



BUSINESS EXCELLENCE FRAMEWORK

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FOREWORD

Since 1994, the Business Excellence (BE) initiative has helped organisations enhance their management systems and processes to improve performance. Over the years, the BE initiative has gained international recognition and the pinnacle Singapore Quality Award (SQA) has become a symbol of world-class quality in organisational management practices for superior results. In 2009, SPRING Singapore was designated by the Asian Productivity Organization as its Centre of Excellence (COE) for BE. In this role, Singapore has helped more than 20 APO countries set up their quality and BE awards infrastructure. Singapore is also a key member of the Global Excellence Model Council representing premier Excellence Models from around the world.

The BE framework is a universal framework used by both public sector organisations and private sector enterprises. About two-thirds of public agencies in Singapore are BE-certified. A BE Interpretation Guide for the Public Sector was launched in 2013 to align the language of excellence to the key imperatives underpinning public sector transformation with a stronger focus on citizen-centricity, building trust and whole-of-government efforts. A growing number of small and medium enterprises (SMEs) are with us on the BE journey. A Business Excellence Impact Study conducted by the NUS Business School in 2014 shows that BE-certified organisations enjoy profit growth twice that of their industry benchmarks and the profit growth of BE-certified SMEs is triple that of their SME counterparts.

To mark BE's 20th anniversary in 2014, the BE framework was reviewed and enhanced to reflect the dynamic operating environment and changing management priorities. The enhancements include placing customers at the core of the



business strategy, a stronger call for leadership with vision and integrity, a greater emphasis on harnessing innovative and productive capabilities across the organisation, and anticipating the future for sustained growth.

I hope organisations will find the enhanced framework effective in enabling them to scale greater heights in business excellence.

Prof Cham Tao Soon
Chairman
SQA Governing Council

ABOUT BUSINESS EXCELLENCE

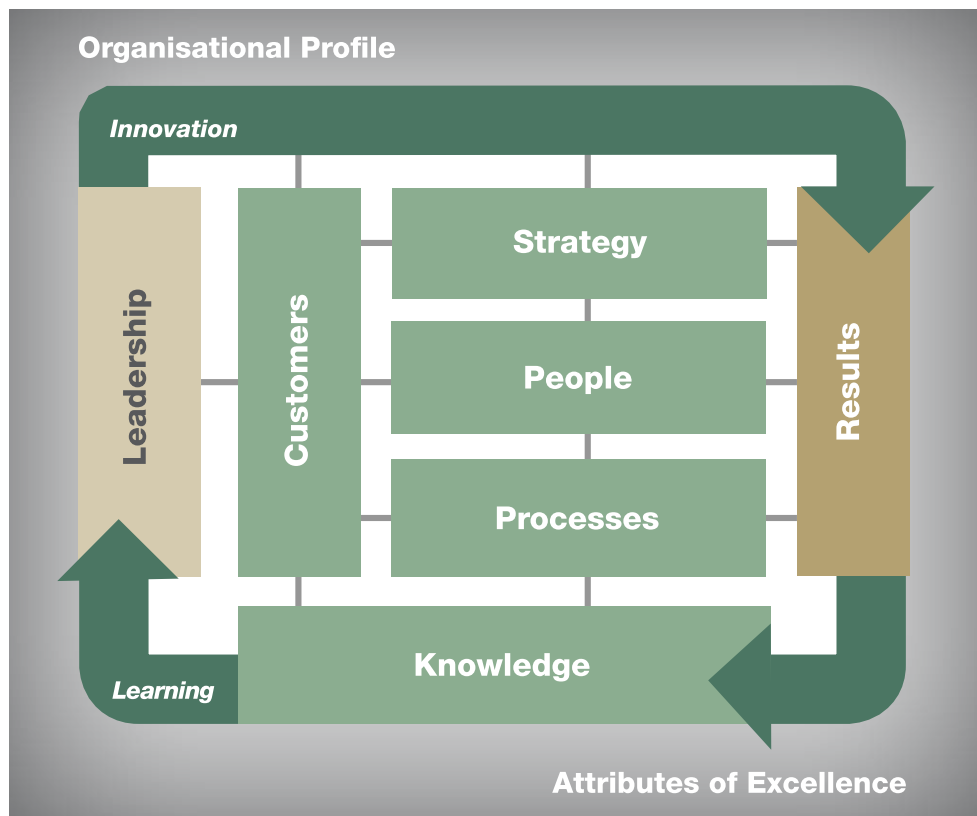
The BE initiative is positioned as a journey of continuous improvement for organisations striving for superior and sustainable performance. It provides organisations with a roadmap for excellence and helps them understand how to improve their performance. It also enables organisations to be future-oriented by aligning their strategies and goals with their management systems and processes for sustainability.

This is done through a thorough assessment of organisational performance based on the BE framework to obtain external perspectives and validation of the organisation's strengths and areas for improvement. The position has been maintained that

the criteria for world-class excellence, regardless of industry, size, structure or stage of development, are universal. This in turn challenges assessors to be thinking assessors and to understand the business environment and constraints an organisation operates in.

The BE framework is aligned with excellence frameworks adopted for the US Malcolm Baldrige National Quality Award, EFQM (European Foundation for Quality Management) Excellence Award, Japan Quality Award and the Australian Business Excellence Awards.

THE BUSINESS EXCELLENCE FRAMEWORK



The BE framework provides a comprehensive set of management standards for business excellence. It illustrates the cause and effect relationships between the drivers of performance and the results achieved.

The **Attributes of Excellence** describe key characteristics of high performing organisations and are embedded throughout all the critical drivers of the framework. The **Organisational Profile** sets the context for the way the organisation operates and serves as an overarching guide for how the framework is applied.

In the framework, there are seven categories used to assess an organisation. **Leadership** sets the strategic direction for the organisation and drives the mindset of excellence. **Customers** are positioned after leadership to demonstrate the focus on customer-centricity. **Strategy** is developed based on understanding internal and external stakeholder requirements, which guides the development of **People** and **Process** capabilities to achieve desired **Results**. **Knowledge** is part of the feedback loop of Learning and Innovation, which supports decision-making and drives improvements.

Sound approaches and effective deployment help organisations know where they are on the excellence journey and what they need to do to improve their performance.

ATTRIBUTES OF EXCELLENCE

ATTRIBUTES	DESCRIPTIONS
Leading with Vision and Integrity	Leaders inspire with their vision and values. They are steadfast in their principles but flexible in the details. They co-create the future with stakeholders and set the direction for achieving excellence.
Creating Value for Customers	Value is created when organisations know their customers intimately. They understand the complexity of their evolving needs and expectations and enhance the customer experience through quality offerings.
Driving Innovation and Productivity	Innovative organisations succeed not by imitation but by re-invention. Employees are passionate about innovation, committed to improvements and processes are highly effective and efficient.
Developing Organisational Capability	Future-ready organisations embrace new knowledge and technologies to keep abreast of global trends. They strengthen internal capabilities and knowledge sharing to identify opportunities for growth and improve decision-making.
Valuing People and Partners	Valuing people and partners creates a culture of empowerment. Employees are highly skilled and deliver high performance. Organisations build strong partnerships for shared ownership and achievement of goals.
Managing with Agility	Competition demands organisations to execute with consistency and respond to changes with agility. This requires flexibility in their operations to manage change and skills in assessing rewards and risks.
Sustaining Outstanding Results	High performing organisations are poised for market leadership and growth. They achieve outstanding financial and customer results while meeting the interests of employees and other stakeholders. They balance short-term gains and long-term returns.
Adopting an Integrated Perspective	An integrated perspective promotes a culture of alignment internally and with external partners. It reaps synergies from optimising linkages among core functions.
Anticipating the Future	High performing organisations anticipate and invest for the future. Leaders are committed to responsible and sustainable business practices. Understanding and balancing these priorities provide key stakeholders and customers with confidence in the organisations' sustainability.

ORGANISATIONAL PROFILE

The organisational profile sets the context for the way the organisation operates. It provides a snapshot of the organisational environment, strategic challenges, organisational directions and key relationships with customers, suppliers, partners and stakeholders.

It is important that organisations begin the process of applying the BE framework with the organisational profile because:

- It facilitates an understanding of the operating context and key parameters as the organisation conducts a self-assessment;
- It helps the organisation focus on key areas to highlight and identify gaps in key information; and
- It helps the assessors understand the organisation and adjust the assessment approach to its operating context.

The organisation will be assessed using the criteria requirements in relation to its environment, relationships, influences and challenges as outlined below:

Organisational Description

This describes the organisation's business environment and its key relationships with customers, suppliers, partners and stakeholders.

1. Organisational Environment

- Describe the mission, vision and values
- Describe the main products and services and how they are delivered to customers
- Describe the core competencies

- Describe the employee profile (e.g. number of employees, job types, demographics)
- Describe the major equipment, facilities and technologies used
- Describe the regulatory environment (e.g. occupational health and safety regulations, accreditations, certifications, relevant industry standards and product regulations)

2. Organisational Relationships

Relationship with the parent organisation (if applicable)

- Outline the relationship with the parent organisation and the number of employees relative to the parent organisation
- Describe how the products and services relate to that of the parent organisation and/or other units of the parent organisation
- Describe the key support services provided to and by the parent organisation

Relationship with customers

- State the major markets (e.g. local, regional and international) and the principal customer types (e.g. consumers, other businesses and government)
- State the key requirements for the products and services. Highlight significant differences, if any, in requirements among customer groups or markets
- Include any special relationship with key customer groups (e.g. alliances and partnerships)

Relationship with suppliers and/or partners

- State the number and types of suppliers and/or partners and highlight the most important ones
- Outline the relationship with suppliers and/or partners and explain any limitations or special relationships
- Describe the key requirements for suppliers and/or partners

Organisational Challenges

This describes the organisation's competitive environment, strategic challenges and organisational directions.

1. Competitive Environment

- Identify the competitors, if any
- Describe the competitive position (e.g. relative size and growth) in the industries or markets served
- Outline the key success factors (e.g. productivity growth and innovation)
- Describe the key changes in the competitive environment and growth opportunities

2. Strategic Challenges

- Describe the key business, operational and human resource strategic challenges

3. Organisational Directions

- Outline new thrusts (e.g. entry into new markets, formation of new alliances, introduction of new technologies, services or products and changes in strategy)

BE CERTIFICATIONS AND AWARDS

The BE framework covers all the critical factors for excellence and these are addressed in the seven categories. Besides the holistic BE standard, there are three niche BE standards for people, innovation and service. Each niche standard focuses on a key enabler of business excellence, i.e. people, innovation and service. Depending on their needs and strategies, organisations may choose from the nine certification and award programmes under the BE initiative to enhance their capabilities:

- Two holistic certifications – the Singapore Quality Class (SQC) and Singapore Quality Class STAR (SQC STAR);
- Three niche certifications – the People Developer (PD), Singapore Innovation Class (I-Class) and Singapore Service Class (S-Class);
- Two holistic awards – the Singapore Quality Award (SQA) and Singapore Quality Award with Special Commendation (SQA SC); and
- Two niche awards – the People Excellence Award and Innovation Excellence Award.

The BE assessment, administered by SPRING, is based on a 1,000 point-scale and organisations seeking to be certified must score at least 400 points. Certified organisations are provided with developmental opportunities to learn from the best practices of organisations that demonstrate outstanding performance in the various standards.

The BE certifications are open for applications throughout the year while the BE awards are conferred annually through a separate award cycle. Hence, in the event that an organisation attains more than 700 points in a certification assessment, it will still receive a certification and it could apply for the award in a subsequent awards cycle.

The nine certification and award programmes recognise organisations that have achieved different levels and types of excellence.

			
			
BE CERTIFICATIONS		BE AWARDS	
≥ 400 points	≥ 550 points	≥ 700 points	≥ 800 points
<p>BE certifications recognise organisations for meeting standards of good performance and for their commitment to business excellence.</p>	<p>SQC STAR recognises SQC organisations that have made further improvement in their business excellence journey. It motivates SQC organisations to push for higher levels of performance.</p>	<p>BE awards recognise organisations for outstanding management capabilities and for achieving world-class standards of performance.</p>	<p>SQA SC recognises past SQA winners for scaling greater heights of excellence and sustained global leadership.</p>

KEY CHARACTERISTICS OF THE FRAMEWORK CRITERIA

a) The criteria are non-prescriptive

The criteria are made up of performance-oriented requirements which are non-prescriptive. They do not describe how an organisation is to be managed or organised. Instead, the focus is on outcomes derived by adopting appropriate methods, tools or techniques, the selection of which may depend on many factors such as the organisation's size, type, stage of development and capabilities.

b) The criteria are comprehensive

The criteria address all internal and external requirements of an organisation, including how all processes are managed with internal and external stakeholders, customers, employees and partners. Existing and new or evolving strategies may be described when addressing the same set of criteria requirements.

c) The criteria emphasise learning cycles

The criteria encourage learning and improvement cycles in all parts of an organisation. The cycles generally include four stages: strategising or planning, execution of plans, assessment of progress and improvements based on assessment findings.

d) The criteria emphasise alignment

The criteria support a systems perspective to maintain alignment of goals within the organisation. This is achieved through understanding the cause-effect linkages among the criteria, and connecting strategies and measures that reinforce overall organisational goals. These strategies and measures drive overall performance.

e) The criteria support goal-based diagnosis

The criteria and the scoring guidelines form a two-part diagnostic (assessment) system. The criteria are a set of performance-oriented requirements and the scoring guidelines spell out the dimensions (approach, deployment and results) used to assess an organisation. An assessment thus provides the organisation with a profile of the strengths and areas for improvement relative to the criteria requirements. This diagnostic assessment is a useful management tool that goes beyond most performance reviews.

For each category, the specific requirements are presented in the format below:

Category Number	Category Title	Category Point Value	
<div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> Category Number Category Title Category Point Value </div> <h2 style="margin: 0;">1. LEADERSHIP (120 points)</h2>			
<p>The Leadership category focuses on the organisation’s leadership, mission, vision and values, governance system as well as responsibility to the community and the environment</p>			<i>Category’s overall description</i>
<h3>Excellence Indicators</h3> <ul style="list-style-type: none"> • Senior leaders have developed a clear vision, mission and set of values which drive excellence and they personally exemplify the values • Senior leaders are personally involved in communicating the organisation’s directions to key stakeholders and in engaging them for regular feedback 			<i>Attributes of excellence for each category</i>
<div style="display: flex; justify-content: space-around; margin-bottom: 5px;"> Sub-Category Title Sub-Category Point Value </div> <h3 style="margin: 0;">1.1 Senior Leadership (50 points)</h3>			
<p>How senior leaders guide the organisation to achieve and sustain excellence</p>			<i>Description of sub-category</i>
<p>Describe how the organisation’s senior management:</p> <ol style="list-style-type: none"> a. Develops the organisation’s mission, vision and values, and communicates them to key stakeholders b. Engages key stakeholders to drive the organisation’s performance c. Acts as role models and grooms future leaders 			<i>Requirements to be addressed</i>
<h3>Interpretation notes</h3> <p>N1. Excellence is when organisations achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders</p>			<i>Notes to clarify terms and requirements</i>

THE HOLISTIC BUSINESS EXCELLENCE STANDARD

The Singapore Quality Class (SQC), Singapore Quality Class STAR (SQC STAR), Singapore Quality Award (SQA) and Singapore Quality Award with Special Commendation (SQA SC) are all based on the holistic BE standard. It provides organisations with a holistic model for business management and it examines seven categories, i.e. Leadership, Customers, Strategy, People, Processes, Knowledge and Results.

CRITERIA

1. LEADERSHIP (120 points)

The Leadership category focuses on the organisation's leadership, mission, vision and values, governance system as well as responsibility to the community and the environment

Excellence Indicators

- Senior leaders have developed a clear vision, mission and set of values which drive excellence and they personally exemplify the values
- Senior leaders are personally involved in communicating the organisation's directions to key stakeholders and in engaging them for regular feedback
- Senior leaders drive the organisation's performance and engage key stakeholders to contribute to such efforts
- Senior leaders advocate an organisational culture which embraces organisational change, and employees are empowered to innovate and take responsible risks
- Senior leaders role model desired behaviours and are committed to grooming future leaders for organisational sustainability

- Employees are committed to the organisation's mission and vision, and demonstrate the values in their work
- The organisation has a well-defined corporate governance system to ensure business continuity and risk management, as well as accountability and transparency that is consistent with statutory and regulatory requirements or guidelines
- The organisation has well-defined policies and programmes to contribute to the sustainable development of the community and environment which it operates in

1.1 Senior Leadership (50 points)

How senior leaders guide the organisation to achieve and sustain excellence

Describe how the organisation's senior management:

- a. Develops the organisation's mission, vision and values, and communicates them to key stakeholders
- b. Engages key stakeholders to drive the organisation's performance
- c. Acts as role models and grooms future leaders

Interpretation notes

- N1. Excellence is when organisations achieve and sustain outstanding levels of performance that meet or exceed the expectations of all their stakeholders
- N2. Senior leaders may personally communicate the organisation's mission, vision and values through their involvement in employees' performance reviews and appraisals, learning and development, and recognition
- N3. Evaluation of leadership effectiveness may include an assessment of senior leaders by peers, direct reports, board of directors, and employees

1.2 Organisation Culture (40 points)

How the organisation develops a culture that is consistent with its values, and encourages learning, innovation as well as the achievement of strategic goals

Describe how the organisation:

- a. Aligns the organisation's mission, vision and values
- b. Enables learning, innovation and the achievement of strategic goals
- c. Embraces organisational change for sustainability

Interpretation notes

- N1. The organisation may demonstrate alignment of its culture with its mission, vision and values through its policies, practices and behaviours
- N2. The organisational culture may be interpreted through the lens of intrinsic behaviours, values and assumptions that are communicated to new employees when they are inducted into the organisation
- N3. The organisation may embrace organisational change for sustainability by ensuring that its culture, values, desired behaviours, policies and programmes equip leaders and employees with the ability to learn quickly and make sound and timely decisions based on available information, experience and knowledge
- N4. A sustainable organisation is capable of addressing current business needs and has the agility and strategies to prepare successfully for its future business, market and operating environment

1.3 Corporate Governance and Social Responsibility (30 points)

How the organisation maintains a governance system that practises good corporate citizenship, protects the interests of stakeholders and fulfils its responsibility to the community and the environment it operates in

Describe how the organisation:

- a. Establishes a governance system to ensure accountability and transparency
- b. Implements policies and involves stakeholders to contribute to the community and the environment

Interpretation notes

- N1. The governance system may include, but is not limited to, the presence of management approval of the strategic direction, financial and human resource plans to meet strategic goals, review of management performance, organisational controls and risk management, compliance with statutory and regulatory requirements or guidelines, succession planning, ethical behaviour, conflict of interest policies, disclosure, reporting and audits
- N2. The governance structure includes roles and responsibilities of key parties involved such as the organisation's governance board, management and owners/shareholders
- N3. The organisation should consider the potential impact of its products, services and operations on the environment
- N4. The organisation's responsibility to the community may include its efforts to strengthen local community services, education and health, sharing of best practices and involvement in the activities of trade, business and professional associations

2. CUSTOMERS (110 points)

The Customers category focuses on how the organisation understands market and customer requirements, and future trends to build relationships with customers and create superior customer experiences

Excellence Indicators

- The organisation places customers at the core of its business model and culture
- The organisation uses various channels (e.g. market intelligence, focus groups, frontline employees, surveys) to identify opportunities and enhance its value proposition
- Markets and customers are segmented to determine and address specific requirements to differentiate customer offerings and enhance customer satisfaction
- Customer requirements and expectations are incorporated into the strategic development and implementation processes
- The organisation engages customers to co-create and improve the customer experience
- Customer-contact employees are well-trained and able to answer customers' queries or resolve their issues effectively to ensure a positive customer experience. Issues and feedback from customers are tracked and used to prompt improvement plans
- Customer satisfaction is monitored through different channels (e.g. customer surveys, feedback forms, complaints and compliments) to increase customer loyalty

2.1 Customer Requirements (40 points)

How current market and customer requirements are determined and future needs are anticipated

Describe how the organisation:

- a. Segments markets and customers and understands their current and future requirements
- b. Incorporates market and customer requirements into the strategic plans

Interpretation notes

- N1. The organisation segments its markets and customers to understand each segment, their expectations and requirements, delight customers and build loyalty
- N2. Listening channels may vary for different customers, market and customer segments and may include customer focus groups, interviews with customers, customer feedback channels, competitive comparisons, social media and web-based technologies
- N3. The translation of market and customer information (e.g. needs, expectations and potential requirements) to strategic plans may be demonstrated through the inclusion of customer information in strategic plans, action plans, or policies

2.2 Customer Experience (40 points)

How the organisation engages customers to co-create products, services or experience, improve customer loyalty and enhance customer experience

Describe how the organisation:

- a. Co-creates products, processes, services or experiences with customers to meet their needs
- b. Ensures customer feedback is resolved and analysed to drive improvements
- c. Provides access for customers to seek assistance and information to enhance the customer experience

- d. Ensures overall ease of customer contact and service standards are set at customer touch points

Interpretation notes

- N1. Co-creation with customers may include the translation and incorporation of customer requirements, needs and wants into the organisation's products, services, processes or customer experiences offered
- N2. "Personalised service" refers to adding value and choices to the customers by knowing their specific needs and serving them as individuals
- N3. Effective analysis of feedback may be demonstrated by eliminating the root causes of issues relating to negative feedback, identifying what drives positive experiences and the setting of priorities for product, service and process improvements
- N4. "Customer touch points" refer to the organisation's points of contact with customers and users of its product, service or brand from start to finish. It can include interfaces before, during and after a transaction and may be applied in business-to-business as well as business-to-consumer environments
- N5. Service standards at key customer touch points may consider the extent and type of staff-customer interactions and user system-customer interactions. It may also include measures of reliability, desired response times, service staff behaviour and after-sales services

2.3 Customer Satisfaction (30 points)

How the organisation determines and improves customer satisfaction

Describe how the organisation:

- a. Determines and improves customer satisfaction for various customer segments

- b. Determines current and future drivers of customer satisfaction
- c. Incorporates customer satisfaction and feedback into the strategic plans

Interpretation notes

- N1. The organisation may determine customer satisfaction by collecting information on customer ratings of specific product, service and process features, comparing satisfaction levels with competing or alternative offerings
- N2. The organisation may analyse data and information on customer satisfaction to predict customers' future needs and behaviours, which may be used to guide the development of future plans

3. STRATEGY (70 points)

The Strategy category focuses on the development and implementation of strategic plans based on the organisation's external environment and internal capabilities. The plans should address current and future challenges as well as the organisation's mission and vision

Excellence Indicators

- The strategy is systematically developed based on the external environment (e.g. customer feedback, market intelligence, industry trends), internal capabilities (e.g. data on operational performance, quality indicators) and with inputs from stakeholders
- The long- and short-term goals and plans are comprehensive, quantifiable and forward-looking
- The strategy development process produces an overall business plan, and goes beyond a financial or budget plan. The process is robust and responsive to changing needs

- The strategy implementation process involves cascading plans to all levels, and translating corporate goals into department and individual goals. Relevant and well-defined indicators are identified to track the achievement of the plans and goals

3.1 Strategy Development (35 points)

How the organisation develops a strategy and determines strategic goals

Describe how the organisation:

- a. Determines organisational challenges and anticipates external changes and risks
- b. Develops strategic goals, and long- and short-term strategies to address the vision and mission
- c. Engages key stakeholders in the strategy development process

Interpretation notes

- N1. The strategy development process may involve the use of various types of forecasts, projections, options, scenarios, knowledge or other approaches to envision the future
- N2. External changes and risks may include changes in regulatory policies and demographics
- N3. The organisation's strategy may include new business models, products, services and markets, and the organisation's plan for revenue growth resulting from various approaches, including acquisitions, new partnerships and employee relationships

3.2 Strategy Implementation (35 points)

How strategies are translated into long- and short-term action plans

Describe how the organisation:

- a. Develops and implements long- and short-term action plans
- b. Allocates resources in a timely manner to achieve strategic goals
- c. Engages key stakeholders in the strategy implementation process

Interpretation notes

- N1. Action plans may include annual plans, operational plans, human resource plans and marketing plans, amongst others
- N2. The action plans should address how financial and other associated risks are managed
- N3. The action plans should also include resource commitments, key performance measures or indicators, and time horizons for achieving them

4. PEOPLE (90 points)

The People category focuses on how the potential of employees is effectively harnessed to achieve excellence

Excellence Indicators

- Human Resource (HR) plans support the organisation's strategic goals. The plans cover areas such as talent management and retention as well as employee engagement, satisfaction and development
- There are talent management plans and programmes to groom future leaders at all levels
- The learning and development needs of employees are identified and effectively addressed to drive organisational productivity and personal growth
- The organisation understands the contribution of the employees to the organisation's success, their needs and expectations, and how best to care for them
- The organisation encourages and measures employee participation and engagement to ensure high levels of satisfaction
- There is a performance management system that effectively measures, recognises and rewards high performance and innovative behaviours

4.1 Human Resource Planning (30 points)

How the organisation develops HR plans to achieve strategic goals and ensures high performance of employees

Describe how the organisation:

- a. Anticipates HR needs and develops HR plans and policies which are aligned to strategic goals and organisational values

- b. Identifies and grooms employees for high performance

Interpretation notes

- N1. HR needs may be identified based on external factors such as changes in operating environment and internal factors such as employee demographics, performance absenteeism, turnover and satisfaction levels
- N2. HR plans support the achievement of strategic goals by developing workforce capabilities to meet current and future needs

4.2 Employee Learning and Development (20 points)

How the learning and development of employees result in higher productivity and personal growth

Describe how the organisation:

- a. Engages employees to identify current and new competencies required to meet strategic goals
- b. Provides learning and development opportunities to employees to drive organisational productivity and personal growth

Interpretation notes

- N1. The learning and development programmes should take into account job analysis (e.g. the types and level of skills required), organisational direction and timeliness of trainings
- N2. Learning and development may occur inside or outside the organisation and involve on-the-job, classroom, computer-based, distance learning, or other types of formal and informal delivery

N3. The review of learning and development effectiveness should verify the knowledge and skills acquired by employees, the impact on the individual's performance, and the impact on the performance of the organisation

4.3 Employee Engagement and Well-Being (20 points)

How the organisation engages employees, and enhances their well-being and satisfaction to improve organisational health and performance

Describe how the organisation:

- a. Supports individual and team participation to achieve strategic goals
- b. Develops a conducive work environment that enhances employee health and well-being
- c. Measures employee engagement and well-being

Interpretation notes

- N1. An engaged workplace is characterised by a high-performing environment where people are motivated to do well and contribute to the success of the organisation
- N2. An organisation may use different ways to encourage employees to contribute to the organisation's strategic goals and enhance a sense of belonging, such as through suggestion schemes, task forces and teams
- N3. An organisation may enhance engagement and well-being by supporting the diverse needs of its people, including workplace health promotion, counselling, recreational activities, career and personal development, flexible work hours and family-friendly work arrangements

N4. Employee engagement and well-being may be measured by conducting employee feedback surveys and collecting data on safety, absenteeism, turnover, grievances and well-being

4.4 Employee Performance and Recognition (20 points)

How the employee performance management and recognition systems encourage employees to achieve high performance and productivity as well as cultivate work behaviours that support innovation

Describe how the organisation:

- a. Supports high performance, productive and innovative behaviours to achieve strategic goals
- b. Reinforces desired behaviours and organisational values
- c. Provides a variety of rewards and recognition to achieve organisational values and strategic goals

Interpretation notes

- N1. An organisation may use a variety of recognition approaches, including monetary or non-monetary, formal or informal and individual or group recognition

5. PROCESSES (90 points)

The Processes category focuses on the management of key and support processes to achieve the organisation's strategic goals

Excellence Indicators

- The organisation has a systematic process to acquire, evaluate and implement creative ideas from all sources. Innovative ideas are evaluated and implemented to create value
- Improvements are made to the innovation and design processes to shorten cycle time, improve design quality and reduce costs
- The organisation's key processes have clear objectives and targets (e.g. cycle time, quality level) which are linked to organisational goals. They are regularly reviewed to ensure they meet performance standards or targets
- External parties (e.g. customers, suppliers, business partners) are involved in key aspects of the design process (e.g. giving inputs, design review, product/ service reviews)
- There is a system to analyse root causes, take prompt corrective action and prevent future re-occurrence when a process fails to meet specified standards or targets
- The organisation identifies and selects its suppliers and partners who support the organisation's strategy
- The organisation proactively ensures that suppliers have the capability and capacity to meet its requirements (e.g. supplier audits, supplier rating and certification system)

5.1 Innovation Capabilities (30 points)

How the organisation harnesses innovation to design new products and services as well as their related production and delivery systems

Describe how the organisation:

- a. Gathers, evaluates and implements innovative ideas for products, services and related processes to create value
- b. Involves key stakeholders in generating and implementing innovative ideas and solutions

Interpretation notes

N1. The design of new products, services and systems may include the development of variants or modification of existing products, services and systems, as well as the development of new products, services and systems emerging from research and development or other concept developments

N2. Innovative ideas may be harvested through various approaches, including gathering inputs and feedback from employees, customers, partners and suppliers, and performing research and comparative studies

5.2 Process Management (30 points)

How production, delivery and support processes for products and services are managed

Describe how the organisation:

- a. Manages key and support production and service delivery processes to meet customer and operational requirements
- b. Drives process improvement to improve productivity and ensure timely delivery
- c. Sustains key processes in times of emergencies to ensure business continuity

Interpretation notes

- N1. The organisation should define the key production and delivery processes that are most important in running the organisation and sustaining or achieving a competitive advantage
- N2. The organisation should define the process requirements and performance indicators associated with the key processes identified
- N3. Support processes may include facilities management, legal, human resource, project management, finance, accounting and administrative processes
- N4. Process improvement may occur through various ways, including technology adoption, process research and development, use of process improvement tools, process re-engineering and benchmarking
- N5. Emergencies may be related to natural (e.g. weather-related, pandemics), human (e.g. deliberate acts of man including fraud and terrorism), or technologically-related events (e.g. IT system and power failures) that have the potential to disrupt and impact operations
- N6. Business continuity may be achieved through the prevention, mitigation and management of emergencies

5.3 Supplier and Partner Management (30 points)

How key suppliers and partners for the production and delivery of products and services are managed

Describe how the organisation:

- a. Identifies and manages key suppliers and partners to achieve organisational goals
- b. Engages key suppliers and partners to co-create products and services

Interpretation notes

- N1. Partners may include distributors, regulatory bodies, competitors and complementary organisations. The organisation may work with partners in various ways, such as through collaborations, strategic partnerships, joint ventures and alliances
- N2. The organisation may gather requirements in various ways, including audits, process reviews, inspections, certifications, testing and rating systems

6. KNOWLEDGE (70 points)

The Knowledge category focuses on how the organisation harnesses information for learning, planning and decision-making, which includes competitive analysis and benchmarking. This helps the organisation to determine performance and drive improvement and innovation for superior performance

Excellence Indicators

- Relevant information is selected and used to support planning, decision-making, and track performance relative to the strategic goals
- There is an effective approach for collecting and managing information (e.g. business development and financial growth) for strategy development and performance improvement
- There are systems to capture information and knowledge, which are shared with stakeholders and are used for organisational learning and value creation
- There are robust systems to ensure the accuracy, reliability and accessibility of information
- There is a systematic process to analyse comparative data and information to drive performance improvement
- Information and knowledge used for performance measurement and planning cover all result areas including customer results, financial and market results, people results and operational results
- Competitive analysis and benchmarking of best practices are used to set “stretch” goals and drive superior performance

6.1 Knowledge Management (35 points)

How knowledge is generated from information collected, and used to create value for the organisation

Describe how the organisation:

- a. Collects and manages information for strategy development, decision-making and organisational learning
- b. Ensures the accuracy, reliability and accessibility of information

Interpretation notes

N1. An organisation may collect information and generate knowledge through various ways, including research, market analysis, employee contributions and incorporation of customer and supplier knowledge

6.2 Analytics for Performance Management (35 points)

How the organisation leverages on analytics for decision-making, performance management, organisational learning and improvement

Describe how the organisation:

- a. Leverages on information and knowledge to create value
- b. Conducts competitive analysis and benchmarking to improve performance

Interpretation notes

- N1. Analytics may include performance trend analysis, projections, comparisons, root cause analysis and cause-effect correlations
- N2. The knowledge generated should help the organisation assess the financial viability and potential benefits or gains from its initiatives in relation to associated risks

7. RESULTS (450 points)

The Results category focuses on the organisation's performance in key areas. This includes qualitative and quantitative results, as well as comparative data and competitive analysis. The indicators should go beyond current levels to include relevant indicators of future success

Excellence Indicators

- There are key performance indicators which track customer, financial and market, people and operational results
- The indicators are linked to the organisation's strategic goals. They include both actual results and projections to demonstrate organisational sustainability
- There are trends which show that the organisation consistently meets or exceeds targets
- Comparisons are carried out within the industry and across industries, and the results indicate high performance relative to competitors or industry standards
- There are reasons provided for adverse trends and improvement actions have been taken or planned for

Sub-criteria (point value)	Areas to address (include current levels and trends in key measures of these areas)	Examples (may be quantitative and qualitative)	Related sub-category
7.1 Customer Results (110 points)	a. Customer satisfaction and experience b. Product and service performance <i>Different market and customer segments should be addressed</i>	<ul style="list-style-type: none"> - Customer satisfaction, loyalty and overall experience - Customer feedback - Customer's overall assessment of products/ services - Customer awards - Net promoter score/ mystery audit results - Other relevant indicators on customer relationships 	2.1 – 2.3
7.2 Financial and Market Results (120 points)	a. Financial performance, including financial results and economic value b. Marketplace performance, including growth and market share, position and acceptance <i>Competitors and industry standards should be considered</i>	<ul style="list-style-type: none"> - Aggregate measures such as revenue growth, net income and profitability, value-added, liquidity, debt-to-equity ratio, return on investment, asset utilisation, surplus, and market share - Other relevant indicators on marketplace challenges and opportunities as well as financial and market sustainability 	NA
7.3 People Results (110 points)	a. Employee engagement and well-being b. Employee learning and development c. Employee performance and recognition <i>Different categories of employees should be addressed</i>	<ul style="list-style-type: none"> - Engagement levels - Training and development levels and expenditure - Talent development programmes and retention rates - Leadership grooming programmes - Generic factors such as safety, absenteeism, turnover, recruitment and overall satisfaction - Other organisation-specific HR factors 	4.1 – 4.4

Sub-criteria (point value)	Areas to address (include current levels and trends in key measures of these areas)	Examples (may be quantitative and qualitative)	Related sub-category
7.4 Operational Results (110 points)	a. Process performance b. Suppliers and partners performance c. Governance system and contribution to the community, society and the environment <i>Results not addressed in sub-categories 7.1, 7.2, and 7.3 which relate to the organisation's key performance requirements should be considered</i>	<ul style="list-style-type: none"> - Relevant indicators on productivity, efficiency and innovation such as inventory turns and delivery time - Specific indicators on process performance - Compliance, audit findings - Contributions to environmental sustainability such as waste reduction and participation in community outreach efforts 	1.3 5.1 – 5.3

Interpretation notes

For 7.1

N1. The combination of direct customer indicators with product/service performance indicators provides an opportunity to determine the relationship between the organisation's products/services, and customer satisfaction and experience

For 7.2

N2. The results should provide an understanding of the organisation's financial sustainability and marketplace challenges and opportunities

SCORING SYSTEM

The BE framework provides a structured method for evaluating an organisation's performance. Organisations need to provide objective, quantifiable responses to comprehensively address the criteria requirements. Assessors use a three-dimensional scoring system to evaluate:

- (i) the approaches adopted by an organisation to drive performance;
- (ii) the deployment of the approaches throughout the organisation; and
- (iii) the results achieved within the organisation and with its external stakeholders.

The definitions and requirements of the three dimensions are:

a) APPROACH

This refers to how the organisation addresses the criteria requirements. The factors used to evaluate approach include:

- Extent to which the methods, tools and techniques are appropriate and effective for the requirements
- Degree to which the approach is systematic, integrated, consistently applied, reviewed and refined
- Evidence of innovation, including effective adaptations of approaches used in other applications or organisations

b) DEPLOYMENT

This refers to the extent to which the approach is applied by the organisation. The factors used to evaluate deployment include:

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

c) RESULTS

This refers to the organisation's outputs and outcomes in achieving the requirements in category 7. The factors used to evaluate results include:

- Current performance levels
- Performance levels relative to appropriate comparisons and/or benchmarks
- Rate, breadth and importance of performance requirements
- Linkages of result measures to key performance requirements identified in the Organisational Profile and the criteria requirements

SCORING RUBRIC (FOR CATEGORIES 1-6)

Take the lower of the two scores for Approach and Deployment

BAND	LIMITED	FAIR	GOOD	VERY GOOD	EXCELLENT
Score	1% – 19%	20% – 39%	40% – 59%	60% – 79%	80% – 100%
Approach	Reactive and undefined	Beginning of a planned approach	Sound and aligned with basic organisational needs	Effective, progressive and well-integrated with organisational needs	Exceptional, innovative and fully-integrated with organisational needs and recognised as best practice in the field
	No planned review and refinement		Ongoing review and refinement		
Deployment	Not deployed	To few functional/operational areas	To key functional/operational areas	To most functional/operational areas and is consistently practised	To all functional/operational areas and is consistently practised
	No planned review and refinement		Ongoing review and refinement		

SCORING RUBRIC (FOR RESULTS CATEGORY)

Take the lower of the two scores for Reporting of results and Performance levels

BAND	LIMITED	FAIR	GOOD	VERY GOOD	EXCELLENT
Score	1% – 19%	20% – 39%	40% – 59%	60% – 79%	80% – 100%
Reporting of results	Not reported for all key areas	Reported for some key customer, financial, people and operational requirements	Reported for most key customer, financial, people and operational requirements	Results reported for all customer, financial, people and operational requirements	
Performance levels - Improvement trends - Comparative information	Poor	Good in few areas	Good in key areas Some comparisons and benchmarks	Good and sustained in most areas Favourable comparisons and benchmarks in key areas relative to the industry	Excellent and sustained in all areas Excellent comparisons and benchmarks in most areas with evidence of global best practices

SCORING GUIDE

CATEGORY	SUB-CATEGORY (NUMBER OF REQUIREMENTS)	POINT VALUE	TOTAL POINTS
1. Leadership	1.1 Senior Leadership (3)	50	120
	1.2 Organisational Culture (3)	40	
	1.3 Corporate Governance and Social Responsibility (2)	30	
2. Customers	2.1 Customer Requirements (2)	40	110
	2.2 Customer Experience (4)	40	
	2.3 Customer Satisfaction (3)	30	
3. Strategy	3.1 Strategy Development (3)	35	70
	3.2 Strategy Implementation (3)	35	
4. People	4.1 Human Resource Planning (2)	30	90
	4.2 Employee Learning and Development (2)	20	
	4.3 Employee Engagement and Well-being (3)	20	
	4.4 Employee Performance and Recognition (3)	20	
5. Processes	5.1 Innovation Capabilities (2)	30	90
	5.2 Process Management (3)	30	
	5.3 Supplier and Partner Management (2)	30	
6. Knowledge	6.1 Knowledge Management (2)	35	70
	6.2 Analytics for Performance Management (2)	35	
7. Results	7.1 Customer Results (2)	110	450
	7.2 Financial and Market Results (2)	120	
	7.3 People Results (3)	110	
	7.4 Operational Results (3)	110	

GLOSSARY OF KEY TERMS

NO	TERM	DEFINITION
1	Analytics	The systematic process of transforming information into knowledge and insight for making better decisions
2	Business continuity	The capability of the organisation to continue delivery of products or services at acceptable predefined levels following any disruptive incident
3	Corporate governance	The direction and control of an organisation to ensure accountability and fair treatment to all stakeholders, and transparency of operations that is consistent with statutory and regulatory requirements or guidelines
4	Customer experience	The sum of all the experiences a customer has with an organisation and its products and services
5	Customer requirements	The performance, features and general characteristics of a product and service as defined by customers
6	Customer satisfaction	The measure of how products and services supplied by an organisation meets or surpasses customer expectations
7	Employee engagement	The extent of employees' commitment to the organisation's mission, vision and values
8	Environment	The natural world, as a whole or in a particular geographical area, especially as affected by human activity
9	HR plans	The human resource (HR) plans, which include manpower planning and deployment, development and learning, compensation and recognition, job re-design, promotion of good labour-management relations and talent management
10	Innovation	The action or process of creating new methods, ideas and products
11	Innovation capabilities	The enhancements of existing products and services and the introduction of new products and services as well as their related production and delivery systems
12	Knowledge	The insights harnessed from relevant information to create value. It could be explicit or tacit: <ul style="list-style-type: none"> - "Explicit knowledge" is knowledge documented or encoded in print, electronic, or audio-visual formats or embedded in prototype, equipment or technology (e.g. intranet, manuals) - "Tacit knowledge" is undocumented or unstructured information (e.g. expertise, past experiences and knowledge from employees, sentiment analysis) - "Information" refers to collated data on indicators of process and organisational performance
13	Knowledge management	The process of capturing, distributing, and using knowledge effectively

NO	TERM	DEFINITION
14	Learning and development	The development of workforce capabilities, skills or competencies required to ensure a sustainable and successful organisation
15	Mission	The overall function of an organisation. It answers the question “What is the organisation attempting to accomplish”. The mission may define customers and markets served, distinct or core competencies and technologies used
16	Organisational culture	The values and assumptions that employees subscribe to, as well as the behaviours and practices that exemplify and reinforce them
17	Partners	The external parties which the organisation collaborates with
18	Partnership	The organisation’s relationships with distributors and regulatory bodies, or collaboration with competitors and complementary organisations. It may be in various forms such as strategic partnerships, joint ventures and alliances
19	Performance Management	The process which contributes to the effective management of individuals and teams to achieve high levels of organisational performance
20	Production and delivery processes	The processes which are critical to the running of the organisation
21	Senior leaders	The organisation’s top management and those reporting directly to them
22	Stakeholders	The organisation’s customers, shareholders, employees, suppliers and partners, and the community
23	Strategy	The organisation’s positioning and plans to direct and address its mission and vision. It may include new business models, products, services and markets
24	Strategy development	The organisation’s overall approach to meet current challenges and be future-ready
25	Strategy implementation	The translation of strategies into action plans and the allocation of resources to support the plans
26	Suppliers	The external parties that provide goods and services to the organisation
27	Talent management	The strategies or systems to attract, develop, retain and deploy people with the required skills and aptitude to meet current and future organisational needs, as well as drive organisational productivity and performance
28	Vision	The future desired state of the organisation. It describes where the organisation is headed, what it intends to be, or how it wishes to be perceived in the future

BUSINESS EXCELLENCE MILESTONES



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