



Asian Productivity Organization

ENGAGING SMEs IN BUSINESS EXCELLENCE

*A guidebook for
National Productivity Organizations
(NPOs)*

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1. INTRODUCTION

This guidebook provides a brief guide on how to engage SMEs in Business Excellence (BE). All BE administrators should consider which activities / interventions will be of the greatest help to companies within their country. BE administrators are also encouraged to learn from the experiences of other administrators. As shown in Figure 1, the proposed activities / interventions for engaging SMEs in BE are categorized into three main areas: (1) Awareness of BE, (2) Application of BE, and (3) BE Awards.

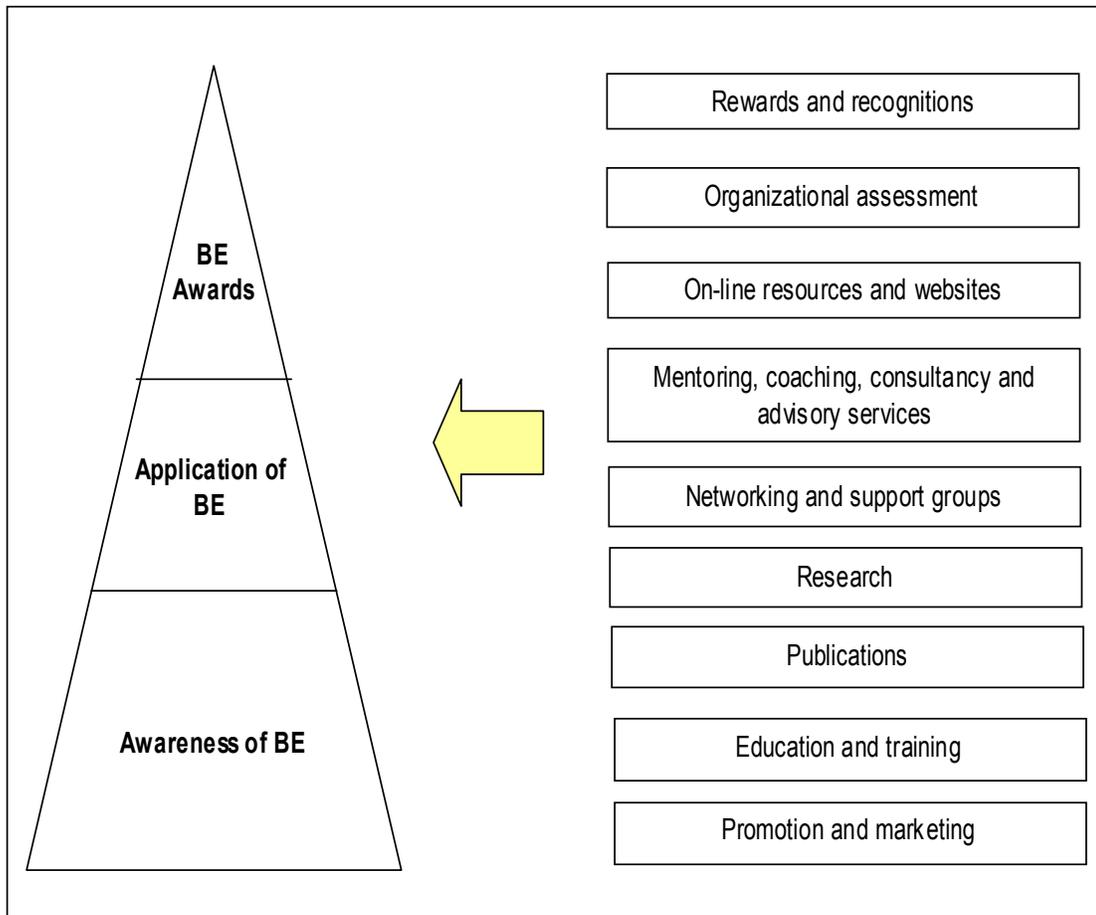


Figure 1: A national framework for engaging SMEs in BE

2. AWARENESS OF BUSINESS EXCELLENCE

This section presents a list of activities / interventions that can be implemented to raise the awareness of BE among SMEs. All BE administrators should consider which activities / interventions will bring the largest increase in awareness in the short and long term and design and implement an appropriate awareness plan. The examples of activities / interventions are as follows:

2.1 Promotion and marketing

- Key stakeholders that have a vested interest in the success of BE at a regional and national level should be identified and invited to assist in developing the promotional campaign, and roll it out through their networks. Stakeholders may include educators (schools, universities, Ministry of Education, training organizations), public sector organizations (Civil Service College, Local Government Associations) and private sector (Trade Associations, Management Associations, Manufacturing Associations, Consultancy Associations). Involving stakeholders has been a key success factor for those countries with a high level of BE awareness.
- Whether at the national or firm level, there has to be senior executive sponsorship of BE. Therefore support at the top management and technical secretariat level is absolutely necessary. Senior executive support and commitment plus the visibility of the top management in all BE activities will encourage SMEs to seriously consider BE as the mechanism for improvement. In addition, it will ensure that all NPO staff are motivated to understand BE and see how it can complement their other productivity programs. It is also recommended that NPOs use BE as a means to improve their own organisation's performance and set an example for SMEs to follow.
- Marketing materials should describe the variety of ways that BE can help SMEs to improve rather than solely promoting "BE" or "continuous improvement". BE Models (BEMs) help companies to improve in a multitude of ways, for example:
 - Risk management and governance - Many SMEs cannot afford to have independent directors or consultants to assess and appraise the management and health of their organization on a regular basis. Regular BE self-assessments can go some way in fulfilling this role and ensuring that due diligence is paid to the development of the business and key risks are identified and addressed.
 - Supply chain improvement – The BEM can be used to assess the systems and performance of suppliers.
 - Buy-in of employees to strategy - BEMs help managers and employees to have a common viewpoint on the health of their organization and the key issues that are faced. This enables managers and employees to unite together behind the organization's strategy.
- More resources should be directed towards promoting BE to CEOs and senior managers, and showing how it can add value to businesses (both in the short-term and long-term).
- More thought should be given on how to promote BE to SMEs, so that it is seen as practical and beneficial in the short and long-term. For example, through

providing a simply written publication which describes BE in business-friendly language. (Note the APO has published “Understanding Business Excellence: An Awareness Guidebook for SMEs” and poster for this purpose).

- Examples of promotion and marketing that can be conducted are:
 - Providing free materials and publications on BE (hardcopy and softcopy).
 - Advertising BE through mass media (press releases).
 - Promotion via a website which explains BE and the benefits
 - Organizing road shows (presentations and events in different towns and cities) to promote BE.
 - Obtaining the assistance of assessors to promote BE.
 - Obtaining the assistance of companies that already use BE to promote BE.
 - Encouraging schools to promote and teach BE to their students.
 - Encouraging tertiary institutions to promote and teach BE to their students.
 - Encouraging industry / membership-based associations to promote BE to their members.
 - Encouraging government institutions to promote and use BE.
 - Raising the profile of BE award winners via a website, conference and mass media.

2.2 Education and training

- Education and training should be provided to explain what BE is and how it adds value to an organization. BE awareness training, workshops, seminars, forums, webinars, study tours and/or conferences should be offered. These may be offered for free or subsidized.
- The APO Guide “Understanding business excellence: An awareness guidebook for SMEs” can be referred to when developing the contents of a training course. The training course could mirror the structure of the Guidebook:
 - What is BE?
 - BE core values and concepts
 - What is a BEM?
 - The relationship between BEMs and core values and concepts
 - BEM as an overarching framework
 - BE assessments
 - The use of BEMs in Asia
 - The benefits of BE for SMEs
- More education on BEMs is required to emphasize that they are assessment frameworks, and that companies should focus more on embedding the core values and concepts of excellence within their companies. In particular, BE should be promoted as an overarching framework within which other business improvement initiatives fit.
- Whenever possible, role model organizations that have adopted BE should be encouraged to give public presentations to share their experience.

2.3 Publications

- Prepare BE awareness guidebooks, toolkits and/or slide sets that are attractive and useful for SMEs. In relation to this, APO has developed a guidebook titled “Understanding business excellence: An awareness guidebook for SMEs”.
- Elaborate, revise and/or translate the awareness documents to make the concept of BE more easily understood.
- Distribute free BE awareness guidebooks, toolkits and/or slide sets to SMEs.

2.4 Research

- Regularly measure levels of BE awareness within SMEs to assess the impact of the awareness activities. Measures may be indirect measures such as level of attendance at seminars/conferences, number of website visitors, or number of article downloads. Direct measures can be obtained from surveying (by phone/postal/email survey) a random sample of organizations to assess awareness and understanding levels. Direct measures provide the most accurate measure of awareness levels.
- Collaborate with universities and colleges to conduct research on how to raise awareness of BE.

3. Application of Business Excellence

This section presents a list of activities / interventions that can be implemented to help SMEs improve their performance through the implementation of BE. The examples of activities / interventions are as follows:

3.1 Education and training

- Training should be provided to help companies understand how to develop a BE culture. For example, experiences or best practices might be shared about how companies have developed a BE culture or improved performance in the various BE categories, and highlighting how these practices relate to BE core values and concepts. Training should be targeted at assessors, consultants, managers, and SMEs.
- Educate BE adopters on how to measure return on investment using hard data. Measuring BE-related initiatives and their success may help companies to obtain a higher level of buy-in to BE.
- Particular thought should be given to involving CEOs and senior managers in training.
- Consider organizing free or subsidized trainings, workshops, seminars, forums, webinars, study tours and/or conferences to help SMEs to implement BE.
- Provide a certified course of training in BE (i.e. a certificate, diploma or masters degree). Alternatively, collaborate with universities and colleges to offer this certified course / qualification.
- Provide continuous learning and/or competency development programs within organizations.

3.2 Networking and support groups

- Build up a pool of BE practitioners, BE certified training providers, BE certified consultants, BE Award winners, BE certified organizations, BE assessors, and BE partners (e.g. key association / stakeholders / anchor companies).
- Develop communities of practice for those involved in BE. For example, organize separate networking groups for:
 - BE practitioners.
 - CEOs/senior managers of BE organizations.
 - BE certified training providers.
 - BE certified consultants.
 - BE Award winners.
 - BE certified organizations.
 - BE assessors.
 - BE partners (e.g. key association / stakeholders / anchor companies).
- Particular thought should be given to involving CEOs and senior managers in networking and support groups.
- Provide opportunities for sharing and learning from companies in other countries.

3.3 Publications

- Provide access to more BE-related information through publications (softcopy and hardcopy). For example, showing best practice case studies, examples of BE applications (demonstrating the variety of ways that BE has helped companies), the types of BE assessments that can be used, benchmarks, and descriptions of business improvement tools and techniques.
- If resources are available, it would be worthwhile investing in video or instructional materials on BE to simplify the technical concepts of BE. These methods can be used to explain in layman terms how to apply BE concepts and principles and include case studies.
- Prepare BE implementation guidebooks, toolkits and/or slide sets that are attractive and useful for SMEs. In relation to this, APO has developed a guidebook titled “Implementing Business Excellence: An Implementation Guidebook for SMEs”. This guidebook can be tailored to the local context and/or translated to make the concept of BE more easily understood.
- Provide BE self-assessment tools as paper copies.
- Provide copies of BE submission documents from award winners (hardcopy and/or softcopy).
- Provide industry-specific BE guides to explain BE in terms relevant to the industry.

3.4 Mentoring, coaching, consultancy and/or advisory services

- Provide BE mentoring, clinics, coaching and advisory services.
- Provide access to BE consultants, assessors and experts for advice and assistance.
- Provide benchmarking services and consulting (activities to learn from best practices).
- Advise SMEs on relevant financial assistance schemes to help them improve their organizational performance.
- Pilot BE within an SME or a cluster of SMEs and provide mentoring/consultancy support. Once successful, the experience can be shared with other SMEs and/or the programme could be replicated with more SMEs participating.

3.5 On-line resources / website on BE

- Provide access to BE on-line resources or websites. It is recommended that all NPOs have a website which contains local BE information. In addition, NPOs can direct organizations to established websites such as:
 - Business Performance Improvement Resource (www.apo.bpir.com). This is a benchmarking and best practice website that is provided by the APO’s Centre for Excellence for Business Excellence (50 free passwords have been allocated to all NPO countries). It contains examples of how organizations in Asia and internationally have applied BE.
 - Baldrige Performance Excellence Program (<http://www.nist.gov/baldrige/>). Most Asian countries have based their BE framework on the Baldrige model. This website provides a wealth of information on the Baldrige model.

- European Foundation for Quality Management (EFQM) (<http://www.efqm.org/en/>). Some Asian countries have based their BE framework on the EFQM Excellence Model. This website provides a wealth of information on the EFQM Excellence Model.
- Provide online BE forums/discussions.
- Provide BE self-assessment tools: online/software version.

3.6 Organizational assessment

- Develop a BE self evaluation / assessment specific to SMEs.
- Develop organizational assessment and improvement program for SMEs, such as SME Management Action for Results (SMART) program in Singapore.
- Provide BE assessments facilitated by certified consultants.

3.7 Research on BE

- Regularly measure levels of BE use. Measures may be indirect measures such as sales of self-assessment tools, participation in BE related networks or forums, or number of award applicants. Direct measures can be obtained from surveying (by phone/postal/email survey) a random sample of organizations to assess use levels. Direct measures provide the most accurate measure of use levels.
- Collaborate with universities and colleges to conduct research on how to implement BE successfully.

4. Business Excellence Award

This section presents a list of activities / interventions that can be implemented to help recognize SMEs that achieve high levels of performance through the implementation of BE. The examples of activities / interventions are as follows:

4.1 Rewards and recognitions

- Countries need to learn from each other about how to raise the profile of the awards (in some countries, the awards already have a high profile). Awards are a key mechanism for raising the profile of BE and maintaining the commitment of current adopters and award winners. However, when promoting the awards, care needs to be taken to ensure that the awards themselves do not become the main goal (as only a few companies can win an award). The main focus should be to attract a large number of companies to embark on a journey of BE.
- Countries should consider providing a wider variety of awards for different sectors, different levels of BE maturity, different cities or areas of a country and for SMEs. This may increase overall interest in BE.
- Provide BE Certifications or Standards (such as the Singaporean example of Singapore Quality Class, Singapore Innovation Class, Singapore Service Class, and People Developer).
- Provide logos of BE certifications / standards / awards for organizational branding and marketing.
- Profile leading organizations via websites, conferences, best practice cases, and mass media, to encourage more organizations to follow the BE path.
- Countries need to review their processes for applying and assessing companies for a BE award. A sizeable proportion of companies in a recent APO study believed that the following award processes were in most need for improvement:
 - Feedback reports to the applicant.
 - Publicity surrounding the awards.
 - Guidelines and assistance for potential applicants on submitting an awards application.
 - BE Assessor training.
- A wide range of award-related services should be provided such as:
 - Launch events for the award.
 - Assessor selection process.
 - Assessor training.
 - Senior assessor training/instruction (e.g., for the leader of an evaluation team).
 - Guidelines and assistance for potential applicants on submitting an award.
 - Application document.
 - A guidebook to explain the BEM.
 - Support provided to ensure assessor teams follow due process (e.g. additional mentoring or use of observers).
 - Eligibility/selection criteria and a process to determine which applicants are considered for an award (this may involve a short-listing process).
 - Site visits to award applicants.

- A consensus meeting/process to discuss and agree on the feedback to give to applicants.
- Feedback reports to the applicant (presentation and content).
- Judging panels.
- Award ceremonies.
- Opportunities for applicants and assessors to suggest improvements to the awards process.
- General management of the awards process.
- Seek advice from those countries that have organized successful award programmes on how to undertake each one of the above processes.

4.2 Networking and support groups

- Build up a pool of BE Award winners, BE certified organizations, BE assessors, and BE partners (e.g. key association / stakeholders / anchor companies) to share experience and learn from each other.
- Develop communities of practice for award winning organizations and those involved in the awards process.
- Continuing to involve and help award winners is important; this will enable award winners to sustain their level of excellence and become role models for other companies.
- Set up an award winner's forum enabling CEOs of award winners to meet on a regular basis.
- Provide opportunities for sharing and learning between companies in other countries.
- Exchange of senior assessors from APO countries to participate in each other's award assessment.

4.3 Research

- Conduct an in-depth study to: (a) identify key success factors in those companies that have experienced high returns of investment (major benefits) from BE; (b) identify the problems/challenges companies have faced that especially those that have experienced low returns of investment (minor benefits). To find reasons for both (a) and (b), a detailed analysis of the survey data or in-depth case studies is required.
- Collaborate with universities and colleges to conduct research related to BE awards.

5. ABOUT THE CONTRIBUTORS

Dr. Robin Mann is Founder and Head of the Centre for Organizational Excellence Research (COER), www.coer.org.nz, Massey University, New Zealand; Commercial Director and Founder of BPIR.com - a leading internet resource for sharing best practice and benchmarking information; Chairman of the Global Benchmarking Network; and Advisory Board member at the Hamden Bin Mohammed e-University in Dubai. Robin has served as Chief Expert on Business Excellence for a number of Asian Productivity Organization projects.

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