

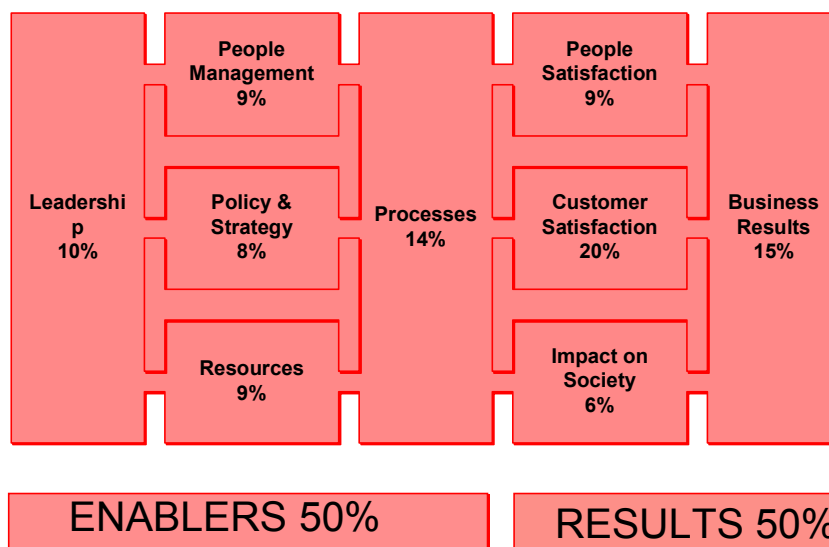


‘EUROPEAN FOUNDATION for QUALITY MANAGEMENT’

In 1988, 14 leading Western European companies formed the European Foundation for Quality Management (EFQM). By July 1993, there were more than 300 members from most Western European countries and most business sectors. An important objective of the EFQM is to recognise quality achievement and business enterprise. Because of this, in 1992 it launched the European Quality award (EQA). Prize-winning companies are intended to be a model of excellence through quality, against which all companies can measure their own quality achievements and their own drive for continuous improvement. The EFQM is now a distinguished model in which major companies try to add value.

The EFQM is based on the idea that customer satisfaction, people (employee) satisfaction and impact on society are achieved through leadership, driving policy and strategy, people management, resources and processes, leading ultimately to excellence in business results. These ideas are incorporated into the model.

BUSINESS EXCELLENCE MODEL





The nine elements shown in the model can be classified as either results or enablers. Results are concerned with what the company has achieved and is achieving, whereas enablers are concerned with how results are being achieved. The relative value which is ascribed to the nine criteria within the model are shown as percentages.

The nine elements of the model are defined by the EFQM as follows:

1. **Leadership:** how the executive team and all other managers inspire and drive total quality as the company's fundamental process for continuous improvement
2. **Policy and Strategy:** how the company's policy and strategy reflects the concept of total quality and how the principles of total quality are used in the determination, deployment, review and improvement of policy and strategy.
3. **People Management:** how the company releases the full potential of its people to improve its business continuously.
4. **Resources:** how the company's resources are effectively deployed in support of policy and strategy.
5. **Processes:** how processes are identified, reviewed and, if necessary, revised to ensure continuous improvement of the company's business.
6. **Customer satisfaction:** what the perception of the company's external customers is of its products and services.
7. **People satisfaction:** what the company's employees feelings are about the company.
8. **Impact on society:** what the perception of the company is among the community at large. This includes views of the company's approach to quality of life, the environment and to the preservation of global resources.
9. **Business results:** What the company is achieving in relation to its planned business performance.

A very good example of making quality a winner is D2D (Design to Distribution), which is a manufacturing subsidiary of the computer ICL, with six European factories, including the large P.C.B. Manufacturing and assembly facility at Kidsgrove, and the systems test and assembly plant at Ashton, both in the UK. D2D was the winner in 1993 prize.



Originally, ICL manufacturing plants made components only for its own computers. Realising that it would need higher volumes if it were to achieve the economies necessary to compete in the competitive computer market, it re-organised to make its manufacturing division an organisationally separate supplier. This allowed it to enter the electronics manufacturing services market, manufacturing printed circuit boards for companies such as Sun Microsystems, a US workstation supplier, Compaq, Dell, Meiko and GTECH.

Crucial to this new philosophy was a commitment to quality, heavily influenced by competition from the Far East, particularly Japan. The manufacturing division's quality manager began by spending a year examining how Japanese companies achieved such high quality in manufacturing, and soon realised that their approach was so different that the company could not possibly emulate it simply by 'bolting on' a few extra procedures. He convinced the company that it would be necessary to undertake a far reaching and long-term process of change if they were to establish momentum for continuous performance improvement.

Many of the company's first initiatives emphasised the importance of streamlining and improving the processes within and between internal operations. Performance measures for quality were developed and then compared to best practice elsewhere, highlighting areas, which needed further improvement. The early partnership with Sun Microsystems encouraged the company to evaluate all the criteria of importance to its customers, beyond the basics of price, product quality and service. Issues such as technical support, volume, and mix flexibility, schedule changes and technological capability improvement were included and jointly defined in the form of a performance scorecard. This technique was then adapted for use with other 'EMS' customers. (Electronics manufacturing services). The best factory award was given to them. The next step was to set up a massive training exercise involving all 2000 members of the manufacturing business. The exercise encouraged them to adapt to a more flexible approach, 'a can do' attitude, and a commitment to exceeding customer's expectations. In addition to improving customer service, this training encouraged people to feel motivated and to develop as individuals. The programme won the national training award for 1992.

Surprisingly the word quality is rarely used at D2D, because, the company say, it is completely integrated with all its initiatives. However, what is a continual point of discussion and debate is its obsession with understanding, satisfying and delighting its customers. An obsession that won them the EQA prize and a huge slice of the 'EMS' forever growing market.



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