

BUSINESS MARATHON “ASCENSION TOWARDS EUROPEAN EXCELLENCE” EXPERIENCE, RESULTS AND PROSPECT

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FOREWORD

Global problems became ripe in the world: large-scale environment pollution including air and water; frequent disasters and accidents; growing shortage of energy, raw materials, food, drinking water; impoverishment, unemployment, famine and diseases etc. All this redoubled by the global economic crisis.

Problems were caused by people themselves. Common roots of most of them, particularly in developing countries, is a short-sighted and irresponsible attitude of people to society, imperfection of enterprises and organizations created by them. As a result - huge waste of resources, including non-renewable, low competitiveness of economy, reducing of the people's living standards. It is obvious that some, even quite significant measures will not be able to change the situation radically, if the emphasis will not be placed on changing of people's attitudes to society and continuous improvement of organizations, and if such concepts as “excellent organization” and “business excellence” will not become worldwide prestige, and if the movement for socially-oriented continuous improvement of organizations, improvement of quality of products and services, sustainable development of the state and society as a whole will not be deployed in the world.

And Europe is not exclusion. In global competition our continent must look for ways to increase significantly its “weight”. Strengthening of post-Soviet countries, pulling them in all respects to the advanced European countries may become the potential to improve the situation. To understand where the weaknesses of Europe, to put it more precisely - the potential for significant improvements – I'll give you some figures.

Gross domestic income (GDI) per capita (in U.S. dollars): Moldova – 2 thousand; Ukraine – 3 thousand; Belarus – 6 thousand; Kazakhstan – 8 thousand; Russia – 10 thousand. At the same time: Latvia, Poland, Czech Republic – up to 20 thousand; France, Germany, Austria – up to 50 thousand; Switzerland, Luxembourg – up to 80 thousand; Norway – 84 thousand. Productivity of the CIS companies in comparison with the world leaders is up to 10 times lower, and defectiveness - up to 1000 times higher; their cost price is higher. In regard to their business excellence (according to the 0-1000 point scale adopted in the world), they are at the level of 150-250 points in comparison with developed countries, which are at the level of 300-450 points. Main reasons are: low level of business excellence of enterprises, organizations and institutions of post-Soviet countries, and above all, the use of imperfect management.

EXPERIENCE OF BUSINESS IMPROVEMENT IN UKRAINE AND OTHER COUNTRIES OF THE CENTRAL AND EASTERN EUROPE

One of the projects aimed at improvement of the situation across Europe is the Business Marathon “Ascension towards European Excellence”, initiated by the

Ukrainian Association for Quality. This project initially focused on development of purposeful mass movement for business excellence and quality in Ukraine, than in the CIS and the Central and eastern European countries. The project is based on the well-known fundamental concepts of excellence and EFQM Excellence Model, which successfully used by more than 30 thousand companies around the world. For assessment of organizations on the EFQM Model the 0-1000 point scale is used. Within the framework of the scale the EFQM has introduced the levels of excellence scheme, which allowed both to recognise those companies that have achieved the level of the best in Europe, and those who have not reached this level yet, however, have shown good results.

The “Stairs of Excellence” proposed by UAQ helped to various organizations in respect of visual and meaningful business improvement. “Stairs of Excellence”, which is embedded into the levels of excellence scheme and integrated with the EFQM levels of excellence scheme, helps any organization with any initial level to move purposefully and consistently to the level achieved by the best companies in Europe. The mechanism ascension is well-known and quite simple: assessment and identification of strengths and areas for improvement, new knowledge on the best practices, development of improvement program and program implementation. When the program is completed then the follow-up assessment is carried out, i.e. compared with the model. And again, weaknesses - knowledge – program. So, step by step up the stairs companies approach the European leaders. Thus, the basis for meaningful, purposeful, long-term and systematic improvement of any organization in the CEE region will be established.

Across the Ukraine already hundreds of organizations are involved in the movement for business excellence and quality based on the concepts and model of excellence. It was possible due to:

- informational promotion of the total management ideas on the base of quality, as well as concepts and the EFQM Excellence Model using mass media and distribution of popular publications and public appeals;
- trainings and conformation of skills of managers and specialists of enterprises, organizations and institutions, as well as assessors trainings;
- actions on quality, management systems, corporate social responsibility and sustainable development;
- organization and conducting of the Ukrainian National Quality Award based on the EFQM Excellence Model;
- creation and support of the Quality Leaders Club of Ukraine, which unites winners of the Ukrainian National Quality Award;
- active promotion of the best practices of companies that have received the status of winners, laureates and finalists of the National Quality Award;
- support of Ukrainian NGOs, such as Ukrainian League of Industrialists and Entrepreneurs, Ukrainian Federation of Trade Unions, Chamber of Commerce and Industry of Ukraine, etc.

Ukraine's experience already has been spread in the CIS and other countries of Central and Eastern Europe (CEE). It was possible due to:

- informational promotion of business improvement ideas, including in the framework of the WAQ projects “Best practice of national quality organizations” an “Emotional tools for quality promotion”;
- organization and carrying out of the International Quality Tournament of the CEE countries (held annually since 2005 in accordance with Resolution of the 5th International Conference of the Central and Eastern European countries “National

Quality Programs and National Quality Awards - Tools of National Movement for Quality and Excellence”). The Tournament was initiated by Quality Leaders Club of Ukraine and supported by the EFQM and the European Organization for Quality (EOQ). It is still rather complicated to enterprises and organizations of the Central and Eastern European countries to compete with the best companies of the developed countries for the EFQM Excellence Award. The tournament was originally an intermediate stage between National Quality Awards of the CEE countries and the EFQM Excellence Award. The Tournament is also an effective tool for the international benchmarking, enterprises’ and organisations’ involvement in the processes of excellence and in the processes of the role models identification in the CEE’ region;

- creation and support of the Quality Leaders Club of Central and Eastern European Countries. This club was established in Romania by leaders of companies - winners, laureates and finalists of the CEEC Quality Award. The Club, similar to the Ukrainian Club, now unites more than 20 companies from 6 countries;
- annual publication and distribution of the Album “Central and Eastern Europe. Leaders of Quality”;
- conduction of different quality events, among which the annual International Project “Constellation of Quality” can be highlighted;
- support by international and national organizations in the field of business excellence and quality, especially EOQ and EFQM.

MAIN RESULTS OF THE PROJECT

The best experience of successful management, which UAQ “spied” in Europe and after “inculcated” in Ukraine, has allowed many Ukrainian organizations significantly improve their business. More than 40 companies – winners of the Ukrainian National Quality Award have achieved the European recognition: 41 companies received EFQM certificates “Recognised for Excellence in Europe”, 22 companies became winners of the International Quality Tournament of the CEEC, 8 of them achieved prize winners of the CEEC Quality Award; 2 companies became finalists of the European Quality Award (up to 2008 - the only in the CIS). 10 years ago best national organizations have established a Club of Quality Leaders of Ukraine, which became a driving force for Ukrainian industry and economy on the way to the future.

53 companies – winners of national quality awards from Hungary, Romania, Lithuania, Belarus, Azerbaijan, Kazakhstan, Tajikistan, Russia and Ukraine took part in the International Quality Tournament of the Central and Eastern European Countries. As outcomes of eight last Tournaments about 40 companies from 9 countries of the CEE received the EFQM certificates “Recognised for Excellence in Europe” (20 of them with 5 stars), 48 companies became winners of the Tournament and 22 companies became Winners of the CEEC Quality Award. It helped them to increase their rating at the international level. But most important that already 8 companies – participants of the Business Marathon became finalists of the EFQM Excellence Award and two of them (Stavropol State Agrarian University and company “Medicine” from Russia) achieved status of Prize Winners of the most prestigious award in the continent.

Process of continuous improvement based on the “Stairs of Excellence” can be clearly illustrated by the example of Stavropol State Agrarian University (SSAU). This University (winner of the Russian Government Quality Prize in 2005) has become the Finalist of the Quality Tournament in 2006 and the Prize Winner of the CEEC Quality Award in 2007. In 2008, for the first time in Russia, the SSAU became the finalist of the EFQM Excellence Award and in 2010 became the Prize Winner of this Award. In this journey the University has outstripped such well-known brands as Bosch and Siemens, as well as the Liverpool John Moores University – finalist of the EFQM Excellence

Award in 2009. This year the University once again will struggle for this Award. And it should be noted that since 2006 to present time the University has been consulted by the Ukrainian assessor, who is one of organizers of the project "Business Marathon "Ascension towards European Excellence"

Experience of companies that have achieved scores of 550-650 points are of a great value for Ukraine and any other post-Soviet countries. And the companies themselves are role models. Knowledge, experts, experience, business leaders and proven technologies allow develop movement for business excellence and quality in Ukraine, CIS and CEE countries.

PROBLEMS AND PROSPECTS

Unfortunately, movement for business excellence and quality in all CIS and CEE countries has not yet become widespread. In Ukraine and other CIS countries at the national level, the main emphasis is still placed on standardization, metrology and technical regulation. Attention to organizations' improvement is focused only occasionally, and mainly on the basis of standards. It is not enough done for acceptable competitiveness of companies and economies of the CIS countries. One of the major reasons is that in the CIS countries regulating institutions "took over" solving of improvements' problems, for which this function is alien, as confirmed by international practice.

Significant expansion of movement for business excellence and quality in the CIS and Central and Eastern Europe is connected with two main factors: awareness by society the role of organizations' improvement in solving of socio-economic problems and real improvement of quality of life and wide involvement of the youth in this movement.

The first can be achieved with a significant increase of organizations' prestige including through the introduction of motivation's mechanisms and friendly environment for continuous improvement. To make movement for business excellence and quality more active the favorable climate, providing, in particular, the prestige of organization and process of improvement are needed. "The perfect company, the comfortable situation in the state" – such formula should be used. A special place in forming of such climate belongs to the government, without whose support it is impossible in short time to transform successful projects into a mass popular movement based on three foundations: want, know, be able.

To make owners, managers and staff of enterprises want to be continuously systematically improved on the basis of best practice the clear, convincing and long term mechanisms of motivation should act. It should be mechanisms that would be attractive to owners and managers of companies which they would believe in. At the same time in a crisis conditions and budget deficit does not necessarily bear the high costs. For excellent organizations a guaranteed award system (respect) can be established: at lower levels - certificates, then the medals, decorations, and at the top level – winner of the EFQM Excellence Award - the highest award of the country. For such companies the state control can be facilitated (trust): the higher the level, the less control and supervision, until their complete cancellation. Companies could be provided with a guarantee of state protection, especially against raiders: the higher level, the higher degree of protection. And, of course, if any preferences are provided for they should be given, first of all, according to obligation to raise level of excellence with confirmation of fulfillment.

In turn, to know about best practices, and not to "reinvent the wheel", we need an effective system of generalization and dissemination of information in this area. It is

expedient to create such system in a national scale integrating for these purpose existing centers. Improvement processes are quite complex, often requiring innovative solutions. In order to be able to build them and maintain in conditions of specific companies, and to confirm, if necessary, in some cases a professional support is needed. In this regard the infrastructure of high-quality (!) help to enterprises in their continuous improvement should run. For this purpose coordination of different centers, development and implementation of measures that improve the quality of their services are expedient.

There is a need to hold hearings at the parliamentary level on the competitiveness of the economy through a system of continuous improvement of organizations (with presence of those who are recognized at European level). And adopt the Law of Ukraine "About the basis of support and development of movement for business excellence and quality" and a national program on this issue. The following actions also can support the development of movement for business excellence and quality: adding obligations regarding enterprises' improvement support to laws about the central and local government bodies; training of the country's top management on issues of quality and business excellence; re-training and certification of teachers on management disciplines and their recognition at the international (European) level. To raise the credibility and strengthen the base of professional NGOs, which are aimed on development of movement for excellence and quality.

Special attention should be given to the involvement of youth to the movement for business excellence and quality. It is no longer possible to change the situation radically and solve global only by forces of old generation. So, a special place in the movement should be given to young people who, in fact, have to "disentangle" problems left over by previous generations. And the youth must be prepared to make every effort to improve the situation. The task of the old generation is to mould a new socially responsible, well-trained people with high moral standards through handing down them own positive experience, including those that has been accumulated on own negative decisions and mistakes. And it should be aware that to change the situation can only those young people who have creative abilities.

There are many youth creative organizations in the world, which differs in size and territory, kinds of arts and age categories. However, on the one hand, they are isolated from each other and on the other hand – they have no common reference points dictated by the need to respect and uphold human values. Unite separated children and youth organizations and orient them on improvement of quality of life is the main task of the new Global Project "Youth Creative Movement "Quality Relay Race". Initially the project has been established in 2011 in accordance with the decision of the International Guild of Quality Professionals and Clubs of Quality Leaders of Ukraine and CEE countries in the framework of the World Alliance of Quality (WAQ) "Emotional tools for quality promotion". Main organizers of this project are: WAQ (leader of the project "Emotional tools for quality promotion"), International Guild of Quality Professionals, Club of Quality Leaders of the Central and Eastern European Countries, Ukrainian Association for Quality (National Quality Organization of Ukraine) and Ukrainian Quality Leaders Club.

The project is aimed at solving of following tasks: help youth in their participation in the processes of sustainable development; to change their philosophy in the direction of strengthening the creative component and reduce the striving for consumption; to intensify the social orientation of young people and youth organizations; to create conditions for development of youth leadership abilities and willingness for team-work; to create motivation system for continuous improvement and willingness to take

responsibility; to support the transformation of confrontation and conflict power into the energy of creativity, partnership and commitment to business excellence.

Success of the project fully depends on the degree of support from leaders of the European Union, the CIS, the first persons of the CEE countries, as well as professional, youth and other non-governmental organizations.

