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Application of the Excellence Model EFQM in a wood processing company

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Abstract: *Application of the Excellence Model EFQM in a wood processing company.* The actual business environment requires that companies have to be always prepared for increasing demands of their customers. So the company is successful, if it has known its environment as well as its strengths and weaknesses. It is used the Excellence Model EFQM to obtain this information, which applies the RADAR methodology, what is the most objective way of self-assessment of the organization. The aim of our paper is to present self-assessment according to the EFQM model using the RADAR methodology in a wood processing company.

Keywords: EFQM Model, RADAR, self-assessment

INTRODUCTION

Self-evaluation is a systematic activity aimed at the understanding of the strengths and weaknesses of the examined object. The continually improvement to achieve is its aim. Self-assessment in company is not only done because of the interests of its clients or company management itself. It is necessary to take into account the environment and operational processes in the enterprise. Actually, the most widely used model which is based on self-assessment is the EFQM Excellence Model. The aim of this paper is to present this model, by using the RADAR methodology, for evaluation of approach of wood processing company to the quality of all processes (not only the main process which is production of wooden windows and doors). The presented methodology will contribute to the reducing of gaps in the quality management system and will lead to its continuous improvement.

MATERIALS AND METHODS

For evaluation we used the EFQM Model (Fig. 1), which belongs among the most used self-assessment model for organizations any type. Its primary objective is the identification of strengths and weaknesses, which should lead to continuous improvement of business.

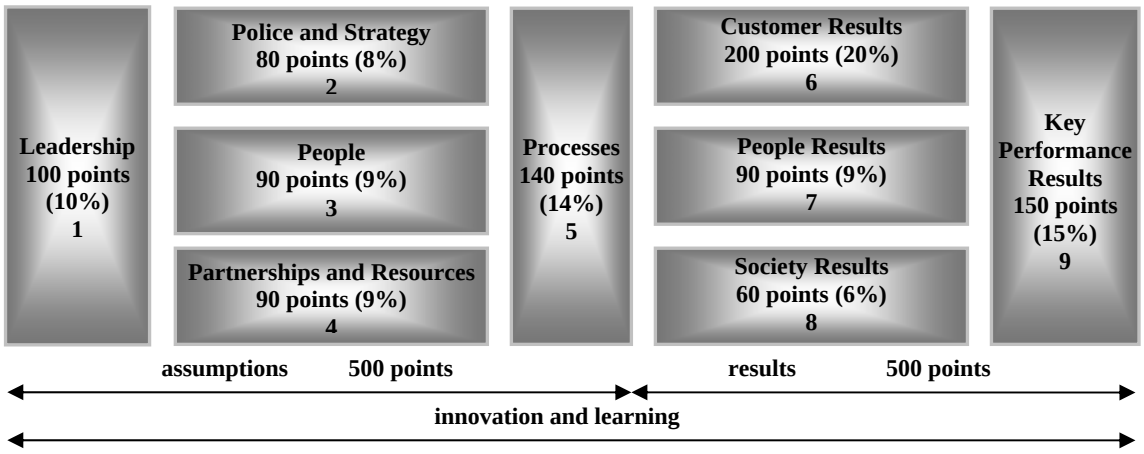

Fig. 1 EFQM Model

EFQM Model consists of 9 main and 32 sub-criteria for the assessment of the particular areas of business activity. They are divided into two basis groups – the assumptions and results. The heart of the EFQM Model is a logic called RADAR. It is the most challenging but also the most objective way of evaluation in relation to the EFQM Model. It consists of 5 elements: **results**, **approach**, **deployment**, **assessment and review**.

In this paper we have also used the methodology and the evaluation matrix as the author Nenadál (2004). Those were used by the evaluation team, which we were part of it, for the actual assessment of the company. We determined so called gross assessment scale (0%, 25%, 50%, 75%, 100%) to evaluate the particular areas. Based on accumulated information, we adverted on strengths and weaknesses of the company and proposed solutions to improve the current situation.

RESULTS AND DISCUSSION

We focused by the assessing of the element ***approach*** on the fact, how the business works. We monitored the used methods, tools and their usability. We also evaluated how the defined processes contribute to the achievement of business strategy. ***Deployment:*** how are specific approaches, methods and tools applied in all processes and whether are they systematically redistributed in these areas. A***ssessment:*** we focused on whether and how business managers pay attention to the review of approaches and methods used in business processes. We were interested in whether and how business approaches to measuring and evaluation of the processes, it means, how to use this information for continuous improvement.

Given that the evaluation of individual criteria and sub-criteria is very time-consuming, we present as an example of the evaluation the criterion 5- Processes, for sub-criterion 5a: Processes are systematically designed and managed (Tab. 1).

Tab. 1 Evaluation of processes - 1. Sub-criterion *(Source: Figuli, 2011)*

5a: are systematically designed and managed						
Elements	**Rated attributes**	**0%**	**25%**	**50%**	**75%**	**100%**
Approach	Accuracy					X
	Integration				X	
Deployment	Implementation				X	
	Systematic				X	
Assessment and Review	Measurement			X		
	Learning			X		
	Improvement		X			
Evaluation of Sub-criterion						64,30%

Table 2 presents the results of point evaluation of the assumption criteria and the table 3 of results criteria.

Tab. 2 Point evaluation of enabler criteria *(Source: Figuli, 2011)*

Criterion									
Leadership		**Police and Strategy**		**People**		**Partnerships and Resources**		**Processes**	
	%		**%**		**%**		**%**		**%**
1a	42,9	**2a**	57,14	**3a**	39,3	**4a**	78,6	**5a**	64,3
1b	64,3	**2b**	39,3	**3b**	35,7	**4b**	64,3	**5b**	78,6
1c	57,1	**2c**	35,7	**3c**	89,3	**4c**	57,1	**5c**	71,4
1d	32,1	**2d**	32,1	**3d**	64,3	**4d**	57,14	**5d**	71,5
1e	35,7			**3e**	46,4	**4e**	64,3	**5e**	64,3
∑ 232,1%		**∑164,2%**		**∑275%**		**∑ 321,4%**		**∑ 350,1%**	
:5		:4		:5		:5		:5	
evaluation results: **46,4**		evaluation results: **41,1**		evaluation results: **55**		evaluation results: **64,3**		evaluation results: **70**	

Tab. 3 Point evaluation of results criteria *(Source: Figuli, 2011)*

Customer Results				**People Results**			
	%	**x weight**	**∑%**		**%**	**x weight**	**∑%**
6a	50	0,75	37,5	**7a**	40	0,75	30
6b	70	0,25	17,5	**7b**	75	0,25	18,75
evaluation results: **60%**				evaluation results: **52,5%**			
Society Results				**Key Performance Results**			
	%	**x weight**	**∑%**		**%**	**x weight**	**∑%**
8a	65	0,25	16,25	**9a**	75	0,5	37,5
8b	75	0,75	56,25	**9b**	65	0,5	32,5
evaluation results: **68,75%**				evaluation results: **67,5%**			

Tab. 4 Total evaluation of company *(Source: Figuli, 2011)*

	Criterion	**evaluation x weight**	**points earned**
1.	**Leadership**	46,42 x 1,0	46,42
2.	**Police and Strategy**	41,06 x 0,8	32,85
3.	**People**	55 x 0,9	49,5
4.	**Partnership and Resources**	64,29 x 0,9	57,86
5.	**Processes**	70,02 x 1,4	98,03
6.	**Customer Results**	55 x 2,0	110
7.	**People Results**	48,75 x 0,9	43,88
8.	**Society Results**	72,5 x 0,6	43,5
9.	**Key Performance Results**	70 x 1,5	105
∑ points			587,04

We present the results of the final evaluation in table 4, where the company achieved more than 587 points of 1 000 possible. This result was influenced by a lot of factors.

In evaluating criterion **„Leadership“** we can state that the most reserves has company in the assessment and evaluation.

The arisen shortcomings result from deficient measurement and monitoring of realized processes, therefore the company loses the possibility to learn and improve, because it does not have available information in sufficiency and quality. Large reserves we have also seen in the insufficient management, which does not understand what possibilities the new methods and approaches provide in the sphere of management and assurance of quality.

Similarly, the company takes insufficient attention to its own **Police and strategy**. It does not use external independent information by its processing and it does not give a sufficient importance of the impact of different strategies, systematic analysis and its updating. It remains positive the fact that the strategy formulation is focused on stakeholders. As a positive we cannot identify that the single employees of the company do not have

sufficient information about company policy and strategy. If the company wants to move forward, it must lay accent on human potential, which must clearly know, where the company wants to go and what wants to achieve. It has to know whether employees agree with its vision.

Evaluation of the area **people** reached in assumption 49,5 points and in results in relation to that assumption nearly 44 points.

We can see the largest shortcomings in **insufficient planning** and **development of human resources.** The analyzed company does not invest in this area sufficient resources and time. Also the measurement of the performance of their staff is made at a minimum. The company employs a small number of employees, what does not cause problems in their mutual communication. There are more open relationships than in large enterprises. However, employees perceive the situation in the company negatively. This is due to the poor pay evaluation of their work, bad working atmosphere and the associated high fluctuation. If the company would invest more in this area (whether in the form of various motivational programs, education, better communication of management with ordinary employees…), this will express into the final product quality, better perception of the company by its own employees and related lower costs for fluctuation.

The enterprise pays a great attention to its **trading partners** and **sources**. It has implemented a quality information system that allows to process information from this area.

Due to the constantly large emphasis on **process management** we recommend to pay attention to the processes. Within the performed activities in the main process production, company identified critical areas, where can give out into non-conformity in quality.

Likewise it has designed procedure, how to measure the quality of its production, to prevent non-conformity, to treat with the results of its principal activity and has identified the persons responsible for each area. All processes are carefully mapped. We can find reserves in measurement and capability evaluation of realized processes. Therefore the company should introduce a systematic monitoring of processes. Improvement in customer relationships exist, but it is not based on systematically measurement and learning. Therefore, the company should introduced a systematic monitoring of processes.

If company wants to improve its **results in relation to customers**, it should increase the resources invested into the production technology, but also into the quality of its staff, which would result in securing and improving of the quality of production. The introduction of new approaches to the maintenance of machinery (e.g. TPM, RCM…) can also help to the increase of durability, productivity and quality, too. The strength of the company is sufficient accent on marketing, which is also reflected in the higher sale of products. The company is step by step successful on markets outside its region. It is seen as an important employer there, but the company is aware of the bad situation of its employees, what ultimately damages its image.

The key performance results were affected by the entry of new investor, so the company promoted its sale. The company also managed to increase its profit by this. These conditions affected also the increase invested funds in the marketing area. If the company wants to maintain and improve its own situation, it has to better monitor, evaluate and analyze its key results *(Biernacka, Sedliačiková, 2010).* Because there is on the market very hard competition fight, the company must also consider the usage of convenient cost accounting, which opens the way to the controlling implementation. This is necessary, if the company wants to be successful on the market. We recommend to implement and develop various modern methods and tools (e.g. Balanced Scorecard, Activity Based Costing, TPM...), which improve management and create conditions for improvement of key indicators *(Sedliačiková, 2010).*

CONCLUSION

In our paper we present the results of the quality system evaluation of the selected wood-processing company. Achieved results indicate the usefulness of the RADAR model in terms of improvement of the company. According our opinion, the company should recognize our proposed improvements and then realize farther evaluation and obtain information about positive or negative impact of these changes on its operation.

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Streszczenie: *Zastosowanie modelu doskonałości EFQM w zakładzie przemysłu drzewnego*. Środowisko biznesowe wymaga od firm stałej gotowości na zwiększone wymagania klientów. Firma osiąga sukces jeżeli zna swoje środowisko, swoje własne słabości oraz zalety. Model doskonałości EFQM jest najbardziej obiektywną metodą samooceny przedsięwzięcia. Celem tej pracy jest przedstawienie samooceny przedsiębiorstwa drzewnego zgodnie z modelem EFQM przy użyciu metodyki RADAR.

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