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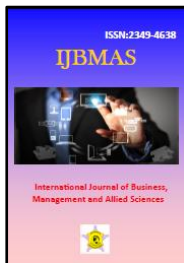
**ACHIEVING BUSINESS EXCELLENCE THROUGH  
INNOVATION AND BEST PRACTICES**

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**ABSTRACT**

The current scenario of business radically affected by the outdoor factors, which encourages business to adopt new models of business practices and innovations for proving their excellence. Business excellence aims are to get better fiscal reputation and practice of the firm. BE is about achieving excellence in everything that an organization does (including headship, approach, client focus, information management, public and processes) and most importantly achieving superior business results. The aim of the present article is to examine the best practices & innovations of business excellence, to understand the key issues for innovation that could lead to growth opportunities in decline markets and analyze the innovation management of Microsoft Organization.

**Key words:** Innovation, Business excellence, Best practices, Technology, Globalized environment.

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**INTRODUCTION**

Business excellence through Innovation and best practices are main agenda for today to all companies. One reason is that innovation has become a way to differentiate and compete for scarce demand, particularly during the recent slowdown. "Industries are being commoditized at a faster rate and you have to look for ways to create more value and set yourself apart," (Braden Kelley). "Innovation is one of the few ways to do that because people use the same best practices for operational excellence. The way they innovate and the culture they build are the ways they can differentiate." The briskness at which products are commercialized is a real challenge for companies today because the innovation advantage just doesn't last as long as it used to.

Globalization has become an essential aspect that many organizations have to take into account when carrying out their business. However, businesses are faced with the challenge of how to take action to the ever changing aggressive business situation. Consequently, many companies are required to look away from their conventional procedures of performance such as company's core capabilities and the structure of the industry in which the company competes. The success in the existing global business environment is drastically affected by the exterior factors and the management of the companies or

business enterprises is forced to gain a deeper perceptive of the external forces and trends that influence the business operations.

#### **NEED AND OBJECTIVES OF THE STUDY**

With the purpose of several organizations working in this inclusive sphere are now faced with the opportunity of adapting or potentially losing any competitive advantage. This has forced many businesses to look through technological innovations, worldwide transport and globalization. Consequently, companies in the 21st century possibly have a wide range of opportunities and challenges based on our fast growing marketplace. In the last decade, there have been advancements in technology which facilitate most companies to move into the global sector in areas such as retail sales and advertising. Social media sites and the internet have markedly affected many industries with advancements in the area of online shopping and word of mouth advertising. Furthermore, customers have a greater pressure above shopper interest through blogs, YouTube and online forums (Winer and Dhar, 2011). Many companies are now aware of the need to adapt to these changes in the market, or face the threat of going under. This need encouraged business to adopt new models of business excellence and innovations for proving their excellence that is the base to write this article entitled '**Achieving Business Excellence through Innovations and Best Practices**'.

#### **The objectives of this work are:**

1. To examine the best practices & innovations business excellence.
2. To understand the key issues for innovation that could lead to growth opportunities in decline markets.
3. To analyze the best practices innovation in business excellence that could play key role in value creation in Microsoft.

#### **CONCEPT OF BUSINESS EXCELLENCE:**

Business excellence aims are to get better fiscal reputation and practice of the firm. This is usually being achieved by execution of value upgrading programs that would finally result in amplify in sales volumes and of itinerary revenue. On the other hand innovation overall objective is also to improve the performance of the innovative firm and improve its financial position by creating new products or services or even new innovative strategies or policies and procedures that will ultimately result in increasing sale and of course revenues.

#### **The best practices and innovations are possible through:**

**Creative leadership:** Organization's junior leading group should dispose guiding principle and engender a client central point, logical and manifest executive standards and high expectations for the workforce. The directions, values and expectations should balance the needs of all stakeholders of the concerned company.

**Client-driven excellence:** Performance and quality are judged by an organization's clients. Thus, organization must take into account all product features and characteristics and all modes of customer access and support that contribute value to customers.

**Organizational and individual knowledge:** Reaching the extreme levels of organizational performance requires a well-executed approach to organizational and individual learning that includes sharing knowledge via systematic processes. Organizational learning includes both permanent improvement of existing approaches and major change or innovation, leading to new goals and approaches.

**Valuing workforce members and partners:** An organization's victory depends more and more on an engaged human resources that benefits from meaningful work, clears organizational direction and performance answerability and that has a safe, trusting and cooperative environment.

**Quickness:** Achievement in today's ever-changing, internationally aggressive environment demands quickness - a capacity for fast transforming and elasticity.

**Focus on the future:** Ensuring an organization's sustainability requires understanding the short and longer term factors that affect your organization and marketplace.

**Organization for improvement:** Creating meaningful change to improve an organization's products, services, programs, processes, operations and business model to create new value for the organization's stakeholders.

**Management by element:** Organizations depend on the depth and analysis of performance. Such dimensions should derive from business needs and strategy and they should provide decisive data and information about key processes, outputs and results.

**Societal responsibility:** An organization's leaders should stress tasks to the public, ethical behavior and the need to consider societal well-being and benefit.

**Focus on results and creating value:** An organization's performance measurements need to focus on key outcomes. Results should be used to make and equilibrium value for your key stakeholders.

**Systems standpoint:** Managing your whole organization holistically and understands how its mechanism interact and are associated to achieve success.

#### MODELS OF BUSINESS EXCELLENCE:

Business Excellence (BE) is a great deal having an additional superiority structure in place. BE is about achieving excellence in everything that an organization does (including leadership, strategy, customer focus, information management, people and processes) and most importantly achieving superior business results. Business excellence models are frameworks that when applied within an organization can help to focus thought and action in a more systematic and structured way that should lead to increased performance. The models are holistic in that they focus upon all areas and proportions of a business, and in particular, factors that build achievement. These methods are worldwide accepted as both providing a framework to assist the adoption of business excellence principles, and an effective way of measuring how thoroughly this agreement has been integrated. Quite a lot of business excellence models exist, these models is all remarkably similar. The most common include:

- Baldrige (MBNQA) – Used in over 25 countries including US and NZ
- European Foundation for Quality Management (EFQM) –Used throughout Europe
- Singapore Quality Award Model – Singapore
- Japan Quality Award Model – Japan
- Canadian Business Excellence Model – Canada
- Australian Business Excellence Framework (ABEF) – Australia

#### Users of Business excellence / models

Organizations across the world are using these business excellence models as a basis for continuous performance improvement.

- In the US nearly two million copies of the Malcolm Baldrige Model have been distributed since the award's launch in 1988.
- In Europe alone the European Foundation for Quality Management believes that at least 30,000 organizations are using the EFQM model. The EFQM's was based on the number of EFQM members, the members of its national partners, and those organizations that they know are using the model in their business.

TABLE-1:Criteria of several BUSINESS EXCELLENCE MODELS in Asia in 2011

Number	Hong Kong, Indonesia, Pakistan, Philippines, Thailand and Sri Lanka	Japan	Singapore	Malaysia	Republic of China	India*
	2011-2012 Baldrige Criteria for Performance Excellence	Japan Quality Award Criteria	Singapore BE Framework	Malaysia BE Framework	ROC National Quality Award Framework	EFQM Excellence Model
1	Leadership	Leadership/	Leadership	Leadership	Leadership	Leadership

		Social responsibilities of management				
2	Strategic Planning	Strategic Planning & Development	Planning	Planning	Strategic Management	Strategy
3	Operations focus	Value creation process	Processes	Processes	Processes Management/ R&D and Innovation	Processes, Products & Services
4	Customer focus	Understanding and interaction with customers and markets	Customers	Customers	Customer & Market focus	
5	Measurement, analysis and knowledge management	Information management	Information	Information	Information management	Partnership & resources
6	Workforce focus	Individual and organizational ability to improve	People	People	Human Resource and Knowledge Management	People
7	Results	Activity Results	Results	Results	Results	People Results/ Customer Results/ Society Results/ Key Results

Source: <http://www.understanding-business-excellence.pdf>.

\* Note: India has four national quality / BE awards: (1) CII-EXIM Bank Award for Business Excellence (EFQM Excellence Model), (2) Rajiv Gandhi National Quality Award (Rajiv Gandhi National Quality Award criteria), (3) IMC Ramkrishna Bajaj National Quality Award (IMC Ramkrishna Bajaj National Quality Award criteria), (4) Golden Peacock National Quality Award (Golden Peacock National Quality Award criteria).

#### INNOVATION MANAGEMENT FRAMEWORK OF MICROSOFT ORGANISATION:

This Innovation Management Framework is tightly aligned with Microsoft's Discrete Industry Reference Architecture for the discrete manufacturing industry. The DIRA framework covers three primary business imperatives that are critical to the growth and profitability of a manufacturing enterprise. These imperatives are:

**Innovate** - Manage cross-boundary innovation and accelerate time-to-market

**Perform** - Deliver operational excellence with reliable business continuity

**Grow** - "Observe & serve" customers globally to drive growth with profitable proximity

To support and enable these three imperatives, DIRA introduces five technology capabilities or "pillars" that help manufacturers layer a collaborative framework on top of existing systems of record, enabling more loosely coupled, people-centric processes to help companies integrate

information from different systems to make better decisions. According to Sanjay Ravi, Managing Director, Worldwide Discrete Manufacturing Industry for Microsoft, "The five core pillars of the DIRA framework empower people within manufacturing organizations with key capabilities required to thrive in a rapidly changing business environment and deliver significant business results across Innovation, Operational Performance, and Growth."

Of course it's important to note that while innovation management is highly applicable to the discrete manufacturing industry, it is equally important to other manufacturers including the process industries and non-manufacturing industries such as service industries. As Simon Floyd, Director of Innovation & Product Lifecycle Management Solutions for Microsoft explains "The innovation process is remarkably similar across industries. For manufacturers they may be innovating on hardware products, for others it may be software or service oriented products, but the process of generating, developing and selecting the best ideas or proposals, is applicable to all." Microsoft recognizes that innovation does have unique characteristics across industries, although the first version of this framework focuses on the similarities and best practices across industries.

### **Microsoft Technologies for Managing Innovation**

Not surprisingly, technology can play a big role in supporting today's innovation strategies. In addition to solutions that companies have become familiar with over the years, there are also a number of newer technologies that are reshaping what is possible in the collaborative aspects of innovation. Fundamental changes in technology have enhanced existing best practices and enabled new approaches and business models to improve innovation.

The use of social media sites, increased use of social computing technologies such as ratings, blogs and wikis, and the ability to get immediate feedback and input from employees, customers and markets allows companies to accelerate innovation. For example, social computing technologies can significantly improve all of the sub-processes in the Innovation Management Framework:

**Envision:** Company leadership can use social techniques to gather input on the strategy and collaborate on the vision.

**Engage:** Crowd sourcing techniques can be used to promote Challenges, gather responses, and collect social feedback on ideas. Discussions, sharing, and general community interactions can be used to progressively refine ideas according to feedback received.

**Evolve:** Social collaboration can be used to develop additional content, socialize concepts to improve them, and share mockups or prototypes to further understand and mature the idea.

**Evaluate:** Initial evaluations can be made by leveraging social metrics such as votes or other social ranking prior to more formal evaluation techniques.

**Execute:** Developing products and executing projects effectively is a team effort. Social techniques can help companies more effectively share information, status, and knowledge during execution to get the most out of the cross-functional team effort.

Improvements and broader adoption of collaborative technologies help companies work across physical, organizational, and business boundaries and enable more revolutionary business models that allow for more rapid and inexpensive market testing. Online, social collaboration also serves as a self-documenting form of innovation, developing a record of the innovation process to help identify, protect, and develop intellectual property. Beyond software technology, new trends in manufacturing such as the rise of the "maker movement" and additive manufacturing (such as 3D printing) have also lowered the threshold to bring innovations to market.

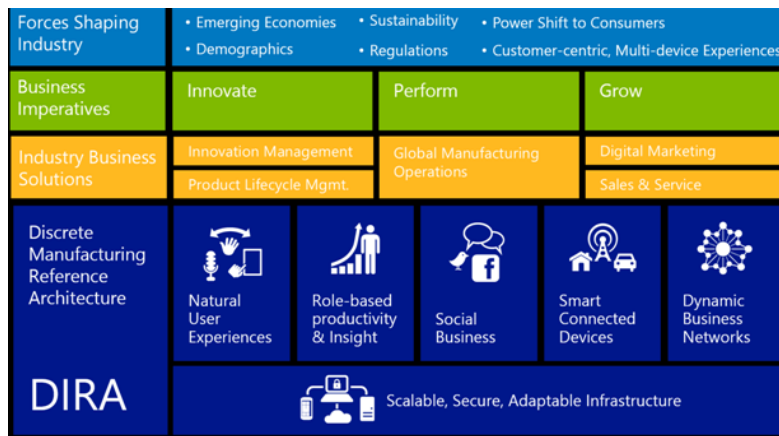


Figure-1: MICROSOFT DIRA FRAMEWORK

## CONCLUSION

There are numerous BEMs used in Asia. Asian countries and member countries of the APO with business excellence awards. The most common model in Asia is the Baldrige CPE (and many of those that now differ from the current Baldrige CPE were based on earlier versions of the Baldrige CPE). Most companies today realize they can't simply cost-cut their way to growth anymore. Now they are turning to innovation & best practices because they have exhausted the value they can achieve through operational efficiency. On the other hand, innovation promises top line growth, higher margins, increased market share and greater market relevance.

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