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**BEING SUCCESSFUL
AT
THE SINGLE EUROPEAN MARKET**

**A Basic Guide
For Slovenian Small and Medium-Sized Enterprises (SMEs)
To Cope With the New Challenges of the Emerging EU**

**Prepared under PHARE Project
CBC Slovenia – Austria 2000**

Maribor, June 2003



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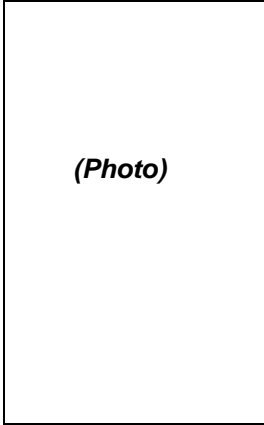
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Foreword

(By EU Representative)

*EU extension,
SMEs in Slovenia,
Neighbourhood to Austria,
What has already been achieved,
What still needs to be done,
Unique opportunities,
Good luck to business.*

(Signature)

(TO BE FILLED IN!)

Introduction

- Why This Booklet ?-

Since years there is no bigger business issue in Slovenia than the approaching membership in the European Union and the subsequent participation in the Single European Market. And since as long also the Small and Medium-Sized Enterprises (SMEs) of Eastern Slovenia are preparing intensively for their future role: To cope with the new business challenges as they are confronted with very significant changes with respect to their neighbouring business regions:

The borders with Austria (*now still the Outer Border of the EU and their Single Market*) and Hungary (*not yet an EU member*) will soon be reduced to merely an administrative boundary with open trading opportunities in both directions, as will be with Italy in Western Slovenia. On the other hand, traditional old trading routes to Serbia and Croatia will soon be complicated by the fact that those have to pass the future Outer Border of the EU / Single Market.

This booklet is only one of the many positive results of the Slovenian Subproject „Emerging EU“ within the overall European PHARE Project framework. The project was designed especially to assist the SME business along and near the Austrian – Slovenian border region in their Single Market Awareness.

One of the wishes which came up during those training sessions was to have **a day-to-day guideline for continuous business improvement in view of the new challenges of the Single Market.** It should assist the Slovenian SMEs in translating theory into daily practice. Hoping to fulfil that expectation this booklet herewith presents a short, concentrated abstract of some basic management principles. And it combines these with some proven methods for advanced quality management towards sustained business excellence.

This booklet is dedicated to the entrepreneur and senior management of those Slovenian SMEs which do want to play their active role in the Single Market.

Chapter One - gives a narrow on the key essentials of the Single Market.

Chapter Two - outlines the opportunities, challenges, hazards and risks of playing in international business.

Chapter Three - describes the basic aspects for process-driven, customer-oriented business organisation following the quality management principles of ISO 9000.

Chapter Four - has a look at the hazards of daily routine and their effects on quality and motivation.

Chapter Five - gives a more in-depth view into the nature of business processes as money makers or money killers, and their relation in an overall business picture. This may be helpful before restricting business organisations to cope with changes in business environment.

Chapter Six - gives a compressed introduction the EFQM Business Excellence methodology, a proven tool for achieving sustained top results in market image, stakeholder satisfaction and profitability.

Chapter Seven - explains the core of the EFQM philosophy which is the self assessment process. This chapter perhaps is also the core of the whole booklet as it offers the reader a way how to be critical against oneself performance – and without pointing the finger to someone else.

Chapter Eight - takes a look at the most important business resource – the people – and gives a few hints how to care for their motivation and loyalty.

The full membership of Slovenia (and many other „Newcomers“) in the European Union will very soon become a reality. Big market changes are already under way and will even get stronger. To cope with this really peaceful revolution every single enterprise - regardless if small, medium-sized or a multinational corporation - must carefully review its current situation. It must use the remaining time efficiently and prepare as good as possible for those very significant changes.

The reason is very obvious but also very hard:

**Either survive and develop successfully in this growing Single European Market
– or miss a unique historical chance and perhaps even go out of business.**

The general weakness of the Small and Medium-sized Enterprises (SMEs) is, of course, their limited capabilities, resources and capital to compete directly against those corporate giants. To compensate this disadvantage the EU undertakes great efforts to prepare and protect those SMEs for the Single Market, and help them to stay in business despite a cut-throat business environment.

To improve the competitiveness especially of the SMEs in general but especially in the cross border regions EU have established a number of structural funds designed to support where it really helps most (e.g., the European Regional Development Fund (ERDF), the European Social Fund (ESF), or the Cohesion Fund).

To get access to any such financial support the interested SME entrepreneur should make himself acquainted what is tailored to his needs, and how to apply for. His first address should usually be either the next regional European Information Centre (EIC), or his house bank.

A key EU instrument for growing together, to smoothen the European integration, and to enhance Single Market's day-to-day practice is

Harmonization

Technical Harmonization: Standardization

The harmonization of standards, like laws and conformity assessment procedures, has greatly simplified technical regulation in Europe. Prior to harmonization, each country developed its own standards through a national standards body. And, like differing and conflicting laws and conformity assessment procedures, fifteen sets of standards were not only costly, but also created technical barriers to trade between European countries. It became necessary to create a new, integrated, European system of standardization.

National standards may still govern products regulated at the Member State level. The harmonization of regulation is also an ongoing process, and some products that are unregulated at the European level are still regulated by Member States. This means that some national standards act as national technical regulations.

Quality Standardization: ISO 9000

When the European Commission adopted the ISO 9000 series of international quality standards as part of the Global Approach they became an integral and official part of the European conformity assessment scheme. The European designation for this set of standards is EN 29000.

(Fig. 1)

Harmonization of Taxation

The EC Treaty does not provide for the harmonization of direct taxation. Member States are merely obliged to abide by the principles of Community Law in the exercise of their direct-taxing sovereignty. Thus, taxation by the Member States must not

- ? impede the freedom of movement of persons, businesses and capital and the freedom to provide cross-border services as guaranteed by the treaty,
- ? distort conditions of competition through the provision of tax breaks and relieves to national businesses in the form of state aid as opposed to general measures of taxation, or
- ? infringe the central principle of EC law prohibiting discrimination on the grounds of nationality in areas falling within the scope of the treaty.

Although this is not even the tip of the EU legislation „iceberg“ it may give the SME enterprise an idea what financial, technical, legal or taxation opportunities or risks the Single Market offers. However, the new trade freedom also means the freedom to succeed – or to fail.

The following chapters are clearly designed for helping SMEs to succeed in the Single Market!

Chapter Two – New Markets and International Business

The oncoming membership of Slovenia in the European Union offers Slovenian enterprises a wide area of new business opportunities. But especially the Small and Medium Enterprises (SMEs) with their limited resources should be aware not only of the new chances but also of the new hazards. Careful preparation and a step-by-step approach should be the guideline for success when entering the Single Market.

One Single Market

The Single Market came into force in January 1993, establishing the free movement of goods, people, services and capital. As successor of the earlier treaties it replaced the common market with its customs union of 1968.

The Four freedoms of the Single Market:

Goods:	Companies can sell their products anywhere in the member states, and consumers can buy where they want with no penalty.
People:	Citizens of the member states can live and work in any other country, and their professional qualifications should be recognized.
Capital:	Currencies and capital can flow freely between the member states, and European citizens can use financial services in any member state.
Services:	Professional services such as banking, insurance, architecture and advertising can be offered in any member state.

One Single Currency

The Economic and Monetary Union (EMU) gave birth to a single European currency, **the EURO**, in 1999, when markets began trading in Euros. From 2001 that currency was available not only for the financial services sector but for each citizen of 12 European countries, thus making international trading and travelling much easier. In addition pricing in those states suddenly became comparable at a glance. Although not all of the current and future member states have adopted the single currency it already shows a very significant impact both at home and around the world.

Things yet to be done

Unfortunately, the European Union is far from being complete. Thousands of national laws, regulations, trading procedures, technical standards, tax and social systems are still incompatible and need either to be adjusted or totally rewritten from a European viewpoint. But the entrepreneur cannot sit and wait until everything looks perfect. Instead, he will take his chance and „fiddle through“ all that legislation and bureaucracy stuff - otherwise the competition will probably be faster.

That is especially true for the Slovenian SMEs which on one hand will live in a new, open and practically borderless neighbourhood with Austria, Italy and Hungary. But they will also be confronted with the fact of becoming an EU „border state“ with respect to Croatia, Serbia and others resulting in new trading and travelling complications on the other.

The Slovenian SME entrepreneur should have these considerations in mind when preparing now for new international activities. So the key question to begin with is

Are we prepared for the new markets in an international business environment ?

Fig. 5 (Diagram)

First we need to develop a basic understanding about what „is out there“: The huge new Single Market! Although we know a bit about our Austrian or Hungarian neighbours we see many more rather unknown countries with as many unknown cultures, business habits and languages. We see lots of new opportunities (customers, partners) but also masses of new and mostly unknown competitors which may threaten our established home customer base. Without some structure and a good navigation systems that may look like doing business in a jungle where one easily may get lost.

So you need to find a reasonable answer for yourself. Sit down with a small but capable team and do a „**SWOT Analysis**“! The word SWOT stands for the self-analysis of the company's own

STRENGTH - WEAKNESS – OPPORTUNITIES - THREATS

in relation to a predefined target. (a market, a competitor, a capability, a new challenge, etc.).

Please do try the following simple approach:

Start with an EXTERNAL review („The Outside World“):

Use a flip chart, a blackboard or a sheet of paper, break down that scenario into some major sub-markets and then do a simple analysis of potentials against threats, e.g., today's home market(s), today's Single Market, and the „Rest of the world“ (all other markets). Try to structure those markets according to your regional, branch, or product aspects and allocate each of them a priority for a closer look:

- ? Protect and care for your home market(s).
- ? Extend your search horizon to your neighbouring EU markets which you could reach and serve in less than one day travel time, and which offer sufficient market potential.
- ? List all other Single Market regions and give them a sub-ranking according to market volume and business / technology potential.
- ? Have a critical look at those regions outside of the Single Market which have an importance for you today, and which offer reasonable potential to remain on your „search horizon“.

Develop a list with two columns named **OPPORTUNITIES** and **THREATS** and write down for each of your prioritized markets/submarkets those key aspects which you already know today, or what you need to find out before you decide to enter that markets.

Now do the same exercise for the INTERNAL world - analyze your own company.

Create a list with two columns named **STRENGTHS** and **WEAKNESSES**. Write down for each of your well-known company potentials those key aspects which you already know today, or what you need to find out and/or correct before you decide to go into new markets.

Develop a table specifying some more detailed subspects and give them an assessment:

<Company Name> „SAMPLE“		Key Aspect: Market Germany Position and Competition				Form:		Explanation
						Version:		
						Budget:		
	Problem Areas	ww	w	f	s	ss		
1	How much do we know about (potential) client / target groups?		v				Exhibition results	
2	Do we know the size of the market and our market share?	v					Hadn't time yet to explore.	
3	Do we know how the market develops?		v				Exhibition results	
4	Do we know our competitors and their market share?		v				Exhibition results	
5	Do we follow new products/ activities of our competitors?			v			Feedback from customers.	
6	Do we have a view of upcoming new competitors?			v			Customer Feedback	
7	Can we foresee changing roles in the supply chain?				v		Key customer feedback	
8	Are we aware of movements towards product replacement?					v	Key customer feedback	
9	How is our market performance in the target market?			v			Traditional customers: good, New: poor.	
10	Do we systematically collect branch information?				v		Sales activity	
Legend: ww = very weak; w= weak; f= fair; s= strong; ss= very strong								

Typical assessment aspects could be (not complete / may differ from company to company):

- ? **Marketing aspects** (market penetration, selling capabilities, customer care etc.)
- ? **Products and production** (competitiveness, fitness for use, flexibility to react, etc.)
- ? **People** (language capabilities, foreign experience, skills to handle foreign trading matters, partners and customers, etc.)
- ? **Capital** (for market research and development, for endured foreign presence, etc.)
- ? **Environmental, legal, social aspects** (contracting, technical / operating standards, etc.)
- ? **Scenario development** (if we change / if no change)
- ? **Option planning** (mission, short-term actions, long-term goals, alternatives)
- ? **Budget and resource** aspects planning (for each option)
- ? **Implementation aspects** planning (timeframe, milestones, activity scheduling)

Correlate your internal strength and weakness findings with those **external opportunities and threats** which you had defined before for your prioritized markets/ submarkets. Analyze how deep the differences are.

Your weighed comparison may probably give a significantly different picture. Perhaps it may even result in a certain disappointment if you realize how much needs be done before you can really afford to enter new business grounds, and survive and be successful there.

Draw a circle with four quadrants.

Label those with „**STRENGTH - WEAKNESS - OPPORTUNITIES - THREATS**“ .

Fill in your weighed findings after the correlation of external and internal facts. That comparison will tell you **how fit or unfit** your company is today for participation in international business.

Please don't fool yourself in neglecting problems although you know they are there. And don't underestimate the so-called „soft facts“, e.g.;

- ? Don't I have enough and skilled foreign speaking staff to answer a simple telephone or e-mail request, e.g., from German, French or Italian speaking regions?
- ? Are we prepared to negotiate/trade with our Austrian or Hungarian business partners despite a problem-loaded history?
- ? Do I have an understanding of cultural habits of my business partners which may significantly differ from what we are used to?

If you are ready to answer those questions truly you are sure to decide **if, when, where and how** you may start your international business presence in the Single Market environment, and what needs to be done to meet your own targets / target dates for Single Market participation.

Please be aware that – even if this analysis proves a negative result first – such exercise can prevent very costly business adventures and disappointments which may hurt or even ruin your company. On the other hand – if you feel really fit for the Single Market you are sure you'll now do it FIRST TIME RIGHT!

The CE Marking

Before now starting into the Single Market there is another important threshold which every exporter must observe – The CE Marking (CE stands for the French word for **European Conformity**).

The CE Marking is a kind of trade passport for the European marketplace: it allows the manufacturer to freely circulate their product throughout the countries of the European Economic Area.

Exporters of most categories of machinery and equipment must comply with the “CE Marking Directives” before distributing their products within the EU. **Their products must**

- ? **conform to certain health and safety requirements,**
- ? **undergo hazard identification and risk analysis, must**
- ? **have a CE Mark affixed on them, and**
- ? **be accompanied by specific documentation**

before they can be offered for sale in an EU country. While some products require mandatory certification by a third party, most products can be self-assessed by the manufacturer. This means that the manufacturer is the one who applies the CE Mark and declares conformity in accordance with the requirements of the applicable Directive(s).

So please check whether your export products are affected by the CE Directives and, if yes, get yourself acquainted as early as possible with the self assessment or certification procedures before you earn frustration by not knowing!

Success at the Single Market has, of course, a lot to do with a quality culture and effective quality management. The revised ISO 9000:2000 offers a fine approach for a company-tailored, customer-driven quality management system, a core tool to achieve sustained business excellence as defined by the EFQM Excellence Model (see Chapters 6 and 7).

The **ISO quality philosophy** is very simple but the conclusion is striking:

- ? **It is not so important that you are convinced of your product or service quality.**
- ? **The decisive point is that your customer is convinced of what you sell him.**

Basic Organisational Principles

Any successful business organisation, and also all the Slovenian SMEs which want to compete successfully in the Single Market, must be customer-oriented, market-driven organisations, with a set of basic principles:

- ? **Responsible and professional leadership**
- ? **Mutual benefit for all business stakeholders** (suppliers, staff, customer, shareholders, management, society, environment)
- ? **process oriented thinking** at all company levels
- ? **systems approach to management** (the company seen as one organism)
- ? **Factual approach to decision making**
- ? **Continuous improvement culture**
- ? **Mutually beneficial supplier relations**

Management Responsibility

Unconditional customer focus is an integral part of management responsibility in planning, controlling, assessment and improvement of business processes. **The permanent target is to achieve sustained customer confidence in the company, the people and the products and services delivered.** Top management itself must prove that customer needs and customer expectations are compiled and fully understood, and translated into feasible customer requirements. Top management must also prove externally and internally its permanent commitment to fully satisfy customer's product and/or service requirements by

- ? **creating a business atmosphere of consciousness and fulfilment of customer requirements,**
- ? **establishing a quality policy and defining quality targets,**
- ? **execution of periodical management reviews,**
- ? **assuring that all resources required are made available at right time, right place, right quality and at right cost.**

Fig. 3

Quality Planning and Resource Allocation

From the above it seems clear that – in view of the Single Market - every Slovenian SME business activity should be properly executed with quality as an overall performance parameter. However, the level of quality, and the measurement methods, their control points and parameters must be carefully planned. The following aspects should be observed:

- ? **Processes require resources, methods and structures – not vice versa!**
- ? **Each process / process element which represents real business operation is defined by operating procedures and working instructions.**
- ? **Necessary resources (HR, materials, infrastructure, etc.) are identified and provided at right skill and performance levels. Resource shortages are as unacceptable as are idle / surplus resources and should be exactly balanced for cost efficiency.**
- ? **Resources, their responsibilities and performance requirements, and their empowerment to act are allocated to each process and/or process function.**
- ? **Exceptional criteria for all requirements are specified including those with subjective decision corridors.**
- ? **Verification methods, activities and parameters are defined.**

Process Management Principles

The organisation (i.e., the Slovenian SME company) defines those **processes which interact as a network** in order to generate the product and/or service as required. The results of quality planning will be taken into account.

Process steps and interactions of **netted processes** are defined, planned and controlled in order to assure that they really function as required.

The company also takes care that these **processes run under controlled conditions** and produce results which correlate with the organisation's agreed quality policy and quality targets. To achieve this the company must

- ? define **how** each process fulfils its performance capabilities to reach the specified product / service requirements,
- ? establish **suitable methods and procedures** parallel to the individual process steps in order to assure continuously stable and capable process execution,
- ? verify, that the **processes are managed sufficiently** exact in accordance with the required product / services conformity,
- ? define and implement **criteria and methods for process control** which assure the required product/service conformity,
- ? define and implement **working instructions** for inspection, monitoring and corrective action which assure that processes run within their predefined performance profile, and that product / service result fully correlate with customer requirements,
- ? assure that sufficiently detailed **documentation / recordings** are provided which contain organisation-specific operating conditions and help information to assure a controlled process operation at any given time,

and – last-not-least

- ? assure that **capable and adequate resources** are provided for an effective process operation.

Control of Nonconformities and Continuous Improvement

Despite all efforts as described above no person and no organisation works without mistakes, errors or failures. As customer satisfaction is the primary target the organisation must develop and implement adequate regulations that those products or services which do not fulfil the quality requirements are handled in a way which assures that these are not installed, used or applied by accident.

Nonconformities will be marked, documented and checked for their cause, and for defining adequate preventive measures to avoid repetition, and to save resources, time and costs which would otherwise be wasted for rework or even customer penalties.

Preventive action is needed whenever those process conditions which lead to an error or failure are reconstructable and repeatable.

Improvement culture:

To avoid that the search for improvement is overlaid by personal blaming and mistrust, management should care for a constructive team atmosphere where the word „guilty“ is prohibited and team efforts are concentrated on solution finding.

After having defined and implemented all those fine processes, methods and quality control systems companies are often surprised, sometimes even shocked when they discover that routine has conquered their crew, habits and behaviour again. This will be probably no different in Slovenian SMEs. But in view of the Single Market challenge that must under no circumstances be tolerated or excused – **the competition is already waiting...!**

Typical alarm signals for such development are the creeping increase of rework and scrap, extensive chatting and extended work breaks, absence, customer complaints and even lost clients. The question, however, is not who should be blamed but to **openly analyse what went wrong and why.**

The answer is that there are many little components which result in frustration, reluctance or even rejection. Each one seems not too important. Altogether those factors mean a **threat to efficiency.**

Let's try a test case and ask a demotivated Slovenian salesman whose mission is to sell a portfolio of Slovenian products and services to Austrian customers:

- | | |
|---|---|
| ? | Do you really know your target market? – If not, how do you find your customers? |
| ? | Are you convinced of your company's market positioning? And do you know of stand-alone features which differentiate your products/services from the mass? |
| ? | Do you have sufficient market information and information sources, and do you evaluate that information regularly? |
| ? | Do you know your full customer potential, their habits, their preferences, their partners? |
| ? | Do you know how and where to find new customers, and how to keep old customers satisfied? |
| ? | Do you know the indicators which signal that a customer may have a demand? And if yes how can you verify this? |

We may continue this list nearly indefinitely. But imagine you were the salesman and find yourself uncertain in more than one or two of those questions – would you just ignore the facts and continue your sales efforts blindly – or would you remember all those mishaps when your prospects decided against you and you didn't even know why? If no corrective action is taken immediately permanent demotivation and finally frustration, combined with decreasing quality in daily activities, will be the sad but sure consequence.

Preparation is everything

Management must be aware that **routine is the killer of motivation and quality.** So his leadership qualities are needed to motivate his crew day by day. The first thing is that a careful preparation for an important activity is not a nasty habit but a cornerstone for success. Like our salesman is easily beaten by the better prepared competitor, the same is true in everyday situation, regardless whether in the shop floor, in the R&D department, or at the top management level.

Careful preparation before action should become a company value of each Slovenian SME, and should be demonstrated by management at all levels and at all times.

Prepared people are more flexible to cope with unforeseen situations. They develop creativity to overcome uncomfortable situations, and are a role model for more passive or frustrated team members. The ridge between preparedness and prevention is very thin. A well prepared employee will definitely prevent bigger mishaps because he has prepared himself to react to unforeseen things.

Fig. 4

Customer Relationship Management (CRM)

In today's world of competition, decreasing business loyalty, and extremely comfortable communications media, the **customer is always "just one click away" from your sharpest competition**. Have you - in view of the approaching Single Market - asked yourself how your company handles customer complaints, warranty cases or just „unimportant“ queries? And how do you handle the after sales care?

A significant business trend in **keeping the customer loyal to the company** is to care for his satisfaction round the clock, either by phone or internet, or through a third party contact centre to guarantee a help desk at any given time.

The customer knows that and puts more and **more pressure on perfect service and after care**. In the long run the service aspect may even surpass the product price as a key selling factor. As shown in the above diagram a good customer care management may also have an indirect influence through a third party, e.g., a bank. This may be positive as long as your customer is satisfied with your service. But what if he gets frustrated, disinterested or even angry?

Remember:

Good news is for the moment – your customer will remember bad news for the next ten years - at least !

Even if you are a small Slovenian SME business it is worth to think how your company with their limited resources could organize some kind of a **help desk for your customer base**. And if you plan to go international that may become a real „winning factor“ to acquire and hold your new clients abroad! If you cannot afford such service alone why not talk with some trusted partners to set up such customer relationship service as a joint operation?

Delegation

In the old days it may have been the standard procedure that only the director decides. Today it is just an annoying habit for both management and employees that many managers still have their difficulties in delegating some of their tasks to their deputies or other trusted persons. One effect is that managers appear always overloaded and have never time for their people. The other negative effect, however, is that their people will forever avoid to take own responsibility for anything - as the boss always is the only decision maker (see above).

That centralization of decision making will definitely result in a vicious circle where everybody is frustrated about the other - with no way out!

Leadership does not mean to do everything by oneself. But it also does not mean the opposite.

Leadership means to reach common objectives with the active support of others.

You are dependent of the skills and performance readiness of your team. And an important leadership quality is the ability to delegate. This will strengthen your team, and is a good basis for trust, one of the highest human forms of motivation. And you concentrate on the really important things and gain some manoeuvring room for your own tasks.

When delegating, you as the leader take care for your team and direct that they operate in a clearcut area of responsibility, and that they get the support needed to fulfil their tasks. Delegation also means **growing with the responsibilities**, both for individuals and whole organisations. The goal of any delegation is to **assign each team member the right amount of tasks** from which you are convinced that he will succeed.

Checklist for Delegation

	1.	What exactly has to be done? What tasks, what function? A clear and precise task allocation is vital. Define clear conditions. Important is „WHAT“, not so much „HOW“!
	2.	What problems are to be expected? How could those be solved?
	3.	Who is the best employee for the task?
	4.	How did it come to this task? Why is the task to be done? Inform your team member about your objectives. That is important for his motivation!
	5.	What happens if the task is accomplished only limited or even not at all?
both	6.	How should the task be solved? – Leave method and way to your team member but be sure that of you have the same result expectations.
	7.	What rules have to be observed, what other departments have to be informed?
	8.	What budget, what time frame, what resources have to be observed/used?
	9.	What remains to be controlled by myself?

Chapter Five – Modelling the Business

Running an own business is the core activity of any entrepreneur, regardless of the size of a company. However, the Owner / Top Manager of a Slovenian SME preparing for the Single Market is often rather left alone in structuring and running his business successfully. This chapter describes in short what vital business elements need to be thoroughly understood and controlled to cope with existing and especially the new market challenges of Slovenia's coming EU membership

Business Visions, Objectives, and Processes

In view of the Single Market no responsible manager can afford not to have and follow a clearly defined entrepreneurial vision, a set of realistic business objectives to be reached, and well-structured business processes in order to survive in a sharply competitive market environment.

? Business Visions	-	define the strategic „compass to success“.
? Business Objectives	-	define the operational targets to be achieved within a given time frame.
? Business Processes	-	define and integrate methods, resources, technologies, and rules needed to realize given business objectives.

Business Vision

A Slovenian SME company without an entrepreneurial vision for the Single Market is like a ship on the ocean without a compass. It will fall victim to the forces of the market. So it is the paramount task of SME company owner(s) and top management to develop a strategic vision for the identity and the future of their company by answering at least the following key questions:

?	Who are we / what type of business are we in today?
?	Who do we want to be / what identity should our business have in (one, three, five) years?
?	What are our essential business ethics and values?
?	What image do we have today / ... do we want to achieve in the future?
?	What product portfolio do we offer today / ... do we want to sell tomorrow?
?	What market segments are we serving today / ...do we want to serve tomorrow?

As result **the strategic business vision must define business purpose and operational mission of the company**, and should be laid down as clearly, concisely and short as possible. If it fits on just one sheet of paper – then it's fine!

Business Objectives

Clearly defined, demanding but realistic business objectives are the operational framework for any business activity. They should be set at least once a year. But they are not static and forever. Instead, they should be continuously reviewed and, if necessary, be adjusted whenever the business environment changes significantly, or when major events develop an influence on current business operations.

?	Objectives define what processes, resources and technologies are needed. Never the other way round!
?	Objectives should be defined in written form, with clear, simple text and with measuring indicators, wherever possible.
?	Objectives should be demanding but realistic, and they should be allocated to persons, budgets and timeframes.
?	Every person in the company must know their departmental and personal business objectives.
?	Management at all levels must control whether operations are within given business objectives

Business processes integrate

- ? objectives (**what do we want to achieve?**)
- ? resources (**what people, equipment, infra-structure, capital, information do we need?**)
- ? organisation (**how are we going to perform our mission?**)
- ? management (**how is business planned, controlled and improved?**)

into a unique, well targeted, multi-level and efficient business operation. As shown below nearly all processes are **cost generators**. **Only two processes** (sales and after-sales services) **must generate all the revenue** needed to run the business, successfully, and to satisfy the shareholders!

Primary (Core) Processes - vital for value creation; very significant financial effects

Sourcing (=COST)

of right raw materials, production means and services needed to generate a successful product.

Design and Development (=COST)

of the product(s) (functions, performance, appearance), and of the related production and life cycle maintenance processes

Production (=COST)

Manufacturing of parts and assembly of product components, modules, etc. to get finished product

Sales (=REVENUE)

distribution of products to market ("Point of sale"); selling to user ("customer")

After-Sales Services (=REVENUE)

Application support, product maintenance and repair

Secondary (Support) Processes (=COST) - needed to directly support the value creation processes

- ? **Research** - state-of-the-art, market knowledge, customer trends etc.
- ? **Purchasing** - materials and services needed for value generation
- ? **Logistics** - have materials, products and resources at right place at right time
- ? **Marketing** - observe, understand and positively influence the markets to support product planning, company image and the sales process
- ? **Customer Relationship Management** - care for total customer satisfaction and follow-on sales generation

Tertiary (Administrative) Processes (=COST)

- ? **Resources Management** - assure that adequate Human and technical resources are available at right times, at right skills and capabilities and at right cost
- ? **Quality Management** - guarantee sustained **best quality** for all business processes and products
- ? **Administrative Management** – assure that business process activities are planned, executed, and administered in accordance with given laws, regulations and procedures, and that all business **participants/stakeholders** fulfil their contractual obligations
- ? **Information Management** – assure management, team and any other stakeholder is provided with adequate business information at any given time.

MANAGEMENT SYSTEM	<i>Plan, initiate, control and improve all business processes to assure sustained business excellence</i>
TERTIARY PROCESSES	Indirectly support and administer all business processes and products to assure sustained resources, quality and adherence to given business laws, methods, regulations and standards
SECONDARY PROCESSES	Directly support and enable primary (value creating) processes
PRIMARY PROCESSES	Vital for original value creation Source of company's income.
Fig. 5	Business Process Levels (Basic Scheme)

Of course, every business – and, of course, also every Slovenian SME business - is different and has its own characteristics. Accordingly, the individual business model will differ from company to company. Nevertheless, each Owner/Management of an SME business is invited to take a little time to think about his own business and then develop his specific business model diagram, even if it may look simple.

And then ask yourself the old key questions of any responsible manager:

- ? Where do I want to go tomorrow?
- ? Do I have a clear perspective (vision) how my business should look like some time ahead?
- ? Do I really understand my market? ..my customers, ..my partners?..my risks and opportunities?
- ? Do I feel fit to withstand or even beat my competition?
- ? Do I really know and control how my business works?
- ? Do I really know and control the „money making“ and the „money eating“ process functions?
- ? Am I sure my management colleagues and my team share our business ethics and values? understand our company's mission and objectives?
- ? Am I, my colleagues, my team strong, loyal, and motivated enough to fight for our common success?
- ? Are we all able and ready to change if the business situation changes?

This booklet cannot give such answers but only some few guidelines to get aware and to improve. But it may help to rediscover an old Chinese saying:

Rest in yourself and you'll see your way. To see the way creates clarity.
Clarity creates self-confidence.
Self-Confidence creates motivation. Motivation creates strength. Strength creates success.

The Principles -

As seen before it is not sufficient to just know what to do and what to sell. The great challenge is to perform the daily business at a **constantly high level of efficiency and quality** in order to achieve the intended results. The better is the enemy of the good. Of course, your competitor in the Single Market knows that quite well, too. The objective therefore is to not only run a „better“ business but an „excellent“ one which is accepted in the market as „Best of Class“.

Definition of „Business Excellence“
Outstanding practice in managing the organisation and achieving results, all based on a set of 8 fundamental concepts:
<p>Result Orientation</p> <p>Excellence is dependent upon balancing and satisfying the needs of all relevant stakeholders <i>(This includes the people employed, customers, suppliers and society in general as well as those having a financial interest in the organisation).</i></p> <p>Customer Focus</p> <p>The customer is the final arbiter of product and service quality, and customer loyalty, retention and market share gains are best optimised through a clear focus on the needs of current and potential customers.</p> <p>Leadership & Constancy of Purpose</p> <p>The behaviour of an organisation’s leaders creates clarity and unity of purpose within the organisation, and an environment in which the organisation and its people can excel.</p> <p>Management by Processes and Facts</p> <p>Organisations perform more effectively when all inter-related activities are understood and systematically managed, and decisions concerning current operations and planned improvements are made using reliable information that includes the stakeholder perceptions.</p> <p>People Development and Involvement</p> <p>The full potential of an organisation’s people is best released through shared values and a culture of trust and empowerment, which encourages the involvement of everyone.</p> <p>Continuous Learning, Innovation and Improvement</p> <p>Organisational performance is maximised when it is based on the management and sharing of knowledge within a culture of continuous learning, innovation and improvement.</p> <p>Partnership Development</p> <p>An organisation works more effectively when it has mutually beneficial relationships, built on trust, sharing of knowledge and integration, with its partners.</p> <p>Public Responsibility</p> <p>The long-term interest of the organisation and its people are best served by adopting an ethical approach and exceeding the expectations and regulations of the community at large.</p>

The European Federation for Quality Management (EFQM), a voluntary association of quality-driven companies and corporations have developed a whole method how business excellence can be achieved, maintained and measured (both by self-assessing and by external auditors). Some of the very basic principles are given below. For full details about the process, EFQM training and an EFQM

member please contact your national EFQM office which will be happy to provide you with any information needed.

During the various SME preparation seminars at Maribor it became quite clear that permanent high quality in products, business performance and customer relations are an absolute essential for the Slovenian SMEs for survival in the Single Market. The EFQM Business Excellence Model seems the right tool to support this endeavour.

EFQM Excellence Model Elements and Ranking Scheme

(Please unfold Annex A to compare)

There are 9 modules comprising the EFQM Excellence Model. These go beyond the typical ISO 9000 quality rules and standards as they look at the overall business performance from a success approach and put “enablers” (those who produce the company’s output) and the actual results achieved (the feed-back from the market) into a balance. This model, in fact, may be understood as a total management model, with quality-driven elements in every business activity. The key to understanding the model is that it is not sufficient to be excellent just in some modules and medium or poor in others. **The aim is to achieve a sustained overall excellence.** But the discovery that there may be weaknesses in some modules is a clear indicator where and how management must initiate improvement.

The Ranking

To achieve total excellence for a given business each module is assessed and points are given for the status already achieved. There are **1000 points maximum (= 100%)** to be achieved for overall business system excellence. In addition, each module is weighed with respect to its importance for overall system excellence.

Excellent <u>ENABLERS</u> are the prerequisite to achieve the desired results (500 points = 50% max.)		
1 -	Leadership	100 Points (10%)
2 -	Policy & Strategy	80 Points (8%)
3 -	People	90 Points (9%)
4 -	Partnerships & Resources	90 Points (9%)
5 -	Processes	140 Points (14%)
Excellent <u>RESULTS</u> are the consequence of qualified enablers and success at the market (500 points = 50% max.)		
6 -	Customer Results	200 Points (20%)
7 -	People Results	90 Points (9%)
8 -	Society Results	60 Points (6%)
9 -	Key Performance Results	150 Points (15%)
The feedback of results drive innovation and the learning process at the enablers´ side.		

The next pages give a “nutshell” overview of the modules which are broken down in certain sub-modules showing the direction in which to improve if necessary.

Module 1 - Leadership	
1a.	Leaders develop the mission, vision and values and are role models of culture.
1b.	Leaders are personally involved in ensuring the organisation’s management system is developed, implemented and continuously improved.

- 1c. Leaders are involved with customers, partners and representatives of society.
 1d. Leaders motivate, support and recognise the organisation's people.

Assessment Aspects:

How leaders

- ? develop and facilitate the achievement of the mission and vision,
- ? develop values required for long term success and implement these via appropriate action and behaviours, and
- ? are personally involved in ensuring that the organisation's management system is developed and implemented.

Module 2 – Policy and Strategy

- 2a. Based on the present and future needs and expectations of stakeholders.**
 2b. Based on information from performance measurement, research, learning and creativity related activities.
 2c. Developed, reviewed and updated.
 2d. Are deployed through a framework of key processes.
 2e. Are communicated and implemented.

Assessment Aspects:

How the organisation implements its mission and vision via a clear stakeholder focussed strategy, supported by relevant policies, plans, objectives, targets and processes

Module 3 – People

3a. People resources are planned, managed and improved.

- 3b. People's knowledge and competencies are identified, developed and sustained.
 3c. People are involved and empowered.
 3d. People and organisation have a dialogue.
 3e. People are rewarded, recognised and cared for.

Assessment Aspects:

How the organisation manages, develops and releases the knowledge and full potential of its people at an individual, a team-based and an organisation-wide level, and plans these activities in order to support its policy and strategy and the effective operation of its processes.

Module 4 – Partnerships and Resources

- 4a. External partnerships are managed.
 4b. Finances are managed.
 4c. Buildings, equipment and materials are managed.
 4d. Technology is managed.
 4e. Information and knowledge is managed.

Assessment Aspects:

How the organisation plans and manages its external partnerships and internal resources in order to support its policy and strategy and the effective operation of its processes.

5 – Processes

- 5a. Processes are systematically designed and managed.
 5b. Processes are improved as needed, using innovation in order to fully satisfy and generate increasing value to customers and other stakeholders.
 5c. Products and Services are designed and developed based on customer needs.
 5d. Products and Services are produced, delivered and serviced as agreed with customers.

5e. Customer relationships are managed and enhanced.

Assessment Aspects:

How the organisation designs, manages and improves its processes in order to support its policy and strategy and fully satisfy and generate increasing value for its customers and stakeholders.

6 – Customer results

6a. Perception Measures **are established, permanently controlled, and if necessary improved.**

6b. **Performance Indicators** are used to obtain objective strength/weakness results and to identify improvement needs and directions.

Assessment Aspects:

What the organisation is achieving in relation to its external customers.

7 – People Results

7a. Perception Measures **are established, permanently controlled, and if necessary improved.**

7b. **Performance Indicators** are used to obtain objective strength/weakness results and to identify improvement needs and directions.

Assessment Aspects:

What the organisation is achieving in relation to its people.

8 – Society Results

8a. Perception Measures **are established, permanently controlled, and if necessary improved.**

8b. **Performance Indicators** are used to obtain objective strength/weakness results and to identify improvement needs and directions.

Assessment Aspects:

What the organisation is achieving in relation to local, national and international society as appropriate.

9 – Key Performance Results

9a. Key Performance Outcomes

9b. Key Performance Indicators

Assessment Aspects:

What the organisation is achieving in relation to its planned performance.

There are even more new challenges for the Slovenian SME company resulting from the so-called „BASEL II Capital Accord“. The banks are requested to use variable risk factors in their relations with business clients. This means that getting capital from the bank will get more difficult and more expensive unless the company can prove that they present a low risk factor due to their sustained business excellence.

What does this mean to private business, and to the Slovenian SME entrepreneur?	
	? The business relation banker – entrepreneur is changing and becoming much more intensive.
	? The minimum securities requirements for a bank credit are getting sharpened.
	? The borrower not only has to show that he has assets (capital, buildings, machinery, etc.) to offer as securities. In addition he has to prove also that his whole business operation is well positioned, has a stable and promising future and is well managed and controlled.
	? Proven quality standards like ISO 9000, regular audits assessments of business processes/ products and documented evidence that the company invests in continuous improvement will be necessary to convince a risk-conscious banker.
	? If the borrower has little or nothing to prove, he will either have to pay higher interest rates according to the assumed risk by the bank, or his credit application will be rejected.
	? Existing credits/credit lines will be permanently and systematically reassessed by the banks against the client's sharpened risk profile: If the bank considers the risk too high, they may cut the „capital lifeline“ - the end of a company!
	? The typical financial statements of today only reflect the past but give no guarantee at all against tomorrow's risk.
	? If the entrepreneur really realizes and understands this essential, then he should use the best available instruments to prove that his company is creditworthy.
<p>The EFQM Excellence Model with its efficient Self Assessment Method RADAR © seems to be the best tool available today to prepare Slovenian SME companies both for the BASEL II risk challenge, and for a satisfied customer base.</p>	

Self assessment is a comprehensive, systematic and regular review of organisation's activities and results measured against the EFQM Excellence Model. The self assessment process stands in no contrast to any proven quality management standards, rules or tools, instead it may use or even incorporate those industry standards as seems appropriate for the individual company's requirements.

RADAR© is an acronym for scoring business concept against performance („Plan Against Reality“) in a self assessment exercise. It stands for

R – Results	- What facts and data have been proven?
A – Approach	- What approach has the company chosen to implement the EFQM method in the assessed organisation (unit)?
D – Deployment	- How complete and effective have the measures been implemented?
A – Assessment	- What level of performance has been found during the assessment?
R – Review	- What weaknesses have been found and what improvement measures are to be taken?

?	?	What are the short-term expectations of company's branch / market segment ?
?		What dependencies exist in relation to other branches / market segments?
Market Conditions/ Competitive Position		
?		How is company's individual position within the specific branch/market segment ?
?		What is the market potential of your selected market segment?
?		What is company's market share in absolute figures and in relation to market potential?
?		How sharp is the competition (especially price)?
?		What are company's advantages / disadvantages?
Management Assessment		
?		Stability of Leadership (<i>Successorship defined?</i>)
?		Professionalism (<i>How reliable are Management's forecasts?</i>)
Profitability Situation		
?		How is company's profitability situation <u>after</u> adjustment of exceptional factors ?
?		How is the balance policy?
Financial Situation		
?		How is the capital ratio (<i>own / external</i>) ?
?		Are the financial figures up-to-date?
?		Are the balance sheets testified?
Business Development / Forecasting		
?		Business History (<i>How have revenue, profit and financial situation developed in the past?</i>)
?		Actual business situation (<i>How are revenue, profit and financial situation developing actually?</i>)
?		Business Forecast (<i>How will revenue, profit and financial situation develop (short/ medium/ long-term future?)</i>)
?		Do the business planning figures look to be realistic and plausible? (<i>Forecasting base, methods used, reliability of prediction compared with past pattern?</i>)
Account Management		
?		Have there been overdrafts?
?		If yes, for what reasons, and how have these been resolved?
?		What is the ratio between account turnover and credit volume?
Client Relations (Bank – Company)		
?		How long has the relation been existent?
?		Any „special events“ in the past?
?		If yes, what, why and how was that resolved?
Legal Structure		
?		Can the owners / shareholders be held liable for the company's obligations?
?		Any „special events“ known about one or more of the owners?
?		If yes, what, why, and how was this resolved?
Figure 6 - These Criteria Define Your Rating		

(flow diagram)

In contrast to typical ISO certification procedures with external auditors the EFQM methodology sees the periodical **self assessment** of critical business processes or functions by qualified internal assessor staff as a **core driver of business improvement**. In addition every company which believes in EFQM and feels fit for an external assessment may do this on a completely voluntarily basis (Details please see relevant EFQM publications.).

Before starting such self assessment exercise

- ? the EFQM methodology must have been successfully implemented and is used in daily operations,
- ? an adequate system of control parameters must have been defined and implemented, and
- ? a team of internal assessors (at least two persons) must have been trained in order to do the assessment job professionally.

This will take time, at least many months, often more than a year. For the beginning only a pilot segment of the company's organisation should be selected (better smaller than too big). Later other segments will follow. The self assessment of a complete company should be avoided as that involves too many resources, may last too long to be justified against the ongoing business operations, and may simply be too costly.

Provided that above requirements have been fulfilled, the assessors should prepare their mission like a little project. As this is a voluntary process, there should be no surprise visits as that undercuts any staff motivation to cooperate with the assessors.

- ? The organisational unit or the process to be assessed is defined, target time is scheduled, and the assessment exercise is approved by the Top Management.
- ? Management and team of the target unit/process are informed.
- ? Relevant documents and business data are collected and checked, e.g. for their validity,
- ? The running order for the assessment process is defined, all work steps fixed and tasks are allocated to each assessor.
- ? During the exercise the assessors will ask impartially, straight and forward and will refer strictly to the business activity under assessment. There will be no trick questions, interrogations or guilt allegations. Privacy rights will be fully respected. Any kind of intimidations are strictly prohibited.
- ? If asked, each member of the target unit/process will answer freely, correctly, completely and without unreasonable delay any questions from the assessors.
- ? The assessors protocol each step and every finding and give them a ranking according to the RADAR® Assessment Tables (Sample see Annex C)
- ? After finishing the individual activity assessments, the assessors summarize the ranking process and specify their conclusion.
- ? The assessment results are presented to the company's top management and all management of the targeted unit/process.
- ? Management and experts for the affected unit/process study the report, analyze weaknesses found, specify improvement measures and nominate responsible persons for implementation of the improvement measures.
- ? Within a given time frame a review is done whether the implemented improvement measures are really successful, or need further adjustment.

Ranking is done as follows:

There are two assessment tables, one for the **ENABLERS**, one for the **RESULTS**. Each criterion/subcriterion is assessed by a combination of two factors:

? **For ENABLERS:** **Quality of approach**

Quality of implementation

? **For RESULTS:** **Quality degree of results**
 Quality degree of result volume

The assessor may either take one of the assessment values as given in Annex C (0, 25, 50, 75,100%) or define a value by interpolation.

	Fundamental	Start Up	On the Way	Mature
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	Concept			
1	Results Orientation	All relevant stakeholders are identified	Stakeholder need are assessed in a structured way	Transparent mechanisms exist to balance stakeholder expectations
2	Customer Focus	Customer satisfaction assessed	Goals and targets are linked to customer needs and expectations	Business drivers of customer satisfaction needs and loyalty issues are understood, measured and activated
3	Leadership and Constancy of Purpose	Vision and Mission are defined	Policy, people and processes are aligned. A leadership model exists.	Shared values and ethical role models exist at all organisational levels
4	Management by Processes and Facts	Processes to achieve desired results are defined	Comparative data and information is used to set challenging goals	Process capability is fully understood and used to drive performance improvements
5	People Development and Involvement	People accept ownership and responsibility to solve problems	People are innovative and creative in furthering organisational objectives	People are empowered to act and openly share knowledge and experience
6	Continuous Learning, Innovation and Improvement	Improvement opportunities are identified and acted on	Continuous improvement is an accepted objective for every individual	Successful innovation and improvement is widespread and integrated
7	Partnership Development	A process exists for selecting and managing suppliers	Supplier improvement and achievements are recognised and key partners have been identified.	The organisation and its key partners are independent. Plans and policies are co-developed on the basis of shared knowledge
8	Public Responsibility	Legal and regulatory requirements are understood and met	There is active involvement in "society"	Societal expectations are measured and activated

Figure 8 - The Fundamental Concepts at Different „Organisational” Maturity Stages

It is said that a company should have the best chances for the future which believes in and really lives its overall concept of business excellence. However, rules are not everything. It should never be forgotten that – even in today’s automation hype – the individual is still the most important, if not the only value generator.

And although the EFQM model dedicates a complete module to „PEOPLE“ many case samples have shown that the sustained satisfaction, motivation and loyalty of the company's employees is hardest to achieve and to sustain at all. This is in no way different at Slovenian SMEs.

Each responsible entrepreneur knows that for a reasonable objective practically any company team may be brought to highest performance for a short time (e.g., a critical product delivery, a certification, a trade fair participation, etc.). But erosion of such peak performance is usually not far away after such event, and day-to-day routine creeps in back again. The error rate will increase again, and the old game of intrigues, personal tensions and degradation in performance will slowly but surely eat up much of the hard gained success – **if the management does not counter such all-too-human tendencies early and efficient enough.**

Below you find a summary of „Human Factors“ which had been gathered during a series of workshops for Slovenian SMEs in 2002 and 2003. That collection is, of course, neither perfect nor without some overlapping.

Note: *There is no pairing correlation whatsoever between right and left columns!*

Internal Success Factors (People)	Internal Risk Factors (People)
Level of education	Key persons leave
Professional skills to perform the job	Incompetent management
Own willingness to learn (new, more)	Poor labour relations
Values to believe in (company, social values)	Sickness, labour disputes, absence from work
Efficient but ergonomic working conditions	No or insufficient business regulations
Management open to innovation and business improvement	Ignorance of given rules by staff or even by management
Rewarding of good performance, of success	Poor working equipment / working conditions
Motivation/satisfaction of employees with their personal situation	No, late or wrong information, delays in salary payments

Mental Success Factors (People)	Mental Risk Factors (People)
Management giving positive role model	Changes in ownership, management
True, full and actual information by management	Negative market conditions
Employees believe in company mission and goals	Layoffs, downsizing, short work
Personal satisfaction with job and job future	Changes in vital business rules, working conditions, organisation structures
Employee's effort is seen and recognized by management	Changes in remuneration system
No Cheating	Any type of unexplained change in own working environment
Personal chance to develop (career chance)	Rumours instead of information
Private stability	Mobbing, personal intimidation
Public and economic stability	Public and economic crisis situation

It is no surprise that management behaviour, labour relations, working conditions and any type of change of an acquainted situation pose the biggest threats to sustained high performance levels.

Sustained staff motivation therefore is a permanent challenge for any responsible leader, from the Team Leader up to the Managing Director/CEO, and is an integrative part of any excellence-driven business activity.

Some Key Drivers for Sustained High Motivation

- ? **Management knows and understands that their people are the real value generators.**
- ? **A clear „Code of Ethics“ for top management and every employee, with a set of measures to control and to react if necessary.**
- ? **Management as the role model for good business manners and behaviour.**
- ? **Respect, equality and fairness for everybody.**
- ? **Human working conditions and realistic performance targets.**
- ? **Recognition of outstanding performance and business success.**
- ? **True, complete and actual information about business facts.**
- ? **Intensive training for every employee to be open for continuous changes in business methods and operating environment.**
- ? **A culture of openness, innovation and continuous improvement in search for ever higher sustained business excellence.**

And the Most Important Motivation Killers

Lack of information:

- ? **Creates rumours.**
- ? **Rumours create suspicion.**
- ? **Suspicion kills trust.**
- ? **Mistrust kills motivation and loyalty.**

Management „above“ company rules:

- ? **Creates jealousy.**
- ? **Undermines respect.**
- ? **Loss of respect creates irregular staff reactions.**
- ? **Performance degradation and loss of loyalty will follow soon.**

Poor labour relations:

- ? **Create climate of permanent confrontation.**
- ? **Waste time and effort for infighting instead of customer care.**
- ? **Destroy loyalty and performance levels.**
- ? **Result in loss of clients and market image.**



1. Spodnja vrsta, 1. polje:

<p>SOURCING</p> <p>Product needs Operational needs</p>

POPRAVKI: Annex B - EFQM Business Excellence Model

1. Drugi stolpec, spodnje polje:

<p>Partnerships and Resources 9 %</p>

EFQM Self Assessment Ranking Scheme©

RESULTS		APPROACH		DEPLOYMENT		ASSESSMENT
Trends	0%	Sound	0%	Implemented	0%	Measurement
Targets	25%	Integrated	25%	Systematic	25%	Learning
Comparisons	50%					Improvement
Causes	75%					
Scope	100%					

Part I – Assessing the “ENABLERS”

Approach	Assessment	Implementation
Anecdotic and without any value creation	0%	Hardly effective.
Some indicators for well-based approach and systems concentrating on prevention. Check from time to time. Partial integration into normal business activity.	25 %	Applied for about a quarter of the organization, considering all relevant areas.

Evidence of a well-based systematic approach and systems based on prevention. Regularly checked business efficiency. Good integration in normal business activity and planning.	50%	Applied for about half of relevant areas and activities.
Clear evidence of a well-based systematic approach and systems based on prevention. Clear evidence of increasing fine adjustments and improved efficiency through evaluation cycles. Good integration in normal business activities and planning.	75%	Applied for about 3/4th of all relevant areas and activities.
Clear evidence of well-based systematic approach and systems based on prevention. Clear evidence of increasing fine adjustment and improved efficiency through evaluation cycles. Approach totally integrated into normal workflow. Could be used as role model for other enterprises.	100%	Applied for the total portfolio of activities.

Part II – Assessing the “RESULTS”

RESULTS	ASSESSMENT	
Anecdotic	0%	Results available for few activities only.
Some results show positive trends. Correlation with own objectives achieved in some cases.	25%	Results available for some activities.
Some results show positive trends for at least 3 years . Many areas show correlation with own business objectives. Some comparisons against other enterprises. Some results can be proven on the excellence approach.	50%	Results available for many activities.
Most results show clearly positive trends for at least 3 years . Positive comparisons with own objectives, and against many enterprises, in many areas. Many results can be proven on the excellence approach.	75%	Results available for most activities.
Clearly positive in all areas for at least 5 years . Excellent comparisons with own objectives and against other enterprises in most areas. „Best of Class“ in many areas of activity. Positive indicators that top position can be maintained.	100%	Results available for all activities.

Annex D - Selective EU Contacts
(Alphabetic Order)

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<p>EIC Koper Santorijeva 7, 6000 Koper Tel.: 05/627 96 10, Fax: 05/627 96 15 E-mail: eic.kp@zrs-kp.si http://www.zrs-kp.si/EuroInfo/index.html</p>	<p>Evropski dokumentacijski center, Ljubljana, Ekonomska fakulteta Kardeljeva ploščad 17, 1000 Ljubljana Tel.: 01/589 25 95, 01/589 25 96, Fax: 01/589 26 95 E-mail: efedc@uni-lj.si http://www.ef.uni-lj.si/edc</p>
<p>Evropska hiša Maribor Gospejna 10, 2000 Maribor Tel.: 02/251 58 51, Fax: 02/252 75 58 E-mail: eu.hisa@uni-mb.si http://www.maribor.si/EU:hisa/WWWeh-1.htm</p>	<p>Evropska hiša Nova Gorica Erjavceva 4, 5000 Nova Gorica Tel.: 05/302 52 19 E-mail: eu.h_ng@mail.si http://www.evropskahisa-ng.org</p>
<p>Oesterreichisch-slowenische Handelskammer, Avstrijsko-slovenska trgovinska zbornica C/O Steiermärkische Bank und Sparkassen AG, Rathaus Schmiedgasse 1/I, A-8010 Graz, Austria, Tel.: 00 43 316 8033 5209, Fax: 00 43 316 8033 36 E-mail: office@as-chamber.com http://www.as-chamber.com</p>	<p>Slovensko Gospodarsko in raziskovalno združenje (SGRZ) 6, Av. Lloyd George, B-1000 Bruxelles, Belgium Tel: +32 2 645 19 10, Fax: +32 2 645 19 17 http://www.sbra.be</p>
<p>Veleposlaništvo Republike Avstrije v RS, Gospodarski oddelek Nazorjeva 6, 1000 Ljubljana Tel.: 01/513 97 70, Fax: 01/513 97 80 E-mail: austria@austriantrade.si http://www.austriantrade.si</p>	<p>Veleposlaništvo Republike Slovenije v Avstriji Nibelungengasse 13, A-1010 Wien, Austria Tel: 00 43 1 586 13 09, Fax: 0043-1 586 12 65 E-mail: vdu@mzz-dkp.gov.si; http://wko.at/stmk</p>
<p>Wirtschaftskammer Kärnten Europaplatz 1, A-9020 Klagenfurt, Austria, Tel.: 0043-463 58 68-0, Fax: 0043-463 58 68-804 E-mail: wirtschaftskammer@wkk.or.at http://www.wkk.or.at</p>	<p>Wirtschaftskammer Steiermark, Körblergasse 111-113, A-8021 Graz, Austria Tel.: 0043-316 601-0, Fax: 0043-316 601 361 E-mail: office@wkstmk.at; http://wko.at/stmk</p>
<p>Wirtschaftskammer Steiermark, Gründerservice & Unternehmerservice Körblergasse 111-113, A-8021 Graz, Austria Tel.: 0043-316 601-0, Fax: 00 43 316 601 361 E-mail: office@wkstmk.at; http://wko.at/stmk</p>	

Annex E – Selective National Contacts

(in alphabetic order)

<p>Agencija RS za regionalni razvoj Kotnikova 28, 1000 Ljubljana, Tel.: 01/478 36 70, Fax: 01/43 13 360 E-mail: arr@gov.si; http://www.sigov.si/arr</p>	<p>Agencija RS za regionalni razvoj Regionalna pisarna Maribor Trubarjeva 11, 2000 Maribor Tel.: 02/234 10 42, Fax: 02/234 10 50</p>
<p>Agencija RS za gospodarsko promocijo Slovenije in tuje investicije (TIPO) Kotnikova 28, 1000 Ljubljana, Tel.: 01/478 35 57, Fax: 01/478 35 99 E-mail: tipo@gov.si; http://www.gov.si/tipo</p>	<p>Bureau Veritas BVQI Celovška c. 75, 1000 Ljubljana, Tel.: 01/518 88 60, Fax: 01/518 88 70 E-mail: bvqi@si.bureauveritas.com http://www.bvqi.si/bvqi.html ; http://www.bvslovenia.com</p>
<p>Gospodarska zbornica Slovenije Dimiceva 13, 1000 Ljubljana Tel.: 01/589 80 00, Fax: 01/589 81 00 E-mail: infolink@gzs.si http://www.gzs.si</p>	<p>GZS, Obmocna zbornica CeljeLjubljanska c. 14, 3000 Celje Tel.: 03/426 74 00, Fax: 03/426 74 10 E-mail: marjeta.silih@gzs.si; http://www.gzs.si/OZ_Celje</p>
<p>GZS, Obmocna zbornica Koper Ferrarska ulica 2, 6000 Koper Tel.: 05/6395 311, Fax: 05/6395 316 E-mail: jerica.kozlovic@gzs.si http://www.gzs.si/OZ_Koper</p>	<p>GZS, Obmocna zbornica Koroška Koroška cesta 47, 2370 Dravograd, Tel.: 02/8723 250, Fax: 02/8723 256 E-mail: marija.cresnik@gzs.si http://www.gzs.si/OZ_Koroska</p>
<p>GZS, Obmocna zbornica Ljubljana Dimiceva 9, 1000 Ljubljana Tel.: 01/2301 133, Fax: 01/4313 040 E-mail: anica.vidic@gzs.si http://www.gzs.si/OZ_Ljubljana</p>	<p>GZS, Obmocna zbornica Maribor Ulica talcev 24, 2000 Maribor Tel.: 02/220 87 00, Fax: 02/252 22 83 E-mail: maribor@gzs.si; http://www.gzs.si/OZ_Maribor</p>
<p>GZS, Obmocna zbornica Novo mesto Novi trg 11, 8000 Novo mesto Tel: 07/3322 182, Fax: 07/3322 187 E-mail: milka.ramuta@gzs.si; http://gzs.si</p>	<p>GZS, Obmocna zbornica Posavje Bohoriceva ul. 9, 8270 Krško Tel.: 07/4922 387, 4901 060, Fax: 07/4922 388 E-mail: ozposavje@gzs.si; http://www.gzs.si/OZ_Posavje</p>
<p>GZS, Obmocna zbornica Postojna Cankarjeva ulica 6, 6230 Postojna Tel: 05/7200 110, 7200 111, Fax: 05/7265 344 E-mail: ivanka.penko@gzs.si http://www.gzs.si/OZ_Postojna</p>	<p>GZS, Obmocna zbornica za Gorenjsko Bleiweisova cesta 16, 4000 Kranj Tel.: 04/2362 320, Fax: 04/2360 521 E-mail: mojca.umek@gzs.si; http://www.gzs.si/OZ_Kranj</p>
<p>GZS, Obmocna zbornica za Pomurje Lendavska 5 a, 9000 Murska Sobota Tel.: 02/5213 650, Fax: 02/5213 659 E-mail: mira.kikec@gzs.si; http://www.gzs.si/OZ_Pomurje</p>	<p>GZS, Obmocna zbornica Zasavje, Trbovlje Mestni trg 5a, 1420 Trbovlje Tel.: 03/5634 375, Fax: 03/5626 653 E-mail: nada.hauptman@gzs.si; http://www.gzs.si</p>
<p>GZS, Obmocna zbornica za severno Primorsko Trg Edvarda Kardelja 3, 5000 Nova Gorica, Tel: 05/3306 030, Fax: 05/3306 031 E-mail: sonja.krivec@gzs.si; http://www.gzs.si</p>	<p>GZS, Savinjsko-šaleška obmocna zbornica, Velenje Rudarska 6 a, 3320 Velenje Tel.: 03/898 42 02, Fax: 03/898 42 06 E-mail: mihaela.rek@gzs.si; http://www.gzs.si/OZ_Velenje</p>
<p>GZS, Združenje za management consulting Slovenije (ZCMS) Dimiceva 13, 1000 Ljubljana Tel.: 01/589 82 53, Fax: 01/589 82 00 E-mail: majda.dobravec@gzs.si; http://www.gzs.si</p>	<p>Javni sklad RS za razvoj malega gospodarstva Trubarjeva 11, 2000 Maribor Tel.: 02/234 12 60, Fax: 02/234 12 82 http://www.jsmg-sklad.si</p>
<p>Javni sklad RS za regionalni razvoj Škrabcev trg 9 a, 1310 Ribnica Tel.: 01/836 19 53, Fax: 01/836 19 56 E-mail: raf.sklad@siol.net; http://www.sigov.si/rdf-sklad/</p>	<p>Ministrstvo za delo, družino in socialne zadeve Kotnikova ul. 5, 1000 Ljubljana Tel.: 01/478 34 50, Fax: 01/478 34 56 http://www.sigov.si/mddsz/index.htm</p>

Ministrstvo za gospodarstvo Kotnikova ul. 5, 1000 Ljubljana Tel.: 01/478 36 04, Fax: 01/478 35 22 http://www2.gov.si/mg/mgslo.nsf	Ministrstvo za gospodarstvo, Enota Maribor, Sektor za promocijo podjetništva Trubarjeva 11, 2000 Maribor Tel.: 02/234 10 10, Fax: 02/234 10 50
Obrtna zbornica Slovenije Celovška 71, 1000 Ljubljana Tel.: 01/583 05 00, Fax: 01/519 32 41 E-mail: obrna.zbornica@ozs.si ; http://www.ozs.si	Odvetniška zbornica Slovenije Kotnikova 12, 1000 Ljubljana Tel.: 01/300 34 20, Fax: 01/230 19 65 http://www.odv-zb.si
Patentna pisarna Copova 14, 1000 Ljubljana Tel.: 01/200 19 00, Fax: 01/426 40 79 E-mail: pisarna@patent.si ; http://www.patent.si	Pospeševalni center za malo gospodarstvo (PCMG) Dunajska 156, 1000 Ljubljana Tel.: 01/589 18 70, Fax: 0 1/589 18 77 E-mail: pcmg@pcmg.si ; http://www.pcmg.si
Slovenska izvozna družba (SID) Ul. Josipine Turnograjske 6, 1000 Ljubljana Tel.: 01/200 75 00, Fax: 01/200 75 75 E-mail: info@sid.si ; http://www.sid.si	Slovenski inštitut za kakovost in meroslovje (SIQ) Tržaška c. 2, 1000 Ljubljana Tel.: 01/477 81 80, Fax: 01/477 82 29 http://www.siq.si
Slovenski inštitut za standardizacijo (SIST) Šmartinska c. 140, 1000 Ljubljana Tel.: 01/478 30 13, Fax: 01/478 30 94 E-mail: sist@sist.si ; http://www.sist.si	Služba vlade RS za strukturno politiko in regionalni razvoj Kotnikova 28, 1000 Ljubljana, Tel.: 01/431 20 50, Fax: 01/478 36 19 E-mail: info-svrp@gov.si ; http://www.gov.si/svrp
Služba vlade za evropske zadeve Šubiceva 11, 1000 Ljubljana Tel.: 01/478 24 25, Fax: 01/478 23 10 E-mail: svez@gov.si http://www.gov.si/svez	TÜV Bayern Sava d.o.o. Dvorakova 5, 1000 Ljubljana Tel.: 01/231 27 41, Fax: 01/231 37 52 http://www.tuv-bayern-sava.si
TÜV Bayern Sava d.o.o., Poslovalnica Maribor Cesta XIV. Divizije 36, 2000 Maribor Tel.: 02/471 12 03, Fax: 02/471 12 03 E-mail: gordana.jokic@tuv-bayern-sava.si http://www.tuv-bayern-sava.si	Urad RS za intelektualno lastnino Kotnikova 6, 1000 Ljubljana Tel.: 01/478 31 00, Fax: 01/478 31 10 (11) http://www.uil-sipo.si/glavas.htm
Urad RS za meroslovje (MIRS) Šmartinska cesta 140, 1000 Ljubljana Tel.: 01/ 478 30 54, Fax: 01/478 30 96 E-mail: mirs@usm.mzt.si ; http://www.mirs.si	Urad RS za varstvo konkurence Kotnikova 28/VII, 1000 Ljubljana Tel.: 01/478 35 97, Fax: 01/478 36 08 http://www.sigov.si/uvk/
Urad RS za varstvo potrošnikov Kotnikova 28, 1000 Ljubljana Tel.: 01/478 36 14 Fax: 01/478 34 40 http://sigov.si/uvp	Urad za izmenjavo informacij o tehnični pomoči (TAIEX), Služba vlade za evropske zadeve Šubiceva 11, 1000 Ljubljana Tel.: 01/478 24 80, Fax: 01/478 24 32 E-mail: bostjan.lovka@gov.si ; http://www.carlbro.be
Urad za izmenjavo informacij o tehnični pomoči (TAIEX), Služba vlade za evropske zadeve Šubiceva 11, 1000 Ljubljana Tel.: 01/478 24 80, Fax: 01/478 24 32 E-mail: bostjan.lovka@gov.si ; http://www.carlbro.be	Urad vlade za informiranje, sektor za informiranje Tržaška 21, 1000 Ljubljana Tel.: 01/478 26 30, Fax: 01/251 23 12
Urad za izmenjavo informacij o tehnični pomoči (TAIEX) Služba vlade za evropske zadeve Šuba 11, 1000 Ljubljana, Tel.: 01/478 24 80, Fax: 01/478 24 32 E-mail: bostjan.lovka@gov.si ; http://www.carlbro.be	Zavod RS za zaposlovanje Glinška ul. 12, 1001 Ljubljana Tel.: 01/200 23 50, Fax: 01/425 98 23 E-mail: info@ess.gov.si ; http://www.ess.gov.si
Zveza potrošnikov Slovenije Frankopanova 5, 1000 Ljubljana, Tel.: 01/474 06 00, Fax: 01/433 33 71 E-mail: zps@zps-zveza.si ; http://www.zps-zveza.si	

useful contacts for own EU activities, and a short glossary.