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EFQM Shares What Works

EFQM is committed to help organisations drive improvement through the use of the EFQM Excellence Model, a comprehensive management framework used by over 30 000 organisations in Europe. For the last 20 years, we manage the development of this Model, incorporating the experiences and learning from these organisations to ensure it reflects reality.

To help you implement our Model, we provide training, assessment tools and recognition. But our real talent comes from gathering good practices and integrating those within our portfolio. EFQM, a not-for-profit membership Foundation, aims to share what works, through case studies, online seminars, working groups, conferences and thematic events. We nurture a network of world-class organisations and their leaders who share our passion for business excellence.

We believe that the EFQM Model is a common framework that helps us all to improve our businesses. Sharing our member’s enthusiasm, their motivation and the results they achieve; that is what we work for at EFQM.

The EFQM Framework for Innovation Agencies

The EFQM Framework for Innovation Agencies has been developed to provide governmental and regional agencies supporting innovation activities within businesses and academia with a holistic and universal approach towards excellence in managing their strategy. In particular, the Framework is intended to help the agencies to get started with an assessment process that can be continued for a number of years. The Framework is based on the 9 criteria of the EFQM Model (see Appendix 2) to which issues specific to innovation agencies and public sector organisations have been linked.

This EFQM Framework starts with a brief introduction to the topic, followed by three sections:

- EFQM Framework for Innovation Agencies - Summary,
- EFQM Framework for Innovation Agencies – Assessment Guide,
- Information on different types of assessment and the EFQM Model.

This EFQM Framework for Innovation Agencies can be used as follows:

- As a structure to define and implement a consistent strategy.
- As a tool for self-assessment, by measuring how the organisation is performing, and helping to understand the gaps towards excellence in managing the implementation of strategy.
- As a tool for external assessment, e.g., for a group of agencies willing to start a joint learning and benchmarking process based on reciprocal assessments.
Background of this document

This document is an attempt to describe the organisational success criteria for Innovation Agencies and map them to the EFQM Excellence Model. In addition, a number of good practice case studies and assessment approaches are briefly described. The structure and contents are based on the EFQM Excellence Model which we have adapted where appropriate to the specificity of Innovation Agencies. The purpose is to ensure that Innovation Agencies willing to do so may more easily use the EFQM model and use it to establish improvement programs and exchange of learning with other agencies.

The Innovation Agency specific contents of the document originate from a project ‘INNO-Partnering Forum’, which was organised under the PRO INNO Europe initiative of Directorate General Enterprise and Industry 2009-2012. The aim of the project was to contribute to better European innovation policy, notably by learning from each other and sharing experiences. One of the activities of the project was to study and enhance the use of tools like the EFQM Excellence Model, in order to support a positive development in the efficiency and effectiveness of policy implementation. Practical assessments based on the EFQM Model with minor adaptations each time to the specific organisations were made in four countries, Finland (Tekes), UK (Technology Strategy Board), Belgium (Enterprise Flanders) and Sweden (SISP/Vinnova, several Science Parks in Sweden). These organisations and their assessments provided a good spread of experience on which to base this document, which we hope to improve in consultation with the European community of Innovation Agencies.

A wider group of people has contributed to this document: the names and contact information of the key persons involved are presented below. For all involved, it has been a great pleasure to see that almost all of the organisations engaged in the assessments have chosen to continue using the EFQM Model after the INNO-Partnering Forum project.

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The EFQM Framework for Innovation Agencies describes the success criteria for Innovation Agencies and maps them to the EFQM Excellence Model, thus ensuring a comprehensive and balanced approach to implementing the organisation’s strategy. This summary focuses on the guidance points that are central to any assessment of Innovation Agencies, based on the experience of the INNO-Partnering Forum project. Although most guidance points are directly extracted from the EFQM Excellence Model, their selection reflects the specific nature of Innovation Agencies, as well as issues topical for their management throughout Europe. The resulting list of points would fairly reflect approaches and results consistent with an excellent European Innovation Agency.

Leadership: Excellent Innovation Agencies would be expected to do many of the following:
- Set and communicate a clear direction and strategic focus; they unite their people to share and achieve the organisation’s Mission, Vision and goals.
- Define and use a balanced set of results to review progress, provide a view of long and short term priorities and manage the expectations of the key stakeholders.
- Understand and develop the underlying capabilities of the organisation.
- Are transparent and accountable to their stakeholders and society at large for their performance and ensure their people act ethically, responsibly and with integrity.
- Inspire people and create a culture of involvement, ownership, empowerment, improvement and accountability through their actions, behaviours and experience.
- Promote a culture which supports the generation of new ideas and new ways of thinking to encourage innovation and organisational development.
- Involve and seek support and contributions from all relevant stakeholders for changes necessary to ensure the sustainable success of the organisation.

Strategy: Excellent Innovation Agencies would be expected to do many of the following:
- Gather stakeholder needs and expectations for input to the development and review of their strategy and supporting policies, remaining alert to any changes.
- Compare their performance with relevant benchmarks to understand their relative strengths and areas for improvement.
- Create and maintain a clear strategy and supporting policies to achieve the Mission and Vision of the organisation.
- Identify and understand the key results required to achieve their Mission and evaluate progress towards the Vision and strategic goals.
- Translate their strategies into aligned processes, projects and organisational structures.

People: Excellent Innovation Agencies would be expected to do many of the following:
- Align people plans with their strategy, the organisational structure, new technologies and key processes.
- Define the skills, competencies and people performance levels required to achieve Mission, Vision and strategic goals.
- Create a culture of creativity and innovation across the organisation, ensuring people have an open mind-set and can respond quickly to challenges they face.
- Communicate a clear direction and strategic focus to ensure that people understand and can demonstrate their contribution to the organisation’s on-going success.
Motivate people to become involved in improvement and innovation and recognise their efforts and achievements.

Promote a culture of mutual support, recognition and care between individuals and between teams.

Partnerships and Resources: Excellent Innovation Agencies would be expected to do many of the following:
- Segment partners and suppliers based on the organisation’s strategy and adopt appropriate policies and processes for working together that are in line with the requirements of good governance.
- Design the financial planning, control, reporting and review process to support optimal use of public funds, at the same time securing accountability and transparency.
- Use strategies, policies and processes for managing buildings, equipment and materials in a financially and environmentally sustainable way.
- Manage a technology portfolio, e.g. ICT systems, that supports the organisation's overall strategy.
- Ensure that their leaders are provided with accurate and sufficient information to support them in timely decision making.

Processes, Products and Services: Excellent Innovation Agencies would be expected to do many of the following:
- Use a framework of key processes to implement the organisation’s strategy.
- Develop a meaningful mix of process performance indicators and related outcome measures, enabling the review of the efficiency and effectiveness of the key processes and their contributions towards the strategic goals.
- Strive to innovate and create value for their customers, involving them and other stakeholders, where appropriate, in the development of new and innovative products, services and experiences.
- Know who their different customer groups are, both existing and potential, and anticipate their different needs and expectations.
- Compare their performance with relevant benchmarks and learn from their strengths and opportunities for improvement in order to maximise the value generated for customers.
- Continually monitor and review the experiences and perceptions of their customers and ensure processes are aligned to respond appropriately to any feedback.

Measuring the Results and Impacts
Achieving Balanced Results is one of the Fundamental Concepts of Excellence behind the EFQM Excellence Model. Innovation Agencies, as all public organisations, have a complex set of stakeholders posing different expectations to the Agency’s activities. The EFQM Excellence model helps Agencies to form a basic structure for the measurement of how well these different needs and expectations are met by clustering the measurements in four categories: customers, people, society, and business results. As in all measurement, focus should be much on trends and comparisons, not just on the results themselves.

Customer Results in Excellent Innovation Agencies can include measures and indicators of:
- Customer feedback on product and service value, and the image of the agency
- Product and service delivery, e.g., throughput times
- Measures of customer base structure, e.g., numbers of new customers
- Complaints handling

People Results in Excellent Innovation Agencies can include measures and indicators of:
- People satisfaction, motivation and empowerment
- Feedback on leadership and management, as well as on training and career development
Training and career development activities
Staff turnover and, e.g., success of recruitments
Sickness leaves
Equality and fairness

Society Results in Excellent Innovation Agencies can include measures and indicators of:

- Image of the agency amongst key societal stakeholders, media and public
- Awards and recognitions
- Impact of agency’s activities on recognised societal challenges, e.g. sustainability
- Internal environmental protection and sustainability activities
- Activities within the local community

Business Results in Excellent Innovation Agencies can include measures and indicators of:

- The nature, significance, results and impacts of supported projects
- Results of impact assessment studies and econometric studies
- Strategic allocation of funds to sectors most relevant for national policies
- Internal efficiency and effectiveness
EFQM Framework for Innovation Agencies – Assessment Guide

1. Leadership

**EFQM CRITERION DEFINITION**

Excellent organisations have leaders who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times. They are flexible, enabling the organisation to anticipate and react in a timely manner to ensure the ongoing success of the organisation.

**INNOVATION AGENCIES**

Innovation agencies are in most cases public bodies with a mission to promote economic and social development through the creation and growth of new business. The conduct of this mission is determined by the political governance of the agency, and may change with changing national governments. Individuals working for the agency are expected to show strong integrity, committed to the creation of public good, and capable of understanding and adapting to a shifting and complex multi-stakeholder structure. The leaders of the agency have a pivotal role in strategic and operational decision making and in securing the organisation’s good performance.

This criterion focuses on organisational procedures to ensure that Leadership is conducted in a manner likely to support the agency’s success.

For assessment of innovation agencies, the initial priority should be in setting a clear direction and a strategic focus. Ensuring that a controlling system is in place to monitor the performance of the agency is a part of leadership, as well as participating in regular dialogue with all key stakeholder groups.

**1a. Leaders develop the mission, vision, values and ethics and act as role models.**

For example, leaders in excellent Innovation Agencies:

- Subscribe to the principles of excellent public management and administration, and in particular ethics, transparency and the responsible use of public funds and resources.
- Secure their future by defining and communicating a core purpose that provides the basis for their overall Vision, Mission, values, ethics and corporate behaviour.
- Champion the organisation’s values and are role models for integrity, social responsibility and ethical behaviour, both internally and externally, to develop and enhance the organisation’s reputation.
- Set and communicate a clear direction and strategic focus; they unite their people to share and achieve the organisation’s Mission, Vision and goals.
- Incorporate an understanding of how the Innovation Agency will need to create and sustain a network of actors in order to fulfil its strategic mission
- Develop and support a shared leadership culture for the organisation and review and improve the effectiveness of personal leadership behaviours.

**1b. Leaders define, monitor, review and drive the improvement of the organisation’s management system and performance.**

For example, leaders in excellent Innovation Agencies:

Define and use a balanced set of results to review progress, provide a view of long and short term priorities and manage the expectations of the key stakeholders.

- Seek to understand and improve the Innovation Agency’s contribution to relevant key needs in society – such as employment and economic growth – that may not be easily measured.
- Understand and develop the underlying capabilities of the organisation. Evaluate the set of results achieved to improve future
performance and provide sustainable benefits to all their stakeholders.

- Deliver high levels of stakeholder confidence by adopting effective mechanisms to understand future scenarios and effectively manage strategic, operational and financial risks.

1c. Leaders engage with external stakeholders.

For example, leaders in excellent Innovation Agencies:

- Use approaches to understand, anticipate and respond to the different needs and expectations of their key stakeholders.
- Promote shared values, accountability, ethics and a culture of trust and openness throughout the network of actors involved in innovation.
- Are transparent and accountable to their stakeholders and society at large for their performance and ensure their people act ethically, responsibly and with integrity.
- Ensure transparency of financial & non-financial reporting to relevant stakeholders, including appropriate governance bodies, in line with their expectations.

1d. Leaders reinforce a culture of excellence with the organisation’s people.

For example, leaders in excellent Innovation Agencies:

- Inspire people and create a culture of involvement, ownership, empowerment, improvement and accountability through their actions, behaviours and experience.
- Enable people to develop their expertise and its applicability to the challenges of innovation.

- Support people throughout the organisation to achieve their plans, objectives and targets.
- Recognising efforts and achievements in a timely and appropriate manner.
- Promote a culture which supports the generation of new ideas and new ways of thinking to encourage innovation and organisational development.
- Promote and encourage equal opportunities and diversity.

1e. Leaders ensure that the organisation is flexible and manages change effectively.

For example, leaders in excellent Innovation Agencies:

- Are flexible; they demonstrate their ability to make sound, timely decisions, based on available information, previous experience and knowledge, with consideration of their potential impact.
- Involve and seek support and contributions from all relevant stakeholders for changes necessary to ensure the sustainable success of the organisation.
- Effectively manage change through structured project management and focused process improvement.
- Use a structured approach for generating and prioritising creative ideas.
- Test and refine the most promising ideas, allocating resources to realise them within appropriate timescales.
EFQM Framework for Innovation Agencies

2. Strategy

**EFQM CRITERION DEFINITION**

Excellent organisations implement their Mission and Vision by developing a stakeholder focused strategy. Policies, plans, objectives and processes are developed and deployed to deliver the strategy.

**INNOVATION AGENCIES**

Despite the complexity of working with a political governance structure, an Innovation Agency has a duty to define long-term goals that can be reached through specific strategies.

This criterion focuses on management procedures to develop and deliver a strategy that is relevant to the agency’s mission and context and capable of being measured and managed.

The starting point for Innovation Agencies is a mapping of stakeholders: understanding the groups that interact with the agency, their roles, relative priority and their needs (see Appendix 2, p. 27). The development of a strategy should be the result of consultation and review with key stakeholders following clear analysis of the challenges and options for the agency. The exchanges should result in a written implementation plan, including measurable targets and dedicated budgets.

**2a. Strategy is based on understanding the needs and expectations of both stakeholders and the external environment.**

For example, excellent Innovation Agencies:

- Map the various stakeholders’ needs, expectations and interactions for input to the development and review of their strategy and supporting policies, remaining alert to any changes.
- Identify, analyse and understand external indicators, such as global and local economic, market and societal trends, which may affect the agency and the potential for innovation support.
- Understand and anticipate the long and short-term global and local impact of changes to relevant political, legal, regulatory and compliance requirements.
- Use mechanisms to identify changes in their external environment and translate these into potential future scenarios for the organisation.

**2b. Strategy is based on understanding internal performance and capabilities.**

For example, excellent Innovation Agencies:

- Analyse operational performance trends to understand where development is needed to achieve the strategic goals.
- Analyse data and information regarding existing and potential partners’ core competencies and capabilities to understand how they complement the agency’s capabilities.
- Determine the potential impact of new technologies and business models on the performance of the organisation.
- Compare their performance with relevant benchmarks to understand their relative strengths and areas for improvement.

**2c. Strategy and supporting policies are developed, reviewed and updated.**

For example, excellent Innovation Agencies:

- Create and maintain a clear strategy and supporting policies to achieve the Mission and Vision of the organisation and allocate the necessary resources to ensure that the strategy can be implemented as planned
- Identify and understand the key results required to achieve their Mission and evaluate progress towards the Vision and strategic goals.
- Understand their key competencies and how these can be used to contribute to the objectives of society.
2d. Strategy and supporting policies are communicated, implemented and monitored.

For example, excellent Innovation Agencies:

- Translate their strategies into aligned processes, projects and organisational structures, ensuring changes can be implemented with appropriate speed.
- Establish targets based on comparisons of their performance with other organisations, their current and potential organisational capability and their strategic goals.
- Ensure that financial, physical and technological resources are available to support development of the agency and its ability to respond to stakeholder needs.
- Deploy strategy and supporting policies in a systematic manner to achieve the desired set of results, with clearly defined “cause and effect” relationships.
- Set clear goals and objectives for innovation, based on an understanding of national and local priorities and opportunities.
- Communicate strategy and supporting policies with relevant stakeholders.
3. People

**EFQM CRITERION DEFINITION**

Excellent organisations value their people and create a culture that allows the mutually beneficial achievement of organisational and personal goals. They develop the capabilities of their people and promote fairness and equality. They care for, communicate, reward and recognise, in a way that motivates people, builds commitment and enables them to use their skills and knowledge for the benefit of the organisation.

**INNOVATION AGENCIES**

Many of the staff of an Innovation Agency are typically highly qualified – from scientific, engineering or business backgrounds – all with a vocation for promoting innovation. As a consequence expectations are high for the organisation to offer learning and exposure to novel and challenging ideas, and offer recognition for those making a significant contribution above and beyond any financial reward.

The importance of innovation in driving wealth ensures that customer and stakeholder expectations for the agency are equally high.

Correctly structuring approaches aimed at managing the “People” dimension of agencies is therefore critical. Public sector management practices form a good foundation for an agency’s management culture, in particular values of public service, integrity and transparency.

A specific issue is how to develop and promote the innovativeness, creativity and enthusiasm of the people involved, whether inside the agency or in its network of stakeholders.

**3a. People plans support the organisation’s strategy.**

For example, excellent Innovation Agencies:

- Have clearly defined the people performance levels required to achieve the strategic goals.

**3b. People’s knowledge and capabilities are developed.**

For example, excellent Innovation Agencies:

- Align people plans with their strategy, the organisational structure, new technologies and key processes.
- Rapidly adapt their organisational structure to support the achievement of the strategic goals.
- Involve employees, and their representatives, in developing and reviewing the people strategy, policies and plans, adopting creative and innovative approaches when appropriate.
- Manage recruitment, career development, mobility and succession planning, supported by appropriate policies, to ensure fairness and equal opportunities.
- Use people surveys and other forms of employee feedback to improve people strategies, policies and plans.

**3c. People are aligned, involved and empowered.**

For example, excellent Innovation Agencies:

- Align personal and team objectives, and empower people to realise their full potential in a spirit of true partnership.
- Recognise that innovation can apply to products, processes, marketing, organisational structures and business models: and that these forms of innovation are necessary to consider for the agency itself as well as its customers.
Create a culture of creativity and innovation across the organisation and seek its application both internally and externally

Encourage their people to be ambassadors of the organisations' image and reputation.

3d. People communicate effectively throughout the organisation.

For example, excellent Innovation Agencies:

- Understand the communication needs of their people and use appropriate strategies and tools to maintain a dialogue.
- Communicate a clear direction and strategic focus to ensure that people understand and can demonstrate their contribution to the organisation’s on-going success.
- Enable and encourage the sharing of information, knowledge and best practices, achieving a dialogue throughout the organisation.

Develop a culture that continually seeks to improve the effectiveness of collaboration and teamwork throughout their network.

3e. People are rewarded, recognised and cared for.

For example, excellent Innovation Agencies:

- Align remuneration, benefits and terms of employment with transparent strategies and policies.
- Motivate people to proactively seek improvements in the effectiveness of the agency and recognise their efforts and achievements in doing so.
- Ensure a healthy work / life balance in the reality of 24/7 connectivity, increasing globalisation and new ways of working.
- Promote a culture of mutual support, recognition and care between individuals and between teams.
- Respect and embrace the diversity of their people and within the agency’s stakeholders.
4. Partnerships & Resources

**EFQM CRITERION DEFINITION**
Excellent organisations plan and manage external partnerships, suppliers and internal resources in order to support strategy, policies and the effective operation of processes. They ensure that they effectively manage their environmental and societal impact.

**INNOVATION AGENCIES**
Innovation agencies work within a network of partnerships to deliver their mission. Some of these relationships may be the subject of an agreement or contract, but many are based on trust and cooperation. The ability to grow and sustain such a network is a key competency for Innovation Agencies.

Accountability for the use of public resources is a crucial issue for Innovation Agencies. In addition to the basic governance procedures, alignment of the use of resources with the strategy should be given proper consideration: are the resources being used in the most effective way to deliver the agency’s mission?

4a. Partners and suppliers are managed for sustainable benefit.

For example, excellent Innovation Agencies:

- Develop an understanding of the relative importance of partners within the Innovation Agency’s network and how they work together to deliver the agency’s mission.
- Build a sustainable relationship with partners and suppliers based on mutual trust, respect and openness.
- Ensure partners and suppliers operate in line with the agency’s strategies and values.
- Work together with partners to achieve mutual benefit and enhanced value for their respective stakeholders, supporting one another with expertise, resources and knowledge.
- Support the creation and use of the most appropriate alternative sources of funding (such as business angels, P2P, European funds) which contribute to promoting innovation

4b. Finances are managed to secure sustained success.

For example, excellent Innovation Agencies:

- Use financial strategies, policies and processes to support the overall strategy of the organisation and ensuring financial resilience.
- Design the financial planning, control, reporting and review processes to optimise the use of resources.
- Allocate resources to ensure the best possible use of public money. Use financial governance processes, tailored to all appropriate levels in the organisation.
- Evaluate, select and validate investment in, and divestment of, both tangible and non-tangible assets, respecting their long-term economic, societal and ecological effects.

4c. Buildings, equipment, materials and natural resources are managed in a sustainable way.

For example, excellent Innovation Agencies:

- Use strategies, policies and processes for managing buildings, equipment and materials in a financial and environmentally sustainable way.
- Optimise the use and effectively manage the lifecycle and physical security of their tangible assets, including buildings, equipment and materials.
- Minimise their local and global environmental impact, including setting challenging goals for meeting and exceeding legal standards and requirements.
- Actively advance the economic, environmental and social standards within their sector.
4d. Technology is managed to support the delivery of strategy.

In this criterion part, the focus is usually on the management of the agency’s technological resources. Related innovation policy level issues are mainly taken into consideration in criterion 2.

For example, excellent Innovation Agencies:

- Manage a technology portfolio that supports the organisation’s overall strategy.
- Evaluate and develop the technology portfolio to improve the agility of processes, projects and the organisation.
- Involve relevant stakeholders in the development and deployment of new technologies to maximise the benefits generated.
- Identify and evaluate alternative and emerging technologies in the light of their impact on organisational performance and capabilities and the environment.
- Use technology to support the culture of creativity and innovation.

4e. Information and knowledge are managed to support effective decision making and to build the organisation’s capability.

For example, excellent Innovation Agencies:

- Ensure that their leaders are provided with accurate and sufficient information to support them in timely decision making.
- Transform data into information and where relevant into knowledge that can be shared and effectively used.
- Establish approaches to engage relevant stakeholders and use their collective knowledge in generating ideas and innovation.
- Provide and monitor access to relevant information and knowledge for their people and external users, whilst ensuring both security and the organisation’s intellectual property are protected.
- Establish and manage learning and collaboration networks to identify opportunities for creativity, innovation and improvement.
5. Processes, Products & Services

**EFQM CRITERION DEFINITION**
Excellent organisations design, manage and improve processes, products and services to generate increasing value for customers and other stakeholders.

**INNOVATION AGENCIES**
Innovation Agencies offer a wide variety of services, addressing the diverse needs of a complex set of stakeholders. It is often the case that processes are either insufficiently documented, or too ad hoc for the whole value generation of the organisation to be properly understood.

Developing efficient and effective approaches towards processes, products and services is one of the most potentially rewarding improvement areas for innovation agencies. By differentiating between value adding core processes aimed at the customer and supporting processes which are nevertheless critical to the agency’s operation, priorities can be set and a greater degree of efficiency targeted.

A particular example is in the development of a ‘customer relationship management’ process: understanding who the customer is (see criterion 6 for this discussion), what services need to be delivered and how the outcome can be measured. Regardless of whether the agency works interactively with its customers or applies a clear “arm’s length principle” in its delivery strategy, it benefits from a structured approach towards its customers, generating value both for the customers and at the public level.

It is recommended to develop a high level view of an agency’s processes and products, before entering into too much detail. Although process maps can take many forms, one process map encountered in the INNO-Partnering Forum project is shown as a source for inspiration in appendix 2 on page 28.

5a. Processes are designed and managed to optimise stakeholder value.

For example, excellent Innovation Agencies:

- Use a framework of key processes to implement the organisation’s strategy.
- Manage the end to end processes within the agency and structure expectations for processes that take place within its network of stakeholders and contributors.
- Ensure process owners understand their role and responsibility in developing, maintaining and improving processes.
- Develop a meaningful mix of process performance indicators and related outcome measures, enabling the review of the efficiency and effectiveness of the key processes and their contributions towards the strategic goals.
- Use data on the current performance and capabilities of their processes, as well as appropriate benchmarks, to drive improvement, creativity and innovation.

5b. Services are developed to create optimum value for customers.

For example, excellent Innovation Agencies:

- Strive to innovate and create value for their customers, involving them and other stakeholders, where appropriate, in the development of new and innovative services, support and experiences.
- Use market research, customer surveys and other forms of feedback to anticipate and identify improvements aimed at enhancing the product and service portfolio.
- Develop their portfolio in line with the changing needs of existing and potential customer groups.
- Design their service portfolio and challenge its applicability to evolving challenges in innovation.

5c. Products and services are effectively promoted and marketed.

For example, excellent Innovation Agencies:

- Know who their different customers groups are, both existing and potential, and anticipate their different needs and expectations.
Transform needs, expectations and potential requirements into attractive and sustainable value propositions for both existing and potential customers.

Implement the business model by defining their value proposition and positioning the agency attractively to existing and potential customers.

Develop marketing strategies to promote their services to target customers and other stakeholders.

5d. Services are produced, delivered and managed.

For example, excellent Innovation Agencies:

- Offer services to meet, or exceed, customer needs and expectations, in line with the offered value proposition.
- Develop effective and efficient key processes and value chains to ensure they can consistently deliver on their promised value proposition.
- Ensure people have the necessary resources, competencies and empowerment to maximise the customer experience.
- Compare their performance with relevant benchmarks and learn from their strengths and opportunities for improvement in order to maximise the value generated for customers.

5e. Customer relationships are managed and enhanced.

For example, excellent Innovation Agencies:

- Segment customers, in line with the organisation’s strategy, and adopt appropriate policies and processes for effectively managing the relationship.
- Determine and meet customers’ day-to-day and long-term contact requirements.
- Build and maintain a dialogue with customers, based on openness and transparency.
- Continually monitor and review the experiences and perceptions of their customers and ensure processes are aligned to respond appropriately to any feedback.
- Ensure customers are clear on their responsibilities and commitments toward the agency.
6. Customer Results

EFQM CRITERION DEFINITION
Excellent organisations develop and agree a set of performance indicators and related outcomes to determine the successful deployment of their strategy and supporting policies, based on the needs and expectations of their customers.

INNOVATION AGENCIES
The concept of customer in public organisations often causes lengthy discussions. The problem is one of terminology: a ‘customer’ should be considered as the primary service user, and all others who benefit indirectly from the agency’s services as ‘other stakeholders’. An example of a customer would be a company or research institute receiving a grant from the agency: an activity aimed directly at promoting innovation. A government department receiving support in policy implementation would be a key stakeholder, while not necessarily being a ‘customer’.

In general, it is recommended that different public organisations approach their stakeholders with a terminology best suited for their specific operating environment. Establishing a stakeholder map for an innovation agency with reference to the EFQM Excellence Model is a worthwhile exercise by clarifying the roles and expectations. This also helps to see what is viable to interpret as Customer Results, Society Results and Business Results.

A particular focus on ‘Customers’ is necessary as public organisations increasingly accept that it is the ‘customer’ who is the main target for, and source of, innovation to improve processes and services. This needn’t in any way be in conflict with the organisation’s fundamental task of producing public value. Interaction with the immediate service users is the moment of truth for all dimensions of the agency’s value generation.

Considerable effort has been made by Innovation Agencies generally to measure customer perception and satisfaction. However, more could be done to understand expectations, in particular for different segments, as well as setting clear targets for customer interactions.

6a. Perceptions
These are the customers’ perceptions of the organisation. These may be obtained from a number of sources, including surveys, focus groups, ratings, compliments and complaints. These perceptions should give a clear understanding of the effectiveness, from the customers’ perspective, of the deployment and outcomes of the organisation’s customer strategy, supporting policies and processes.

MEASURES COULD INCLUDE:
- Reputation and image.
- Product and service value.
- Product and service delivery.
- Customer service, relationship and support.
- Customer loyalty and engagement.

SPECIFICALLY FOR INNOVATION AGENCIES,
MEASURES COULD INCLUDE:
- Perceived value added of different services and products.
- Customer service and support for different segments.
- Reputation and image compared to relevant benchmarks.

6b. Performance Indicators
These are the internal measures used by the organisation in order to monitor, understand, predict and improve the performance of the organisation and to predict their impact on the perceptions of its customers. These indicators should give a clear understanding of the deployment and impact of the organisation’s customer strategy, supporting policies and processes.

MEASURES COULD INCLUDE:
- Product and service delivery.
- Customer service, relationships and support.
- Complaints and compliments.
- Involvement of customers and partners in the design of products, processes, etc.

SPECIFICALLY FOR INNOVATION AGENCIES,
MEASURES COULD INCLUDE:
- Application throughput times.
- Number of complaints.
- Level of customer interaction.
7. People Results

**EFQM CRITERION DEFINITION**
Excellent organisations develop and agree a set of performance indicators and related outcomes to determine the successful deployment of their strategy and supporting policies, based on the needs and expectations of their people.

**INNOVATION AGENCIES**
The staff of Innovation Agencies typically consists of experts with high expectations for their organisation. Equally high are the customer and stakeholder expectations for the agency’s people. Therefore, it is important to meet the needs and expectations of the people of the organisation, as well as to monitor the development of their skills and abilities.

7a. Perceptions
These are the people’s perception of the organisation. These may be obtained from a number of sources, including surveys, focus groups, interviews and structured appraisals. These perceptions should give a clear understanding of the effectiveness, from the people’s perspective of the deployment and outcomes of the organisation’s people strategy and supporting policies and processes.

**MEASURES COULD INCLUDE:**
- Satisfaction, involvement and engagement.
- Pride and fulfillment.
- Leadership and management.
- Target setting, competency and performance management.
- Competency, training and career development.
- Effective communications.
- Working conditions.

The issues above fully apply also for Innovation Agencies.

7b. Performance Indicators
These are the internal measures used by the organisation in order to monitor, understand, predict and improve the performance of the organisation’s people and to predict their impact on perceptions. These indicators should give a clear understanding of the deployment and impact of the organisation’s people strategy and supporting policies and processes.

**MEASURES COULD INCLUDE:**
- Involvement and engagement.
- Target setting, competency and performance management.
- Leadership performance.
- Training and career development.
- Internal communications.

The issues above fully apply also for innovation agencies. As for many public sector organisations, attention should probably be paid for the optimal turnout of staff, as well as on work life learning.
8. Society Results

**EFQM CRITERION DEFINITION**

Excellent organisations develop and agree a set of performance indicators and related outcomes to determine the successful deployment of their societal and ecological strategy and related policies, based on the needs and expectations of the relevant external stakeholders.

**INNOVATION AGENCIES**

This criterion can be the subject of some confusion among public sector organisations. Clearly, the public sector is tasked with creating ‘society results’ – and often within domains that defy measurement.

For public sector organisations, ‘society results’ refers to the outputs that complement and augment the results of the key (societal) tasks set for the organisation (success in fulfilling these tasks is assessed within Criterion 9 – Business Results).

For example, the results of the agency’s support for development of new environmental technologies would be considered part of its ‘Business Results’, if this is part of its mission as assigned by supervising authorities. In contrast, meeting expectations as a good corporate citizen in areas not defined as primary goals for the organisation should be considered within Criterion 8.

**8a. Perceptions**

This is society’s perception of the organisation. This may be obtained from a number of sources, including surveys, reports, press articles, public meetings, Non-Governmental Organisations, public representatives and governmental authorities. These perceptions should give a clear understanding of the effectiveness, from society’s perspective of the deployment and outcomes of the organisation’s societal and environmental strategy and supporting policies and processes.

**MEASURES COULD INCLUDE:**

- Environmental impact.
- Image and reputation.
- Societal impact.
- Workplace impact.
- Awards and Media coverage.

**SPECIFICALLY FOR INNOVATION AGENCIES, MEASURES COULD INCLUDE:**

- Image and reputation by surveys.
- Ecological impacts of agency’s internal processes.
- Advancements in workplace/societal issues.
- Awards and Media reputation.

**8b. Performance Indicators**

These are the internal measures used by the organisation in order to monitor, understand, predict and improve the performance of the organisation and to predict their impact on the perceptions of the relevant stakeholder within society.

**MEASURES COULD INCLUDE:**

- Environmental performance.
- Regulatory and governance compliance.
- Societal performance.
- Health and safety performance.
- Responsible sourcing and procurement performance.

**SPECIFICALLY FOR INNOVATION AGENCIES, MEASURES COULD INCLUDE:**

- Ecological impacts of agency’s internal processes.
- Internal activities within environmental and societal wellbeing.
- General support for sustainable solutions for societal problems, e.g., in form of funding. (N.b. that the performance against the key tasks of the agency is assessed by Criterion 9).
9. Business Results

**EFQM CRITERION DEFINITION**
Excellent organisations develop and agree a set of key financial and non-financial results to determine the successful deployment of their strategy, based on the needs and expectations of their key stakeholders.

**INNOVATION AGENCIES**
For public sector organisations, this Criterion focuses on succeeding in the key tasks set for the organisation in legislation and by supervising authorities. Direct measurement of “profit” is most often meaningless within the public sector, and other types of financial and non-financial indicators must be used to capture the success in achieving the goals set for the organisation.

The RADAR® logic of the EFQM Excellence Model emphasises the relevance and the usability of the measurements. Relevance in this case denotes that the measurements must reflect the organisation’s success in its key tasks and its strategy; usability means that the measurements should be suitable for use in the actual management of the organisation and its operative actions. To set up a measurement system that meets both these requirements is a demanding task for any Innovation Agency. Rigorous expert evaluations are often seen as the ultimate mechanism for obtaining this feedback. However this isn’t necessarily helpful in the management of day-to-day activities; there is a need for more timely measurements.

See Appendix 2 p. 30 for one example of a conceptual presentation of issues to be considered for in Business results measurements. The impacts on society are mainly measured by various types of assessments, while day-to-day management must rely on input measurements and immediate project level data. A good presentation of an agency’s key results comprises results on both these levels, and communicates the relation between them.

**9a. Business Outcomes**
These are the key financial and non-financial business outcomes which demonstrate the success of the organisation’s deployment of their strategy.

The set of measures and relevant targets will be defined and agreed with the business stakeholders.

**MEASURES COULD INCLUDE:**
- Financial outcomes.
- Performance against budget.
- Volume of key products or services delivered.
- Key process outcomes.

**SPECIFICALLY FOR INNOVATION AGENCIES,**

**MEASURES COULD INCLUDE:**
- Success against the performance measures agreed with the supervising body.
- Key results of projects funded.
- Development of client companies.
- Innovation measures, e.g. numbers of patent applications in projects.

**9b. Performance Indicators**
These are the key financial and non-financial business indicators that are used to measure the organisation’s operational performance. They help monitor, understand, predict and improve the organisation’s likely key performance outcomes.

**MEASURES COULD INCLUDE:**
- Financial performance indicators.
- Project costs.
- Key process performance indicators.
- Partner and supplier performance.
- Technology, information and knowledge.

**SPECIFICALLY FOR INNOVATION AGENCIES,**

**MEASURES COULD INCLUDE:**
- Operating costs.
- Alignment of the project and customer portfolios with strategic targets.
- Controlled use of resources (e.g., distribution of funding decisions during the year).
- Intermediary results of in supported funding (e.g., number of patent applications).
Introduction to Self-Assessment

A self-assessment should ideally be a comprehensive, systematic and regular review by an organisation of its activities and results referenced against the EFQM Excellence Model or one of the EFQM Frameworks, such as this Framework for Innovation Agencies. The self-assessment process allows the organisation to discern clearly its strengths and areas in which improvements can be made and culminates in planned improvement actions that are then monitored for progress.

A self-assessment will give you a holistic overview of your organisation’s status in implementing its strategy efficiently and effectively, and in achieving the desired results. It can help you to:

- Understand how effectively you are deploying your strategy.
- Identify the cause and effect relationships between the things you do and the results you achieve.
- Identify your current strengths and prioritise opportunities for improvement against your strategic goals.
- Identify opportunities for benchmarking; both in terms of things you can share and things you want to learn.
- Establish a baseline position so you can measure your progress over time.

A simple first step self-assessment of an innovation agency can be made by using the streamlined set of 20 key assessment questions (Appendix 1), agreeing on the results level, and agreeing on a few corrective actions. Despite the basic form and nature of the questions, they reflect many aspects important for an assessment that are most easily grasped if the assessment process is facilitated by someone who has experience of the use of EFQM Excellence Model.
Appendix 1: The ‘Quick Check’ Self-Assessment Tool for Innovation Agencies

The ‘Quick Check’ tool is designed to give a quick overview of the organisation’s current capabilities against the EFQM Fundamental Concepts of Excellence, so it is not as comprehensive as a full EFQM assessment. The Quick Check is designed to assess the central management approaches in place and determine where there are clear opportunities for improvement, based on the maturity of these approaches and their impact on the organisation’s strategy. Please consult the EFQM Excellence Model available from EFQM for a more detailed presentation of Fundamental Concepts.

The tool is designed as a potential first step on a ‘journey to excellence’ and the exercise can be completed, with an agreed action plan aligned to your strategy, during a 2-hour workshop lead by an experienced facilitator. This simple assessment can also form the basis for a “Committed to Excellence” submission to EFQM. The Quick Check tool can easily be implemented on spreadsheet software.

Workshop Approach

The most effective method for completing the Quick Check assessment is to do so in a group of senior managers with a range of responsibilities during a workshop. This group should be able to:

- Summarise the approaches currently in place, aligned to the Fundamental Concepts of Excellence
- Determine the current maturity level of the approach and the impact this approach has on the agency’s ability to achieve its strategic objectives
- Take ownership of any relevant improvement actions identified

The workshop can be completed in 2 hours, based on:

- 5 minutes summarising and rating each approach
- 20 minutes prioritising the improvements identified and agreeing the improvement owners for the Top 3.

Assessment criteria

The following criteria, adapted from a similar tool used with other types of organisation, are used to assess at a high-level how ‘mature’ the Innovation Agency’s approaches are:

<table>
<thead>
<tr>
<th>#</th>
<th>Fundamental Concept</th>
<th>Approach</th>
<th>Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sustaining outstanding results</td>
<td>Business Planning Process</td>
<td>The approach you use for prioritising and planning your future activities, in line with your stakeholder needs and expectations.</td>
</tr>
<tr>
<td>2</td>
<td>Sustaining outstanding results</td>
<td>Target Setting Process</td>
<td>The approach you use for setting performance targets for your key performance indicators, both financial and non-financial, in line with stakeholder expectations.</td>
</tr>
<tr>
<td>3</td>
<td>Sustaining outstanding results</td>
<td>Balanced Scorecard or Top Level Management Report</td>
<td>The approach you use to develop the framework of measures you use to track performance against strategic objectives, usually for review by the</td>
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</tr>
<tr>
<td>4</td>
<td>Adding Value to Customers</td>
<td>Customer Relationship Management</td>
<td>The approach you have developed for understanding and meeting the needs and expectations of your customers.</td>
</tr>
<tr>
<td>5</td>
<td>Adding Value to Customers</td>
<td>Complaints Management Process</td>
<td>The approach you use for ensure customer complaints are captured and resolved effectively and efficiently.</td>
</tr>
<tr>
<td>6</td>
<td>Adding Value to Customers</td>
<td>Customer Survey</td>
<td>The approach you have for collecting structured customer perception data to enable the review of &quot;customer relationship management&quot;.</td>
</tr>
<tr>
<td>7</td>
<td>Developing Organisational Capability</td>
<td>Benchmarking Strategy</td>
<td>The approach you have for comparing the effectiveness and efficiency of your key processes and approaches against suitable external benchmarks.</td>
</tr>
<tr>
<td>8</td>
<td>Developing Organisational Capability</td>
<td>Partnership Policy &amp; Guidelines</td>
<td>The approach you use for identifying, forming and developing relationships with external partners whose core products and services compliment those of your organisation.</td>
</tr>
<tr>
<td>9</td>
<td>Developing Organisational Capability</td>
<td>Creating and benefiting from a network</td>
<td>The approach you use to build a network that supports and contributes to your organisation’s objectives.</td>
</tr>
<tr>
<td>10</td>
<td>Managing with Agility</td>
<td>Process Framework Defined &amp; Mapped</td>
<td>The approach you use for defining and documenting the framework of key processes required to effectively implement your strategy.</td>
</tr>
<tr>
<td>11</td>
<td>Managing with Agility</td>
<td>Process Ownership Defined</td>
<td>The approach you use for defining ownership and responsibility for managing your key processes.</td>
</tr>
<tr>
<td>12</td>
<td>Managing with Agility</td>
<td>Process Improvement Methodology</td>
<td>The approach used for identifying, prioritising and implementing process improvements, including ensuring they have had the desired impact on improving the effectiveness and efficiency.</td>
</tr>
<tr>
<td>13</td>
<td>Leading with Vision, Inspiration and Integrity</td>
<td>Clear Vision, Mission &amp; Values statements</td>
<td>The approach you have for defining and refining the organisation’s Vision, Mission and Values.</td>
</tr>
<tr>
<td>14</td>
<td>Leading with Vision, Inspiration and Integrity</td>
<td>KPI Report &amp; Review Meeting</td>
<td>The approach you use to regularly review performance against your key objectives and agree appropriate improvement actions and tactical responses to performance levels achieved.</td>
</tr>
<tr>
<td>15</td>
<td>Succeeding through the Talent of People</td>
<td>Employee Appraisal Process</td>
<td>The approach you use for setting individual or team objectives and reviewing and improving personal performance.</td>
</tr>
<tr>
<td>16</td>
<td>Succeeding through the Talent of People</td>
<td>Employee Survey</td>
<td>The approach you have for collecting structured people perception data to enable the review of HR policies and processes.</td>
</tr>
<tr>
<td>17</td>
<td>Harnessing Creativity &amp; Innovation</td>
<td>Market Research &amp; Analysis</td>
<td>The approach you use for understanding changes and performance levels within the external environment your organisation operates in.</td>
</tr>
<tr>
<td>18</td>
<td>Harnessing Creativity &amp; Innovation</td>
<td>Knowledge Management Strategy</td>
<td>The approach you use for ensuring people, both within and outside your organisation, have access to accurate, reliable and timely information that will enable the effective execution of your key processes and the achievement of your strategic objectives.</td>
</tr>
<tr>
<td>19</td>
<td>Taking Responsibility for a Sustainable Future</td>
<td>Environmental Management Policy</td>
<td>The approach you have to determining, managing and minimising the impact of your operations on the environment.</td>
</tr>
<tr>
<td>20</td>
<td>Taking Responsibility for a Sustainable Future</td>
<td>CSR Policy</td>
<td>The approach you have adopted to understanding and maximising your contribution to society, whether locally or globally.</td>
</tr>
</tbody>
</table>

**Rating the maturity of the approaches**

Understanding the ‘maturity’ of the approach is the starting point to understanding where the agency may wish to begin making improvements. A five point (self assessed) scoring is used by the team in judging how “mature” is each of the defined approaches (ranging from “nothing in place” to “mature approach in place”).

However, to set priorities among the list of approaches it is also necessary to consider how critical each is to the objectives of the agency. In the next step the participants review the impact on the agency’s strategy of each approach.

**Rating the Impact on Strategy**

The impact is assessed according to a simple five point scale, from ‘very low’ (this area will not significantly impact the success of the agency’s work) to ‘critical’.

In discussion with some agencies we determined some approaches – such as the adequate definition of service levels with external partners – as being so basic to the operation of the agencies that they can be judged ‘critical’, even though in normal discussion these approaches are not considered ‘strategic’ to the agency. Getting the basic services of an agency right (meaning a high level of efficiency and satisfaction among customers and other relevant stakeholders) almost certainly takes priority over ambitious change or innovation programs (however strategic to the long term of the agency these can be).
Appendix 2: Case Studies of Good Practices

During the different assessments in the INNO-Partnering Forum project, a number of good practices for innovation agencies were identified some of which are presented in this appendix. These examples are intended to reinforce the Criterion descriptions and to act as a source of inspiration for further development and refinement by other organisations.

<table>
<thead>
<tr>
<th>1</th>
<th>Criterion: Leadership</th>
<th>Organisation: Enterprise Flanders</th>
<th>Initiative title: Leadership 2020</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>Leadership 2020 is an overall project of the Flemish government. It sets Enterprise Flanders a task to integrate four roles in the daily conduct of its leaders: coach, manager, public entrepreneur and a leader, instead of the traditional approach of ‘a leader’.</td>
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<td></td>
<td>The new division “Services” of Enterprise Flanders will take the EFQM model as a basic structure to meet the aims of ‘Leadership 2020’ and, most importantly, to motivate the team leaders to be interested in the overall development and to act in line with the project goals. A key motivation is “to invest in the cohesion of the group of executives as a management team and to install a climate of learning and continuous improvement”.</td>
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</tbody>
</table>

![Diagram of Leiderschap 2020](image)

<table>
<thead>
<tr>
<th>2</th>
<th>Criterion: Strategy</th>
<th>Organisation: TSB</th>
<th>Initiative title: Strategic Planning Process</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>The calendar of planning for the Technology Strategy Board (TSB), the UK’s innovation agency, is driven according to government funding cycles: typically every 4 years a major review of priorities and funding is initiated.</td>
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<td></td>
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<td>The year before the government review, TSB initiates an extensive programme of business driven consultations. Complemented by internal reviews of the historical performance of programmes and coverage of innovation priorities, TSB builds its strategic plan. The role of government is to approve the plan at its very highest level (the responsibility of setting the details is entirely up to TSB) and to agree the level of funding.</td>
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<td></td>
<td>Each year during the four-year period a ‘Delivery Plan’ is updated, describing the priorities and allocating budget between initiatives.</td>
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<td></td>
<td><strong>Improvements to the planning process:</strong> As TSB has only been operational for five years the organisation is still learning how best to organise its planning around the four year cycles. An effort is underway to increase the systematisation of planning and consultation. Baseline measurements of the expectations and degree of satisfaction of the various stakeholders also need to be integrated into the review cycle.</td>
</tr>
</tbody>
</table>
## 2. Criterion: Strategy

**Organisation:** Generic

**Initiative title:** Stakeholder map

During the INNO-Partnering forum workshops, a generic stakeholder map for Innovation Agencies was constructed. While not being a “true” good practice that is applied somewhere, it can help agencies to more easily see how their different stakeholders and their expectations could be addressed.

### Stakeholders of the Innovation Agency

**Partners**
- Partners in policy implementation
- International partners (EU)

**Suppliers**
- Suppliers of services, technologies, knowledge and goods

**Customers**
- Primary service users
- SME’s
- Strieving international growth
- Domestic companies
- Large companies
- Public Research Organisations

**Governance (Objective setters)**
- Governing ministry or department
- Other public governance

### What do they expect?
- Public value addition
- Openness, fast and clear responses
- Good governance

### How would you know?
- Follow the media
- Ask relevant parties

---

## 3. Criterion: People

**Organisation:** TSB

**Initiative title:** Creating a pool of experts to assess competitions

The Technology Strategy Board regularly runs competitions, the scope of which are designed by the “Technologists” within the agency. Assessors for determining the winners of the competition are selected from a pool of over 400 people drawn from both business and academia. The pool of assessors is built up from people usually known to the technologists in the TSB through their day to day interaction with their market and network. The pool of assessors contains people with the expertise covering most technology and market areas. It is in the lead Technologist’s interest to have the highest quality pool of assessors available to them in order to secure a smoothly run competition which delivers the best outcome in the form of successful applicants. The TSB provides training to the assessors, with a focus recently on providing more constructive and helpful feedback to applicants.

### Stakeholders of the Innovation Agency

**Partners**
- Partners in policy implementation
- International partners (EU)

**Suppliers**
- Suppliers of services, technologies, knowledge and goods

**Customers**
- Primary service users
- SME’s
- Strieving international growth
- Domestic companies
- Large companies
- Public Research Organisations

**Governance (Objective setters)**
- Governing ministry or department
- Other public governance

### What do they expect?
- Public value addition
- Openness, fast and clear responses
- Good governance

### How would you know?
- Follow the media
- Ask relevant parties

---

## 4. Criterion: Partnerships and Resources

**Organisation:** SISP / IDEON

**Initiative title:** Developing and outsourcing service management within a Science Park

IDEON is the largest and oldest Science Park in Sweden. Currently hosting around 300 growth-oriented companies, who collectively employ around 2000 employees in and around the southern Swedish town of Lund, IDEON provides workspace, facilities and services to its members through an independently managed company (IDEON Center AB). IDEON Center was developed within IDEON and ‘spun out’ as a separate organisation, building on nearly 30 years of experience in providing real estate management services ‘in house’. IDEON found that existing facilities management companies could not provide the level of service or flexibility required from start up and high growth companies. IDEON Center is one of the key stakeholders in developing the Science Park, and participates in setting strategy and priorities.
The process approach is closely integrated to all management of Tekes. It acts as a means to develop functional efficiency; ensure that Tekes works according to the principles of good governance; and enables the organisation’s innovativeness by communicating targets for action and clear boundaries. It also provides a means to secure that all clients have an equal opportunity to Tekes services. The process descriptions depict the different activities and how they are related to other functions. The descriptions serve the guidance of individual work, but they also provide documents that support process development, management and upkeep.

All the material related to processes can be easily found on the Intranet and viewed by everyone. Specific process portal software is used for this purpose. Each core process has a named process owner in the management team. Process depiction is more detailed where necessary (e.g. funding procedures) whereas e.g. support functions are depicted on an appropriate need-based level.

The approach is on a high level assessed by personnel feedback, e.g. in the annual survey. Key processes deploy scheduled internal process audits, and external audits are conducted when needed. Continuous development of key processes is supported by process teams and shared organisation-wide (ICT) change management software.

The Technology Strategy Board has packaged many of its services into discrete areas in an effort to provide customers with clarity over the different areas of support they can expect from the agency. This approach is the result of being particularly business driven: the initiatives were established to achieve a specific purpose with a clear focus on rules for potential participants. These ‘products’ are visually distinctive through the use of logos and colours: particularly useful when navigating the website or other documentation.

Internally the existence of ‘products’ allows TSB to have defined responsibilities and clarity in measuring the successful take-up by companies of the different services. By developing products that are adapted to different business segments (such as small companies), TSB is able to map its coverage of different stakeholder needs and understand where different kinds of complementary support may be needed.
Improving the logic and efficient delivery or products

In order to improve this approach to ‘productising’ the services of the agency, TSB plans to create ‘customer journeys’ for different segments of customers: how they may wish to use different services at the various stages of their growth and lifecycle or if appropriate, different combinations of products. The products are also the subject of process review: looking for commonality in the ways the services are delivered in order to minimise repeated work and improve efficiency. To the customer the products are different, but internally most are managed through the same central online system providing greater efficiency and effectiveness.

| 5e | **Organisation:** Tekes  
**Initiative title:** Customer Segmentation model | Uniform customer segmentation is supporting several processes of the organisation. Enterprise customers are segmented with respect to their size, development phase and apparent growth potential and research customers based on their size, aspiration and experience. The result of segmentation specifies the customer relationship models (active vs. reactive relationship management) and renders basis for planning of collaboration activities as well as for resource planning and the internal budgets. Segmentation method and data is shared with key partners in policy implementation in order to align customer service.

Based on segmentation results, Tekes units together with Customer Process produce customer base plans that specify the present customer base as well as the pursued one, and the actions needed to close the gap between them. The segmentation information is checked annually or when need arises based on a customer review.

The approach is on a high level assessed based on the structured feedback from customers and personnel. In addition, Customer Process deploys scheduled internal process audits, and external audits and evaluations are conducted when needed. Continuous development of key processes is supported by process teams and shared organisation-wide (ICT) change management software. The structure of the segmentation is decided and reviewed together with key partner organisations. |
Assessing the impacts of public research and innovation funding is crucial for the legitimacy of public interventions. Also, it should be seen as a constant source for insight leading to improvements in the Agency’s services. Tekes and Academy of Finland have developed a comprehensive framework for assessing the impact of research and innovation. In the impact model, impact chains from research and innovation inputs to societal impacts in four impact areas are described with a unified framework. In addition to the impacts, the inputs, activities, and outputs of research and innovation constitute the main elements of the framework. Important part of the work was identification of relevant phenomena at each level and selection of key indicator(s) for each phenomenon.

Tekes’ impact assessment benefits a lot from the model, and a special impact report in which the model is utilised is published annually. The impact model is a simplification of complex actions and interactions. It offers a practical framework for describing and estimating the impact mechanisms of research and innovation activities in the society. There is always a need to revise the impact model based on the latest knowledge. International benchmarking and funding of impacts studies are ways to get relevant information for improving the model.
Appendix 3: The EFQM Excellence Model

The world does not stand still. It is changing ever more rapidly. The interdependencies between organisations, communities, countries and economies are strengthening and increasing in complexity. To remain competitive in this environment, any organisation needs to continually innovate and improve. Now, more than ever before, an organisation needs to understand, balance and effectively manage the needs and expectations of their stakeholders.

The EFQM Excellence Model is a framework to understand and manage this complexity. The Model is pragmatic and practical, developed by leading organisations, to stimulate continuous improvement.

Excellent organisations achieve and sustain superior levels of performance that meet or exceed the expectations of all their stakeholders. This is realized through a set of three integrated components:

The Fundamental Concepts of Excellence
The Fundamental Concepts of Excellence outline the foundation for achieving sustainable excellence in any organisation. They can be used as the basis to describe the attributes of an excellent organisational culture. They also serve as a common language for top management.

There are 8 Fundamentals Concepts:

- **Adding Value for Customers**
  Excellent organisations consistently add value for customers by understanding, anticipating and fulfilling needs, expectations and opportunities.

- **Creating a Sustainable Future**
  Excellent organisations have a positive impact on the world around them by enhancing their performance whilst simultaneously advancing the economic, environmental and social conditions within the communities they touch.

- **Developing Organisational Capability**
  Excellent organisations enhance their capabilities by effectively managing change within and beyond the organisational boundaries.

- **Harnessing Creativity & Innovation**
  Excellent organisations generate increased value and levels of performance through continual improvement and systematic innovation by harnessing the creativity of their stakeholders.

- **Leading with Vision, Inspiration & Integrity**
  Excellent organisations have leaders who shape the future and make it happen, acting as role models for its values and ethics.
Managing with Agility
Excellent organisations are widely recognised for their ability to identify and respond effectively and efficiently to opportunities and threats.

Succeeding through the Talent of People
Excellent organisations value their people and create a culture of empowerment for the achievement of both organisational and personal goals.

Sustaining Outstanding Results
Excellent organisations achieve sustained outstanding results that meet both the short and long term needs of all their stakeholders, within the context of their operating environment.

The Criteria
The EFQM Excellence Model is a non-prescriptive framework used by over 30,000 organisations in Europe and beyond. The Model allows managers/leaders to understand the cause and effect relationships between what their organisation does and the results it achieves. With the support of RADAR logic it is possible to make robust assessment of the degree of excellence of any organisation.

The Model is based on nine criteria. Five of these criteria are 'Enablers' and four are 'Results'. The 'Enabler' criteria cover what an organisation does and how it does it. The 'Results' criteria cover what an organisation achieves. 'Results' are caused by 'Enablers' and 'Enablers' are improved using feedback from 'Results'.

Each of the 9 criteria has a definition, which explains the high level meaning of that criterion. To develop the high level meaning further each criterion is supported by a number of criterion parts.

Leadership
Excellent organisations have leaders who shape the future and make it happen, acting as role models for its values and ethics and inspiring trust at all times. They are flexible, enabling the organisation to anticipate and react in a timely manner to ensure the ongoing success of the organisation.

Strategy
Excellent organisations implement their mission and vision by developing a stakeholder focused strategy. Policies, plans, objectives and processes are developed and deployed to deliver the strategy.

People
Excellent organisations value their people and create a culture that allows the mutually beneficial achievements of organisational and personal goals. They develop the capabilities of their people and promote fairness and equality. They care for, communicate, reward and recognise, in a way that motivates people, builds commitment and enables them to use their skills and knowledge for the benefit of the organisation.

Partnerships & Resources
Excellent organisations plan and manage external partnerships, suppliers and internal resources in order to support strategy and policies and the effective operation of processes. They ensure that they effectively manage their environmental and societal impact.
Processes, products & services
Excellent organisations design, manage and improve processes to generate increasing value for customers and other stakeholders.

Customer results
Excellent organisations comprehensively measure and achieve outstanding results with respect to their customers.

People results
Excellent organisations comprehensively measure and achieve outstanding results with respect to their people.

Society results
Excellent organisations comprehensively measure and achieve outstanding results with respect to society.

Business results
Excellent organisations comprehensively measure and achieve outstanding results with respect to their business stakeholders.

The RADAR Logic
The RADAR logic is a dynamic assessment framework and a powerful management tool that provides a structured approach to questioning the performance of an organisation. At the highest level, RADAR logic states that an organisation needs to:

- Determine the Results it is aiming to achieve as part of its strategy
- Plan and develop an integrated set of sound Approaches to deliver the required results both now and in the future
- Deploy the approaches in a systematic way to ensure implementation
- Assess and Refine the deployed approaches based on monitoring and analysis of the results achieved and ongoing learning activities.

Radar Logic is used in the assessment of the performance and results of an organisation against the EFQM Excellence Model or one of the EFQM Frameworks, such as this Framework for Innovation Agencies.
Appendix 4: Journey to Excellence in Innovation Agencies

During the INNO-Partnering project, the contents and use of this framework was tested and developed in 4 different surroundings. While each organisation had somewhat different expectations and requirements, a generic approach to these Pilot Assessments is described below.

Objectives

For the innovation agency hosting an assessment:

- Introduce the EFQM framework (and other relevant tools) in the context of the European ‘INNO Partnering Forum’ initiative
- Help the agency to use these tools in considering how they may structure and improve the implementation of their strategic objectives
- Present a case study from another similar agency as to how they have been able to use a structured approach to Excellence
- Agree objectives and next steps for how the agency may like to use this framework to define a ‘Journey to Excellence’

For the participating peer assessors:

- To learn from comparison
- To get directly introduced to the potential transferable good practices
- To develop a better personal understanding of the underlying success criteria for Innovation Agencies, and how to communicate them effectively in different contexts

Agenda for 2 day workshop:

Day 1

- Introducing EFQM and the experience of making a ‘Journey to Excellence’ in different organisations
- Excellence and the context of the innovation agency
- Understanding the agency’s mission and context
- Stakeholders and the customer value proposition
- Introducing the ‘Fundamental concepts of Sustainable Excellence’ and their applicability to innovation agencies
- The EFQM model
- RADAR: Measuring progress in the mission toward Sustainable Excellence
- Using the “Quick Check” tool to make a first self-assessment
- Case study: How has another Innovation Agency managed its ‘journey to excellence’ and utilised the EFQM Excellence Model?
Day 2

- Practicing using the EFQM tools (Fundamental Concepts, EFQM Model and ‘red threads’, RADAR)
  - Identifying some consequences for the innovation agency’s strategy and change projects
- Barriers to setting out on a Journey to Excellence
- Process improvements within the agency
- Building a Roadmap for Sustainable Excellence for the innovation agency
- Good practices discussion
- Conclusions and next steps

How the workshops were used to identify improvement potential and plan for improvement

There were two areas which received particularly detailed discussion during our workshops: adding value to customers and managing by processes. In the first of these, we typically spent time on the meaning of a “customer” and understanding the value proposition of the innovation agency toward the customer. As a result of our discussions during the various meetings we refined a definition:

| “Customers are the users of the primary services of the innovation agency.” |
| “Primary services are those that directly support or enable growth-focused activities of innovation oriented businesses” |

Having agreed the definition of customers, we reviewed how much the agency understands about customer needs and how satisfaction is measured and acted upon. In most cases this is an area that needs attention within the agencies: some form of ‘baseline’ measurement of customer needs and satisfaction would permit better tracking of relevant improvement initiatives in the future.

Mapping stakeholders in relation to the mission of the innovation agency also led to valuable insights: we found that this discussion was rich in implication for potential improvement initiatives.

In order to efficiently and effectively deliver the value proposition to customers and other stakeholders the agencies need to have defined high-level processes that are followed and measured. We were able to facilitate agreement between the teams on a simplified set of processes and, in some cases, review detailed processes (such as the need to improve customer response times on competitions).

By placing such discussions in the longer term context of a ‘Journey to Excellence’ we were also able to set realistic expectations about priorities and help the participating agencies build a ‘roadmap’ for the coming years. We are confident that similar results can be reached at all agencies by using this framework.

Some practical learning from the Pilot Assessment Workshops is taken up on the next page.
Examples of specific improvements identified from the workshops

“We need to have one annual delivery plan, setting priorities across different functional areas.”

“Clearly, we could benefit from having a better high level definition of processes and trying to replicate similar approaches as much as possible rather than creating many ad-hoc processes”

“Having a set of top-level metrics, describing organisational performance, would help us to agree priorities and track performance during the year. We still need to be clear what those metrics would be.”

“Greater efficiency could be achieved by better data integration across the organisation (such as between the Operations team, Human Resources, Customer Service and technologists).”

“We should get better at logging customer and other stakeholder’s complaints and implementing a transparent process of follow-up”

Overall comments

“The discussions helped us to build a motivating vision about what ‘Quality’ in the very largest sense could mean to the innovation agency”

“This helped us define the beginning: we now have a clearer roadmap and some shared vision… but we still have to do more (to define priorities and key deliverables)”

“The RADAR tool appears to be a useful method of identifying where we need to improve…”

“This workshop was the beginning about “opening the mind” to a new way of working for a public agency”
Getting Involved

EFQM is a membership organisation. We rely on input, ideas and suggestions from you to create a vibrant community. If you have any ideas, questions or suggestions, please don’t hesitate to contact us via e-mail (info@efqm.org) or via telephone (+32 2 775 35 11).

EFQM Members Include

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Join us on LinkedIn

We created The EFQM Network for Sustainable Excellence to facilitate a dialogue between our peers and the wider community. The group is open to anyone with an interest in this area. Over 2000 individuals have already joined our group and shared their experiences. If you have a question, it is a great place to start.
EFQM Framework for Innovation Agencies