

## THE BUSINESS EXCELLENCE JOURNEY

### **Business Excellence in Malaysia**

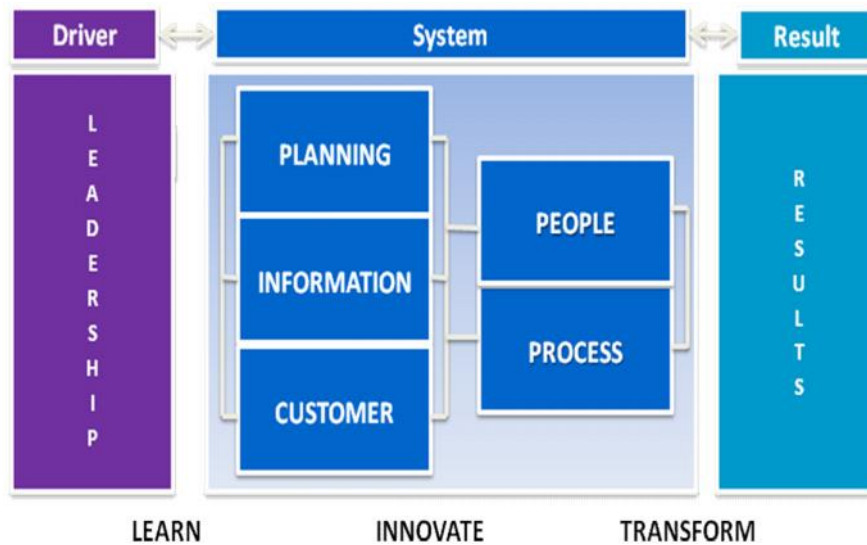
The Business excellence model was first introduced in 1990 when MPC started promoting Quality Management Excellence Award (QMEA) or Prime Minister Quality Award (PMQA). Companies undertook their own business excellence journey using TQM principles and the criteria for business excellence based on the Malcolm Balridge Criteria was used as a guide to the QMEA and PMQA participants. In 1997, MPC established a unit to manage the awards and the Productivity Award introduced in 1998. In 2009, a more concerted effort to promote BEF as a standard solution for companies to assess their TQM practices.

MPC established a Business Excellence (BE) Department in 2010, to expand its outreach and acceptance of Business Excellence Framework (BEF) as a tool to guide companies manage and review their business excellence affairs and linking that to business performance.

Business Excellence is a comprehensive management practices standard developed to assist companies assess readiness and compliance to excellence practices in their quest to enhance business performance. It is used by many international organizations to promote attainment of world-class practices. MPC introduced the Business Excellence Framework (BEF) with the aim of creating an environment for continuous improvement that leads to sustainable business success. The Business Excellence Framework describes the elements essential to sustainable organizational excellence. It can be used to improve any part of the organization.

## THE BUSINESS EXCELLENCE FRAMEWORK

Figure 1: Business Excellence Framework



The Business Excellence Framework comprises seven excellence indicators which are Leadership, Planning, Information, Customer, People, Process and Results. It has the following basic elements which are driver, system and results.

### Seven Excellence Dimension

1. Leadership:
  - Leadership addresses how leaders develop and facilitate the achievement of the mission, vision and develop values required for long term success.
2. Planning:
  - Planning addresses on the organization's establishment of strategic objectives and action plans, deployment of plans and plans changed if circumstances require a change; and how progress is measured and sustained.
3. Information:
  - Information focuses on management of information that is essential for promoting organizational improvements and innovations to create unique values, knowledge and the use of comparative and to support decision-making and improvements at all levels of the organization.

4. Customer:
  - Customers addresses on customer engagement as an important outcome of an overall learning and performance of excellent strategy, determines customer and market requirements, builds relationships with customers, and determines their satisfaction.
5. People:
  - People addresses how the organization manages, develops and releases the knowledge and full potential of its people at an individual, team based and organization-wide level. How it plans these activities in order to support its policy and strategy and the effective operation of its processes.
6. Process:
  - Process addresses how the organization designs, manages and improves its processes in order to support its policy and strategy and fully satisfy, and generate increasing value for, its customers and other stakeholders. A process can be further defined as a bound set of inter related work activities, each having prescribed inputs and outputs.
7. Result:
  - These criteria are concerned with what an organization has achieved and is achieving. An organization uses a number of key parameters to measure its performance.

#### **How Does Business Excellence Framework Assist Organization To Be More Competitive?**

1. Get A Health Check
  - BEF to check the level health performance of organisation
2. Improve Business Performance
  - Improve business performance i.e: Sales and productivity
3. Be Recognised
  - Distinguish companies in the market place
4. Learn From the Best
  - Participate in the Community of Innovation (CoI)

## GUIDING PRINCIPLES

### 1. Leadership

- Visionary

Senior leader with a visionary leadership has a dream of wonderful visions for the future and articulate them with realistic inspiration. A visionary leader is not only good in the speech but also proven actions in order to transform his vision into reality.

An effective visionary leader:

- Has good relationships with his people and values them as his greatest asset;
- Promotes a partnership approach and shares sense of vision with others.
- Exhibit great respect for others and carefully develop team spirit as well as team learning; and
- Develop participative strategies in engaging people to design their own future.

- Driving Innovation

Senior Leaders should be able to inspire, motivate and encourage entire workforce to contribute, to develop and learn to be innovative as well as readiness to embrace change. They serve as role models to reinforce ethics, values and expectations while building leadership, commitment and initiative.

### 2. Planning

- Strategic Direction

Company should have a course of action that leads to the achievement of the organization's strategic goals. The organization should realize its vision and mission a well-defined strategy that takes into account the market and industry conditions in which it operates. In many organizations, this is viewed as a process for determining where an organization is going over the next year or—more typically—3 to 5 years (long term), although some extend their vision to 20 years. The strategic direction process should be:

- Result oriented and based on the present and future needs and expectations of all the stakeholders of the organization.
- Based on information from performance measures, research, learning and other related external activities.

- **Effective Deployment**

Criteria for effective deployment are:

- Setting a great goal. Great goals are specific, timely, measurable, challenging and attainable
- Creating a hierarchy of objectives to align goals from top to bottom in organizations. In a hierarchy of objectives, lower-level objectives are means to accomplish higher level ones.
- Participation and involvement open the planning process to valuable inputs from people whose efforts are essential to the effective deployment.
- Management by objective is a participative process for clarifying helpful support that can be provided by the manager.

### **3. Information**

- **Managing information**

Managing information is the most important element for aligning the organization's operations with its strategic objectives. In order to have an effective measurement analysis and knowledge management, the organizations should practice the following:

- Good use of performance measurement by managers to track work-group and process level performance weighed against the organization's target.
- The use of comparative and benchmarking data and information to know where the organization stands in relation to others and the better understanding of organization's process and performance.
- Conduct of organizational reviews that cover all areas of performance. This will help guide improvements that are in line with the organization's goals and core competencies.
- Ensure effective knowledge management by making readily available data, information, software and hardware for the workforce through the intranet and user-friendly systems.
- Continuously learn, innovate and adapt through the use of technology, information and knowledge.

### **4. Customer**

- **Voice of customer**

Voice of the customer (VOC) is the process of capturing a customer's expectations, preferences and aversions upon organization's products and services. Organizations

can use VOC as a key input for its new product definition, Quality Function Deployment (QFD) and the setting of detailed design specifications.

The advantages of VOC to the organization

- Give a detailed understanding of the customer's requirements
- Use as a common language for the team going forward
- As a key input for the setting of appropriate design specifications for the new product or service
- A highly useful springboard for product innovation.

- Customer Satisfaction

Customer satisfaction occurs when products and services of the company meet or exceed customer expectations. Customer retention is one of the most powerful tools that companies can employ in their fight to gain a strategic advantage and future survival. It is vitally important to understand the factors that impact on customer retention and the role that it can play in formulating strategies and plans.

## 5. People

- Learning

Organization needs a highly educated and trained worked force to adapt change as well as facing today's challenging business environment. They should assist employees in developing their skills and knowledge needed to perform effectively in their current jobs through training, education and opportunities for sustained and continuous growth.

- Participation

Participation of employees is important in enhancing performance of an organization. Employees' participation and teamwork are the foundations of employee involvement which represent core principles of total quality management and are a natural extension of effective human resource management practices.

Informal communication, open-door policies, suggestion systems, and teams encourage employees to share their knowledge and use their abilities to improve the processes that lead to customer satisfaction.

- Well-being

In order to excel, the organization should provide for the health, safety and well-being of all its people in a fair and non-discriminatory manner. Well-being of the employees is important since it has impact on their job performance and retention.

## 6. Process

- Process Management

Six ingredients that are essential for process management:

1. Ownership: Assign responsibility for the design, operation, and improvement of the process.
2. Planning: Establish a structured and disciplined approach to understand, define, and document all major components in the process and their interrelationships.
3. Control: Assure effectiveness: all outputs are predictable and consistent with the customers' expectations.
4. Measurement: Map performance attributes to customers' requirements, and establishes criteria for the accuracy, precision, and frequency of data acquisition.
5. Improvement: Increase effectiveness of the process by permanently embedding identified improvements.
6. Optimization: Increase efficiency and productivity by permanently embedding identified improvements.

These six ingredients are fundamental to the successful management of any type of process. These ingredients are needed for the work processes that produce and deliver products and services to customers, for the processes that clarify requirements and satisfaction along the customer-supplier chain, and for the processes that support employees in their jobs.

- Process Improvement

Three different approaches have emerged for improving the efficiency or effectiveness of a process: continuous improvement, benchmarking and reengineering.

1. Continuous improvement is an approach used on an ongoing basis for incremental gains. This approach is also known by the Japanese term *kaizen*. It involves a six-step method that can be applied to any type of work process. The prescribed method enables building a fundamental understanding of process performance in order to eliminate the root causes of identified deficiencies.

2. Benchmarking should be used periodically where one searches for and emulates the best available practices and processes. This approach generally requires more resources than continuous improvement, and can usually be expected to provide larger gains. Benchmarking advocates encourage periodically repeating benchmarking efforts to close gaps between "what is" and "what could be."
  3. Reengineering can be launched occasionally to achieve dramatic breakthroughs. It is intended to totally change the process. Unlike continuous improvement or benchmarking, reengineering is intended to totally change the process. Michael Hammer and James Champy (1993), define reengineering as "the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed."
- **Suppliers Management**  
Suppliers management is management of activities that procure materials and services, transform them into intermediate goods and final products, and deliver them through a distribution system. Effective supplier management makes suppliers "partners" in the organizations' strategy to satisfy an ever-changing market place marketplace. A competitive advantage may depend on a close long-term strategic relationship with a few suppliers.

## **7. Results**

- **Performance Management**  
An organization's performance measurements need to focus on key results. Results should be used to create and balance value for organizations' stakeholders that are customers, workforce, stockholders, suppliers, partners, the public and the community. This category provides the measures of progress made by the organization in achieving its vision, strategies and goals.

All the improvements done by the organization should meet all these four requirements:

### **1. Customer**

Customers are important for the organization sustains the superior value of its offering.



2. Financial and Market

Financial is an important foundation of the business and to expand business, organization should have better understanding on the current and future market trend.

3. People

Workers are important as they are the main capital of doing business. Satisfied workers will lead to high performance and productivity.

4. Process

Organization can increase their efficiency through fine-tuning the way work is performed. Having identified key processes to your business and the methods which to deliver them will reduce operating cost and increase profit margins.

### **1. LEADERSHIP (150 pts)**

Leadership addresses how leaders develop and facilitate the achievement of the mission, vision and develop values required for long term success. Effective leadership is crucial to the overall organizational growth through development of policy and strategy that drives the people to manage resources and external partnerships. Emphasis is given to how the senior leaders communicate with the employees, enhance their leadership skills, involve in organizational learning and in developing future leaders. The category includes organization governance system, societal responsibilities and supports its key communities. Evidence is needed of how leaders :

- a. visibly demonstrate their commitment to excellence and continuous improvement
- b. support improvement and involvement by providing appropriate resources and assistance
- c. are involved with customers, suppliers and other external organizations
- d. recognise and appreciated people's efforts and achievements.

#### **1.1 Senior Leadership (90pts)**

This item examines how senior leaders actions to create a sustainable, high-performing organization, commitment to improvement and innovation with a business, customer and community focus. For this, they are responsible to :

- a. Develop the organization's vision, mission and values and ethics that focus on key stakeholders, learning and innovation
- b. Communicate the vision, mission and values to key stakeholders. (Employees, customers, suppliers / partners and other external parties)
- c. Translate organisation values into policies, practice and behaviors
- d. Initiate to overcome any differences between the current and desired culture
- e. Permeate a culture that is consistent with the organisation values, which support innovation, learning and achievement of the organisation objectives
- f. Evaluate, measure and improve their personal leadership and involvement in meeting organizational vision, mission and values

#### **1.2 Governance and Societal Responsibility (60 Pts)**

This item examines the key aspects of the organization governance system, including leadership improvement. It also examines how organization ensures the employees behave legally and ethically and how organization fulfills its societal responsibilities and supports its communities. For this, they are responsible to :

- a. Develop organisation policies in relation to the corporate governance and contribution to the community and environment for sustainability in which it operates

- b. Communicate the organisation policies to employees and external parties and involve them in achieving the goals
- c. Evaluate and improve organisation involvement and the contribution to the community

## **2. PLANNING (90pts)**

Planning addresses on the organization's establishment of strategic objectives and action plans, deployment of plans and plans changed if circumstances require a change; and how progress is measured and sustained. Evidence is needed of how planning is conducted :

- a. in a closed-loop systematic process that also involves regular reviews and modifications when necessary
- b. uses inputs from people throughout the organisation for planning process
- c. collect and analyze relevant data and information (e.g. operational performance, quality indicators, etc.), external data (customer feedback, market intelligence, industry trends, etc) as part of the strategic planning process
- d. cascade down plans to all levels, and corporate goals are translated into departmental and individual objectives
- e. regularly evaluates its planning process, and the process is refined to improve the planning cycle time, planning accuracy and plan deployment

### **2.1 Strategy Development (35pts)**

This item examines the organization's approach to develop its strategy and strategic objectives for future, and address organization's strength, weaknesses, opportunities and threats. For this, the responsibilities are to:

- a. determine its strategic challenges, and strategy and strategic objectives to address these challenges as the organisation's key strategic short-term and long-term objectives and goals
- b. ability to convert its strategic objectives into action plans.
- c. reviews its performance relative to its plans, and establishes and deploys modified plans in a timely manner
- d. evaluates and improves its strategic planning process

### **2.2 Strategy Deployment (35pts)**

This item covers the extent to which the organization uses the approach and what it does to deploy it. Action plan drawn out for an improvement is implemented in relevant areas to get the desired results. In an excellent organization the action plan will be *implemented* in relevant areas and in *systematic* way. For this, the responsibility are to:

- a. implement in all potential areas across the organization

- b. implement to its full potential / capability
- c. achieve all planned benefits
- d. fast in application
- e. systematic
- f. understood and accepted by all stakeholders
- g. measurable

### **3. INFORMATION (90 pts)**

Information focuses on management of information that is essential for promoting organizational improvements and innovations to create unique values, knowledge and the use of comparative and to support decision-making and improvements at all levels of the organization. Evidence is needed of how information and data is gathered :

- a. necessary to clarify organizational capabilities based on activity results
- b. help identify external changes
- c. concerned with competitors or best practice organization
- d. help identify the current problems and challenges
- e. improvements that are currently being undertaken

#### **3.1 Management of Information and Knowledge (90pts)**

This item ensures the organisation's quality and availability of needed data and information for planning, day-to-day management and performance evaluation which involves stakeholders, including customers, and how it creates value for the organization. For this, the responsibility are to :

- a. assurance of data and information validity and reliability related to the organisation's performance objectives and goals
- b. ensures that information is reliable, accessible and disseminated to employees, suppliers/partners and customers.
- c. focus on organisation's knowledge management and develop innovative solutions that add value for the customers and organisation

### **4. CUSTOMERS (110pts)**

Customers addresses on customer engagement as an important outcome of an overall learning and performance of excellent strategy, determines customer and market requirements, builds relationships with customers, and determines their satisfaction. Evidence is needed of how organization use customer information:

- a. to identify current and anticipate future customer groups and market segment
- b. to improve marketing to build a more customer focus culture

- c. to pursue for current and future products

#### **4.1 Voice of Customer (40 pts)**

This item addresses organization's processes for listening and determining their satisfaction and dissatisfaction. Also engage its customers for long term marketplace success. For this, the responsibilities are to:

- a. listen to customer to obtain actionable information
- b. follow-up with customers on the quality of the products, customer support and transaction to receive immediate and actionable feedback
- c. measure actionable information in exceeding the customers expectation in the future

#### **4.2 Customer Engagement (70 Pts)**

Describe how the organisation manages its relationship with customers for repeat business and/or positive referrals. For this, the responsibility are to :

- a. determine products offering and communication mechanism to support customers
- b. attract new customer and to provide opportunities for expanding relationships with existing customers
- c. enable customer to provide feedback on products
- d. ensure customer complaint are resolved promptly and effectively to recover customers confidence and enhance their satisfaction and engagement

### **5. PEOPLE (120pts)**

People address on how organisation manages, develops and releases the knowledge and full potential of its people at an individual, team based and organization-wide level. How it plans these activities in order to support its policy and strategy and the effective operation of its processes. Evidence is needed of how:

- a. people resources are planned and improved
- b. people capabilities are sustained and developed
- c. people and teams agree targets and continuously review performance
- d. people are involved, empowered and recognised
- e. people and the organization have an effective dialogue people are cared for

#### **5.1 Human Resource Planning (25pts)**

This item examines how organization improves basic employee capabilities, identifies capabilities that are necessary for achieving organisational objectives and meeting strategic challenges, and develops and evaluates these capabilities. For this, the responsibility are to :

- a. assess workforce capability and capacity needs, including skills, competencies and staffing levels
- b. describe performance measures and improvement goals for workforce needs`
- c. identify challenges in improvement and innovation to improve human resource strategies, policies and plans

## **5.2 Employee Involvement (30 Pts)**

This item examines how the organisation engages, compensates and rewards workforce, and use assess workforce engagement results to achieve higher performance. For this, the responsibility are to :

- a. determine the key elements that affect workforce engagement and workforce satisfaction
- b. evaluates and assess workforce engagement through formal and informal methods and measures to improve workforce engagement and workforce satisfaction

## **5.3 Education, Learning and Development (30 Pts)**

This item examines organisation's system for enabling and encouraging the workforce to contribute effectively and to the best of their ability. For this, the responsibilities are to:

- a. include gaining skills for knowledge sharing, communication, teamwork and problem solving
- b. include advanced skills in new technologies or critical knowledge
- c. measures to evaluate the effectiveness and efficiency of workforce and leaders development and learning system

## **5.4 Employee Well-Being and Morale (20pts)**

This item examines how the organisation identifies employee satisfaction and dissatisfaction and based on the results, tries to create a work environment that ensures greater safety and security.

For this, the responsibility are to :

- a. address workplace environmental factors including accessibility, to ensure and improve workforce health, safety and security
- b. manage performance measures and improvement goals for workforce needs
- c. evaluates and improves its approach to enhancing employee well-being and satisfaction

## **5.5 Benefits and Appraisal System (15pts)**

This item examines the organisation's support the workforce via policies, services and benefits.

For this, the responsibility are to :

- a. consider workforce compensation, reward, recognition and incentives practices

- b. evaluates and improves its employee performance management and recognition systems

## **6. PROCESSES (90pts)**

Processes relates to the organization designs, manages and improves its processes in order to support its policy and strategy and fully satisfy, and generate increasing value for, its customers and other stakeholders. A process can be further defined as a bound set of inter related work activities, each having prescribed inputs and outputs. Evidence is needed on the key processes to the success of the organization:

- a. are identified
- b. are systematically managed
- c. are reviewed and targets set for improvement
- d. are improved using innovation and creativity
- e. are changed and the benefits evaluated

### **6.1 Work Processes (20 Pts)**

This item examines the design, management and improvement of the key work processes, with the aim of creating value for customers, operating efficiently and effectively and achieving organizational success and sustainability. For this, the responsibility are to :

- a. design and innovate work processes to meet all the key requirement and ensure the processes relate to the organizations core competencies, strategic objectives and critical success factors
- b. include the support processes that support daily operations and product delivery
- c. involve detailed mapping of manufacturing or service process and the redesign (reengineering) of these processes to achieve efficiency as well as to meet changing customer requirements

### **6.2 Process Management & Improvement (30 Pts)**

This item examines how the organisation design, manage and improves its key work processes and the work system of which they are a part. For this, the responsibility are to :

- a. determine the key work system requirements, incorporating input from customers, suppliers, partners and collaborators
- b. manage and improve the work system to deliver customer value and achieve organizational success and sustainability
- c. optimize the overall cost of the work system and prevent defect, service errors and rework

- d. ensure the work system and work place preparedness for disaster or emergency and the system consider prevention, management, continuity of operations and recovery

### **6.3 Supplier & Partnering Processes (40 Pts)**

This item describes how efficient and effective work systems require effective design, a prevention orientation and linkage to suppliers, partners and collaborators, as well as a focus on value creation and achieve organizational success and sustainability. For this, the responsibility are to :

- a. ensure that suppliers, partners and collaborators selected are qualified and position to enhance performance and customer satisfaction
- b. evaluate suppliers, partners and collaborators performance and deal with poorly performing suppliers
- c. works with suppliers and/or partners to understand their needs, and the plans and processes established to help suppliers and/ or partners improve their goods and services, as appropriate

## **7. RESULTS (350pts)**

These criteria are concerned with what an organization has achieved and is achieving. An organization uses a number of key parameters to measure its performance. For each of these, excellence is assessed relative to the organization's business/service environment and circumstances, based on information which sets out:-

- a. the organization's actual performance
- b. the organization's own targets and, wherever possible,
- c. the performance of competitors
- d. the performance of organizations.

For each of the results criteria, evidence is required of the extent to which they cover the range of the organization's activities and of the relative importance of the parameters presented.

### **7.1 Customer (85 pts)**

What the organization is achieving in relation to its external customers. Results and the relevance of the measures used should be presented to cover :

- a. the customers' perception of the organization's products, services and customer relationships
- b. additional measures relating to the satisfaction of the organization's customer



## **7.2 Financial and Market (95pts)**

What are the organization key financial and marketplace performance results which have the aim of demonstrating the financial sustainability and marketplace achievement. Results and the relevance of the measures used should be presented to cover :

- a. current levels and trends in key measures or indicators of financial performance, including aggregate measures of financial results and economic value. Compare results relative to competitors, as appropriate.
- b. current levels and trends in key measures of marketplace performance, including market share/position, market acceptance, business growth, and new markets. Compare results relative to competitors, as appropriate.

## **7.3 People (85 pts)**

What the organization is achieving in relation to its people. Results and the relevance of the measures used should be presented to cover :

- a. people's perception of the organization
- b. additional measures relating to people satisfaction

## **7.4 Processes (85 pts)**

What the organization demonstrate key operational performance results process, which have the aim of demonstrating work system and work process effectiveness and efficiency. Results and the relevance of the measures used should be presented to cover :

- a. current levels and trends in key measures of design, production, delivery, and support process performance appropriate measures of efficiency
- b. current levels and trends of supplier and partner performance indicator.
- c. current levels and trends in key measures of the organisation's contribution to the community, society and the environment
- d. current levels and trends of key measures of product and process performance compared with the competitors performance and other organization with similar offering

## SCORING SYSTEM

### Scoring Guidelines

#### Plan

Plan refers to how the applicant addresses the criteria requirements – the methods used.

The factor used to evaluate approach include the following:

- Extent to which methods, tools and techniques are appropriate for the requirements
- Extent to which methods, tools and techniques are effective.
- Degree to which the approach is: - systematic, integrated and consistently applied - based upon information that is objective and reliable
- Evidence of innovation, including significant and effective adaptations of approaches used in other applications or types of business

#### Execute

Execute refers to the extent to which the applicant's approach is applied by the organization. The factors used to evaluate deployment include the following:

- Appropriate and effective use of the approach in functional/operational areas
- Appropriate and effective use of the approach in interactions with customers, employees, suppliers/ partners of goods and services and the public
- Approach is applied consistently

#### Results

Results refer to the organization's outputs and outcomes in achieving the requirements in items 7.1 to 7.4 (category 7). The factors used to evaluate results include the following:

- Current performance level
- Performance levels relative to appropriate comparisons and/or benchmarks
- Rate, breadth and importance of performance requirements
- Linkages of results measures to key performance requirements identified organizational profile and Plan/Execute criteria items

### Scoring Guidelines (Category 1 – 6)

Score	0-19%	20- 39%	40- 59%	60-69%	70-79%	80-100%
<b>Plan</b>	Company does not have such initiatives	Company has started Business Excellence initiatives	Company has adopted Business Excellence Framework with sporadic achievement	Company has aligned and adopted Business Excellence Framework to major business	Company has integrated the adoption of Business Excellence Framework with significant improvement to all major functional / operational areas of the organization initiatives	Company has refined the adoption of Business Excellence Framework and demonstrated significant impact in their business
<b>Execute</b>	No evidence of any systematic approach deployed in the company	The degree of implementation is not systematic, integrated and consistent	Implemented initiatives to all functional / operational areas of the organization	Well implemented initiatives to all functional / operational areas of the organization	Well deployed initiatives to the overall organizational needs	Fully deployed initiatives to the organizational needs

### Scoring Guidelines (Category 7)

Score	0-19%	20- 39%	40- 59%	60-69%	70-79%	80-100%
<b>Result</b>	No evidence of organizational alignment	Evidence of early stages of organizational alignment	Evidence of structured organizational alignment	Evidence of systematic and overall alignment of organizational needs are identified	Integrated organizational alignment with current and future organizational needs	Well integrated organizational alignment with current and future organizational needs

**Figure 2: Categorising Companies**

Score	Category	Interpretation
Below 200	Initial Adopter	Getting started with relevant health check assessment
200 – 399	System Implementer	Early adopter of BE with necessary systems/standards implemented
400 - 599	Practitioner	Adopted BEF with sporadic achievements
600 – 699	Good Practice Achiever	Aligned Adopted BEF and able to link to major business performance
700 – 799	Best in Class	Integrated adoption of BEF with significant impact on business performance
800 and Above	Excellent	Refined adoption of BEF and demonstrated significant impact on performance and exceeding many international standards and benchmarks

### Criteria Weightage

The seven categories of the business excellence framework have been allocated a total of 1,000 points. The overall weightage of points allocated for the driver and systems categories is 65% and results category 35%.

No.	Categories/Item	Point Values	
<b>1</b>	<b>Leadership</b>		<b>150</b>
1.1	Senior Leadership	90	
1.2	Governance And Societal Responsibility	60	
<b>2</b>	<b>Planning</b>		<b>90</b>
2.1	Strategy Development	35	
2.2	Strategy Deployment	55	
<b>3</b>	<b>Information</b>		<b>90</b>
3.1	Management Of Information And Knowledge	90	
<b>4</b>	<b>Customer</b>		<b>110</b>
4.1	Voice Of Customer	40	
4.2	Customer Engagement	70	
<b>5</b>	<b>People</b>		<b>120</b>
5.1	Human Resource Planning	25	
5.2	Employee Involvement	30	
5.3	Education, Learning And Development	30	
5.4	Employee Well Being And Morale	20	
5.5	Benefits And Appraisal System	15	
<b>6</b>	<b>Process</b>		<b>90</b>
6.1	Work Processes	20	
6.2	Process Management & Improvement	30	
6.3	Supplier & Partnering Processes	40	
<b>7</b>	<b>Results</b>		<b>350</b>
7.1	Customer	85	
7.2	Financial And Market	95	
7.3	People	85	
7.4	Process	85	
	<b>Total Points</b>		<b>1000</b>

The Business Excellence programme guides organisations of all sizes and from all sectors in achieving organisational performance. One of our key services is to undertake assessment, identify excellent companies as role models, share best management practices and help organizations achieve best in-class performance level.

In collaboration with the Business Excellence community, we provide to organisations like yours;

- the criteria for Business Excellence, an integrated management framework with proven results;
- assessment tools to evaluate performance and improvement efforts;
- comprehensive feedback report highlighting organisational strengths and opportunities for improvement and;
- educational presentation, training, workshops and conferences on best management practices and how to apply the Business Excellence Criteria to improve and innovate.

### **Business Excellence Community**

Be part of the Business Excellence Community and contribute to your organisation's excellence.

- **Business Excellence Partner**

An Organisation which has establish collaboration with MPC to nurture its vendors or suppliers using the Business Excellence Practices.

- **Business Excellence Practitioner**

An Individual who is engaged in the actual application and adoption of BEF and is leading a BE Certified organisation in its Journey of Excellence.

- **Business Excellence Assessor**

An Individual who is a certified Business Excellence Assessor by MPC or other recognised institutions. (whether or not in employment with a certified Business Excellence organisation).

- **Business Excellence Consultant**

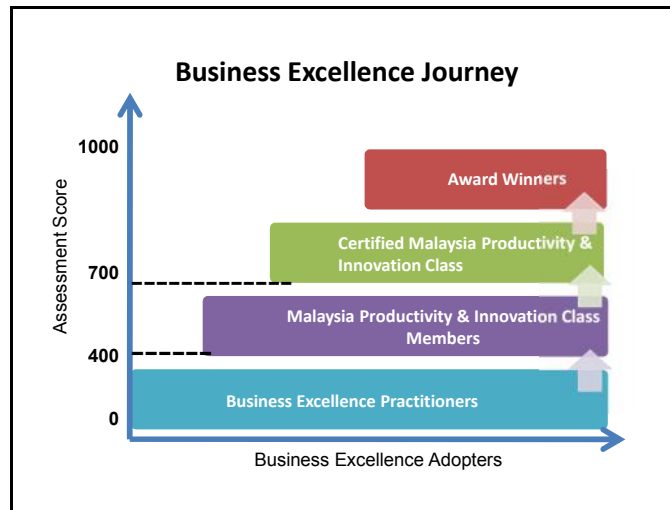
An Individual or a Member of an organisation who is an expert in BEF and with a wide knowledge of the BE practices among industries.

## Certifications and Awards

Under the business excellence programme, there are various levels of performance excellence where organizations are assessed and certified. With the certification, organizations will be part of a network with a common interest on how to optimize the performance of their organizations and provided with opportunities to learn about best business practices that have been implemented in Malaysia and internationally.

Organizations that attain commendable levels of performance on the framework are recognized with the business excellence certifications, and those that attain outstanding levels are recognized with the business excellence awards. The Malaysia Productivity and Innovation Class (MPIC), Quality Management Excellence Award (QMEA) and Prime Minister Industry Excellence Award (PMIEA) are key milestones of overall performance on the Business Excellence Framework.

**Figure 3: Business Excellence Journey**



## REGISTRATION

### For general enquiries:

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### For Business Excellence Programme Application:

#### 1. Partner Programme

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**BUSINESS EXCELLENCE ASSESSMENT  
FOR PRODUCTIVITY AND  
INNOVATION IMPROVEMENT**

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by:  
**Malaysia Productivity Corporation (MPC)**  
Petaling Jaya

**Transformation. Innovation. Partnership**



## BUSINESS EXCELLENCE PROGRAMME

<b>1. General Information</b>						
Company Name		Company Registration No.				
Address		Postcode				
		Telephone No.				
CEO Name		Fax No.				
Website		Email				
<b>2. Employees (Number)</b>		<b>3. Marketing</b>	<b>4. Size of Company</b>			
Local <input type="checkbox"/> Foreign <input type="checkbox"/> Total <input type="checkbox"/> Breakdown of Employees (%) Male <input type="checkbox"/> Female <input type="checkbox"/>		Marketing (%) Local <input type="checkbox"/> Export <input type="checkbox"/>	Size : (Check one) Small & Medium (SME) <input type="checkbox"/> Local Large (LL) <input type="checkbox"/> Multinational (MNC) <input type="checkbox"/>			
<b>5. Equity (Check one)</b>						
<table style="width: 100%;"> <tr> <td style="width: 33%;"> <input type="checkbox"/> Foreign - Owned*  <input type="checkbox"/> Joint Venture             </td> <td style="width: 33%;"> <input type="checkbox"/> Wholly Local - Owned :  <input type="checkbox"/> Bumiputera**  <input type="checkbox"/> Non - Bumiputera             </td> <td style="width: 34%;">                 For SME:                  Women - Owned Company : <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/>                  For women - owned company                  At least 51% of the equity are owned by women ; or in case where                  the majority of the equity is not owned by women :                  The biggest shareholders are women and the company is managed by women; or                  i. The biggest shareholders are women and the company is managed                  by women; or                  i. The Managing Director / Chief Executive Officer is a woman and owns                  at least 10% of the equity             </td> </tr> </table> <p>(Please state percentage of local equity) _____ (%)</p> <p><b>Note :</b> * 51% company shares owned by Foreign Entity          ** 100% company shares owned by Bumiputera</p>				<input type="checkbox"/> Foreign - Owned* <input type="checkbox"/> Joint Venture	<input type="checkbox"/> Wholly Local - Owned : <input type="checkbox"/> Bumiputera** <input type="checkbox"/> Non - Bumiputera	For SME: Women - Owned Company : <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> For women - owned company At least 51% of the equity are owned by women ; or in case where the majority of the equity is not owned by women : The biggest shareholders are women and the company is managed by women; or i. The biggest shareholders are women and the company is managed by women; or i. The Managing Director / Chief Executive Officer is a woman and owns at least 10% of the equity
<input type="checkbox"/> Foreign - Owned* <input type="checkbox"/> Joint Venture	<input type="checkbox"/> Wholly Local - Owned : <input type="checkbox"/> Bumiputera** <input type="checkbox"/> Non - Bumiputera	For SME: Women - Owned Company : <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> For women - owned company At least 51% of the equity are owned by women ; or in case where the majority of the equity is not owned by women : The biggest shareholders are women and the company is managed by women; or i. The biggest shareholders are women and the company is managed by women; or i. The Managing Director / Chief Executive Officer is a woman and owns at least 10% of the equity				
<b>6. Sales (RM)</b>						
Local company with annual sales turnover not exceeding RM10 million <input type="checkbox"/> Local company with annual sales turnover between RM10 million and RM25 million <input type="checkbox"/> Local company with annual sales turnover between RM25 million and RM100 million <input type="checkbox"/> Local company with annual sales turnover exceeding RM100 million and Multinational company <input type="checkbox"/>						
<b>7. i. Main Sector : (Check One)</b>		<b>8. Certification Received</b>				
Services <input type="checkbox"/> Manufacturing <input type="checkbox"/> Agriculture <input type="checkbox"/>  <b>ii. Sub Sector : (Check One)</b> <table style="width: 100%;"> <tr> <td style="width: 33%;">                 Financial Services <input type="checkbox"/>                  Oil and Gas <input type="checkbox"/>                  Private Healthcare <input type="checkbox"/> </td> <td style="width: 33%;">                 Tourism <input type="checkbox"/>                  Education <input type="checkbox"/>                  Electrical &amp; Electronic <input type="checkbox"/> </td> <td style="width: 34%;">                 Business Services <input type="checkbox"/>                  Wholesale and Retail Trade <input type="checkbox"/>                  Palm Oil and Related Products <input type="checkbox"/> </td> </tr> </table> Information and Communication Technology <input type="checkbox"/> If other sector, please specify : _____ .....		Financial Services <input type="checkbox"/> Oil and Gas <input type="checkbox"/> Private Healthcare <input type="checkbox"/>	Tourism <input type="checkbox"/> Education <input type="checkbox"/> Electrical & Electronic <input type="checkbox"/>	Business Services <input type="checkbox"/> Wholesale and Retail Trade <input type="checkbox"/> Palm Oil and Related Products <input type="checkbox"/>	ISO 9001 <input type="checkbox"/> ISO 14000 <input type="checkbox"/> HACCP <input type="checkbox"/> OSHA 18001 <input type="checkbox"/> HALAL <input type="checkbox"/> ISO/TS 16949 <input type="checkbox"/> ISO 22000 <input type="checkbox"/> ISO 13485 <input type="checkbox"/> QUALITY ENVIRONMENT <input type="checkbox"/> Others, please specify..... _____ _____	
Financial Services <input type="checkbox"/> Oil and Gas <input type="checkbox"/> Private Healthcare <input type="checkbox"/>	Tourism <input type="checkbox"/> Education <input type="checkbox"/> Electrical & Electronic <input type="checkbox"/>	Business Services <input type="checkbox"/> Wholesale and Retail Trade <input type="checkbox"/> Palm Oil and Related Products <input type="checkbox"/>				
<b>9. Technical Assistance Received</b>						
Yes <input type="checkbox"/> No <input type="checkbox"/> If yes, please specify type of assistance : _____ Name : _____ Designation: _____ Date: _____						

## 1.0 INSTRUCTION

The purpose of this assessment is to evaluate your company's performance using Business Excellence Framework (BEF). Please tick the appropriate column to indicate the implementation status of the Business Excellence practices in your company. Below is the explanation on the scoring used in this assessment exercise.

Scale	1	2	3	4	5	6
<b>Plan</b>	None	Started	Partly Implemented	Extensively Implemented	Established System	Continuously Improved
<b>Execute</b>	None	Poor	Fair	Satisfactory	Good	Excellent

- Scale 1** Company does not have such initiatives
- No evidence of any systematic approach deployed in the company
  - No evidence of any review done
  - No evidence of organizational alignment
- Scale 2** Company has started BE initiatives
- The degree of implementation is not systematic, integrated and consistent
  - Evidence of early stages of review being done
  - Evidence of early stages of organizational alignment
- Scale 3** Company has adopted BEF with sporadic achievement
- Implemented initiatives to all functional / operational areas of the organization
  - Evidence of structured review process
  - Evidence of structured organizational alignment
- Scale 4** Company has aligned and adopted BEF to major business
- Well implemented initiatives to all functional / operational areas of the organization
  - Evidence of systematic review and improvement process are in place
  - Evidence of systematic and overall alignment of organizational needs are identified
- Scale 5** Company has integrated the adoption of BEF with significant improvement to all major functional / operational areas of the organization initiatives
- Well deployed initiatives to the overall organizational needs
  - Evidence of refinement of evaluation, improvement and organizational learning including innovation
  - Integrated organizational alignment with current and future organizational needs
- Scale 6** Company has refined the adoption of BEF and demonstrated significant impact in their business
- Fully deployed initiatives to the organizational needs
  - Refinement and innovation, backed by analysis and sharing throughout the organization
  - Well integrated organizational alignment with current and future organizational needs

Scale	1	2	3	4	5	6
Plan	None	Started	Partly Implemented	Extensively Implemented	Established System	Continuously Improved
Execute	None	Poor	Fair	Satisfactory	Good	Excellent

<b>CRITERIA 1: LEADERSHIP (150 POINTS)</b>									
<b>1.1 SENIOR LEADERSHIP (90 Pts)</b>									

P	1.1.1	Develop the organization's vision, mission and values and ethics that focus on key stakeholders, learning and innovation	1	2	3	4	5	6
P	1.1.2	Communicate the vision, mission and values to key stakeholders. (Employees, customers, suppliers / partners and other external parties)	1	2	3	4	5	6
E	1.1.3	Translate organisation values into policies, practice and behaviors	1	2	3	4	5	6
E	1.1.4	Initiate to overcome any differences between the current and desired culture	1	2	3	4	5	6
E	1.1.5	Permeate a culture that is consistent with the organisation values, which support innovation, learning and achievement of the organisation objectives	1	2	3	4	5	6
E	1.1.6	Evaluate, measure and improve their personal leadership and involvement in meeting organizational vision, mission and values	1	2	3	4	5	6

<b>1.2 GOVERNANCE AND SOCIETAL RESPONSIBILITY (60 Pts)</b>									
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P	1.2.1	Develop organisation policies in relation to the corporate governance and contribution to the community and environment for sustainability in which it operates	1	2	3	4	5	6
E	1.2.2	Communicate the organisation policies to employees and external parties and involve them in achieving the goals	1	2	3	4	5	6
E	1.2.3	Evaluate and improve organisation involvement and the contribution to the community	1	2	3	4	5	6

<b>CRITERIA 2: PLANNING (90 POINTS)</b>									
<b>2.1 STRATEGY DEVELOPMENT (35 pts)</b>									

P	2.1.1	Develop organisational strategic plans using internal and external (customers, partners, suppliers, etc) information	1	2	3	4	5	6
P	2.1.2	Getting employees to participate in the strategic planning process	1	2	3	4	5	6
P	2.1.3	Establish both short term and long term organizational plans and goals	1	2	3	4	5	6
P	2.1.4	Organisation goals based on benchmarks and customers requirement	1	2	3	4	5	6

Scale	1	2	3	4	5	6
Plan	None	Started	Partly Implemented	Extensively Implemented	Established System	Continuously Improved
Execute	None	Poor	Fair	Satisfactory	Good	Excellent

## 2.2 STRATEGY DEPLOYMENT (55 Pts)

E	2.2.1	Deploy and disseminate action plans aligned to strategies and goals	1	2	3	4	5	6
E	2.2.2	Allocate resources (financial, human and other resources) to support the accomplishment of the action plans	1	2	3	4	5	6
E	2.2.3	Set targets for employees that are linked to strategies and goals	1	2	3	4	5	6
E	2.2.4	Review achievements against the plans regularly	1	2	3	4	5	6
E	2.2.5	Manage financial and other risks associated with actions plans	1	2	3	4	5	6
E	2.2.6	Review the relevance of the plans with respect to business changes	1	2	3	4	5	6
E	2.2.7	Evaluate and improve organisation strategic planning processes	1	2	3	4	5	6

## CRITERIA 3: INFORMATION (90 POINTS)

### 3.1 MANAGEMENT OF INFORMATION AND KNOWLEDGE (90 pts)

P	3.1.1	Select and gather information to support decision making and improve organizational performance	1	2	3	4	5	6
P	3.1.2	Identify relevant information to meet the organization performance objectives	1	2	3	4	5	6
P	3.1.3	Ensure the accuracy, integrity, reliability, timeliness, security, confidentiality, and availability of the information to employees, suppliers, partners and customers	1	2	3	4	5	6
E	3.1.4	Use data and information to measure, analyse, review and improve organisation performance	1	2	3	4	5	6
E	3.1.5	Manage organizational knowledge from various sources to create value, stimulate innovative thinking and ensure organizational success and sustainability	1	2	3	4	5	6
E	3.1.6	Evaluate and improve the management of information	1	2	3	4	5	6

## CRITERIA 4: CUSTOMERS (110 POINTS)

### 4.1 VOICE OF CUSTOMER (40 pts)

P	4.1.1	Identify customers requirements using well-defined approach	1	2	3	4	5	6
P	4.1.2	Incorporate customer requirements into strategic and improvement plans	1	2	3	4	5	6
P	4.1.3	Benchmark customer satisfaction with competitors	1	2	3	4	5	6
E	4.1.4	Evaluate and improve customer satisfaction	1	2	3	4	5	6



Scale	1	2	3	4	5	6
Plan	None	Started	Partly Implemented	Extensively Implemented	Established System	Continuously Improved
Execute	None	Poor	Fair	Satisfactory	Good	Excellent

#### 4.2 CUSTOMER ENGAGEMENT (70 Pts)

P	4.2.1	Establish effective customer complaint system / mechanism	1	2	3	4	5	6
E	4.2.2	Assess and improve the quality performance of employees to delight customers	1	2	3	4	5	6
E	4.2.3	Analyse customer complaints for improvement	1	2	3	4	5	6

### CRITERIA 5: PEOPLE (120 POINTS)

#### 5.1 HUMAN RESOURCE PLANNING (25 Pts)

P	5.1.1	Establish human resource development plan	1	2	3	4	5	6
P	5.1.2	Develop career path of employees	1	2	3	4	5	6
P	5.1.3	Review human resource development plan	1	2	3	4	5	6

#### 5.2 EMPLOYEE INVOLVEMENT (30 Pts)

E	5.2.1	Provide opportunities for employees to get involved in teamwork activities	1	2	3	4	5	6
E	5.2.2	Encourage employees involvement and commitment in quality improvement initiatives	1	2	3	4	5	6
E	5.2.3	Evaluate and improve overall employees involvement process	1	2	3	4	5	6

#### 5.3 EDUCATION, LEARNING AND DEVELOPMENT (30 Pts)

P	5.3.1	Identify and determine skills and competency of employees at all levels	1	2	3	4	5	6
E	5.3.2	Implement human resource development plan	1	2	3	4	5	6
E	5.3.3	Evaluate the effectiveness of learning and development programmes	1	2	3	4	5	6
P	5.3.4	Improve learning and development programmes	1	2	3	4	5	6

#### 5.4 EMPLOYEE WELL BEING AND MORALE (20 Pts)

P	5.4.1	Enhance employees well being and promote harmonious relationship between management and employees	1	2	3	4	5	6
E	5.4.2	Assess employees well being and morale	1	2	3	4	5	6
E	5.4.3	Evaluate and improve organisation approach to enhance employees well being and morale	1	2	3	4	5	6
P	5.4.4	Establish mechanism to gauge employees satisfaction	1	2	3	4	5	6

Scale	1	2	3	4	5	6
Plan	None	Started	Partly Implemented	Extensively Implemented	Established System	Continuously Improved
Execute	None	Poor	Fair	Satisfactory	Good	Excellent

#### 5.5 BENEFITS AND APPRAISAL SYSTEM (15 Pts)

E	5.5.1	Implement performance appraisals system	1	2	3	4	5	6
E	5.5.2	Implement recognition and reward system	1	2	3	4	5	6
E	5.5.3	Evaluate and improve performance appraisals, recognition and reward system	1	2	3	4	5	6

#### CRITERIA 6: PROCESS (90 POINTS)

##### 6.1 WORK PROCESSES (20 Pts)

E	6.1.1	Acquires and evaluates creative and innovative ideas from all sources	1	2	3	4	5	6
P	6.1.2	Incorporate customers and market requirements in the new products / services design	1	2	3	4	5	6
P	6.1.3	Incorporate new technology and knowledge in the new products / services design	1	2	3	4	5	6
E	6.1.4	Evaluate and improve the innovation and design processes	1	2	3	4	5	6

##### 6.2 PROCESS MANAGEMENT AND IMPROVEMENT (30 Pts)

P	6.2.1	Identify key business and support processes	1	2	3	4	5	6
E	6.2.2	Measure processes performance and set targets	1	2	3	4	5	6
E	6.2.3	Analyse variances in process performance and take actions	1	2	3	4	5	6
P	6.2.4	Improve key processes for higher productivity and quality of products and services for customers satisfaction	1	2	3	4	5	6
P	6.2.5	Designing work processes that reduce cost and fast delivery of products and services	1	2	3	4	5	6
P	6.2.6	Design work processes that ensure safety working environment and emergency preparedness	1	2	3	4	5	6

##### 6.3 SUPPLIER AND PARTNERING PROCESSES (40 Pts)

P	6.3.1	Identify and select qualified suppliers and partners to enhance organisation strategy	1	2	3	4	5	6
P	6.3.2	Established effective communicating system for suppliers and partners	1	2	3	4	5	6
E	6.3.3	Evaluate suppliers and partners performance to ensure requirements are met	1	2	3	4	5	6
E	6.3.4	Provide organization requirements and performance feedback to suppliers and partners	1	2	3	4	5	6
P	6.3.5	Improve capabilities of suppliers and partners to meet organization's requirements	1	2	3	4	5	6

Scale	1	2	3	4	5	6
Result	None	Poor	Fair	Satisfactory	Good	Excellent

CRITERIA 7: RESULTS (350 POINTS)						
7.1 CUSTOMER (85 Pts)						

R	7.1.1	Improvement trends and targets met for customers satisfaction and comparable with competitors and other organisations providing similar products	1	2	3	4	5	6
R	7.1.2	Improvement trends and targets met for customer engagement indicators	1	2	3	4	5	6

7.2 FINANCIAL AND MARKET (95 Pts)						
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R	7.2.1	Improvement trend of key financial performance	1	2	3	4	5	6
R	7.2.2	Improvement trend in marketplace performance, example market share or position, market and market share growth, and new markets entered	1	2	3	4	5	6
R	7.2.3	Improvement in productivity performance including labour productivity and capital productivity	1	2	3	4	5	6

7.3 PEOPLE (85 Pts)						
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R	7.3.1	Improvement trends and targets met for employees satisfaction indicator	1	2	3	4	5	6
R	7.3.2	Improvement trends and targets met for employee involvement indicators	1	2	3	4	5	6
R	7.3.3	Improvement trends and targets met for employee training indicators	1	2	3	4	5	6
R	7.3.4	Comparable results with competitors or benchmarks	1	2	3	4	5	6

7.4 PROCESS (85 Pts)						
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R	7.4.1	Improvement trends and targets met for the performance indicators of key business and support processes	1	2	3	4	5	6
R	7.4.2	Improvement trends and targets met for supplier and partner performance indicators	1	2	3	4	5	6
R	7.4.3	Improvement trends and targets met for community and environment protection indicators	1	2	3	4	5	6
R	7.4.4	Comparable results with competitors or benchmarks	1	2	3	4	5	6

***Thank you for completing this questionnaire. Your participation counts!***

Kindly return duly completed questionnaire by mail, fax or email to:

**Assessment Unit**  
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