

Kiwi X factor proves top evaluation tool

By MARK HENDERSON

NEW ZEALAND companies can accurately measure how well they stack up against the best in the world thanks to new Kiwi-designed software that has caught the eye of American firms.

The easy-format CD-Rom — *Quest for X* — has been created by Grant Ford, national programme manager of the New Zealand Quality Foundation.

Using his experience as a multimedia programmer and early learning expert, Mr Ford has compiled a comprehensive evaluation tool for companies to chart their performance against the internationally accepted Criteria for Performance Excellence benchmark.

Only a select few New Zealand companies qualify as among the best in the world — as defined by the criteria.

The performance framework is the basis for the New Zealand National Quality Award — the Kiwi equivalent of the US Malcolm Baldrige Award — run by the foundation.

Mr Ford worked for years analysing top-performing companies, determined to rekindle American corporate supremacy by defining business excellence.

Former American President Ronald Reagan established the award and named it after his friend who died in a riding accident in 1988.

Around 40 countries now use de-



FORD... comprehensive tool

derivatives of the Baldrige Award to measure company performance and competitiveness in the global market.

Studies in the US show that winning an award has a direct impact on share price.

This year's study — the third — by the Commerce Department's National Institute of Standards and Technology — found that five winning companies outperformed the Standard and Poor's 500 by 3.5 to 1. Investors achieved a 380% return compared to 110% for the S&P 500.

Only two New Zealand companies have won the New Zealand National Quality Award since its introduction here in 1993 — Telecom Directories and Toyota Thames.

Applicants are exhaustively assessed over 500-600 hours by specially-trained criteria evaluators. Scores are awarded across seven categories — leadership, strategic planning, customer and market focus, information and analysis, human resource development and management, process management, and business results.

The perfect score of 1000 points has not been achieved. More than 730 points are required to win the coveted award. Achievement awards go to companies in the 500-600 point band.

Around 40 companies in New Zealand are at the 500-point level, said Mr Ford.

"Most of our organisations would score less than 200 points."

The Criteria for Performance Excellence was an excellent tool for organisational self-assessment, planning and training, said Mr Ford. Many new companies around the world now established themselves using these parameters.

"It has traditionally taken months for a company to carry out self-assessment based on the criteria," he said. "With the new software, the process has been reduced to three to five days."

Chief executives and managers answer 120 questions under each of the seven categories. Each question is explained in depth. After each answer, a running score is shown.

"This is a very in-depth tool," said Mr Ford. "It shows the areas where an organisation can improve against global standards. The criteria is dynamic and evolving. Questions and categories are fine tuned each year."

Quest for X enabled CEOs and a company's assessment teams to evaluate at their convenience.

The Baldrige people in America are impressed.

"It looks like we could be selling coals (the evaluation software) back to Newcastle," said Mr Ford.

But New Zealand companies were complacent.

Mr Ford said the foundation was finding the gap between the best businesses in the world and the best in New Zealand was widening.

"One of the worst things that can happen to a company is to be doing 'OK'," he said. "There's no improvement. It's amazing how many of these companies aren't around three years down the track."

"In business, there's either improvement or death."

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