



The EFQM Excellence Model Glossary of Terms

The following is a list of terms used throughout the EFQM Excellence Model guidance material. It has been compiled in order to help understanding and use of the model

Benchmark	A measured, "best-in-class" achievement; a reference or measurement standard for comparison; this performance level is recognised as the standard of excellence for a specific business process.
Benchmarking	A systematic and continuous measurement process; a process of continuously comparing and measuring an organisation's business processes against business leaders anywhere in the world to gain information that will help the organisation take action to improve its performance.
Core competencies	A well performed internal activity that is central to an organisations competitiveness, profitability or efficiency.
Corporate Governance	Defining and implementing a system of rules, processes procedures and relationships to manage the organisation and fulfil its legal, financial and ethical obligations.
Corporate Social Responsibility	Policies and practices to measure and manage the environmental performance and social impact of the organisation, its reputation in these areas, and two-way communication with society and stakeholders.
Creativity	The generation of ideas for new or improved working practices and/or products and services.
Critical success factors	The prior conditions that must be fulfilled in order that an intended strategic goal can be achieved.
Culture	The total range of behaviours, ethics and values which are transmitted, practised and reinforced by members of the organisation.
Empowerment	The vesting of employees with necessary skills, knowledge, information and authorities in such a way as to enable them to take all actions necessary to produce the specified outputs in the most effective and efficient way. A periodic setting of clear targets gives the necessary guidance within the framework of the overall objectives of the organisation.
End to end processes	A value stream that crosses functions and organisations in order to create or deliver a product or service.
Equal opportunities	The practice of ensuring that all employees and users of services receive fair and equal treatment.
Ethics	The universal morals which the organisation adopts and abides by.



Excellence	Outstanding practice in managing the organisation and achieving results based on a set of Fundamental Concepts which will include: results orientation, customer focus, leadership and constancy of purpose, management by processes and facts, involvement of people, continuous improvement and innovation, mutually beneficial partnerships, corporate social responsibility.
External Customers	The external customers of the organisation. These may also include other customers in the chain of distribution.
Finances	The short term funds required for the day to day operation of the business, and the capital funding from various sources required for the longer term financing of the organisation.
Fundamental Concepts of Excellence	The set of principles and ideals upon which the EFQM Excellence Model framework is based.
Good/best practice	An error free, proven and documented working practice that exceeds the norms of known, current operational performance within a specific business environment
Governance	The framework of authority and control within an organisation.
Innovation	The practical translation of ideas into new products, services, processes, systems and social interactions.
Intellectual capital	The value of an organisation that is not captured in its traditional financial accounts. It represents the intangible assets of an organisation and is the difference between market and book value. Commonly defined components are human capital, structural capital and customer capital.
Key Performance Results	Those results, not covered by Customer, People and Society that it is imperative for the organisation to achieve.
Knowledge	Knowledge is part of the hierarchy made up of data, information and knowledge. Data are raw facts. Information is data with context and perspective. Knowledge is information with guidance for action.
Lagging Indicators	Lagging Indicators show the final outcome of an action, usually well after it has been completed. Profitability is a lagging indicator of sales and expenses Perception measures are also referred to as lagging (trailing/following) indicators. A perception result relates to direct feedback from a stakeholder e.g. when employees respond via an internal attitude survey.
Leaders	The people who coordinate and balance the interests of all who have a stake in the organisation, including: the executive team, all other managers and those in team leadership positions or with a subject leadership role.



Leading Indicators	Leading indicators, sometimes referred to as driving indicators, are usually measured more frequently than lagging indicators. They are the result of a measurement process that is driven by the organisation itself and it is entirely within their span of control e.g. measuring process cycle times. Leading Indicators are those that predict, with a degree of confidence, a future outcome. Employee satisfaction, although a lagging indicator, for the morale of staff, is usually recognised as a leading indicator of customer satisfaction.
Learning	The acquiring and understanding of information which may lead to improvement or change. Examples of organisational learning activities include benchmarking, internally and externally led assessments and/or audits, and best practice studies. Examples of individual learning include training and professional qualifications.
Management System	The framework of processes and procedures used to ensure that the organisation can fulfil all tasks required to achieve its objectives.
Mission	A statement that describes the purpose or "raison d'être" of an organisation. It describes why the business or function exists.
Organisational agility	The ability of an organisation to react positively to required changes in speed, focus, goals, actions, and timescales that effect its ability to deliver.
Partnerships	A working relationship between two or more parties creating added value for the customer. Partners can include suppliers, distributors, joint ventures, and alliances. Note: Suppliers may not always be recognised as formal partners.
People	All of the individuals employed by the organisation including full time, part time, temporary and contract employees.
Perception	The opinion of an individual or group of people.
Performance	A measure of attainment achieved by an individual, team, organisation or process.
Process	A sequence of activities which adds value by producing required outputs from a variety of inputs.
Process indicators	Leading indicators relative to the performance of the process.
RADAR	Results, Approach, Deployment, Assessment and Review



- Stakeholders** All those who have an interest in an organisation, its activities and its achievements. These may include customers, partners, employees, shareholders, owners, government, and regulators.
- Society** All those who are, or believe they are, affected by the organisation, other than its people, customers and partners.
- Supply chain** The integrated structure of activities that procure, produce and deliver products and services to customers. The chain can be said to start with the suppliers of your suppliers and ends with the customers of your customer.
- Sustainable excellence** Excellent results with respect to Performance, Customers, People and Society are achieved through Leadership driving Policy and Strategy that is delivered through People, Partnerships and Resources, and Processes.
- Values** The understandings and expectations that describe how the organisations people behave and upon which all business relationships are based (e.g. trust, support and truth).
- Vision** A statement that describes how the organisation wishes to be in the future.