10%

None of these

3%



2%



2%



1%

Response options were:

- Ace
- AIG
- Allianz
- China
- EIG Ansvar
- NZI
- Lumley
- QBE
- Vero
- None of these

Source: IBANZ survey  
November 2006

VERO are the Premier Intermediated Insurance Brand in New Zealand with strong evidence of consumer awareness, “loveability” and pull through

# Category 4 – **MEASUREMENT, ANALYSIS & KNOWLEDGE MANAGEMENT**

## **PERFORMANCE EXCELLENCE INDICATORS:**

- Effective collection & integration of all relevant data
- Alignment of data & information to Strategic & operational objectives
- Effective analysis & dissemination of data & results
- Management of data accessibility and integrity
- Management of organisational knowledge



# The Leadership Waterfall

**MISSION**

**VISION**

**VALUES**

**STRATEGIC GOALS**

**STRATEGY**

**INITIATIVES**

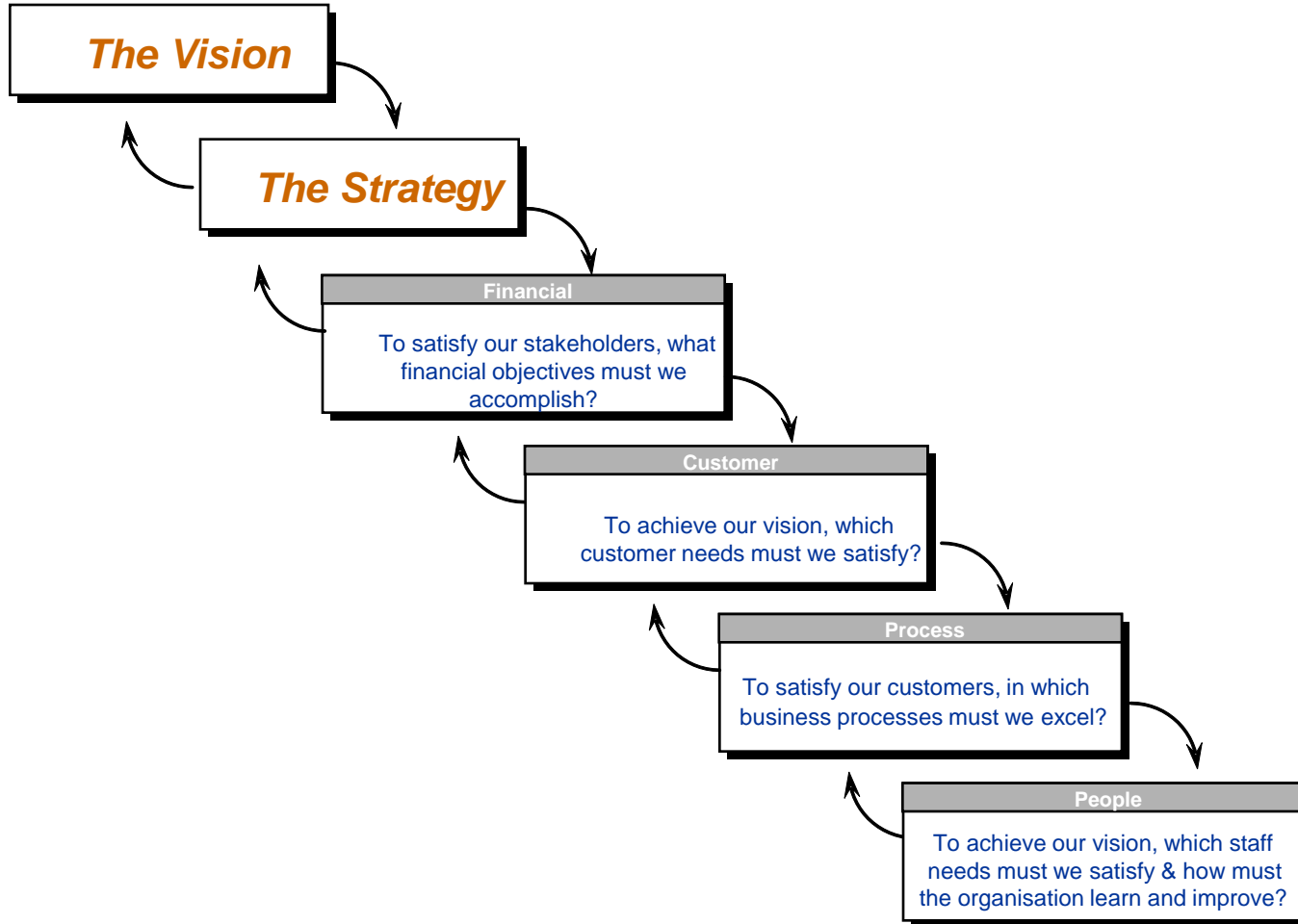
**KPI'S / MEASURES**

**TARGETS &  
BENCHMARKS**

**RESULTS**

# Performance Measures are used to Monitor Current Performance and to Drive Future Performance.

- A Balanced Scorecard has four perspectives, the measures of each aligning with the various elements of the business Strategy.

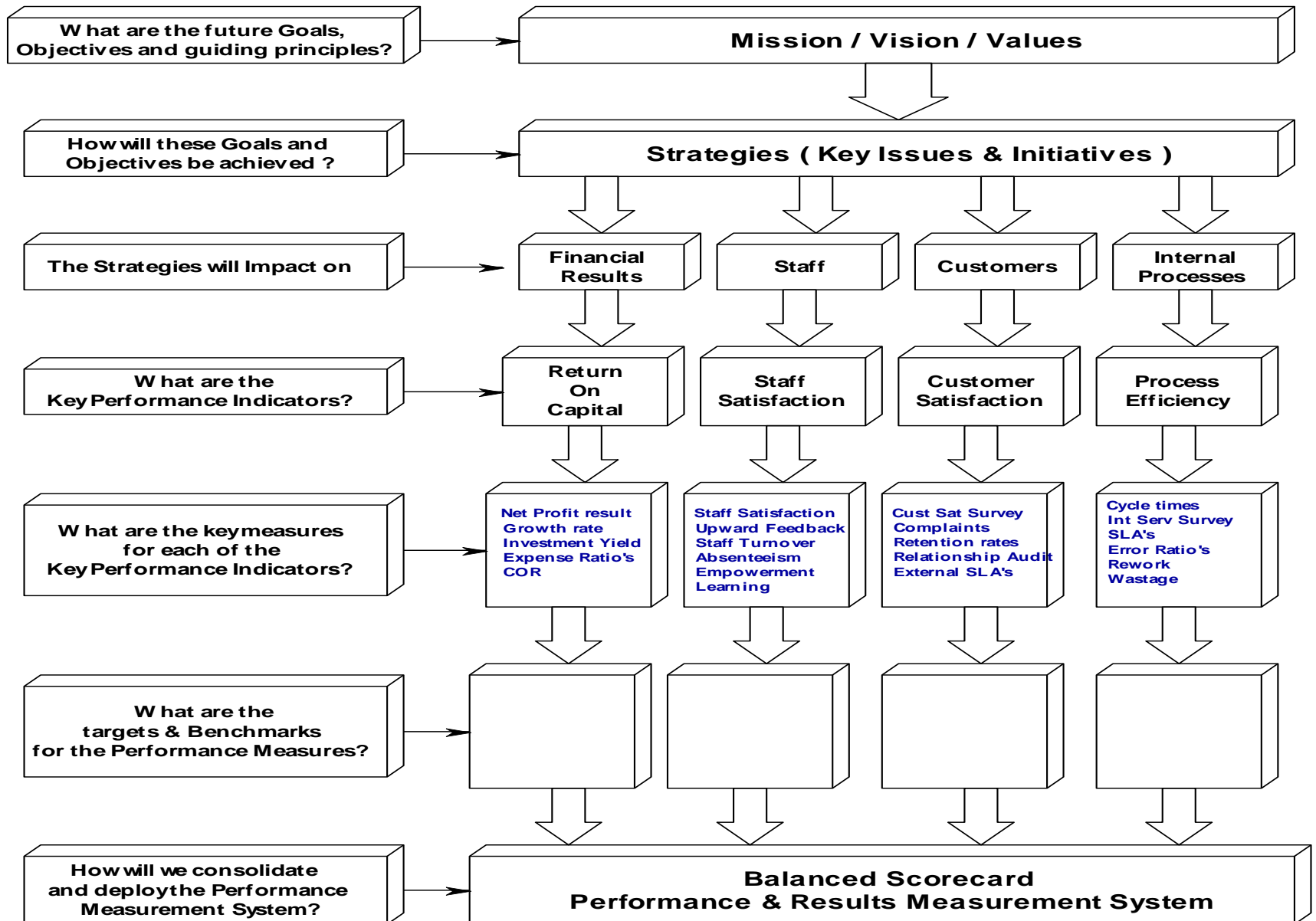




## Lead & Lag Indicators / Drivers & Outputs

- Sales Volumes or \$ Sales **vs** sales campaigns
- New members **vs** number of presentations
- \$ savings **vs** results of cost reduction initiatives
- U/W Profit **vs** result and frequency of U/W Audits
- ROC improvement **vs** Expense reduction initiatives
- Customer Satisfaction **vs** New Product launches

# Organisational Alignment



# Category 5 – **WORKFORCE FOCUS**

## **PERFORMANCE EXCELLENCE INDICATORS:**

- Creates a positive work environment
- Encourages high performance and a strong customer focus
- Creates a learning environment
- Operates a safe & healthy work environment
- Understands workforce needs
- Regularly monitors well being and satisfaction



# Your People – Key areas of focus

- ▶ Effective Job Design
- ▶ Performance Management
- ▶ Work Environment / health & safety
- ▶ Education, Training & Development
- ▶ Succession Planning
- ▶ Career path progression
- ▶ Motivation & Empowerment
- ▶ Employee Support & benefits
- ▶ Recognition & Reward
- ▶ Satisfaction & Engagement - Taking the temperature regularly

# Our success is built upon the engagement of our people

## 90% Overall Engagement

Total Agree

I believe strongly in the goals and objectives of Vero.

97%

I fully support the values for which Vero stands.

98%

I would recommend Vero as a good place to work.

96%

I am proud to be part of Vero.

97%

I would work beyond what is required in my job to help Vero succeed.

94%

Vero energises me to go the extra mile.

82%

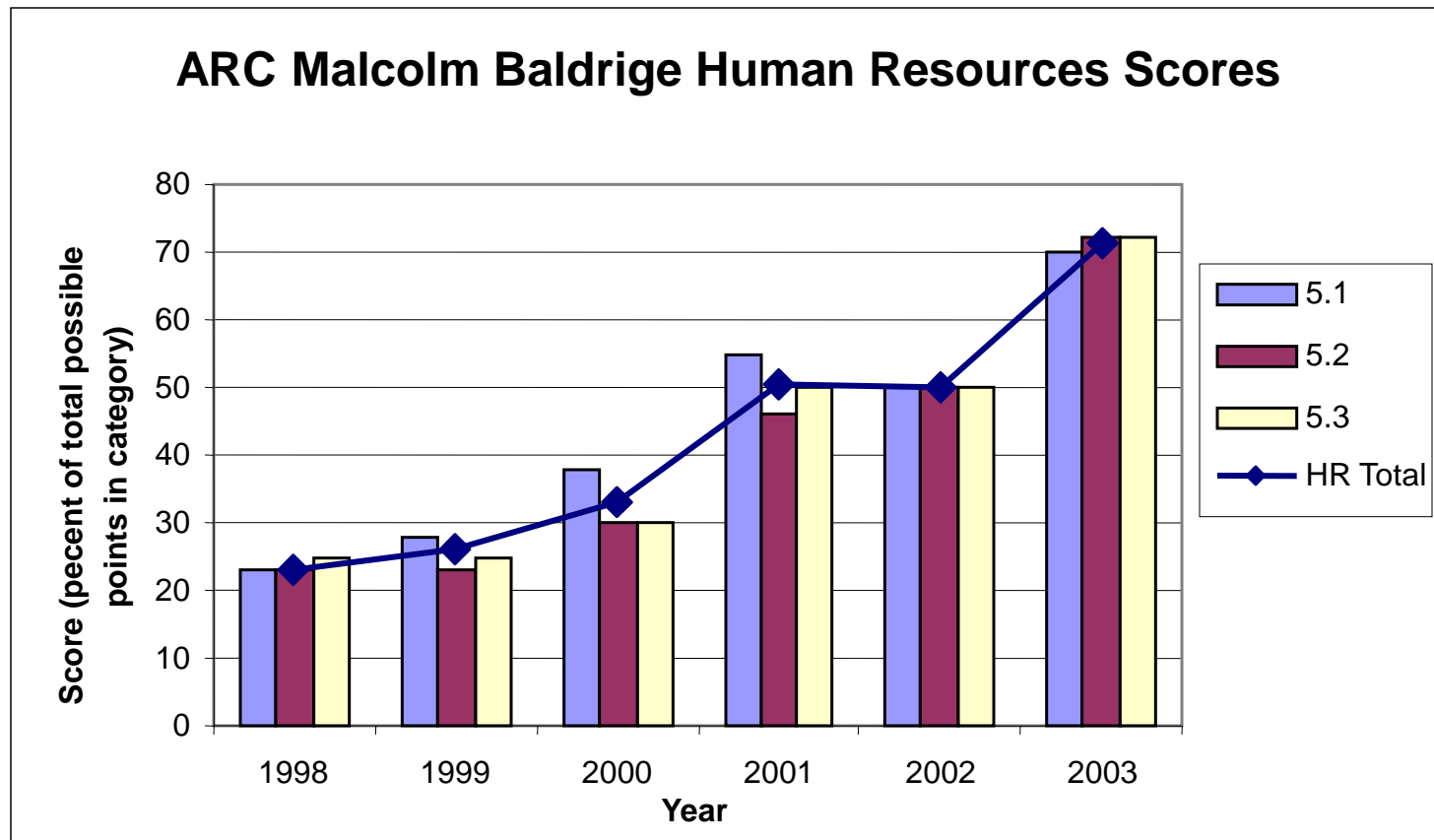
It would take a lot to make me look for another employer.

80%

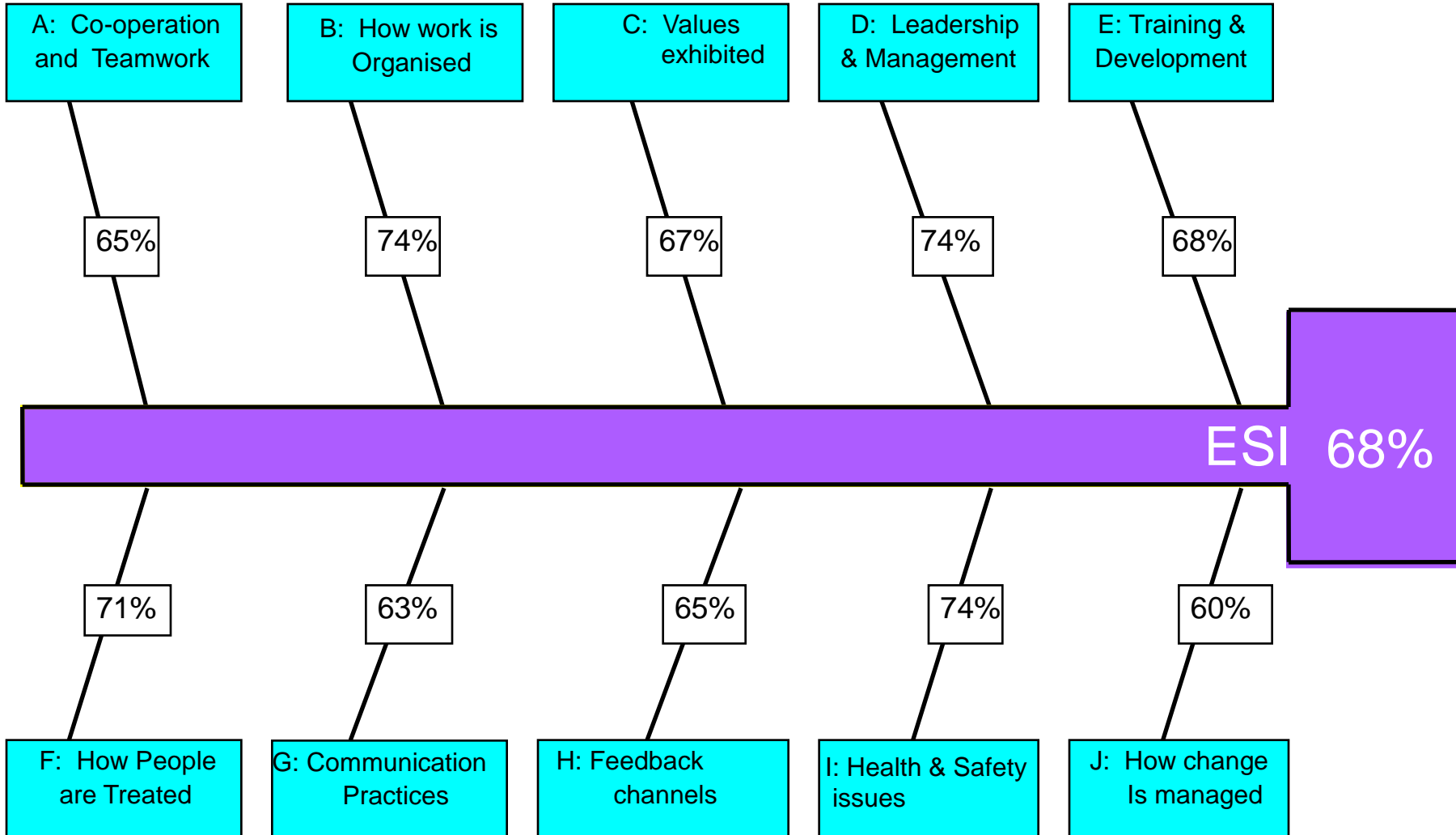
Promina ISR survey November 2006

This average Engagement score of 90% from Vero staff contrasts with a score of 54% recorded by their largest competitor

# Are we making progress ?



# All Respondents - : Employee Satisfaction Index



## Training Dollar per Employee

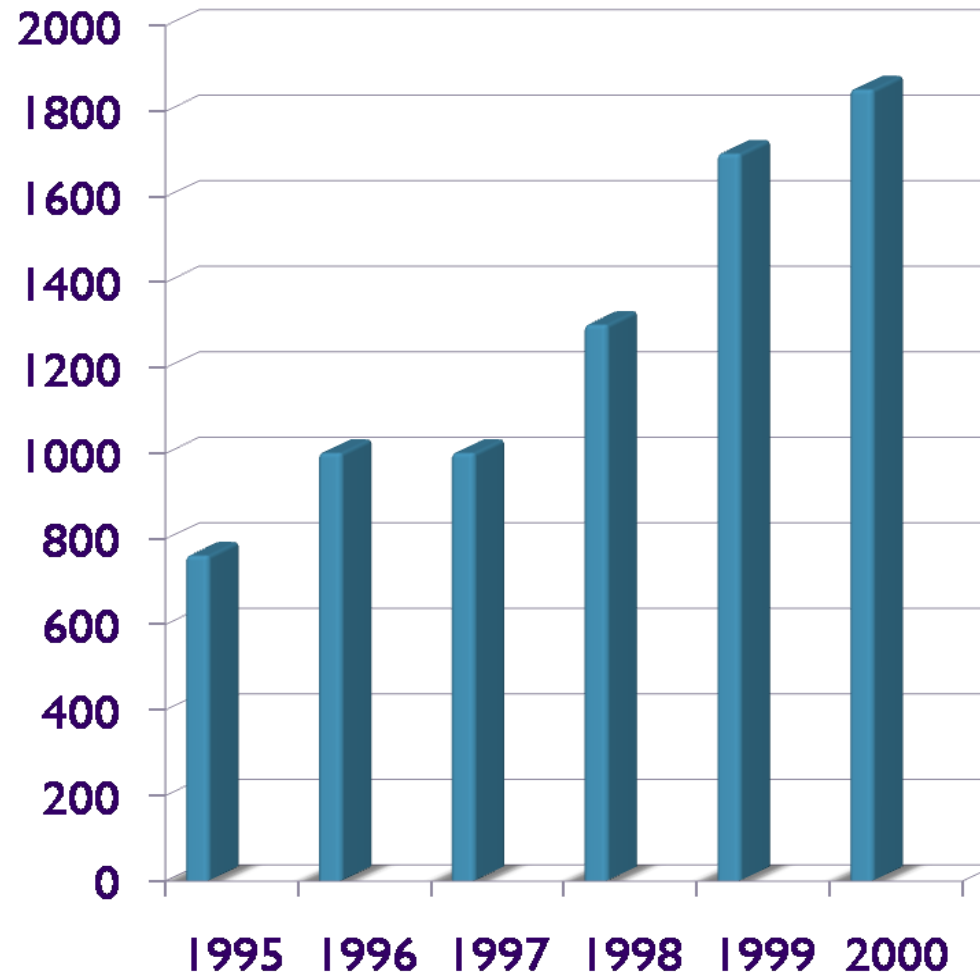
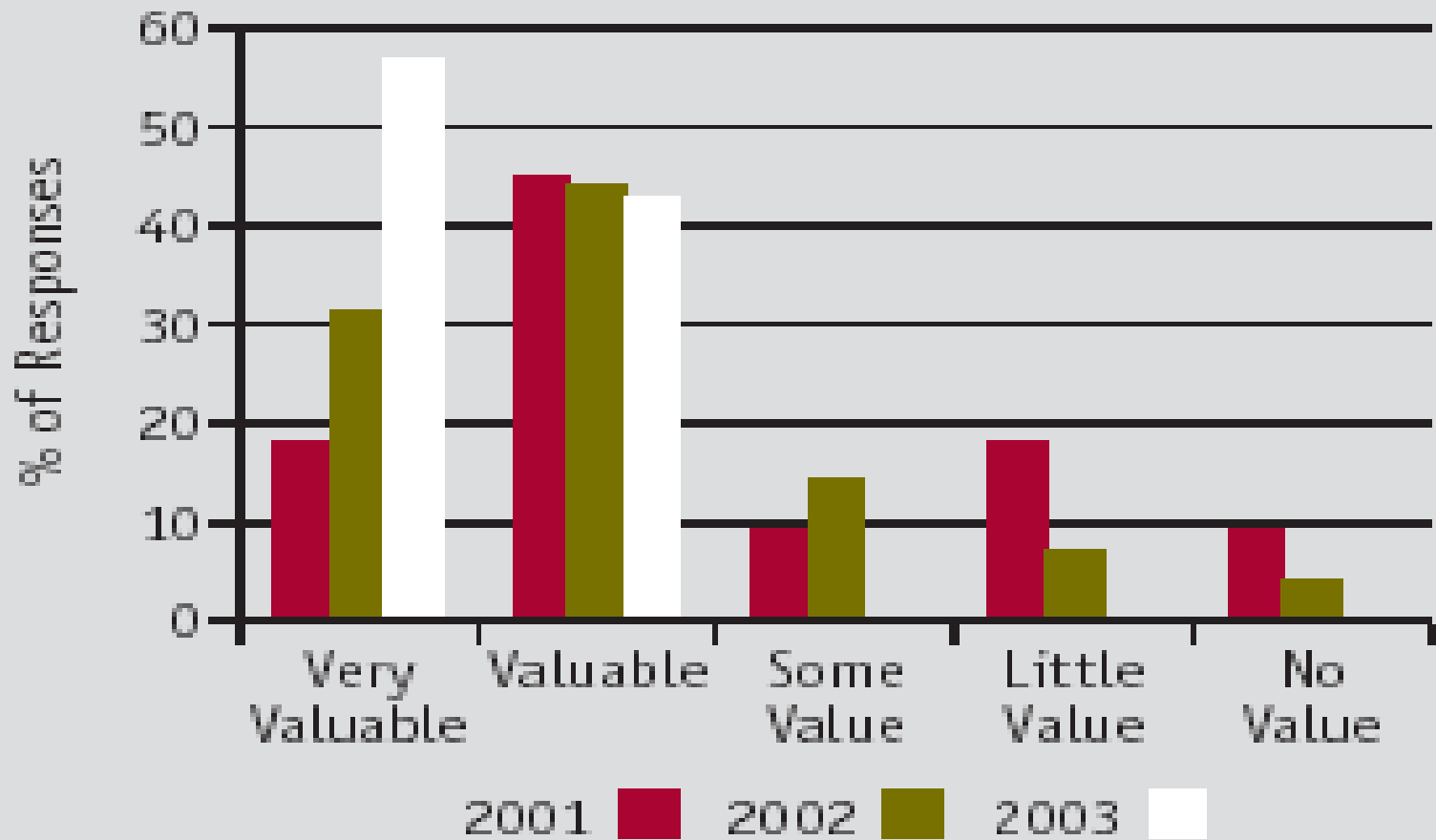




Fig. 7.4-5 Training Effectiveness



# Category 6 – **PROCESS MANAGEMENT**

## **PERFORMANCE EXCELLENCE INDICATORS:**

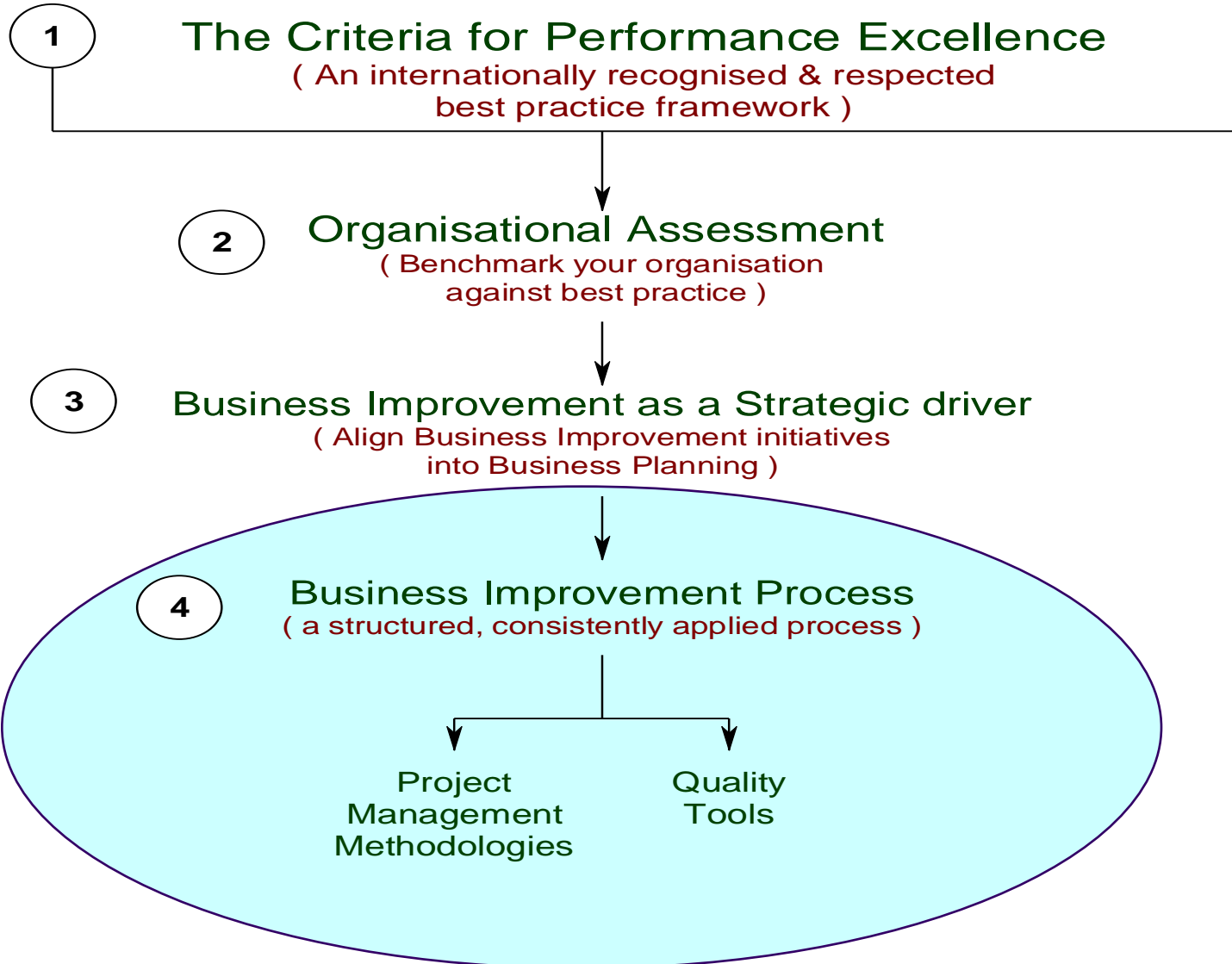
- A detailed understanding of Core Competencies, Key Value creation processes and support processes.
- Products and / or services are designed and implemented with the customers needs in mind
- Support processes align with Value creation processes and business needs
- Partner and supplier relationships are managed
- Business Improvement is a key focus



# Process Management

- ▶ **Understanding your Key Business Processes**
  - Key Value Creation Processes – those that touch the customer.
  - Business Support Processes ( HR, Marketing, IT, Finance etc )
  - Other Business Processes ( e.g. R&D, technology acquisition, supply chain management, mergers & acquisitions, project management etc )
- ▶ **Documentation / Process Mapping to assist understanding and support analysis and improvement**
- ▶ **The use of “in process” measures to monitor performance**

# A Business Excellence Programme



# A structured, consistently applied Process - ARC EDP Process



# 1. Identify the need

## Key tasks

- Define the need – what is the opportunity for improvement.
- Ensure that you consider all possible areas of improvement before selecting the project(s) to tackle.
- Ensure the initiative aligns with our **vision, mission, values** and the achievement of our strategic objectives and outcomes.
- Determine how an improvement initiative will add value to the way we work and the services we deliver to our community and key audiences.

## Overview

This is the EDP starting point and may arise from a number of situations. A new or improvement project may be initiated in response to:

- Stakeholder/ community feedback
- Organisational/ performance reviews
- Strategic Planning/ Environmental scans
- New or changes to laws, policies and plans
- New technology
- Evidence of unsatisfactory performance

All projects must align with the ARC's **vision, mission, values** and strategic objectives. You should be able to reference it to our Strategic Plan, the Long Term Financial Plan.

In determining the need it is essential that we identify and understand what current and prospective customers value about the process or service, and ensure we deliver new and innovative processes and services which are based on those values.

### Before you can progress to stage 2 you must have clearly:

(i) Define the opportunity for improvement, (ii) understand what current and prospective stakeholders value about the process/product or service, and (iii) identify how an improvement initiative will add value to the way we work and the services we deliver.

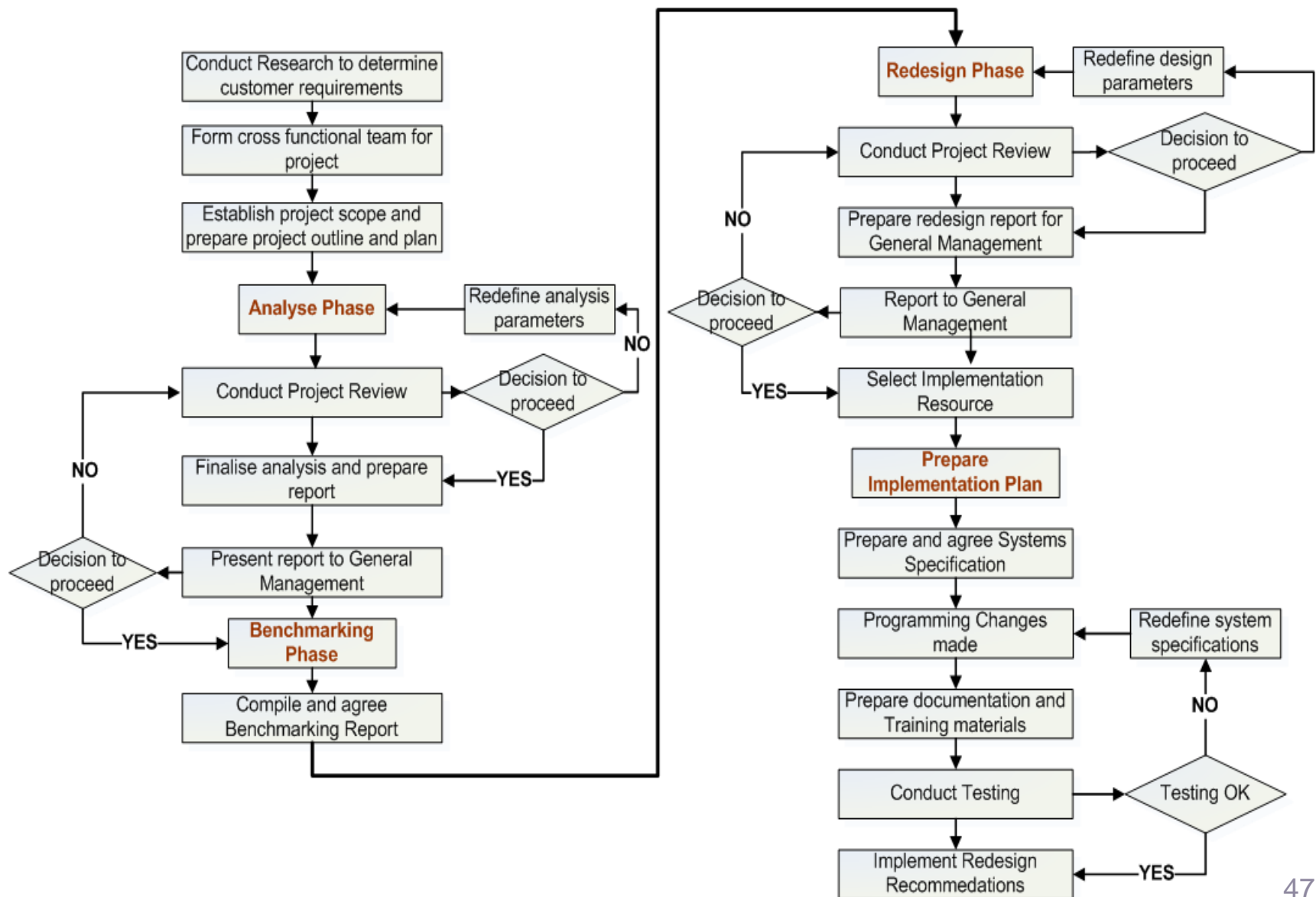
## Quality Tools & Techniques

**Brainstorming** is an excellent tool for identifying problems and opportunities facing us. Using a **Weighted Voting** process will help you determine the most important items from the list.

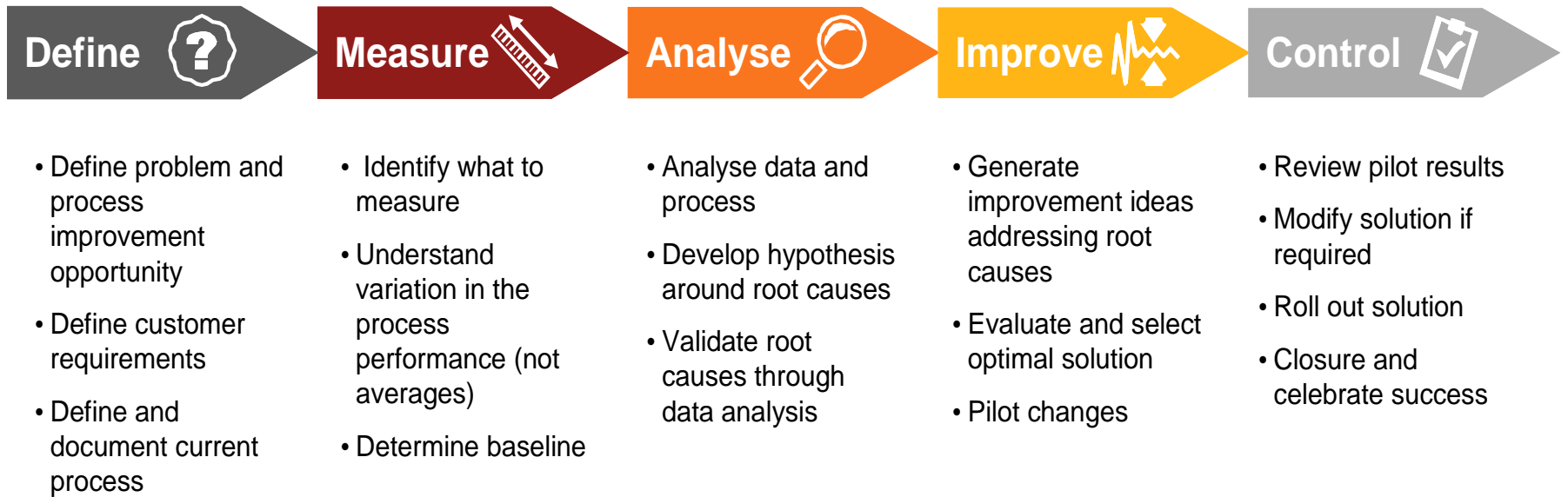
Other tools useful at this stage are **Pareto Chart** and **Run Chart** to collate and analyse information gathered.

If there are several key opportunities represented by a host of different interest groups you may wish to use a **Selection Matrix** to gain consensus from everyone on the right project to select.

# Business Process Re-engineering

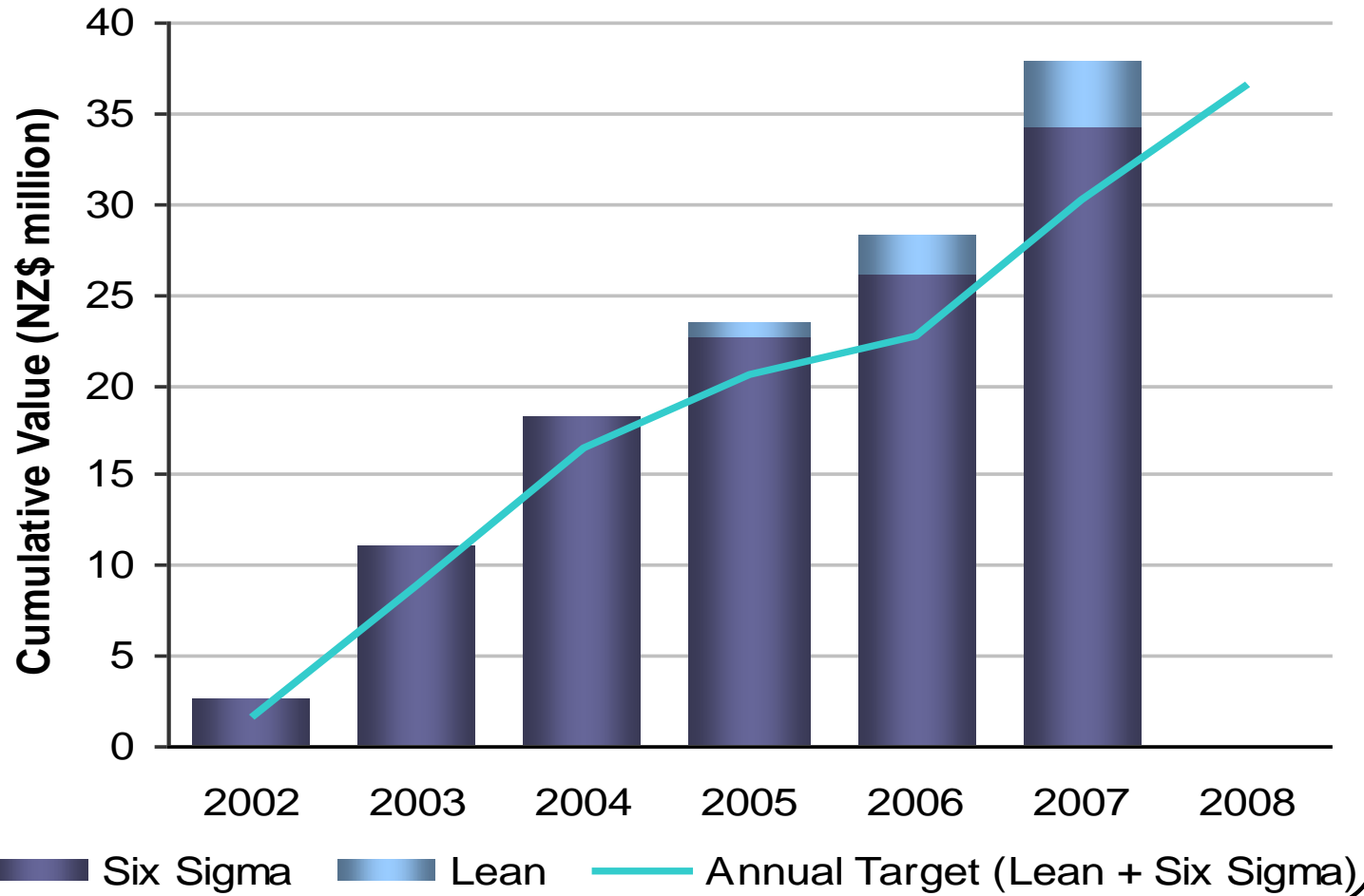


# DMAIC stages - SIX SIGMA

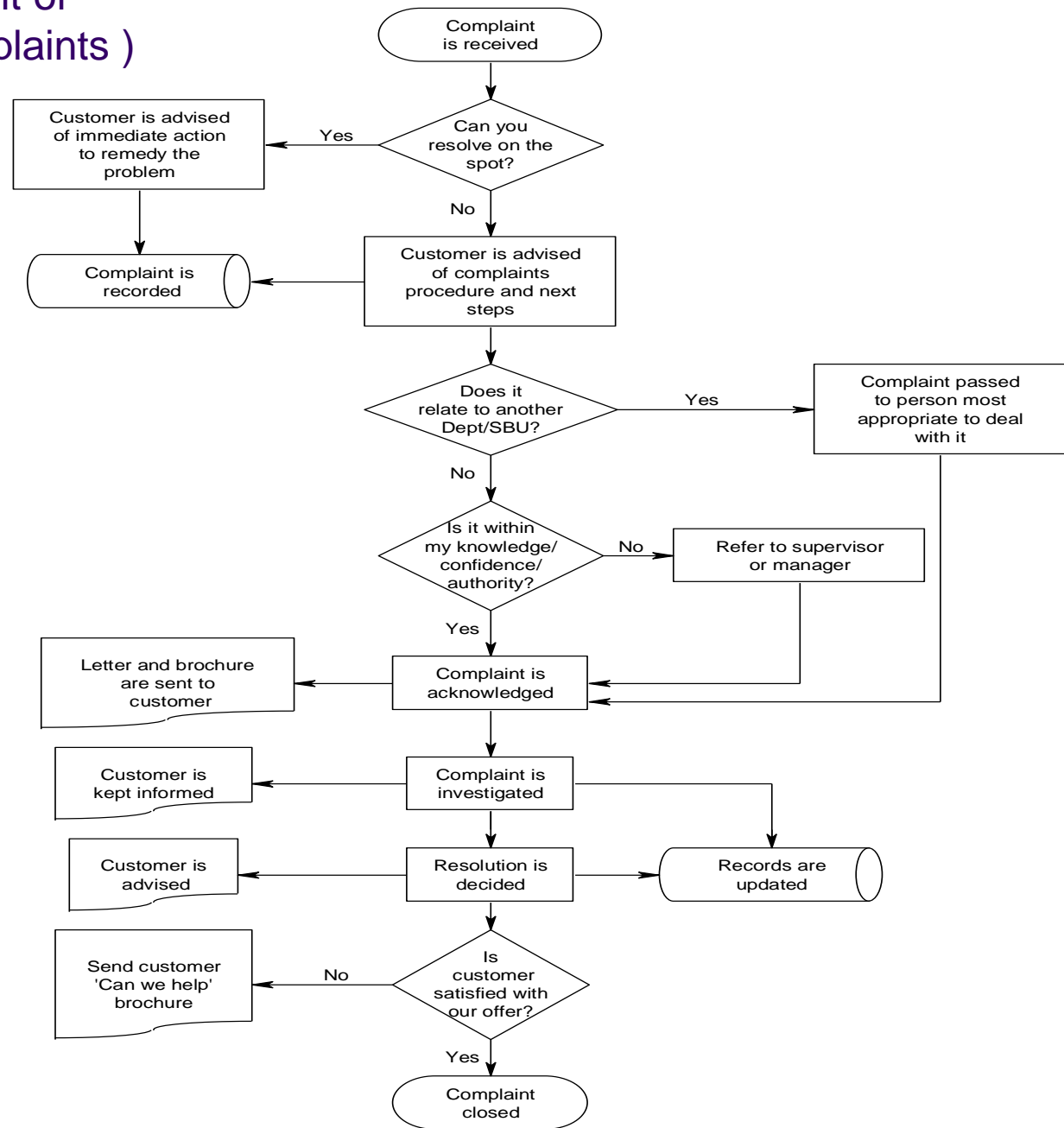




# NZ Aluminium Smelter – Lean Six Sigma



# Effective Management of Feedback ( incl Complaints )

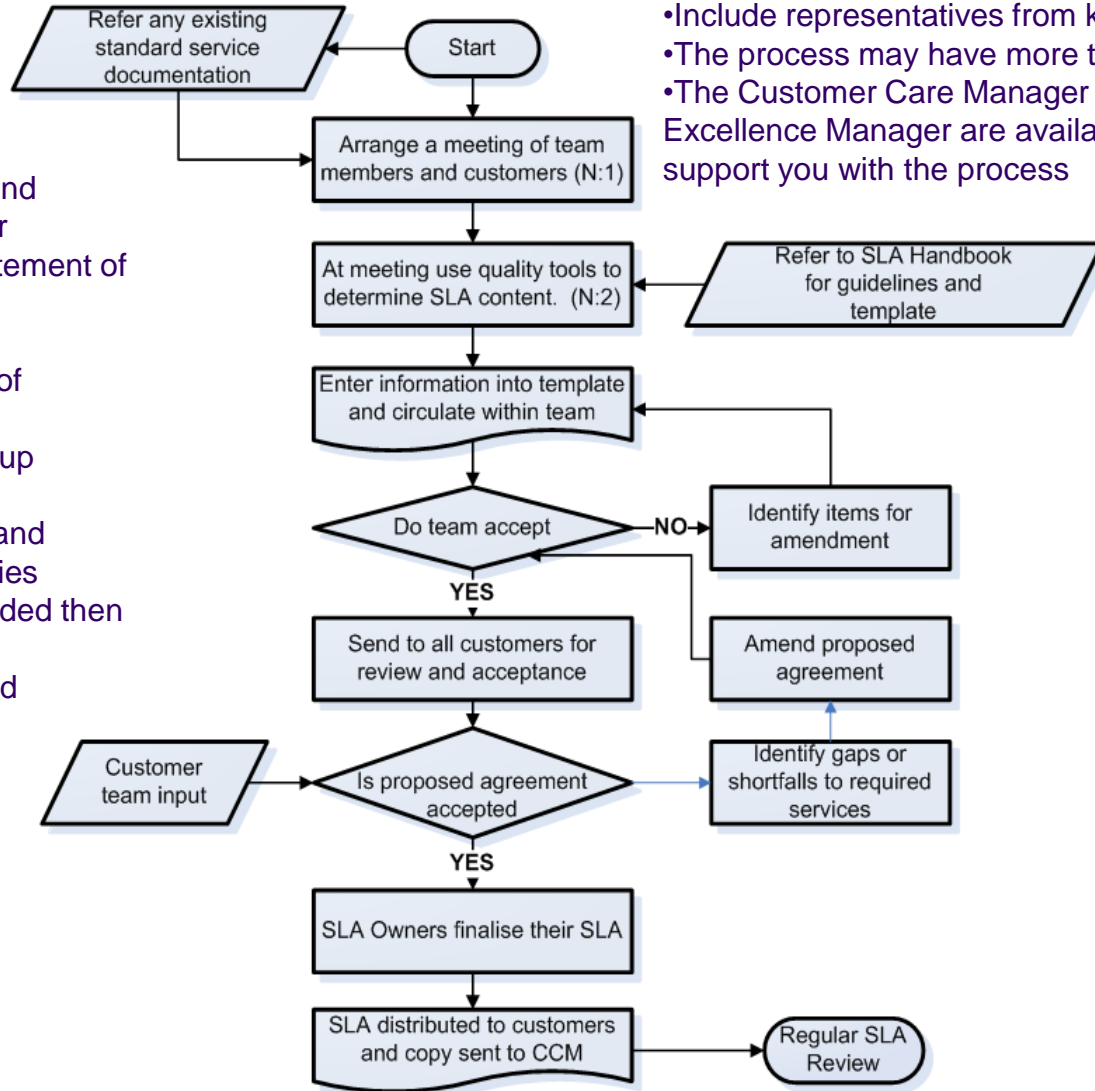


# Service Level Agreement Development Process

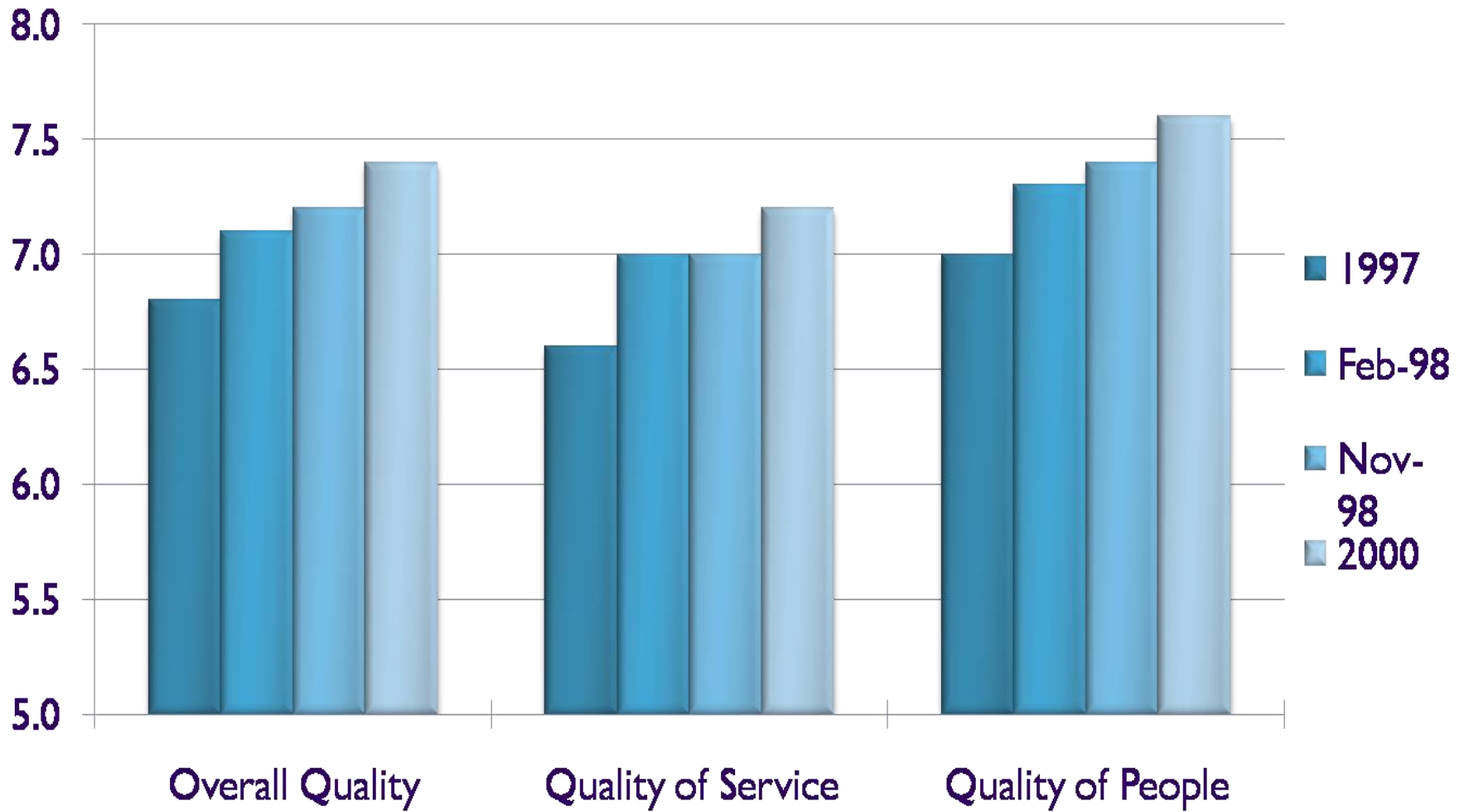
- Note (2): Refer to guidelines and complete in the following order
1. Brainstorm to determine statement of purpose
  2. List your customer groups
  3. Brainstorm to develop a list of services provided
  4. Use Affinity technique to group services into broad categories
  5. Determine service provider and internal customer responsibilities
  6. Finalise list of services provided then determine the:
    - Level (standard to be provided)
    - Current performance
    - Target / goal
    - Mechanism used to measure

Note (1):

- Include representatives from key customer groups
- The process may have more than one meeting
- The Customer Care Manager and Business Excellence Manager are available to assist and support you with the process



## Internal Service Survey - Overall Ratings



# Category 7 – BUSINESS RESULTS

**THE RESULTS REVIEWED SHOULD IDEALLY INCLUDE MEASURES OF:**

- Product & Service Performance
- Customer outcome performance
- Financial & Market Performance
- Workforce Outcome Performance
- Process Effectiveness Performance
- Leadership, Governance & Social Responsibility Performance



# What is the Business Excellence Criteria looking for ?

## Results –

- Alignment – do the results link to defined strategies & direction?
- The outcomes themselves – what are the results ?
- Trends – are there sufficient data points to indicate trends ?
- Sustainability – how long has the trend been in evidence ?
- Comparisons with like / competitors / best in industry ?
- Benchmarks – how do they compare with best practice ?

# Alignment between Enablers ( 1-6 ) & Outcomes ( 7 )

## Category 7 - Results

1. Product & Service Performance
2. Customer outcome performance
3. Financial & Market Performance
4. Workforce Outcome Performance
5. Process Effectiveness Performance
6. Leadership, Governance & Social Responsibility Performance

## Categories 1 - 6

- Category 6 – Process Mgmt
- Category 3 – Customers
- Category 2 – Planning
- Category 5 – Workforce
- Category 6 – Process Mgmt
- Category 1 – Leadership

# 7.1 - Product and Service Outcomes

- ▶ **P.1b(2)** – Customer groups and segments and key requirements and expectations of customers are asked for here as part of the organisational profile. Evaluators would check to ensure that your responses here align with the results you present in 7.1a. Satisfaction results would be reported in 7.2 however key requirements of products / services in terms of product / service performance would be included here.
  - ▶ For example, this might include response times, defect levels, service errors, product performance and the like.
- ▶ **2.2b** – Performance projections included in 2.2b should be included in key measures reported on in 7.1.
  - ▶ For example, in a local Authority context the turnaround times for processing building consents is a statutory requirement, ( a 20 day target ) which would be included in the result presented for consents processing times.
- ▶ **3.1a** – Segments and customer groups asked for in 3.1a would be expected to align with segmentation provided for the results reported in 7.1.



# 7.1 - Product and Service Outcomes - continued

- ▶ **3.2** – Key customer requirements, expectations and their relative importance are asked for in 3.2. The results reported in 7.1 should align to and reflect the responses you gave in item 3.2. Remember that satisfaction levels are requested in 7.2 however the elements of product / service performance important to customers would be included here in 7.1.
- ▶ **6.1b(2)** – Key work process requirements, are requested in 6.1b(2) and would be expected to align with the results information, ( process outputs ) provided in 7.1. Again, these are the measures that reflect the elements of product / service performance that are important to your customers.
- ▶ **7.5** – In 7.5 you are asked for process effectiveness outcomes, this is often confusing with 7.1 seemingly asking for similar results. Category 7, Item 7.5 involves the key steps or stages in your key work processes where in 7.1 you are more likely to report the outputs or “end of process” outcomes.
  - ▶ For example a specific component of a key work process that is important to your customers might require a turnaround within a set time frame. This part / stage of the work process would be reported in 7.5 as a measure whereas the “end of process” output would be reported in 7.1

## 7.2 - Customer-Focused Outcomes

- ▶ **2.2b** – Performance projections, ( targets ) included in 2.2b should be included in the results for key measures reported in 7.2.
  - ▶ For example, a projected level, ( target ) of satisfaction for customers / customer groups with a specific product or service.
- ▶ **3.1a(1)** – Segments and customer groups asked for in 3.1a(1) would be expected to align with the levels of segmentation provided for the results reported in 7.2.
- ▶ **3.1a(2)** – Key customer requirements, expectations and their relative importance are asked for in 3.1a(2). The results you provide detailing satisfaction levels in 7.2 should align to your responses in 3.1a(2). Remember that details of product / service performance are reported on in 7.1 however satisfaction levels with product / service performance would be included in 7.2.

## 7.2 - Customer-Focused Outcomes - continued

- ▶ **3.2** – The processes by which you build relationships, loyalty etc and how you measure customer satisfaction, dissatisfaction, loyalty, positive referrals, likelihood of future business and complaints are requested in 3.2. The methods you use to measure these will drive the results you provide in 7.2.
  - ▶ For example, if you happened to measure the percentage of complaints that are resolved at first point of contact this would be expected to be reported in 7.2, as well as the overall percentage of complaints handled to the satisfaction of customers.
  - ▶ For example, Customer loyalty might be measured by means of tracking repeat business for a specific segment, this could also be reported in 7.2 as evidence of satisfaction.
- ▶ **7.1** – The results reported in 7.1 should reflect the outputs or “end of process” outcomes identified previously as customer requirements and expectations including their relative importance. The satisfaction levels of customers with these outputs or “end of process” outcomes should be reported in 7.2.
- ▶ **7.3** – There is often an opportunity to correlate specific customer satisfaction results with Financial and Market Outcomes reported in 7.3.
  - ▶ For example, this might include evidence of repeat and / or referral business that drives revenues, ( Sales ) and / or profitability.

Thank you for your time



QUESTIONS ?