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Final Report

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PSPI Component, 587.01 General Centers of
Excellence, 'Adapting COE Program Criteria and
Services to Address Private Sector Needs'

**Excellence, Inc. Criteria for Associations
and Business and
Association Accreditation Program**

Final Report
March 12, 2005

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ABSTRACT

This report includes the analysis and recommendations for implementation of the proposed accreditation program for Jordanian business associations. It also presents the initial drafts of three basic documents: 1) Excellence, Inc. Criteria for Associations, 2) Excellence, Inc. Criteria for Businesses, 3) Excellence, Inc.'s Techniques and Services, and some ancillary materials that will be used by the AMIR Program and Excellence, Inc. to move Jordanian government, associations, and business up the improvement scale toward using international best practices and creating cultures of excellence within each organization. The Excellence, Inc. criteria measure the culture of excellence within an organization, while the association accreditation program measures the use of fundamental management principles and techniques, as well as the quality of the outcomes of associations.

ACRONYMS

AAS	Alliance of Allied Societies
ASAE	American Society of Association Executives
COE	Centers of Excellence
EXI	Excellence, Inc.

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EXECUTIVE SUMMARY

The purpose of this report is to present the initial drafts of three basic documents and some ancillary materials that will be used by the experts of Excellence, Inc., a not-for-profit organization established under the Centers of Excellence Program, to move all three sectors (government, associations, and business) up the scale toward using international best practices and creating cultures of excellence within each organization. Two documents, *Criteria for Associations* and *Criteria for Business*, contain five assessment criteria: Leadership, People, Processes, Knowledge Management, and Finances. Each of these five criteria has two key parts: first is a section of self-assessment questions for an EXI client to ask himself; the second is a series of questions that EXI experts will ask during an on-site assessment process. Upon receiving acceptable scores on each of the five criteria, an organization is eligible to receive certification by EXI.

The EXI criteria measure the culture of excellence within an organization, while the association accreditation program developed for the Enhanced Competitiveness Initiative in another report measures the use of fundamental management principles and techniques, as well as the quality of the outcomes of associations. The association criteria certification has an additional feature in that associations who receive certification will also be eligible to be accredited by a US-based association accreditation agency adding additional prestige to the association's culture of excellence.

It was found that EXI has potential to help Jordan improve its government operations over the next five to ten years. Two main recommendations were made. First, EXI staff should meet with the chief staff officers of two or three associations to conduct trial runs using the newly drafted association criteria. Working in tandem with Enhanced Competitiveness Initiative consultant, EXI assessors should go through mock assessments so they can examine all the questions of the criteria draft and make recommendations for needed changes. Second, EXI staff members who serve as assessors should also meet with one or two business owners or managers preferably selected from the EXI board of directors, to have trial runs to validate the newly written business criteria.

1. BACKGROUND

The Government of Jordan, under King Abdullah II, has continued the open economic policies started by the late King Hussein, accelerated Jordan's entry into the global economy, and recently adopted a new, socio-economic plan which, among other things, espouses private-sector led economic development based on private investment. However, a great deal of work remains to be done to assist various important economic-oriented government agencies to move beyond their traditional roles as regulators of industry and commerce, and adopt more proactive roles as facilitators of an enabling environment attractive to investors and enterprises, and as knowledge managers for better informed government and private sector decisions. These new roles need to be consistent with international best practices in excellence in government and accelerated economic development, and imply significant shifts in paradigm that will have to be carefully managed.

During 2002-2004, the Ministry of Industry and Trade, Ministry of Planning, Jordan Institution of Standards and Metrology, Ministry of Information and Communications Technology, Jordan Economic Development Corporation, Telecommunication Regulatory Commission, Security and Depository Commission, and Customs Department collaborated with the AMIR Centers of Excellence (COE) Program to achieve COE status. Much work was done to assess goals, objectives, lines of responsibility, and current and future foci and direction of these partners. All of these institutions engaged in some form of strategic planning with COE program support. Furthermore, all of these institutions formed COE teams of six to eight senior staff members who dedicated their time to achieving substantial and sustainable institutional reform in line with the international best practice standard for government. For these teams to be better informed as to where their institutions stood with respect to the international best practice standards, the COE program worked with individual team members in each of the five COE criteria to carry out a benchmarking self-assessment. These assessments served to guide COE teams as they conceptualized and carried out internal reform initiatives.

COE activities have proven successful at driving reforms in the participating Jordanian government institutions. As institutional reform is a long-term process, the need to provide these institutions services beyond the scheduled end of COE Program technical assistance exists. Additionally, several other Jordanian government institutions (not currently in the COE program) expressed an interest in benefiting from COE Program support. Thus, the need exists to continue supporting current COE Program beneficiaries, expand to meet the needs of other Jordanian institutions, and provide a viable COE Program exit strategy that ensures sustainability of COE Program objectives. To achieve this, an independent, non-profit corporation was established to (i) provide COE Program services to an expanded number of Jordanian government clients (beyond those currently being served by the AMIR COE Program), (ii) operate as a primarily private sector driven public-private partnership, (iii) have a legal mandate and structure that allows for future expansion and service as a champion of excellence for sectors outside of government, and (iv) serve as a viable entity to which the COE Program can transfer service provision before ceasing to exist.

The purpose of this report is to document the activities that were undertaken by this consultancy during July-September 2004 and forward three major documents created during this consultancy (Excellence, Inc. Criteria for Associations; Excellence, Inc. Criteria for Businesses; Excellence, Inc. Techniques and Services). The following is an outline of the activities undertaken as part of this consultancy.

- A. Undertook preliminary research on association accreditation and the legal aspects of certification and accreditation programs proposed for Excellence, Inc.
 - 1. Checked legal aspects of accreditation and certification.
 - 2. Researched Baldrige Award and obtain booklet.
 - 3. Contacted US Chamber accreditation program.
 - 4. Contacted the Michigan Society of Association Executives for accreditation partnership.
 - 5. Researched TQM/ISO 9000.
 - 6. Conducted Internet search for accreditation programs.
 - 7. Searched Internet for Private consulting firms doing accreditation.
 - 8. Checked with National Association of Federated Business for accreditation program.
 - 9. Checked with the American Chamber of Commerce Executives Association for accreditation programs.
 - 10. Studied King Abdullah Awards criteria.
- B. Interviewed AMIR Staff and association executives (See Annex E for list of interviewees).
- C. Wrote Products and Services List for Excellence, Inc. (See Annex B for completed documents).
- D. Wrote Criteria for Associations (See Annex C).
- E. Wrote Criteria for Businesses (See Annex D).
- F. Developed of Certification and Accreditation Program.
- G. Wrote Association Marketing and Accreditation Plan (See Annex F).

2. FINDINGS

- A. The concept of Excellence, Inc. (EXI) is new and there are no examples of similar programs that can be used as models. In searching the Internet and through contacts with organizations, this consultant has determined that the EXI approach is unique and is a pioneering effort in “developing cultures of institutional excellence.”
- B. Programs such as the Baldrige Awards, the TQM/ISO 9000, and other similar programs do not fit the profile for designing the criteria for EXI. These programs may be useful later in the development of EXI. as tools used by the organization, but at the present they are not complementary to the design phase of EXI.
- C. Neither the US Chamber, nor their affiliates CIPE, seem to have interest in participating as strategic partners to certify and accredit Jordanian associations. Though early interest was expressed by the US Chamber’s lower-level staff, later communications indicated that the organization’s management did not recognize the opportunity. The process for developing such an alliance with the Chamber was too cumbersome and costly for EXI. to pursue.
- D. The American Society of Association Executives (ASAE) is a possibility for forming a strategic partnership.
- E. Another opportunity for gaining a US-based strategic partner is to work through the Michigan Society of Association Executives, headed by Cheryl Ronk, and a new cross-state organization named the Alliance of Allied Societies (AAS) in a joint program of certifying and accrediting Jordanian associations.
- F. A back-up plan for creating a new international accrediting entity is under consideration and is a possible another choice for accrediting associations.
- G. After validating the newly-written criteria for associations through a testing procedure, a tailored process for these organizations that participate in the EXI program should be designed and implemented.
- H. Concerning EXI itself, the new board and staff are in the early stages of organizational development. The new staff members are competent professionals; however they have a very steep learning curve to become experts in “moving institutions up to higher level of excellence.” Wisely, the management has decided to concentrate on developing the governmental marketing first, so only brief attention is being paid to associations and businesses in the early stages of market development.

3. CONCLUSIONS & RECOMMENDATIONS

Excellence, Inc. has potential to help Jordan improve its government operations over the next five to ten years. Specifically, EXI:

- has the potential of helping Jordanian associations become stronger public policy advocates for change in the nation's policies in order to eliminate barriers to taking full advantage of the global marketplace.
- can facilitate Jordanian businesses to become more competitive in the global marketplace.
- is on the right track and the new Chief Executive Officer has hired a topnotch staff of experts who have the capability of carrying EXI into success and sustainability.

Based on the above conclusions, the following recommendations are proposed.

- Excellence, Inc. staff should meet with the chief staff officers of two or three associations to conduct trial runs using the newly drafted association criteria. Working in tandem with ECI consultant Cheryl Ronk, EXI assessors should go through mock assessments so they can examine all the questions of the criteria draft and make recommendations for needed changes. These refinements should then be put into the final document update and submitted to PSPI, ECI, and EXI for approval.
- Excellence, Inc. staff members who serve as assessors should also meet with one or two business owners or managers preferably selected from the EXI board of directors, to have trial runs to validate the newly written business criteria.

ANNEX A. STATEMENTS OF WORK

Short Term Consultancy Agreement Scope of Work

Activity Name: 231.1 Implementation of Accreditation Program
SOW Title: Develop Association Accreditation and Marketing Program
Modification No.: Original
SOW Date: May 31, 2004
SOW Status: Draft
Task and Consultant(s):
LOE/F Develop Association Accreditation and Marketing program
LXM Larry Milner

I. Specific Challenges Addressed by this Consultancy

The Government of Jordan, under King Abdullah II, has continued the open economic policies started by the late King Hussein, accelerated Jordan's entry into the global economy, and recently adopted a new, socio-economic plan which, among other things, espouses private-sector led economic development based on private investment. However, a great deal of work remains to be done to assist various important economic-oriented government agencies to move beyond their traditional roles as regulators of industry and commerce, and adopt more proactive roles as facilitators of an enabling environment attractive to investors and enterprises, and as knowledge managers for better informing government and private sector decisions. These new roles need to be consistent with international best practices in excellence in government and accelerated economic development, and imply significant shifts in paradigm that will have to be carefully managed.

The Ministry of Industry and Trade, Ministry of Planning, Jordan Institution of Standards and Metrology, Ministry of Information and Communications Technology, Jordan Economic Development Corporation, Telecommunication Regulatory Commission, Security and Depository Commission, and Customs Department are all working with the AMIR Centers of Excellence (COE) program to achieve Center of Excellence status. Much work has already been done to assess goals, objectives, lines of responsibility and current and future foci and direction of these partners. All of these institutions are currently engaging in some form of strategic planning with COE program support. Furthermore, all of these institutions have formed COE teams of six to eight senior staff members who are dedicating their time to achieving substantial and sustainable institutional reform in line with the international best practice standard for government. For these teams to be better informed as to where their institutions stand with respect to the international best practice standards, the COE program has worked with individual team members in each of the five COE criteria to carry out a benchmarking self-assessment. These assessments will serve to guide COE teams as they conceptualize and carry out internal reform initiatives.

COE activities have proven successful at driving reforms in the participating Jordanian government institutions. As institutional reform is a long term process, the need to provide these institutions services beyond the scheduled end of COE Program technical assistance exists. Additionally, several other Jordanian government institutions (not currently in the COE program) have expressed an interest in benefiting from COE Program support. Thus, the need exists to continue supporting current COE Program beneficiaries, expand to meet the needs of other Jordanian institutions, and provide a viable COE Program exit strategy that ensures sustainability of COE Program objectives. To achieve this, an independent, non-profit corporation (COE NGO) is currently being established that will: (i) provide AMIR COE Program services to an expanded number of Jordanian government clients (beyond those currently being served by the AMIR COE Program); (ii) operate as a primarily private sector driven public-private partnership; (iii) have a legal mandate and structure that allows for future expansion and service as a champion of excellence for sectors outside of government, and;

(iv) serve as a viable entity to which the COE Program can transfer service provision before ceasing to exist.

II. Objective

The objective of this consultancy is to develop and refine the Excellence Inc criterion and process for business associations assessment leading to accreditation and design of associations marketing program for Excellence, Inc.

III. Specific Tasks of the Consultant(s)

Under this Scope of Work, the Consultant(s) shall perform, but not be limited to, the tasks specified under the following categories:

A. Background Reading Related to Understanding the Work and Its Context.

LXM Larry Milner

1. AMIR 2.0 Technical Proposal
2. Diagnostic Assessment 2002, Larry Milner
3. COE NGO Business Plans
4. Draft Memoranda of Association
5. King Abdullah Award of Excellence for private sector companies
6. Documents supporting criteria redevelopment ideas as collected by the COE Program
7. Governance material as appropriate

a) B. Background Interviews Related to Understanding the Work and Its Context

The Consultant shall contact the following individuals in order to fully understand the work specified under this consultancy:

LXM Larry Milner

- Steve Wade, Chief of Party, AMIR 2.0 Program
- Ibrahim Osta, BMI Component Leader
- Jamal Jabiri, Cognizant Technical Officer, USAID
- Randa Muasher, Business Management specialist

C. Tasks Related to Achieving the Consultancy's Objectives

The Consultant(s) shall use his/her education, considerable experience, and additional understanding gleaned from the tasks specified in A. and B. above, In addition to building on previous assignments in Jordan to undertake the following:

The tasks listed herewith:

1. Find US Partner for Association Accreditation Program
2. Research successful accreditation programs

3. Research successful third party marketing plans for associations(Non-dues revenues)'
 4. Develop and refine Excellence Inc criterion from BMI associations diagnostics, process for implementation, in addition to identification of required resources for effective and transparent implementation
 5. Interview association executives and leaders on accreditation concept
 6. Design package for Excellence Inc for accrediting associations
 7. Design association marketing program for Excellence Inc, methodology and tools necessary for implementation, also the resources/competences required for effective operation
 8. Work with CEO of Excellence Inc on Product
 9. Implement first association accreditation program as a pilot program
 10. Implement first association marketing program of Excellent Inc. products to private sector
- Deliverables

LXM Larry Milner

- Reporting on the findings and results of research with recommendations for both Associations accreditation Program and the Marketing Program
- Criteria for accreditation of associations with guide for implementation and reference materials for current best practices. This is to include the process of conducting assessment and evaluation of findings, as well as the structure and resources necessary for effective and transparent implementation
- Marketing program (Strategic and Work plan) designed for associations including mechanisms, tools for implementation and the resources/competences required for responsible personnel
- Report on the methodology used for implementation of the pilot accreditation program and findings. In addition to amended criteria based on pilot trial findings
- Report on the methodology used for implementation of the first Marketing program and amend original based on results of the this first round
- Copies of reference materials used during research and development of both programs
- Power point presentations for both programs at different stages of the project to reflect progress and two final ones at the end

IV. Time frame for the Consultancy.

II. Unless otherwise specified the time frame for this consultancy is specified by the expenditure start and end dates shown in Annex C.

V. LOE for the Consultancy.

The days of level of effort are allocated by location in Annex C.

VI. Consultancy Qualifications

The Consultant(s) shall have the following minimum requirements:

LXM Larry Milner

1. Educational Qualifications

- University degree

2. Work Experience Qualifications

- Ten years of experience in corporate governance issues. Experience sitting on one or more corporate and/or non-profit boards.

Scope of Work Level of Effort Allocation

Project Action: Implementation of Accreditation Program

Scope of Work: Develop Association Accreditation and Marketing Program

Contracting Firm/Consultant: Chemonics/Larry Milner

Expenditure Start Date: June 10, 2004

Expenditure End Date: Sept. 30, 2004

LOE Allocation

Name of Consultant	Start Date	US	Field	3 rd Country	Travel	Total LOE
Larry Milner	<u>11-June-2004</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	28-June-2004	4	0	0	0	4
	2-July- 2004	0	40	0	2	42
	Total					47

Short Term Consultancy Agreement Scope of Work

Activity Name: 587.01 General Centers of Excellence
SOW Title: LOE/F Adapting COE Program Criteria and Services to Address Private Sector Needs
Modification No.: Original
SOW Date: June 9, 2004
SOW Status: Final
Task and Consultant(s):
LOE/F Adapting COE Program Criteria and Services to Address Private Sector Needs

LXM Larry Milner

I. Specific Challenges Addressed by this Consultancy

The Government of Jordan, under King Abdullah II, has continued the open economic policies started by the late King Hussein, accelerated Jordan's entry into the global economy, and recently adopted a new, socio-economic plan which, among other things, espouses private-sector led economic development based on private investment. However, a great deal of work remains to be done to assist various important economic-oriented government agencies to move beyond their traditional roles as regulators of industry and commerce, and adopt more proactive roles as facilitators of an enabling environment attractive to investors and enterprises, and as knowledge managers for better informing government and private sector decisions. These new roles need to be consistent with international best practices in excellence in government and accelerated economic development, and imply significant shifts in paradigm that will have to be carefully managed.

The Ministry of Industry and Trade, Ministry of Planning, Jordan Institution of Standards and Metrology, Ministry of Information and Communications Technology, Jordan Economic Development Corporation, Telecommunication Regulatory Commission, Security and Depository Commission, and Customs Department are all working with the AMIR Centers of Excellence (COE) program to achieve Center of Excellence status. Much work has already been done to assess goals, objectives, lines of responsibility and current and future foci and direction of these partners. All of these institutions are currently engaging in some form of strategic planning with COE program support. Furthermore, all of these institutions have formed COE teams of six to eight senior staff members who are dedicating their time to achieving substantial and sustainable institutional reform in line with the international best practice standard for government. For these teams to be better informed as to where their institutions stand with respect to the international best practice standards, the COE program has worked with individual team members in each of the five COE criteria to carry out a benchmarking self-assessment. These assessments will serve to guide COE teams as they conceptualize and carry out internal reform initiatives.

COE activities have proven successful at driving reforms in the participating Jordanian government institutions. As institutional reform is a long term process, the need to provide these institutions services beyond the scheduled end of COE Program technical assistance exists. Additionally, several other Jordanian government institutions (not currently in the COE program) have expressed an interest in benefiting from COE Program support. Thus, the need exists to continue supporting current COE Program beneficiaries, expand to meet the needs of other Jordanian institutions, and provide a viable COE Program exit strategy that ensures sustainability of COE Program objectives. To achieve this, an independent, non-profit corporation (COE NGO) is currently being established that will: (i) provide AMIR COE Program services to an expanded number of Jordanian government clients (beyond those currently being served by the AMIR COE Program); (ii) operate as a primarily private sector driven public-private partnership; (iii) have a legal mandate and structure that allows

for future expansion and service as a champion of excellence for sectors outside of government, and;
(iv) serve as a viable entity to which the COE Program can transfer service provision before ceasing to exist.

II. Objective

The objective of this consultancy is to develop and refine the Excellence, Inc. criteria, services, and product to meet the needs of Jordanian private sector companies.

III. Specific Tasks of the Consultant(s)

Under this Scope of Work, the Consultant(s) shall perform, but not be limited to, the tasks specified under the following categories:

A. Background Reading Related to Understanding the Work and Its Context.

LXM Larry Milner

8. AMIR 2.0 Technical Proposal
9. Diagnostic Assessment 2002, Larry Milner
10. Excellence Inc Business Plan
11. Draft Memoranda of Association
12. King Abdullah Award of Excellence for private sector companies
13. Documents supporting criteria redevelopment ideas as collected by the COE Program
14. Private sector best practice material as appropriate
15. Criteria used by other assessment programs such as the Baldrige Award, European Foundation for Quality Management (EFQM) assessments, and the King Abdullah Private Sector Award

a) B. Background Interviews Related to Understanding the Work and Its Context

The Consultant shall contact the following individuals in order to fully understand the work specified under this consultancy:

LXM Larry Milner

- Steve Wade, Chief of Party, AMIR 2.0 Program
- Ibrahim Osta, BMI Component Leader
- Jamal Jabiri, Cognizant Technical Officer, USAID
- Andrew Kaiser, COE Program Co-Manager
- Hatem Tieby, COE Program Co-Manager
- Majd Abbassi, CEO, Excellence, Inc.
- David Hold, Director, JUSBP
- Greta Boye, PSPI Component Leader

C. Tasks Related to Achieving the Consultancy's Objectives

The Consultant(s) shall use his/her education, considerable experience, and additional understanding gleaned from the tasks specified in A. and B. above, In addition to building on previous assignments in Jordan to undertake the following:

The tasks listed herewith:

1. Research successful private sector assessment and institutional strengthening programs
 2. Revise Excellence Inc government and business association criterion to suit the needs of private sector companies.
 3. Interview private sector executives and leaders, including select Excellence, Inc. shareholders, to get their feedback on how COE services could support the private sector
 4. Design package of appropriate private-sector support services, particularly in the area of how the private sector influences public sector decision making
 5. Design private sector marketing program for Excellence Inc, methodology and tools necessary for implementation, and the resources/competences required for effective operation
 6. Work with CEO and Marketing Director of Excellence Inc on private sector service Development, Sales
- Deliverables

LXM Larry Milner

- Private sector assessment tool and methodology for use by Excellence, Inc.
- Excellence, Inc. marketing program for private sector companies
- Private sector assessment guidelines, methodology, scoring parameters. This is to include the process of conducting assessment and evaluation of findings, as well as the structure and resources necessary for effective and transparent implementation
- Marketing program (Strategic and Work plan) designed for private sector companies, including mechanisms, tools for implementation and the resources/competences required for responsible personnel
- Copies of reference materials used during research and development of deliverables

IV. Time frame for the Consultancy.

IV. Unless otherwise specified the time frame for this consultancy is specified by the expenditure start and end dates shown in Annex C.

V. LOE for the Consultancy.

The days of level of effort are allocated by location in Annex C.

VI. Consultancy Qualifications

The Consultant(s) shall have the following minimum requirements:

LXM Larry Milner

1. Educational Qualifications

- University degree

2. Work Experience Qualifications

- Ten years of experience in private sector management, assessment, or governance issues

Short Term Consultancy Agreement Scope of Work

Activity Name: 231.1 Implementation of Accreditation Program
SOW Title: Develop Association Accreditation and Marketing Program
Modification No.: 1
SOW Date: May 31, 2004
SOW Status: Draft
Task and Consultant(s):
LOE/F Develop Association Accreditation and Marketing program
LXM Larry Milner

I. Specific Challenges Addressed by this Consultancy

The Government of Jordan, under King Abdullah II, has continued the open economic policies started by the late King Hussein, accelerated Jordan's entry into the global economy, and recently adopted a new, socio-economic plan which, among other things, espouses private-sector led economic development based on private investment. However, a great deal of work remains to be done to assist various important economic-oriented government agencies to move beyond their traditional roles as regulators of industry and commerce, and adopt more proactive roles as facilitators of an enabling environment attractive to investors and enterprises, and as knowledge managers for better informing government and private sector decisions. These new roles need to be consistent with international best practices in excellence in government and accelerated economic development, and imply significant shifts in paradigm that will have to be carefully managed.

The Ministry of Industry and Trade, Ministry of Planning, Jordan Institution of Standards and Metrology, Ministry of Information and Communications Technology, Jordan Economic Development Corporation, Telecommunication Regulatory Commission, Security and Depository Commission, and Customs Department are all working with the AMIR Centers of Excellence (COE) program to achieve Center of Excellence status. Much work has already been done to assess goals, objectives, lines of responsibility and current and future foci and direction of these partners. All of these institutions are currently engaging in some form of strategic planning with COE program support. Furthermore, all of these institutions have formed COE teams of six to eight senior staff members who are dedicating their time to achieving substantial and sustainable institutional reform in line with the international best practice standard for government. For these teams to be better informed as to where their institutions stand with respect to the international best practice standards, the COE program has worked with individual team members in each of the five COE criteria to carry out a benchmarking self-assessment. These assessments will serve to guide COE teams as they conceptualize and carry out internal reform initiatives.

COE activities have proven successful at driving reforms in the participating Jordanian government institutions. As institutional reform is a long term process, the need to provide these institutions services beyond the scheduled end of COE Program technical assistance exists. Additionally, several other Jordanian government institutions (not currently in the COE program) have expressed an interest in benefiting from COE Program support. Thus, the need exists to continue supporting current COE Program beneficiaries, expand to meet the needs of other Jordanian institutions, and provide a viable COE Program exit strategy that ensures sustainability of COE Program objectives. To achieve this, an independent, non-profit corporation (COE NGO) is currently being established that will: (i) provide AMIR COE Program services to an expanded number of Jordanian government clients (beyond those currently being served by the AMIR COE Program); (ii) operate as a primarily private sector driven public-private partnership; (iii) have a legal mandate and structure that allows for future expansion and service as a champion of excellence for sectors outside of government, and; (iv) serve as a viable entity to which the COE Program can transfer service provision before ceasing to exist.

II. Objective

The objective of this consultancy is to develop and refine the Excellence Inc criterion and process for business associations assessment leading to accreditation and design of associations marketing program for Excellence, Inc.

III. Specific Tasks of the Consultant(s)

Under this Scope of Work, the Consultant(s) shall perform, but not be limited to, the tasks specified under the following categories:

A. Background Reading Related to Understanding the Work and Its Context.

LXM Larry Milner

16. AMIR 2.0 Technical Proposal
17. Diagnostic Assessment 2002, Larry Milner
18. COE NGO Business Plans
19. Draft Memoranda of Association
20. King Abdullah Award of Excellence for private sector companies
21. Documents supporting criteria redevelopment ideas as collected by the COE Program
22. Governance material as appropriate

B. Background Interviews Related to Understanding the Work and Its Context

The Consultant shall contact the following individuals in order to fully understand the work specified under this consultancy:

LXM Larry Milner

- Steve Wade, Chief of Party, AMIR 2.0 Program
- Ibrahim Osta, BMI Component Leader
- Jamal Jabiri, Cognizant Technical Officer, USAID
- Randa Muasher, Business Management specialist

C. Tasks Related to Achieving the Consultancy's Objectives

The Consultant(s) shall use his/her education, considerable experience, and additional understanding gleaned from the tasks specified in A. and B. above, In addition to building on previous assignments in Jordan to undertake the following:

The tasks listed herewith:

1. Find US Partner for Association Accreditation Program
2. Research successful accreditation programs and international criteria in USA and at International Arena (Best Practices)
3. Research successful third party marketing plans for associations(Non-dues revenues)'
4. Develop and refine Excellence Inc criterion (for the certification of business associations) from BMI associations diagnostics, process for implementation, in addition to identification of required resources for effective and transparent implementation

5. Develop business associations accreditation criteria to be used by the identified accreditation body
 6. Interview association executives and leaders on accreditation concept
 7. Design and develop the accreditation program of business associations, including but not limited to structure of accrediting body, resources required for effective operation and line of authority ensuring transparency and avoiding conflict of interest situation
 8. Develop the framework and mechanism/process for implementing the accreditation program of business associations
 9. Design association marketing program for Excellence Inc, methodology and tools necessary for implementation, also the resources/competences required for effective operation
- Deliverables

LXM Larry Milner

- Reporting on the findings and results of research with recommendations for both Associations accreditation Program and the Marketing Program
- Criteria for accreditation of associations with guide for implementation (in form of comprehensive mechanism/process and reference materials for current best practices. This is to include the process of conducting assessment and evaluation of findings, as well as the structure and resources necessary for effective and transparent implementation
- Marketing program (Strategic and Work plan) designed for associations including mechanisms, tools for implementation and the resources/competences required for responsible personnel
- Report on the methodology to be used for implementation of the accreditation program and assessment of findings. In addition to amended criteria based on pilot trial findings
- Copies of reference materials used during research and development of both the certification and accreditation programs
- Power point presentations for programs at different stages of the project to reflect progress and two final ones at the end.

IV. Time frame for the Consultancy.

V. Unless otherwise specified the time frame for this consultancy is specified by the expenditure start and end dates shown in Annex C.

V. LOE for the Consultancy.

The days of level of effort are allocated by location in Annex C.

VI. Consultancy Qualifications

The Consultant(s) shall have the following minimum requirements:

LXM Larry Milner

1. Educational Qualifications

- University degree

2. Work Experience Qualifications

- Ten years of experience in corporate governance issues. Experience sitting on one or more corporate and/or non-profit boards.

Scope of Work Level of Effort Allocation

Project Action: Implementation of Accreditation Program

Scope of Work: Develop Association Accreditation and Marketing Program

Contracting Firm/Consultant: Chemonics/Larry Milner

Expenditure Start Date: June 10, 2004

Expenditure End Date: Sept. 30, 2004

LOE Allocation

Name of Consultant	Start Date	US	Field	3rd Country	Travel	Total LOE
Larry Milner	<u>11-June-2004</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
	28-June-2004	14	0	0	0	14
	2-July- 2004	0	40	0	3	43
	Total					58

ANNEX B. LIST OF INTERVIEWS CONDUCTED

1. Steve Wade, AMIR
2. Greta Boye, AMIR
3. Ibrahim Osta, AMIR
4. Randa Muasher, AMIR
5. Hatem Tieby, AMIR
6. Andrew Kaiser, Consultant
7. Majd Abbassi, Excellence, Inc.
8. Jim Barnhart, USAID
9. Jamal Jabiri, Cognizant Technical Officer, USAID
10. Samar Asfour, Amman World Trade Center
11. Halim Abu-Rahmeh, Jordan Export Association
12. Hanan Sboul, Jordan Association of Manufacturers of Pharmaceuticals

**ANNEX C. TECHNIQUES AND SERVICES DESCRIPTION OF EXCELLENCE,
INC.**



We can help you create a culture of institutional excellence within your business by using our Transformation Techniques

Overcoming Difficulties

Moving up to excellence is always difficult, so our experts will guide you through the tricky parts.

Our *Change Guidance Experts* assist businesses like yours through a process of designing, implementing, and monitoring improvements. Using our EXCELLENCE, INC.'S *Five Assessment Criteria* in the management disciplines of Leadership, Resource Management, Material Resources, Results, and Finances, we will work with you and your employees to assess your firm's opportunities to enhance excellence. Fundamental to success is the creation of an *Excellence Team* within your firm consisting of your employees who are guided by our specialists. Your *Excellence Team* will identify priorities for needed changes and our experts will help you manage institutional transformation to achieve the results you want.

Strategic Planning

Create your own future by having our professionals assist in institutionalizing your plan.

Strategic thinking and the resultant plan focuses on institutionalizing the process through which your firm creates, monitors, and update customer-centered and results-based strategic plans that embrace *Specific, Measurable, Achievable, Resource-backed, and Time-bound (SMART)* goals. Our services also include assisting your business to create an effective, qualitative and quantitative monitoring and evaluation system.

Best Practices

Install the world's best business practices by using our Benchmark Analyses.

We will carry out *Benchmarking Analyses* in our *Five Assessment Criteria*. These analyses identify gaps for achieving international certifications. Carried out by our *Expert Assessors* by partnering with your *Excellence Team* and our allied certifying agencies, these analyses serve several purposes by: 1) gauging your firm against international best practices; 2) identifying your strengths and weaknesses in specific management areas; 3) transferring a heightened understanding of the three pillars of international best practice for business — customer-centered, socially responsive, and results-oriented; and 4) leading your firm through the certification process for specific management advances.

Collaboration

Stop re-inventing the wheel by working with our specialists to form new ideas with your strategic partners.

Common Interest Forums bringing together *Excellence Teams* from other businesses on a regular basis to discuss performance improvement ideas. These forums 1) provide an arena for the cross fertilization of concepts from other firms; 2) identify shared opportunities and constraints; 3) prioritize common business needs; 4) provide support for change implementation; 5) serve as a learning environment for best practices in business; and 6) provide feedback so you can improve your operations.

Joint Ventures

Work with other Jordanian business executives to gain mutual benefits.

A major result of our *Common Interest Forums* will be identifying shared challenges among participating businesses. Once identified, EXCELLENCE, INC. will assist multiple clients resolve their problems and take advantage of their opportunities by contracting for joint technical assistance. This common approach leverages valuable technical assistance and funding.

Management Solutions

Have the answers to many of your perplexing management problems at your finger tips.

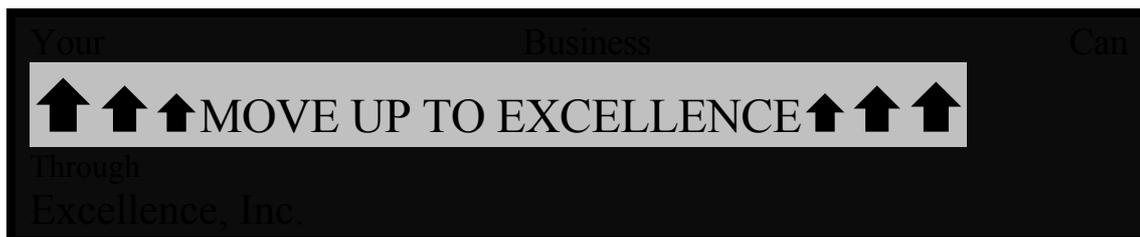
Excellence, Inc. Criteria for Associations and Business and Association Accreditation Program

EXCELLENCE, INC. has built and maintains a *Tool Kit* of strategies, best practices, case studies, checklists, and training materials to support your *Excellence Team* in driving internal improvements.



Tap into the best ideas and solutions by clicking on our Icon.

We at EXCELLENCE, INC. will facilitate information exchange by your participating in our on-line discussion groups. Our Interactive *EXI Web Site* will provide answers to your questions by our experts. The *EXI Web Site* will also teach the fundamentals and applications of e-business.



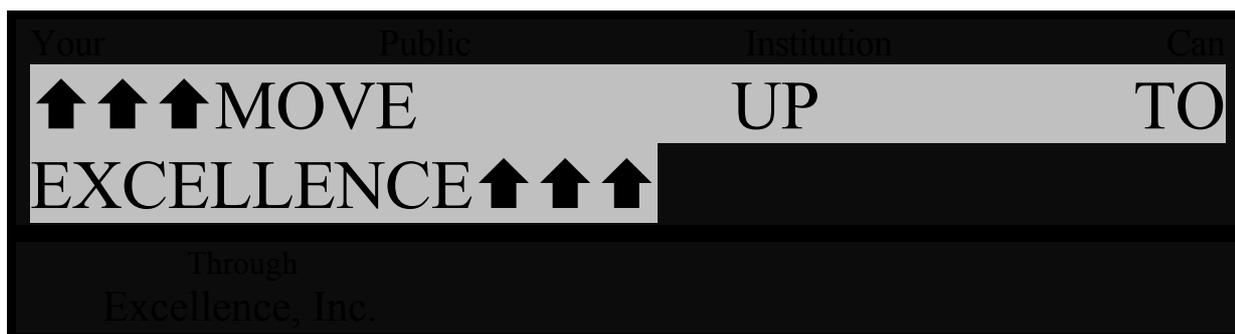
We can help you create a better business climate for your firm
by using our
Transformation Services

Help your business by having us rally your customers, allies and suppliers to advocate policy changes that lower unwanted government barriers.

We at EXCELLENCE, INC. will help identify and research government policies in areas you specify and will serve as a *Public Policy Broker* using effective strategies and tools for advocating change and improvements. We will access government regulators to provide direct windows into specific government processes and operations. With EXCELLENCE, INC.'s management to ensure that private sector requests for policy changes are within acceptable bounds, we can serve as a valuable means for businesses to reduce or eliminate government-caused barriers to your firm and your customers.

Tackle your market opportunities and your production problems by having us rally your allies and strategic partners.

Through our *Target Task Forces* built around opportunities and constraints identified in the *Common Interest Forums*, EXCELLENCE, INC. will solicit funding to implement initiatives that are valuable to all of the Jordanian private sector. To work effectively, task forces must be managed to ensure results, so coordinating multiple businesses and their allies to accomplish shared goals is a service that EXCELLENCE, INC. offers.



We can help you create a culture of institutional excellence within your government organization by using our Transformation Techniques

Moving board up to excellence is always difficult, so our experts will guide your public employees through the tricky parts.

Our Change Guidance Experts assist your ministry, department, agency, commission, or government regulatory body like yours through a process of designing, implementing, and monitoring improvements. Using our EXCELLENCE, INC.'S *Five Assessment Criteria* in the management disciplines of Leadership, Human Resource Capital, Processes, Knowledge, and Finances, we will work with you and your employees to assess your institution's opportunities to enhance excellence. Fundamental to success is the creation of an *Excellence Team* within your organization consisting of your employees who are guided by our specialists. Your *Excellence Team* will identify priorities for needed changes and our experts will help you manage institutional transformation to achieve the results you want.

Create your own future by having our professionals assist in institutionalizing your plan.

Strategic thinking and the resultant plan focuses on institutionalizing the process through which your organization creates, monitors, and update citizen-centered, results-based, and transparent strategic plans that embrace *Specific, Measurable, Achievable, Resource-backed, and Time-bound (SMART)* goals. Our services also include assisting your people to create an effective, qualitative and quantitative monitoring and evaluation system.

Install the world's best public-sector practices by using our Benchmark Analyses.

We will carry out *Benchmarking Analyses* in our *Five Assessment Criteria*. These analyses identify gaps for achieving institutional transformation. Carried out by our *Expert Assessors* by partnering with your *Excellence Team*, these analyses serve several purposes by: 1) gauging your organization against international best practices; 2) identifying your strengths and weaknesses in specific management areas; 3) transferring a heightened understanding of the three pillars of international best practice for government bodies — citizen-centered, results-based, and transparent; and 4) leading your organization through the certification process for specific management advances.

Stop re-inventing the wheel by working with our specialists to form new ideas with your allied agencies.

Common Interest Forums bringing together *Excellence Teams* from other government institutions on a regular basis to discuss performance improvement ideas. These forums 1) provide an arena for the cross fertilization of concepts from other groups; 2) identify shared opportunities and constraints; 3) prioritize common institutional needs; 4) provide support for change implementation; 5) serve as a learning environment for best practices in government; and 6) provide feedback so you can improve your operations.

Work with other Jordanian government executives to gain mutual benefits.

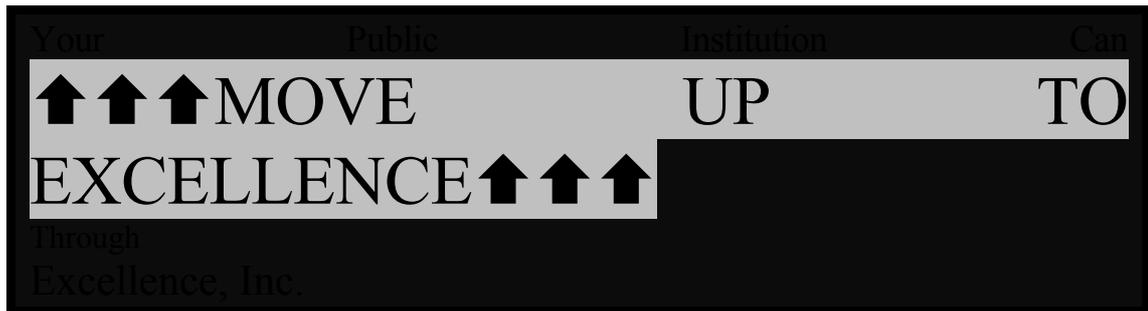
A major result of our *Common Interest Forums* will be identifying shared challenges among participating government bodies. Once identified, EXCELLENCE, INC. will assist multiple government institutional clients resolve their problems and take advantage of their opportunities by contracting for joint technical assistance. This common approach leverages valuable technical assistance and funding for improvement.

Have the answers to many of your perplexing management problems at your finger tips.

EXCELLENCE, INC. has built and maintains a *Tool Kit* of strategies, best practices, case studies, checklists, and training materials to support your *Excellence Team* in driving internal improvements.

Tap into the best ideas and solutions by clicking on our Icon.

We at EXCELLENCE, INC. will facilitate information exchange by your employees participating in our on-line discussion groups. Our Interactive *EXI Web Site* will provide answers to your questions by our experts. The *EXI Web Site* will also teach the fundamentals and applications of e-government.



We can help you create a culture of institutional excellence within your government organization by using our Transformation Services

[Redacted]

Help your government institution by having us rally your constituent and allies to advocate policy changes that lower unwanted barriers.

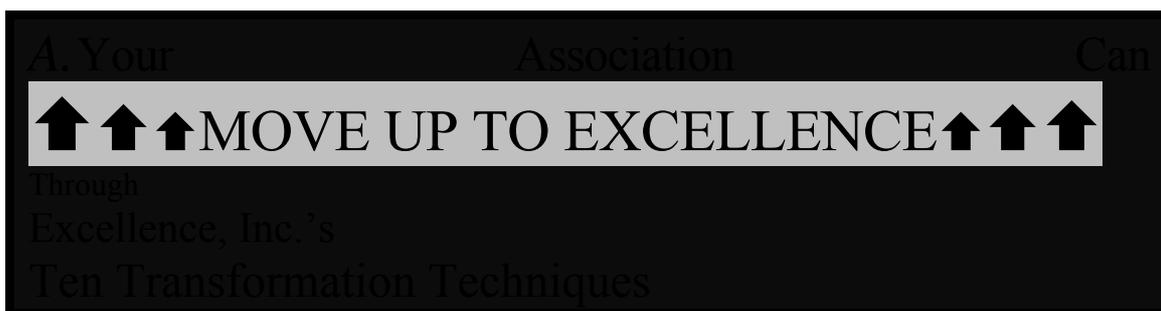
We at EXCELLENCE, INC. will help identify and research public policies in areas you specify and will serve as a *Public Policy Broker* using effective strategies and tools for advocating change and improvements. We will access key decision makers to provide direct windows into specific policy processes. With EXCELLENCE, INC.'s management to ensure that public sector requests for policy changes are within acceptable bounds, we can serve as a valuable means for your organization to reduce or eliminate barriers to your citizen constituencies.

[Redacted]

Tackle your opportunities and your problems by having us rally your allies and strategic partners.

Through our *Target Task Forces* that are built around opportunities and constraints identified in the *Common Interest Forums*, EXCELLENCE, INC. will solicit funding to implement initiatives that are valuable to all of the Jordanian public sector. To work effectively, task forces must be managed to ensure results, so coordinating multiple agencies and their allies to accomplish shared goals is a service that EXCELLENCE, INC. offers.

[Redacted]



Our experts at Excellence, Inc. help you create a culture of institutional excellence within your association.

Moving your association up to excellence is always difficult, so our experts will guide you and your leaders through the tricky parts.

Our *Change Guidance Specialists* from EXCELLENCE, INC. assist associations like yours through the entire process of designing, implementing, and monitoring internal improvement. Fundamental to these activities is the creation of an *Excellence Team* at your institution. An *Excellence Team* consists of six of your members and employees who dedicate a portion of their time to drive the transformation to excellence. *Excellence Team* members are responsible for leading our certification process for specific management advances and for spearheading internal and external communications of improvement efforts. Our EXCELLENCE, INC. experts will work directly with your association's team through the ongoing process of managing institutional transformation. As a bonus, EXCELLENCE, INC. will help you obtain accreditation from the US Chamber of Commerce.

Create your own future by having our professionals design your plan.

Strategic thinking and the resultant plan focuses on institutionalizing the process through which your organization creates, monitors, and update member-centered, results-based, transparent strategic plans that embrace *Specific, Measurable, Achievable, Resource-backed, and Time-bound (SMART)* goals. Our services also include assisting your association to create an effective, qualitative and quantitative monitoring and evaluation system.

Install the world's best practices for associations by using our benchmark assessments.

We will carry out on-demand benchmarking assessments in each of our five association improvement criteria. Benchmarking assessments serve as a valuable gap analysis for institutions seeking to achieve excellence. These assessments are carried out by EXCELLENCE, INC.'s expert assessors together with a member of your *Excellence Team*. Serving several purposes, our assessments including: 1) gauging your association against international best practices; 2) identifying your strengths and weaknesses in specific management areas; 3) training your team on what our assessors are looking for and why; and 4) transferring a heightened understanding of the three pillars of international best practice for associations — member-centered, results-based and transparent plans.

Stop your members and staff from re-inventing the wheel by working with our specialists to form new ideas and more effective solutions with your allies and strategic partners.

Formation Forums bringing together *Excellence Teams* from other associations on a regular basis. These forums 1) provide an arena for the cross fertilization of ideas from other associations; 2) identify shared opportunities and constraints; 3) conceptualize, categorize, and prioritize common institutional strengthening needs; 4) agree on desired shared technical assistance; 5) provide support for change implementation; 6) serve as a learning environment for association best practices; and 7) provide feedback for your decision makers for improving your association.

Have the answers to many of your perplexing membership troubles at your finger tips.

Excellence, Inc. Criteria for Associations and Business and Association Accreditation Program

EXCELLENCE, INC. has built and maintains a *Tool Kit* of strategies, best practices, case studies, and training materials to support your *Excellence Team* in driving internal improvements.

Tap into the best ideas in the association field by clicking on our Icon.

We at EXCELLENCE, INC. will facilitate information exchange and ongoing participation in select initiatives through on-line working groups. An interactive *EXI Web Site* housing association transformation tools and chat groups will facilitate ongoing discussions. The *EXI Web Site* will also serve as a valuable means through which to teach the fundamentals and applications of e-associations.

Gain the recognition your association deserves by being more effective.

For your association to remain competitive, your King Abdullah Awards application requires regular revision. As a service, EXCELLENCE, INC. will offer *King Abdullah Award and Criteria* to the participants in \King Abdullah Awards for associations.

Help your association by having us rally your members and allies to advocate public policy changes needed by your sector.

We at EXCELLENCE, INC. will build effective consistencies to scrutinize micro and macro level government policies in areas specified by our clients. While we will not directly conduct advocacy on behalf of your association, we will serve as a *Public Policy Broker* by supporting your constituencies with strategies and tools for effective advocacy.

Find better ways to lower unwanted government barriers for your association's members.

We at EXCELLENCE, INC., through *Progress Advocacy*, will access government administrators to provide direct windows into specific government processes and operations. With EXCELLENCE, INC.'s management to ensure that private sector requests for these services are within acceptable bounds, we can serve as a valuable means for associations to reduce or eliminate government-caused barriers to your members.

Tackle your association's opportunities and problems by having us rally your allies.

Through our *Target Task Forces* built around opportunities and constraints identified in the *Formation Forums*, EXCELLENCE, INC. will solicit funding to implement initiatives that are valuable to all associations. To work effectively, task forces must be managed to ensure rapid results, so coordinating multiple associations and their allies to accomplish shared goals is a service that EXCELLENCE, INC. offers.

ANNEX D. ASSOCIATION CRITERIA FOR EXCELLENCE, INC.

Definitions for the Excellence, Inc. Association Criteria

Definitions	<p>Business, professional and philanthropic associations bring together like-minded people with shared aspirations who volunteer their time, talent, and money to strive for a common vision of the future. Their leaders attempt to create their vision by designing agreed-upon missions to accomplish sets of strategic objectives. With the assistance of paid professional employees, these dues-paying members and/or volunteer workers of these non-governmental organizations realize their objectives by carrying out activities through democratically elected policy boards and working committees and by interacting with other groups within the civil society or within particular market sectors. The purposes of their actions are to take advantage of mutual opportunities or to solve common problems.</p> <p>Business associations include organizations with members in the industrial, trade, technology, financial, service, and retail sectors that are dedicated to improving the nation's business climate, thereby assisting their members grow and prosper.</p> <p>Professional associations, often called societies, include organizations whose members have professional certifications, i.e. medical doctors, lawyers, engineers, etc., and are dedicated to improving the individual members' skills, knowledge, and technology.</p> <p>Philanthropic associations, often called non-governmental organization (NGOs), include charitable, educational, community development, health, and similar groups whose strategic objectives are carried out by volunteer workers and paid staff.</p> <p>Dues-paying members refer to interested individuals who invest their money in an association and serve also as unpaid personnel. Often these members willingly help achieve the strategic objectives of the organization, investing their time, talent, and money by serving on boards and committees and working on programs, projects and events.</p> <p>Volunteer workers refer to interested individuals who are unpaid personnel who willingly help achieve the strategic objectives of the organization by serving on boards and committees and working on humanitarian programs, projects and events.</p> <p>Board of directors refers to a group of members who are democratically elected by the general assembly of the association's membership. These directors have the leadership, the oversight, and the fiduciary responsibilities for the conduct of the association's performance. Decisions are made by the rule of law and a majority vote as established by the bylaws of the association.</p> <p>The chief elected volunteer officer, usually given the title of Chairman of the Board or sometimes President, is democratically elected by the general assembly of the membership or by the board of directors and serves as moderator for board meetings.</p> <p>The chief staff officer (CSO) usually has one of the following titles: president, executive director, general manager, executive vice president, or similar titles. The CSO is the top-paid executive officer hired by the board and is in charge of maintaining the organization's philosophy and administering the policies and programs established by majority vote of the board of directors and by the general assembly of the membership. With an employment contract approved by board, the CSO serves at the pleasure of the board and acts as an equal partner with the chief elected volunteer in recommending policy and administering programs of the association.</p> <p>The staff refers to paid employees of the association who are hired, supervised, and assigned exclusively by the CSO to help the volunteers achieve the organization's strategic objectives that are created and approved by the board and the membership.</p>
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A. Purpose of Association Leadership Criterion and Sub-Criteria

Criterion: Association Leadership

Purpose	<p>This criterion examines the association leadership’s ability to mobilize resources and successfully contribute to member-centered, results-oriented goals. It assesses the extent to which the association has:</p> <ul style="list-style-type: none"> • developed a logical, realistic strategy to guide actions and maximize contribution to the association’s goals; • created and maintained a democratic culture that supports good governance and the full utilization of the association’s resources; and • developed and implemented a system for monitoring and evaluating associational performance, collaboration with other associations, and risks.
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Sub-Criterion 1: Strategic Planning

Purpose	<p>This sub-criterion examines the association’s strategic planning process, including its vision, mission, and strategic objectives. It assesses to what extent the association’s vision and mission act as effective guides for the association’s policies and actions. It assesses the effectiveness of the design, review, implementation, and utilization of the strategic plan. It also assesses whether the leadership has correctly identified the strategic objectives of the association’s membership to which it contributes, and to what extent the vision, mission, and strategic plan are in line with these strategic objectives.</p>
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Sub-Criterion 2: Democratic and Supportive Culture

Purpose	<p>This sub-criterion examines the association’s democratic culture. It assesses the leadership’s effectiveness in setting and reinforcing suitable core values for the association and empowering the staff to achieve their potential in order enhance the association’s ability to achieve its mission and strategic objectives.</p>
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Sub-Criterion 3: Monitoring and Evaluation

Purpose	<p>This sub-criterion examines the association’s system for monitoring and evaluating its performance and contribution to the strategic objectives of the association’s membership. It assesses how effectively the association reviews and evaluates its performance, identifies opportunities and areas of improvement, makes decisions, and follows through on these decisions to enhance the association’s ability to help its membership. It assesses how effectively it collaborates with other associations to coordinate outputs to achieve these common goals. It also assesses how effectively the association manages major threats.</p>
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B. Association Leadership Assessment Factors

B1. Sub-Criterion 1: Strategic Planning

Factor 1: Vision and Mission

Purpose	Defining why the association exists helps its staff employees and members understand how their own individual and team roles contribute to achieving output targets and member-centered, results-oriented objective. The vision acts as a compass to guide the association, offering a clear, succinct expression of what an association wants to become. The mission statement identifies the association's essential purpose (i.e. key roles and responsibilities) and outlines how it intends to fulfill this purpose.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Is the association a mini-democracy? 2. Does the association have a written vision statement? 3. Is the vision well-conceived and clearly written? 4. Does the vision statement outline standards of excellence that contribute to achieving the association's strategic objectives in a member-centered, results-focused, and transparent manner? 5. Was the association's vision decided upon in a systematic and democratic way and with wide member and staff participation and agreement? 6. Does the association's professional management embrace and support this vision? 7. Does the chairman of the board or the chief elected volunteer embrace and support this vision? 8. Has the vision been published and made available to the association's key stakeholders? 9. Can the association demonstrate that key stakeholders support the vision? 10. Can the association cite specific examples of how the vision statement helps in making particular decisions, initiatives, or actions? 11. Does the association have a written mission statement? 12. Does the mission statement accurately define why the association exists? 13. Does the mission statement outline broadly how the association intends to fulfill its role and purpose? 14. Is the mission statement consistent with both the association's vision of excellence and its strategic objectives? 15. Was the association's mission decided upon systematically and with wide member and staff participation and agreement? 16. Does the professional management embrace and support the mission? 17. Has the mission statement been published and made available to its key stakeholders? 18. Can the association demonstrate that key stakeholders support the mission? 19. Can the association cite specific examples of how the mission helps in making key decisions? 				

Factor 2: Strategy

Purpose	A well-developed strategic plan helps the association achieve specific, measurable targets and assists in outlining the actions and timeframe for accomplishing them.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the association have a written strategic plan?				
2. Does the strategic plan incorporate underlying objectives that clearly link the association's outputs to the members' goals?				
3. Has the association prioritized these objectives in a manner that is consistent with the vision and mission?				
4. Does the association's strategic plan include specific, measurable output performance targets and a specific timeframe for accomplishing them?				
5. Does the association use the strategic plan as a guide when allocating resources, delegating responsibilities, and creating detailed work plans to produce the targeted outputs?				
6. Does the strategic plan have clear objectives with detailed action plans?				
7. Is the strategic plan the result of consultation with the association's staff?				
8. Is this strategic plan supported by the professional management?				
9. Is this strategic plan embraced and supported by the chief elected volunteer officer?				
10. Has the association's strategic plan been published and made widely available to its key stakeholders?				
11. Can the association demonstrate that key stakeholders support the strategic plan?				
12. Is the strategic plan reviewed regularly to determine what, if any, changes are required for the association to better achieve its objectives?				
13. Does this review process generally result in changes to the strategic plan?				

B2. Sub-Criterion 2: Supportive Culture

Factor 1: Values

Purpose	The association's values are those ethical standards, personal values, and work attitudes that the organization's leaders want to encourage among its members and its paid employees. These values enhance the association's ability to achieve its vision, mission, and strategic objectives by fostering a democratically operated organization with a culture of excellence.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the association adopted a set of clearly defined core values? 2. Are policy boards and committees using democratic parliamentary procedures a core value and a institutional methodolgy of the association? 3. Are these core values appropriate for fostering a culture of excellence and promoting member-centered, results-focused, and transparent governance? 4. Does the association actively promote the application of these core values? 5. Do key stakeholders understand and approve of these core values? 6. Do these core values permeate the on-the-job performance of the association's staff? 				

Factor 2: Staff Empowerment

Purpose	An association can <i>empower</i> its staff to contribute as effectively as possible to achieving member-centered, results-focused strategic objectives by <i>motivating</i> employees to strive for excellence and by ensuring that they have the <i>opportunities</i> and resources to do so.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Do the association's leaders recognize and systematically acknowledge excellent staff performance by individuals, committees, and task forces? 2. Are employees authorized and encouraged to respond quickly—subject to clear guidelines and with appropriate accountability reporting—to member needs and concerns? 3. Does the association have a transparent, merit-based system of promotion and salary increases for the paid staff? 4. Do the leaders think that employees generally feel that they are appreciated? 5. Do the leaders actively encourage employees to be innovative and <i>creative</i> in seeking to achieve the association's strategic objectives? 				

B3. Sub-Criterion 3: Monitoring and Evaluation

Factor 1: Achievement of Output Targets

Purpose	An association’s leadership needs to know the extent to which it has actually achieved the output targets identified in its strategic plan (in terms of both quality and quantity) in order to determine how to improve performance.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Has the chief staff officer (CSO) set performance targets for each of its key outputs to achieve in the current planning period or financial year? 2. Has the CSO sub-divided these targets into sub-targets for each of the various areas of management and staff responsibility? 3. Are these targets disseminated to the association’s committee chairs and to the staff? 4. Are these targets clearly specified as both quality standards and quantity measures? 5. Are the quantity measures realistic, being either consistent with experience of what is achievable with existing resource constraints, or based on a logical analysis of what can be achieved? 6. Has the CSO outlined the logical key assumptions underlying the analytical basis for these targets? 7. Has the association publicized these assumptions, for example in the association’s newsletter and annual report? 8. Does the association have a system to monitor, measure, analyze, and report the actual performance of each key output, both on a regular basis and if unusual performance is observed? 9. Does the association use the findings of this process to revise its strategic plan? 10. Does the association regularly inform its directors, members and key stakeholders—and the general public—about its output performance? 				

Factor 2: Strategic Partnerships

Purpose	Effective cooperation with key allies and other stakeholders is often critical to achieving the association’s strategic objectives. Associations work with other organizations to achieve mutual objectives, with private-sector members and non-members to facilitate economic growth, and with civil society to clear obstacles and ensure results. Encouraging this collaboration at committee and staff levels within the association helps leverage the association’s impact by combining and aligning its efforts with its strategic partners.
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Specific Questions for Client	No	To some extent	To great extent	Yes
1. Has the association’s leadership accurately identified its key stakeholders?				
2. Have the directors and the CSO accurately identified and understood the nature of stakeholder interests in its outputs?				
3. Does the CSO meet regularly with principal stakeholders, including partner associations, to keep them well informed and seek their feedback on the association’s activities, operational performance, current issues, policies, and any significant risks?				
4. Does the CSO also encourage staff employees to network with their counterparts in other associations and with colleagues in the public and private sectors to promote collaboration and cooperation?				
5. Is this coordination guided by formal arrangements?				
6. Where possible and appropriate, does the CSO maintain continuous communication with stakeholders about policy changes to avoid needlessly surprising them?				
7. Has the association’s leadership generally succeeded in avoiding surprising its stakeholders?				
8. Does the CSO have a systematic way to evaluate the potential and actual benefits of partnerships with other entities?				

Factor 3: Threat Management

Purpose	Threat management helps an association identify, understand, prioritize, and manage the major threats to its ability to produce results and contribute most effectively to its mission and strategic objectives.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Has the association clearly identified the major risks to its outputs or to its members, such as legal, regulatory, or financial risks? 2. Has the association assessed each major risk, estimating the probability of the risk occurring and the likely magnitude of its impact? 3. Is this assessment clearly documented? 4. Are these estimations based on rational assumptions? 5. Are these assumptions clearly documented? 6. Are these estimations supported by any statistical or empirical analysis? 7. Does the CSO have a strategy to manage these threats? 8. Is this strategy clearly documented? 9. Does the strategy involve coordinating action with other strategic partners? 10. Is the CSO implementing the strategy? 11. Does the CSO review the strategy to ensure that it is relevant to current circumstances? 12. Does the leadership modify the strategy as appropriate if circumstances change? 				

Persons to Contact

- Chief Elected Volunteer, usually the Chair of the Board or the President
- Chief Staff Officer, usually called the President, CEO, or Executive Director
- Members of the Board of Directors of the association
- Committee Chairs of the association
- Random selection of paid staff at different levels of the association
- Random selection of dues-paying members of the association
- Key leaders in other associations and strategic partners
- Other stakeholders

C. Leadership Assessment Indicators

C1. Sub-Criterion 1: Strategic Planning

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Vision and Mission												
1	The association's <i>vision</i> describes <i>what it wants to become</i> , captures its aims of excellence in carrying out its role, is consistent with its strategic objectives, and is supported by the chief elected volunteer officer and the membership.											
2	This vision is well known and embraced throughout the association, and is an effective guide for decision making.											
3	The association's mission statement clearly defines its role, outlines how it intends to fulfill this role, and is consistent with the association's strategic objectives.											
4	This mission statement is well known and embraced throughout the association, supported by members and the chief elected volunteer officer.											
Factor 2: Strategy												
1	The association's strategic plan accurately defines its strategic objectives, outputs, and relative priorities, and is consistent with the association's vision and members' interests.											
2	The association uses the strategic plan to guide program and operational decisions, including allocation of resources and delegation of responsibility.											
3	The strategic plan is supported by more detailed action or work plans for each program area.											
4	The staff within the association generally knows, understands, and supports the strategy, including their role in achieving its strategic objectives and helping to produce its planned outcomes.											
5	The strategic plan is subject to a regular revision process in a timely fashion to promote continual improvement.											

C2. Sub-Criterion 2: Supportive Culture

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Values												
1	The association's <i>core values</i> are appropriate, focused on achieving excellence, and promote member-centered, results-focused, and transparent governance.											
2	These core values are widely understood and embraced by all levels of the association, and permeate the on-the-job behavior of the association's entire staff.											
Factor 2: Staff Empowerment												
1	The association's staff employees generally believe that they have been delegated enough responsibility and authority to fill their role in achieving the association's strategic objectives.											
2	The association follows a staff management <i>philosophy</i> that consistently recognizes and acknowledges excellent staff performance, encourages staff to be innovative and creative in achieving the association's strategic objectives, and understands the importance of creating opportunities for staff to realize their full <i>potential</i> .											
3	The association's staff promotion and appointment system is transparent and merit-based.											

C3. Sub-Criterion 3: Monitoring and Evaluation

Factor 1: Achievement of Output Targets												
1	The association uses performance targets as a transparent basis to direct and assess the performance of each of its key output types at all levels within the association.											
2	The association's output performance targets are specified clearly in terms of both:											
	<ul style="list-style-type: none"> • Quality standards; and • Quantity standards based on transparent, realistic assumptions 											
3	The association systematically monitors, assesses, and reports on its output performance, both regularly and on an exceptions basis.											
Factor 2: Strategic Partnerships												
1	The association's leadership has identified and built alliances with other organizations with similar strategic objectives.											
2	The CSO works closely with principal stakeholders, including partner associations, keeping them well informed and seeking their cooperation on the association's activities and current issues.											
3	The CSO encourages members and staff employees to network with their counterparts in other associations to promote teamwork and cooperation.											
Factor 3: Threat Management												
1	The association has identified and understands the major threats to its ability to achieve its mission and strategic objectives.											
2	The CSO has a strategy for managing these threats with a clearly documented strategy and plan of action.											

Leadership Scored Items

Sub Criterion 1: Strategic Planning

Factor 1: Vision and Mission

Score	Definition
0	Does not exist: The association has no vision or mission statement.
1-2	Poor: The association has a vision and/or a mission statement, but they are vague and reveal little about what the association wishes to become or its broad strategy for fulfilling its purpose. They are either unwritten/unofficial or not well written. They are inconsistent or unconnected with the association's strategic objectives, and do not place a clear emphasis on excellence. The staff was not involved in the development of the vision. The staff is largely unaware of the association's vision and mission, and the association has not made an attempt to promote any understanding of how they relate to individual roles. There is little or no awareness of them outside the association.
3-5	Fair: The association has written vision and mission statements that mention specific objectives, values, and actions, but may be vague in defining the association's guiding purpose or present an outdated overall strategy. The vision and mission were developed largely by the leadership, with little or no participation from the staff. The association has made some attempt to promote these documents within the association's membership, but there is still widespread misunderstanding and/or disinterest among general members. There is little or no awareness of them outside the association.
6-8	Good: The association has clear vision and mission statements that capture the association's aims of excellence and its broad strategy for fulfilling its role. These documents are generally consistent with the association's current legal mandate. The process by which the vision and mission were conceived was generally inclusive, involving some staff of the association. The association promotes these documents within the association, and members generally understand and accept them. There is some awareness of and support for the vision among key stakeholders. The leaders demonstrate some understanding of the need to enact the vision and mission by using them as a guide in decision-making.
9-10	Excellent: The association's vision and mission are the compass that guide the association. They are well-conceived, clearly written, and up-to-date. They capture the association's aims of excellence in carrying out its role, clearly outline how the association intends to fulfill its purpose, and are consistent with its strategic objectives. They are clearly supported by the membership and the key stakeholders. The documents were created through a participatory process within the association, and there is widespread awareness, understanding, and acceptance of the vision and mission among the staff and the general membership. The association can demonstrate how the vision and mission statements guide the association by citing examples of how the vision has informed recent decisions, initiatives, and actions.

Factor 2: Strategy

Score	Definition
0	Does not exist: The association has not defined its objectives or developed a strategic plan.
1-2	Poor: The association has a plan, but it is not strategic or useful for decision-making, having failed to define specific objectives and timeframes for meeting them. It is not clearly linked to the vision and mission. Little or no attempt has been made to review or update the plan.
3-5	Fair: The association has a strategic plan and its mission is broken down into specific objectives, but they may not be prioritized, and their link to specific outputs may be unclear. Some committees within the association have developed more detailed work plans that elaborate on specific objectives of the strategic plan, but this practice is not institutionalized. The plan was developed with limited participation of the staff and members, which are generally aware of the strategic plan but uncertain as to how it affects their work. The strategic plan is not well-known outside the association. The association may review its strategic plan, but on an irregular basis, and the results of the review may be only marginally useful for updating the plan.
6-8	Good: The association has a strategic plan that breaks down the association’s mission into specific objectives, including measurable performance targets and a timeframe for meeting them. It was developed with some participation from the staff and members are generally aware of its purpose and its impact on their businesses. The staff generally understands the objectives toward which they are working, and most committees within the association have more specific action plans. The association has made some attempt to publicize it among key stakeholders. The association reviews the plan on a fairly regular basis with fairly useful results, which are used to some extent to update the plan.
9-10	Excellent: The association’s strategic plan effectively translates the association’s vision and mission into tangible, realistic objectives. It clearly outlines and prioritizes specific objectives, and defines measurable performance targets. The association uses the strategic plan and associated action or work plans to decide on output targets for the planning period, allocate resources, and delegate responsibilities. The strategic plan was developed with the participation of the staff and is understood and supported throughout the association’s membership. The association’s leaders thoroughly review the strategic plan on a regular basis, and use the results of this review to update the plan and enhance the association’s ability to achieve its objectives.

Sub-Criterion 2: Supportive Culture

Factor 1: Values

Score	Definition
0	Does not exist: The association does not have shared values, written or understood, or the values are wholly inappropriate and foster a negative, uncooperative work environment.
1-2	Poor: There is some evidence of shared values among the staff and the membership, but core values do not exist at the associational level and there is little attempt on the part of leadership to foster them.
3-5	Fair: The association has some identifiable core values, but they may not be in writing or clearly defined. The staff may be aware of these values, but not yet have a common understanding of them. While these values may influence individual performance, they are not well-developed or widely accepted enough to help make decisions.
6-8	Good: The association has a written set of official core values that are appropriate for fostering excellence. The values are well-known, widely understood, and generally accepted among the members and the staff. Most values are well-reflected in performance at both the individual and associational level. The association makes an effort to promote these core values among the staff and the membership and stakeholders are aware of them.
9-10	Excellent: Core values that promote excellence permeate performance of the association. These values are clearly defined in writing, and are appropriate for an association that strives to be member-centered, results-focused, and transparent in its governance. The leadership embodies these values, the staff consciously embraces them, and the members approve of them. These values guide decisions as well as day-to-day actions, and define interactions among staff as well as between staff and the members.

Factor 2: Staff Empowerment

Score	Definition
0	Does not exist: ??
1-2	Poor: The chief staff officer (CSO) has little understanding of the need to empower his or her staff and makes little effort to ensure that employees are able to contribute effectively to achieving the association’s objectives. Employees are unmotivated. They report feeling constrained and unable to perform their jobs effectively. This is true particularly for those who deal with members or the general public on a daily basis. They do not feel encouraged to develop their potential or contribute in a meaningful way to improving associational performance. Personal prejudices permeate the promotion system.
3-5	Fair: The CSO understands to some degree the need to delegate sufficient responsibility and resources to the staff, but decision-making authority is still largely concentrated in the CSO, compromising the association’s efficiency. Staff employees are able to perform their jobs with a certain degree of effectiveness and may generally have the appropriate resources to do so, but do not feel particularly encouraged to be creative or innovative in seeking to achieve the association’s objectives. The CSO offers some opportunities to develop staff potential, but these do not typically include opportunities for enhancing their ability to make decisions or solve problems. The CSO has no policy for systematically acknowledging and rewarding excellent staff performance, and recognition is given inconsistently. The promotion system is theoretically merit-based, but in practice personal prejudices still play a role.
6-8	Good: The CSO understands the importance of empowering staff, and has made significant efforts to delegate authority and deploy resources to enable staff to contribute more efficiently and effectively. The CSO generally encourages staff to take the initiative when faced with new challenges, and seeks to acknowledge and reward excellent performance. The CSO has made an effort to create a variety of opportunities for employees to develop their potential. Promotions and appointments are awarded largely based on merit.
9-10	Excellent: The association’s employees are innovative, creative, and proactive in helping the association meet its objectives. They have sufficient authority and resources to carry out their responsibilities effectively, and feel empowered to take calculated risks. They feel that their efforts are appreciated by the leaders of the association. They have the opportunity to develop their potential in a variety of ways, including offering skill-building training and enabling staff to participate in projects that broaden their experience and understanding of the association’s work. The board and the CSO have developed equitable and motivational ways to acknowledge and reward excellent staff performance. The promotion system is sufficiently transparent to prevent bias and avoid the perception of favoritism.

Sub-Criterion 3: Monitoring and Evaluation

Factor 1: Achievement of Output Targets

Score	Definition
0	Does not exist:
1-2	Poor:
3-5	Fair:
6-8	Good:
9-10	Excellent:

Factor 2: Strategic Partnerships

Score	Definition
0	Does not exist:
1-2	Poor:
3-5	Fair:
6-8	Good:
9-10	Excellent:

Factor 3: Threat Management

Score	Definition
0	Does not exist:
1-2	Poor:
3-5	Fair:
6-8	Good:
9-10	Excellent:

A. Purpose of Human Resource Capital Criterion and Sub-Criteria

Criterion: Association Human Resource Capital

Purpose	<p>The Human Resource Capital criterion examines the association's efforts to build and maintain a supportive environment that encourages excellent performance from volunteer workers and paid staff employees. It assesses how effectively the association:</p> <ul style="list-style-type: none"> • plans workforce supply to meet current and anticipated demand for volunteers and for paid staff; • implements volunteer and paid employee training and development programs that meet the association's needs; • applies fair and transparent employment policies and implements reward/compensation schemes to motivate its paid employees; and • designs and implements programs that promote both volunteer and employee satisfaction and retention.
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Sub-Criterion 1: Management

Purpose	<p>This sub-criterion examines the association's recruitment, selection, supervisory, and placement policies. It assesses the extent to which these policies are designed to employ qualified human resources in the appropriate jobs in a timely fashion. It assesses how well the association uses results-based job descriptions to plan activities such as recruiting, training, and evaluating employees and volunteers. It also assesses for paid employees the accuracy, transparency, and fairness of salary scales and job grading, compensation and rewards policies, results-based employee performance appraisal systems, and other workforce policies and practices. It additionally assesses the volunteer rewards programs employed to encourage participation in the association's programs and activities.</p>
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Sub-Criterion 2: Planning

Purpose	<p>This sub-criterion examines the association's human capital forecasting and planning procedures and policies. It assesses how accurately the association anticipates future staffing needs and plans hiring and/or volunteer recruiting activities to ensure that the available workforce is sufficient for meeting the objectives of the strategic plan. It also assesses the effectiveness of the association's succession planning program for cultivating future volunteer workers and association leaders.</p>
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Sub-Criterion 3: Training and Development

Purpose	<p>This sub-criterion examines the association's programs for enhancing the skills and competencies of its volunteer leaders and workers, as well as its paid staff. It assesses how accurately the association identifies training and development needs, and to what extent these needs are prioritized to help the association achieve results. It also assesses how effectively training and development programs are designed, implemented, and reviewed to enhance the association's overall performance and productivity.</p>
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Sub-Criterion 4: Volunteer Workers and Paid Employee Welfare

Purpose	<p>This sub-criterion examines the association's strategies for enhancing volunteer and paid staff employee satisfaction and retention. It assesses how well the association identifies and addresses volunteer and employee needs and concerns, and the extent to which these efforts help motivate both groups to continue working for the association.</p>
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B. Human Resource Capital Assessment Factors

B1. Sub-Criterion 1: Management

Factor 1: Volunteer Committee Job Descriptions

Purpose	Most associations do not have enough financial resources to pay a sufficient number of employees to do all the work that needs to be done, so volunteers, usually from the association’s membership, are recruited, trained, and motivated to carry out selected tasks in the organization’s strategic plans. These volunteers usually accomplish their assigned responsibilities by participating on committees. These committees are often managed and supported by paid staff with the volunteers doing a large percentage of the actual work. Clearly written committee job descriptions are useful tools for recruiting and selecting association volunteers for committees and for special events.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Has the association written and officially adopted a clear, detailed, results-based job description for each committee and/or event? 2. Do all volunteers receive their job descriptions at the beginning of the program or project? 3. Does the association use the committee job descriptions to help plan volunteer policies?				

Documents Required	<ul style="list-style-type: none"> • Committee Job descriptions
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Factor 2: Incentives for Volunteers

Purpose	Incentive policies improve volunteer productivity and boost performance quality by motivating them to strive for excellence in achieving the association's strategic objectives.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Has the association's board of directors and CSO established a system for rewarding excellent volunteer performance? (Examples: Volunteer of the Year Award; service award plaques, special name badges at General Assembly meetings; free trips for recruiting new members; designation as a member of a Special President's Club; and other similar incentives.) 2. Is this system designed to promote the association's values, goals, and performance objectives? 3. Does the association implement this system in a transparent way, and ensure that volunteers at all levels have an opportunity to gain recognition? 4. Are the association's volunteer incentives in line with the association's priorities and desired outcomes? 5. Are the association's incentive programs reviewed at least once a year to assess their relevance and effectiveness in promoting the association's values and performance objectives? 6. Does the association's board of directors have transparent, equitable, and merit-based policies and standards for recognizing individuals? 				

Documents Required	<ul style="list-style-type: none"> • Volunteer recognition system
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Factor 3: Job Descriptions and Classifications of Paid Staff

Purpose	Clearly written job descriptions are essential tools for recruiting and selecting association staff employees, conducting fair and accurate performance appraisals, and identifying training needs. In both large and small associations, a fair, transparent, and accurate job classification system that grades positions according to an overall scale is crucial to effective human capital planning, transparent salary grading, and fair recruitment and promotion.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Has the board of directors established a clear, unambiguous policy that the chief staff officer has exclusive supervisory responsibilities for all paid employees of the association? 2. Has the association written a clear, detailed, results-based job description for each paid staff position? 3. Do all employees receive their job descriptions at the beginning of their employment? 4. Does the association use the job descriptions to help plan other human capital policies, such as policies regarding staff training and employee performance appraisals? 5. Does the association prepare and update job classification tables that clearly rank each position in the association? 6. Does the association use the job grading system when designing promotion and recruitment procedures? 				

Documents Required	<ul style="list-style-type: none"> Job description Job classification table
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Factor 4: Employment of Paid Staff

Purpose	Excellent employment policies ensure that the association's staffing needs are filled in a timely manner by applicants whose talents, competencies, and skills match the job requirements, and that the process is in compliance with the association's strategic objectives as well as applicable legislation.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the association with a relatively large staff routinely attempt to recruit from within to fill vacancies before searching for applicants from outside the association? 2. Does the association circulate notices of job vacancies, including the timeframe for recruitment, among the staff? 3. Does the association encourage qualified staff to apply for these jobs as a means of career advancement and/or improving/diversifying their skills? 4. Does the association have a set of clear procedures for recruiting and selecting potential candidates and placing new employees? 5. Are the association's recruitment and selection policies aligned with the association's strategic objectives? 				

Documents Required	<ul style="list-style-type: none"> Job analysis Recruitment policy Selection methods and forms
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Factor 5: Performance Appraisal of Paid Employees

Purpose	An accurate and transparent appraisal system that measures employee performance against reasonable, tangible objectives is helpful in meeting those objectives. Regular, results-based performance appraisals provide feedback that the association can use to improve its performance and employee satisfaction, and also help identify opportunities for rewarding excellent performance.
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Specific Questions for Client	No	To some extent	To great extent	Yes
1. Does the CSO conduct a regular, results-based performance appraisal of all employees? 2. Does the association with larger staffs provide training to help both supervisors and employees better understand and administer the performance appraisal process? 3. Are employees notified of performance appraisal results in a timely manner? 4. Do the results of performance appraisals have a clear effect on an individual's career progression? 5. Does the CSO use the results of performance appraisals in giving promotions? 6. Does the CSO have procedures for addressing poor employee performance?				

Documents Required	<ul style="list-style-type: none"> • Performance appraisal guidelines • Performance appraisal forms
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Factor 6: Compensation and Incentives for Paid Employees

Purpose	Transparent, equitable, and effective compensation and incentive policies improve employee productivity and boost performance quality by motivating employees to strive for excellence in achieving the association’s strategic objectives.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Has the association established a system for rewarding excellent employee performance? 2. Is this system designed to promote the association’s values, goals, and performance objectives? 3. Does the association implement this system in a transparent way, and ensure that employees at all levels have equal opportunity to earn rewards? 4. Are the association’s compensation schemes based on employee performance? 5. Are the association’s compensation schemes in line with the association’s priorities and desired outcomes? 6. Are the association’s compensation schemes and incentive programs reviewed at least once a year to assess their relevance and effectiveness in promoting the association’s values, goals, and performance objectives? 7. Do these programs encourage employees to bring new knowledge into the association by rewarding skill development and creativity in areas that enhance the association’s ability to achieve its goals? 8. Are the association’s job grading scale and salary ranges fair and transparent? 9. Are employees' salaries based on their job grade, educational qualifications, experience, and workload? 10. Does the association have transparent, equitable, and merit-based policies and standards for promoting individuals? 				

Documents Required	<ul style="list-style-type: none"> • Reward system • Compensation schemes • Salary scale • Job grading
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B2. Sub-Criterion 2: Planning

Factor 1: Forecasting

Purpose	Forecasting helps the association’s CSO and chief financial officer anticipate future requirements for volunteers and paid employees. For volunteers these requirements may include board and committee appointments and chairmanships. For paid employees these forecasts may include promotions, retirement, and resignations.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the CSO forecast the need for paid staff and volunteers using the strategic plan and other operational plans? 2. Does the association keep a computerized record of the talents and the qualifications of current and potential volunteers? 3. Does the CSO regularly compare paid staff and volunteer assignments with the priorities of its strategic plan to determine the number and quality of staff the association needs to meet its strategic objectives? 4. Does the CSO use forecasting to develop training to help volunteers and paid employees to perform new assignments, tasks, or jobs? 5. Does the CSO take into account the objectives of the strategic plan when deciding which positions to prioritize when hiring paid employees? 				

Documents Required	<ul style="list-style-type: none"> • Organization Chart • List of vacant jobs
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Factor 2: Succession Planning

Purpose	Succession planning is a method of identifying, cultivating, and recruiting leaders and staff for the association who can fill future vacancies among officers, directors, committees, as well as vacancies among paid employees. By preparing individuals to assume leadership or staff roles before the positions actually become available, succession planning programs ensure an easier transition process and minimize gaps in productivity.
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Specific Questions for Client	No	To some extent	To great extent	Yes
1. Does the association have a succession planning program? 2. Does the association have fair, transparent, objective standards for selecting candidates? 3. Does the association have fair, transparent, objective standards for choosing which candidates to promote to fill the position when it becomes vacant? 4. Are candidates for the program aware of the time and effort that the succession program will require? 5. Does the association allocate sufficient time to support the succession planning program?				

Documents Required	<ul style="list-style-type: none"> • Succession plan • List of potential candidates • Development plan for each candidate
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B3. Sub-Criterion 3: Training and Development

Factor 1: Volunteer Training

Purpose	Well-designed and implemented volunteer training programs enhance overall organizational and individual performance, optimize volunteer productivity, and help ensure continuous volunteer satisfaction and continued participation.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the CSO assess training needs for the association’s volunteer officers, directors, committee chairs, committee members, and event workers? 2. Does the CSO regularly gather and consider feedback from volunteers and their assigned paid staff on training needs? 3. Are training plans based on the association’s strategic plan? 4. Does the association focus special attention on training volunteers who deal with other members and with the general public? 5. Does the CSO and the association’s staff consider both formal training and informal methods, such as coaching and mentoring, when developing plans to address training needs of volunteers? 6. Does the CSO regularly evaluate the results of volunteer training programs? 7. Does the CSO evaluate the performance of volunteers in assessing additional training needs? 8. Does the CSO include in the annual budget the cost of training volunteers? 				

Documents Required	<ul style="list-style-type: none"> • Training needs analysis • Training plan
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Factor 2: Paid Employee Training

Purpose	Well-designed and implemented employee training programs enhance overall organizational and individual performance, optimize employee productivity, and help ensure continuous employee satisfaction and performance improvement.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the CSO assess training needs of the association's paid employees? 2. Does the CSO or a designee regularly gather and consider feedback from employees and their supervisors on training needs? 3. Are employee training plans based on the association's strategic plan? 4. Does the CSO focus special attention on training employees who deal with members? 5. Does the CSO consider both formal training and informal methods, such as coaching and mentoring, when developing plans to address training needs? 6. Does the association staff balance the training needs of individual employees with those of the association when planning training and career development programs? 7. Does the CSO regularly evaluate the results of training programs? 8. Does the CSO use the results of employee performance appraisals in assessing training needs? 9. Does the CSO include funds for staff training in the association's budget? 				

Documents Required	<ul style="list-style-type: none"> • Training needs analysis • Training plan • Training budget
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Factor 3: Association Management Professional Development

Purpose	Well-designed and implemented professional management development programs such as the Certified Association Executives (CAE), enhance overall and individual performance, promote improved relations between the board of directors and the management, and help managers fill their current roles as well as prepare them to meet the association's future needs.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the board of directors identify the development needs of each individual manager, as well as the needs of the association's management in general? 2. Are management development programs designed according to current roles and functions as well as anticipated future needs? 3. Does the association identify management development needs and plan programs to meet those needs? 4. Are the development needs of individual managers as well as the association's overall needs taken into account? 5. Do the association's management development programs effectively meet these needs? 6. Does the association provide management development opportunities to all managers? 7. Does the association incorporate both formal and informal approaches into its management development program? 8. Does the association provide managers with opportunities to practice what they learn? 9. Does the association have a method for reviewing management development programs to determine their benefit to the association? 				

Documents Required	<ul style="list-style-type: none"> • Management development programs • Methods and techniques of management development
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B4. Sub-Criterion 4: Volunteer and Employee Welfare

Factor 1: Volunteer Relations

Purpose	Building strong loyalty and dedication among volunteer workers can be critical to the success of the association. Open communication channels increase volunteers' willingness to use their time, talent, and money to achieve the strategic objectives of the association.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the CSO analyze volunteer needs to plan and establish recognition and incentive programs that are appropriate for improving and maintaining volunteer morale? 2. Does the CSO encourage volunteers to contribute ideas for improving the effectiveness of programs to which they are contributing their time, talent and money? 3. Does the CSO and the paid staff take suggestions and complaints from volunteers seriously and consider them fairly? 4. Does the association allocate sufficient funds to implement volunteer recognition and incentive programs? 				

Documents Required	<ul style="list-style-type: none"> • Recognition program • Incentive program
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Factor 2: Employee Relations

Purpose	Caring programs and open communication channels improve employee welfare and maintain a healthy work environment, contributing to employee satisfaction, well-being, and motivation.
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Specific Questions for Client	No	To some extent	To great extent	Yes
1. Does the CSO take employee complaints seriously and consider them fairly? 2. Does the CSO encourage employees to contribute ideas for improving workplace conditions? 3. Does the CSO analyze key program results to identify elements of the work environment and employee support climate that need to be improved? 4. Do the association's board and CSO analyze employee needs to plan and establish caring programs that are appropriate for improving employee welfare? 5. Does the association board allocate sufficient funds to implement caring programs?				

Documents Required	<ul style="list-style-type: none"> • Wellbeing programs for employees
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Factor 3: Volunteer and Employee Retention

Purpose	Maintaining a positive, appreciative, and supportive work environment that contributes to the wellbeing, satisfaction, and motivation of all volunteers and staff is essential for reducing staff turnover and volunteer burnout. Retaining high-performing volunteers and employees is critical to the association’s continual improvement.
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Specific Questions for Client	No	To some extent	To great extent	Yes
1. Does the CSO regularly attempt to measure the level of volunteer and employee satisfaction? 2. Does the CSO have procedures for monitoring volunteer and employee satisfaction on an ongoing basis, such as a feedback or suggestion program or a policy of conducting regular field visits? 3. Are the association’s human capital management policies and procedures designed to improve employee retention and decrease the rate of turnover? 4. Has the association identified those key positions in each department and in each volunteer committee that are critical to fulfilling the association’s mission? 5. Is special attention given to retaining volunteers and employees in these key positions? 6. Has the association’s paid staff developed a new volunteer orientation kit that is given to each new volunteer?				

Documents Required	<ul style="list-style-type: none"> • Statistics of employee turnover • Employee satisfaction survey
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Persons to Contact

- Chief Staff Officer (CSO)
- Personnel Manager
- Financial Manager
- A random selection of staff at different management levels
- A random selection of volunteers

C. Human Resource Capital Assessment Indicators

C1. Sub-Criterion 1: Management of Volunteers and Paid Staff

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Volunteer Committee Descriptions												
1	The association's board has adopted clear job descriptions for each committee that it has established.											
2	The association's paid staff has developed a volunteer orientation kit that is given to each new volunteer who serves on committees or participates in helping at events.											
3	Training programs have been developed that are specialized to meet the demands placed upon the association's volunteers.											
Factor 2: Employment of Paid Staff												
1	The association recruits internally to utilize existing skills and competencies, motivate staff to strive for excellence, and provide employees with opportunities for advancement.											
2	The association recruitment and selection criteria determines proper selection of potential candidates (including reference checks).											
3	The association carries out needs assessments and job analyses to determine the number and quality of staff needed.											
4	The association updates job classifications.											
5	The association has established recruitment and selection policies that are linked to the association's strategic objectives.											
6	The association internally circulates lists of vacant jobs reflecting the expected period of recruitment.											
Factor 3: Performance Appraisals												
1	The performance management system includes feedback to all employees on the level of their performance to encourage them to enhance future performance levels.											
2	Appraisals are periodically conducted and results are communicated.											
3	Assessed information on level of performance is used to determine promotion and/or training needs.											

Factor 4: Compensation and Incentives for Paid Employees											
1	The association has established and implemented reward systems and incentive programs that consider employee welfare and performance-based results.										
2	The association has aligned reward systems and compensation schemes with performance-related results, and motivated employees toward fulfilling the association's and individual needs.										
3	The association examines and regularly updates reward systems, incentive programs, and compensation schemes to ensure alignment with the association's priorities and desired outcomes.										
4	The association links pay and other compensation schemes with a performance-based management system, workload, and level of responsibilities.										
5	The association has adopted clear criteria to be considered in identifying job titles when preparing the employment budget rather than creating titles to respond to personal interests.										
Factor 5: Incentives for Volunteers											
1	The association has established and implemented award and incentive programs that express the leadership's appreciation for volunteer participation.										
2	The association has aligned awards so that they motivate volunteers toward fulfilling the organization's needs.										
3	The association examines and regularly updates award and incentive programs to ensure alignment with the association's priorities and desired outcomes.										

C2. Sub-Criterion 2: Planning

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Forecasting												
1	Forecasts of staffing requirements are built on strategic requirements rather than an interest to supervise a large number of staff with a low volume of workload.											
2	An inventory of the types of current qualified employees is created to effectively meet operational objectives, especially with regard to dealing with members.											
3	Strategic, operational, and financial outcomes are reviewed and become the basis for the association's human resource planning.											
4	Policies, programs, and procedures are developed to specify how employees filling each position will be fairly recruited, selected, trained, and compensated.											
Factor 2: Succession Planning												
1	The succession planning program for volunteer leaders, volunteer workers, and paid employees is efficiently planned and followed.											
2	Succession planning steps are transparently followed, and results are clearly monitored.											

C3. Sub-Criterion 3: Training and Development

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Volunteer Training												
1	Training needs are analyzed for each volunteer assignment.											
2	Volunteer training and development are associated with leadership development,with new volunteer orientation, and with association performance improvement.											
Factor 2: Employee Training												
1	Training needs are analyzed for each paid job title, per individual capacity, and at each management level, including leadership training.											
2	Paid employee training and development are addressed and associated with new employee orientation and performance improvement.											
3	A methodology is used to evaluate the results of delivered training courses, and findings are used to determine cost efficiency and measure the return on investment in training on the association's and individual performance.											
4	A supportive climate encourages the transfer of learning events into the workplace.											
5	Training and development plans are prepared according to the association's strategic plan and inputs from supervisors and individuals.											
6	The training budget is planned based on training and development priorities.											
Factor 3: Association Management Professional Development												
1	Development needs are identified for all paid managers of the association.											
2	Management development programs are discussed and provided to all managers to follow and share.											
3	Formal and informal approaches are both adopted.											
4	A supportive learning climate is encouraged and facilitated for the association's managers.											
5	A fair and equal assessment methodology is adopted by the association to verify the extent of benefit from such training and executive development.											

C4. Sub-Criterion 4: Volunteer and Employee Welfare

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Volunteer Relations												
1	The association conducts recognition and incentive programs to ensure volunteer satisfaction, and retention.											
2	The association secures a high level of volunteer satisfaction by listening to suggestions and concerns, expressing appropriate recognition and appreciation, and not overburdening the volunteer with trivial activities.											
3	Key factors that affect volunteer morale are addressed.											
Factor 2: Paid Employee Relations												
1	The association conducts recognition and incentive programs to ensure worker satisfaction, and retention.											
2	The association secures a high level of worker satisfaction by listening to suggestions and concerns, and expressing appropriate recognition and appreciation.											
3	Key factors that affect worker morale are addressed.											
Factor 2: Paid Employee Retention												
1	The association secures a high level of employee satisfaction by considering matters such as a friendly work environment and employee satisfaction.											
2	The association considers employee needs through various means, such as a suggestion program and "walk around" management.											
3	The association carries out effective communications with employees designed to improve morale and performance level.											
4	Employee retention rates are measured yearly and continuously increased.											

A. Purpose of Association Processes Criterion and Sub-Criteria

Criterion: Association Processes

Purpose	<p>The Association Processes Criterion examines the design and implementation of processes that the association uses to manage its board, committees, and staff and to deliver key programs, project, and services. It assesses how effectively the association:</p> <ul style="list-style-type: none"> • manages its processes to meet its strategic objectives; • identifies member needs and expectations and designs processes to meet or exceed them; • gathers member feedback and incorporates suggestions and information into process design to improve member satisfaction; and • manages relationships with allies to help meet the association's needs.
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Sub-Criterion 1: Process Management and Streamlining

Purpose	<p>This sub-criterion examines how the association designs, implements, reviews, and improves its key activities including programs, projects, and events to ensure effective use of volunteer and staff resources. It assesses how successfully the association controls costs, implements time management, integrates technology, and coordinates and tests processes to minimize, anticipate, and prevent problems and duplications.</p>
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Sub-Criterion 2: Membership Relations Management

Purpose	<p>This sub-criterion examines the association's processes for satisfying members' expectations. It assesses the association's ability to identify, anticipate, meet, and exceed member needs. It assesses how well the association understands the key elements of member satisfaction, including efficiency, transparency, and equal access to services. This sub-criterion assesses to what extent the staff gathers and uses member feedback to continually identify and act on opportunities to improve outputs. It also assesses how effectively the association manages its relationships with allied associations and other stakeholders.</p>
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B. Association Process Assessment Factors

B1. Sub-Criterion 1: Process Management and Streamlining

Factor 1: Process Design and Delivery

Purpose	By designing processes for managing committees, conducting events and advocacy, carrying out programs and projects, and for constantly monitoring their implementation, the association can enhance its ability to deliver services in a timely, cost-effective way.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the association staff, with committee member input, create process maps for each of its key activities, clearly defining the inputs, procedural steps, and outputs for each program, project, and/or event? 2. Does the staff test its key processes to ensure that they are designed to be trouble-free and efficient? 3. Does the day-to-day functioning of the association's key processes meet key performance requirements of the strategic plan? 4. Has the chief staff officer (CSO) studied how key processes that deliver different services affect each other? 5. Does the CSO coordinate these processes to ensure that they complement each other and contribute towards the same goals? 6. Does the association staff accurately assess the types and quantities of resources required for each key process and deploy resources based on this assessment? 7. Does the CSO encourage communication and cooperation among different departments and levels of staff to promote understanding and coordination of key processes? 8. Are procedures for monitoring and reviewing delivery results built into the process itself? 9. Does the staff person responsible for a particular process measure its results in a transparent manner and communicate the findings accurately to the CSO, the staff and involved members? 				

Documents Required	Manual of associational processes Mind Map or Flow chart (mapping) of procedural steps Feedback post-result report
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Factor 2: Streamlining of Procedures

Purpose	Streamlining association procedures reduces the time, effort, and costs that go into carrying out programs, projects, and events and delivering member services by deleting or merging steps and eliminating confusion. Effective streamlining maintains member satisfaction by saving their time as volunteer workers and by helping them achieve desired results.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the staff use process mind mapping and/or flowcharts to outline the procedures and steps for each key process? 2. Does the staff ensure that process flowcharts or mind maps are available to, and well understood by, all volunteer committee members and other workers? 3. Does the staff regularly audit procedures, and streamline them by eliminating unnecessary and duplicated steps? 4. Does this streamlining effectively reduce the time, effort, and cost of programs, projects, and events? 5. Does the association's CSO form cross-committee or department teams of staff and volunteers with varied expertise to implement the streamlining process? 6. Does the staff coordinate and cooperate with other associations to review and streamline processes? 7. Does the CSO deal effectively with resistance among the staff before, during, and after changes to procedures are enacted? 8. Does the CSO accurately communicate the results of efforts to streamline procedures to staff and member volunteers? 9. Does the CSO take corrective action if the level of activity quality is below the anticipated standard? 10. Does the CSO train staff on newly streamlined procedures? 11. Does the CSO consider, and, where appropriate, incorporate, new technology resources to help streamline procedures? 				

Documents Required	Simplification of procedures methodology Results of streamlining process
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B2. Sub-Criterion 2: Membership Relations Management

Factor 1: Member Needs and Expectations

Purpose	In order to provide members with excellent service, the association needs an accurate understanding of member requirements, expectations, and preferences.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the association staff communicate effectively with members about its benefits? 2. Does the association staff routinely solicit member feedback to gain a better understanding of their needs and expectations? 3. Does the association staff respond to member complaints by taking action to improve unsatisfactory performance? 4. Does the association staff provide members with brochures or pamphlets about how to gain benefits and to access programs and services? 5. Does the association staff regularly update data on member needs and expectations and use this data to determine changes in the association's strategic plan? 6. Does the association staff continually update processes according to changing member needs and expectations? 7. Does the association staff anticipate members' future needs and expectations to ensure that program, project, and event processes are updated before they become obsolete or inefficient? 				

Documents Required	<ul style="list-style-type: none"> Member needs analysis Suggestion program Quality circles meetings Pamphlets/brochures Instructions on how to deal with member complaints
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Factor 2: Member Satisfaction

Purpose	Empowering staff to respond promptly and thoroughly to member inquiries and concerns is a key to member satisfaction. Maintaining open channels of communication with members ensures that their concerns are heard and understood and helps the association improve the level of programs, projects, events, and services it provides.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Has the CSO instituted training for the association's staff to better respond to member inquiries and to analyze member feedback? 2. Does the CSO ensure that the staff, particularly front-line employees, have the authority and resources they need to respond to member complaints and/or requests promptly and courteously? 3. Does the association use modern systems, such as call centers or hot-lines, to receive member inquiries? 4. Does the association respond promptly to member inquiries? 5. Does the association use a documentation system to track how it deals with member complaints? 6. Does the association staff take member feedback seriously, and apply lessons learned when redesigning processes? 7. Does the CSO encourage staff employees and volunteers to submit suggestions for improving member satisfaction? 				

Documents Required	Surveys on member satisfaction Statistical report on member satisfaction Communication channels with members
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Factor 3: Building Relationships with Allies

Purpose	Building relationships with other organizations is essential to effective (doing the right things) and efficient (doing things right) association management. Working with competent, trustworthy allies and maintaining open channels of communication with them can help the association achieve its strategic objectives.
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Specific Questions for Client	No	To some extent	To great extent	Yes
1. Does the association seek potential allies with compatible strategic objectives, especially in the area of public policy advocacy? 2. Does the association effectively communicate to its potential allies its own members' needs and its strategy for meeting those needs? 3. Does the association cooperate with other associations to build a coalition to develop agreed-upon strategies and approaches, processes, and expectations to meet the needs of all organizations within the coalition? 4. Does the association coordinate and share costs of advocacy, legal research and public and member communications with allied associations to help leverage the effectiveness of their coalition? 5. Does the association provide clear, useful feedback to its allies to help them improve the effectiveness of their organization?				

Documents Required	Approaches of building relationships Feedback reports Key performance indicators of better results
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Factor 4: Continuous Improvement

Purpose	Excellence in member satisfaction entails continually searching for and identifying ways in which the association can achieve higher standards of programming and services by improving efficiency, effectiveness, and timeliness.
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Specific Questions for Client	No	To some extent	To great extent	Yes
1. Do the CSO and the staff include strategies for improving member service, such as updating facilities, adding new programs and events or integrating new technology, into its strategic plan? 2. Do the board, committees, and the CSO regularly identify and follow through on opportunities for improvement in the association's processes for programming? 3. Do the CSO and staff regularly identify and follow through on opportunities for breakthrough improvement in program design? 4. Does the staff actively seek information and suggestions from members when streamlining or updating the association's processes, and use this information to anticipate and avoid potential problems? 5. Does the staff publicize the results of changes in programming processes? 6. Do the CSO and the staff regularly review and update the association's performance standards to reflect improvements in programming?				

Documents Required	Added value model of member services Performance improvement indicators
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Persons to Contact

- Chief Staff Officer
- Chief Elected Volunteer Officer
- Staff Managers

C. Association Processes Assessment Indicators

C1. Sub-Criterion 1: Association Process Management and Streamlining

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Process Design and Delivery												
1	The association incorporates the changing requirements of members into program designs.											
2	Process design is tested to ensure the association has adequate capability for trouble-free and timely introduction of services.											
3	The association meets key performance requirements during the ongoing operation of key delivery processes.											
4	Resources required for each process are determined and made available to ensure quick delivery of services.											
5	The association has established effective communication channels that enhance cooperation and understanding between functional units during process delivery.											
6	Process delivery results are transparently measured and built into process design.											

Factor 2: Streamlining of Procedures												
1	Process mapping is designed to reflect the flow of procedural steps for each process delivery.											
2	Resources and information needed for programs, projects, and events are secured and monitored.											
3	Each process step is documented in flow charts or mind maps.											
4	The streamlining process is implemented through a participatory approach whereby volunteer workers and staff employees are encouraged to help analyze the flow of each process and recommend actions and improvements.											
5	Briefing sessions are offered to volunteers and staff to explain changes in activity design.											
6	Results of simplified processes are communicated to all concerned volunteer workers and staff employees as well as external stakeholders.											
7	The CSO has managed resistance to change expressed by staff employees as a result of applying new patterns of work.											
8	Board and CSO decisions to incorporate technology resources are promptly integrated into action plans.											

C2. Sub-Criterion 2: Member Relationship Management

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Member Needs and Expectations												
1	Feedback from members is actively solicited through surveys and other methods to better identify member needs and expectations.											
2	The association's staff conducts periodic analyses of programs, projects, and events, and updates data on member expectations.											
3	The association's staff meets with members to solicit feedback and suggestions when attempting to improve activity design and processes.											
Factor 2: Member Satisfaction												
1	The association's staff makes a concerted effort to secure a high level of member satisfaction through various methods, including soliciting periodic feedback from members and promptly solving their complaints.											
2	The CSO and the staff have adopted a methodology whereby they can learn from mistakes during process delivery.											
3	Proper documentation is designed to easily deal with member complaints or comments on the level of member services.											
4	Employees are empowered to respond promptly to member inquiries.											
Factor 3: Building Relationships with Allies												
1	Information is given to allies on actions and plans to improve the association's processes.											
2	The CSO communicates with allies to evaluate progress and methods for adapting to changing conditions for achieving mutual strategic objectives.											
3	Ethical behavior in all transactions and interactions is stressed by the association board of directors and general assembly.											
4	Gathering information is considered an important input to strategy and action plans.											
5	Processes of allies help to improve the association's performance.											

Factor 4: Continuous Improvement												
1	Rules and standard operating procedures are established and made consistent with improvement initiatives.											
2	Current standards are continually revised by the volunteers and the staff to reflect future needs for improving quality standards of the association's activities.											
3	The staff uses a feedback mechanism to continually assess and strengthen the quality of programs, projects, advocacy, and events.											
4	The board and the CSO review the processes and targets to seek continuous improvement.											
5	Procedural information is shared with members to continue the learning process.											
6	The association applies specific criteria and measurable indicators to encourage problem-solving through various tools such as quality circles meetings, regular contact with the media, and on-the-job coaching for volunteers and staff.											

A Case Study of the Value of Associations

- America's trade, professional and philanthropic associations are allocating one of every four dollars they spend to member education and training and public information activities - about three times the amount they spend on direct lobbying of government.
- Americans active in associations devote more than 173 million volunteer hours each year - time valued at more than \$2 billion - to charitable and community service projects.
- Ninety five percent of associations offer education programs for members, making that service the single most common association function. This is followed by convention planning and other convention activities (89 percent), using web sites and email to share information with members (81 percent), and public information activities (79 percent).
- In terms of annual spending, membership education and training is also the single largest budget item for associations - accounting for \$3.6 billion per year, or about eighteen percent of the average association's budget. Additionally, association members spend in excess of \$10 billion annually to participate in these education programs.
- Other noteworthy association activities include industry research, which seven out of 10 associations offer at a total cost of \$615 million a year; and setting industry product and service standards for their industries, which three of five provide at a total cost of about \$884 million annually. The survey found that members spend more than \$1.1 billion to comply with these association-set standards, which safeguard consumers and provide other valuable benefits.

A. Purpose of Association Knowledge Criterion and Sub-Criteria

Criterion: Association Knowledge

<p>Purpose</p>	<p>The Knowledge Criterion examines the association's knowledge management systems and strategies. It assesses to what extent the association:</p> <ul style="list-style-type: none"> • understands what knowledge management entails; • uses a sound strategy for managing and improving knowledge resources; • uses its knowledge resources effectively to achieve its strategic objectives; and • disseminates timely, relevant information to members, employees, stakeholders, and other associations to build trust and cooperation.
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Sub-Criterion 1: Knowledge Operations

<p>Purpose</p>	<p>This sub-criterion examines the association's understanding of the key elements of knowledge management. It assesses how well the association manages its knowledge assets, including to what extent the association has accurately identified its vital knowledge assets, their relative priorities, where they are located, what the key risks to them are, and how they add value to its outputs.</p>
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Sub-Criterion 2: Knowledge Impact

<p>Purpose</p>	<p>This sub-criterion examines the association's strategies for developing and using knowledge assets. It assesses how effectively the association creates, captures, shares, and uses knowledge within it.</p>
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Sub-Criterion 3: Association Communications and Public Policy Advocacy

<p>Purpose</p>	<p>This sub-criterion examines the association's internal and external communications activities. It assesses how well the internal communication's strategy is designed and implemented to provide timely, relevant information to employees and the extent to which it enhances the association's performance. It assesses how well the external communications strategy is designed and implemented to help the association convey timely, appropriate messages to members and stakeholders.</p>
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B. Knowledge Assessment Factors

B1. Sub-Criterion 1: Association Knowledge Operations

Factor 1: Awareness and Commitment

Purpose	For a knowledge management system to be most effective for an association, the leadership and the staff must understand the concept of knowledge management (KM), and be willing and able to create, maintain, and use a KM system. The board of directors and the chief staff officer (CSO) must be committed to its use and should encourage KM activities that support and promote the association’s strategic objectives.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Has the CSO explained the concept of KM to the staff of the association, including how good KM practices can help the association meet its strategic objectives more efficiently?				
2. Is there a general understanding of the concept of KM within the association?				
3. Does the CSO generally understand the concept of KM and the requirements for maintaining an effective KM system?				
4. Does the CSO demonstrate a strong commitment to KM policy, guidelines, and activities?				
5. Does the CSO understand the importance of promoting KM among paid employees?				
6. Are the KM responsibilities of each position clearly outlined in the job description?				
7. Is KM explicitly included as a priority in the association’s mission statement and strategic objectives?				
8. Is training in the association’s knowledge management systems and practices available to all the staff?				
9. Does the association actively promote good knowledge management practices (i.e., knowledge sharing) by providing employees with both resources and encouragement?				
10. Does the association encourage employees to check if knowledge already exists within the association before trying to create it or obtain it from an external source?				
11. Are individuals visibly rewarded for teamwork and knowledge sharing?				

Factor 2: Planning

Purpose	To devise an effective KM strategy, the association’s staff needs to have a thorough understanding of its knowledge requirements and assets. The CSO must understand the impact of KM strategies on the association’s performance, and must understand their relative importance, as well as assessing any significant risks to outcomes.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the association have a clear, written, well defined KM strategy?				
2. Does the strategy clearly define “knowledge” as a mix of both information and experience?				
3. Does the strategy clearly outline how knowledge contributes to the association’s outputs and results?				
4. Has the CSO designated a paid employee to be the association’s knowledge manager, either formally or informally, who will sponsor and oversee the implementation of the KM strategy, including development of KM resources and tools?				
5. Has the knowledge manager clearly identified and documented its vital knowledge requirements?				
6. Has the knowledge manager clearly defined and documented the gaps between knowledge requirements and assets, and incorporated plans to fill those gaps into the KM strategy?				
7. In attempting to fill these gaps, does the knowledge manager first attempt to find and/or create the knowledge within the association?				
8. Does the knowledge manager maintain a database of its vital knowledge assets that lists the type of knowledge, its location, and the person to contact to access the knowledge asset?				
9. Does the knowledge manager generally understand how each of its knowledge assets contributes to the association’s outputs?				
10. Has the knowledge manager identified the threats or risks to its knowledge assets?				
11. Does the knowledge manager have a system for managing these threats and risks?				
12. Has the CSO designated specific employees whose function is to support the knowledge manager, including assisting in the sharing, creating, storing and disseminating knowledge?				

B2. Sub-Criterion 2: Association Knowledge Impact

Factor 1: Knowledge Deployment

Purpose	Developing easy-to-use systems for capturing various types of knowledge and making it widely available is key to effective knowledge management. Allowing time and space for employees to exchange information and ideas is also critical to KM. By encouraging continuous knowledge sharing, the association can avoid spending time and effort to create knowledge or solutions that already exist, thereby improving efficiency and reducing costs.
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Specific Questions for Client	Yes	To some extent	To great extent	No
1. Does the knowledge manager have a document management and archiving system, either manual or electronic?				
2. Does this system capture important and relevant internal documents as well as those created for external use?				
3. Does the knowledge manager have a system for archiving documents after a specified period of time?				
4. Does the knowledge manager capture the vital department knowledge of its key staff to make it more accessible in the association, for example by documenting it or holding internal cross-department trainings?				
5. Are there any restrictions on access to information that is not confidential or personal?				
6. Does the knowledge manager have a means of making captured knowledge available to the association's membership and to all staff employees, such as a library or electronic file-sharing system?				
7. Does this system include measures to protect the security, confidentiality, and/or integrity of the knowledge?				
8. Does the knowledge manager have a well-structured, up-to-date "knowledge map" to guide the staff and members to the information they seek?				
9. Is this map flexible, showing the staff multiple ways to find and access information?				
10. Has the knowledge manager clearly designated the best resource(s) for particular kinds of information?				
11. Does the CSO ensure that time and space exist to stimulate ideas, exchange knowledge, and to learn?				
12. Do the CSO and the knowledge manager regularly bring staff together across normal lines of responsibility to develop and/or share knowledge?				
13. Does the CSO arrange for regular internal staff meetings on important issues or topics of broad interest or applicability?				
14. Do the CSO and the knowledge manager have an information and communications technology (ICT) strategy for identifying ICT needs and developing ICT resources for meeting the association's strategic objectives?				

<p>15. Does the association have an effective information technology system to support knowledge sharing, communication, and the association's learning?</p> <p>16. Are members and employees adequately trained to take full advantage of this system?</p> <p>17. Do association members and employees make use of information through information technology resources in their daily work as appropriate?</p>				
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Factor 2: Review and Assessment

Purpose	Knowledge is a constantly evolving asset. To maximize the effectiveness of its KM system, the association must regularly review its knowledge assets and requirements and monitor progress toward tangible KM strategic objectives.
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Specific Questions for Client	Yes	To some extent	To a great extent	No
<p>1. Do the CSO and the knowledge manager regularly review the association's knowledge assets to identify any significant gaps that need to be filled?</p> <p>2. Has the CSO translated its KM strategic objectives into tangible, reasonable performance targets in the association's strategic plan?</p> <p>3. Do the CSO and the knowledge manager set these KM performance targets through a process involving widespread staff and management participation?</p> <p>4. Are these targets widely circulated and understood throughout the association?</p> <p>5. Does the knowledge manager monitor employee practices with regard to KM, including how well they share knowledge?</p> <p>6. Is this responsibility clearly outlined in employee performance agreements?</p> <p>7. Are KM practices assessed during employee performance reviews?</p> <p>8. Does the CSO regularly review the effectiveness of its information and communications technology (ICT) strategy?</p>				

B3. Sub-Criterion 3: Association Communications and Public Policy Advocacy

Factor 1: Internal Communications

Purpose	A well designed and implemented internal communications strategy can enhance the paid employees' performance by keeping them well informed of current administrative and programmatic issues, helping them feel more engaged in their work, and promoting staff cooperation.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the association have an internal communications strategy?				
2. Has the association assigned responsibility for internal communications to a specific staff employee?				
3. Does the assigned employee have the skills necessary to plan, implement, and evaluate the internal communications strategy?				
4. Has the assigned employee identified the appropriate objectives, messages, target audience, tools, and assessment mechanisms for its internal communications activities?				
5. Does the CSO support internal communications efforts?				
6. Are there clear guidelines for cooperation among staff from various departments devoted to internal communications?				
7. Is the internal communications assessment process centralized, or are there clear guidelines for cooperation among staff from various departments who are devoted to communications?				
8. Does the internal communications strategy include systems for dealing with emerging crises?				
9. Is there a clear action plan for implementing the communications strategy?				
10. Does the action plan assign responsibility and define clear tasks and timelines for the creation and dissemination of communications materials?				
11. Does the association assign an adequate number of qualified employees and devote sufficient financial resources to implement the action plan?				
12. When appropriate, are internal communications tools tested prior to actual production to ensure that the most effective format and method of delivery are used?				
13. Is the internal communications strategy regularly reviewed to ensure that the objectives of the strategy are being met?				
14. Does the association use feedback from staff to improve the effectiveness of the internal communications strategy?				

Factor 2: External Communications and Public Policy Advocacy

Purpose	A well designed and implemented external communications strategy provides members and other stakeholders with timely, accurate information on association activities, programs, advocacy issues, and services. It also helps the association convey a positive image and build member and stakeholder confidence in the association’s work.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the association have an external communications strategy, particularly in the arena of public policy advocacy? 2. Does the association have communications and a public policy advocacy specialists? 3. Do the communication and advocacy specialists have the skills necessary to plan, implement, advocate, and evaluate the external communications strategy? 4. Has the CSO identified the appropriate objectives, issues, messages, target audience, tools, and assessment mechanisms for the association’s external communications activities? 5. Do the board and the CSO support proactive external communications and public policy advocacy efforts? 6. Is the external communications strategy dynamic enough to capitalize on unforeseen opportunities? 7. Are the processes for planning, implementing, and assessing external communications activities centralized? 8. Are there clear guidelines for cooperation among staff from various departments devoted to external communications? 9. Is the process for implementing the external communications strategy centralized? 10. Is the process for approving external communications centralized in the CSO? 11. Does the external communications strategy include systems for dealing with emerging crises, especially in the public policy advocacy area? 12. Do the communication and advocacy employees have a well-organized KM system for researching, archiving and retrieving external communications and advocacy documents? 13. Does the action plan assign responsibility, and define clear tasks and timelines, for the creation and dissemination of external communications materials? 14. Does the association hire external service providers to carry out communications functions that the association cannot handle internally? 15. When appropriate, are communications tools tested prior to actual production to ensure that the most effective format and method of delivery are used? 				

<p>16. Is the external communications strategy regularly reviewed by the CSO to ensure that the strategic objectives of the strategy are being met?</p> <p>17. Does the association formally survey stakeholders to assess the extent to which external communications efforts help the association project a positive image, increase public awareness and recognition, and ensure that customers and other stakeholders are well informed of events, activities, or changes that will affect them?</p> <p>18. Does the association use feedback from staff and stakeholders to improve the effectiveness of the external communications strategy?</p> <p>19. Are there mechanisms, such as focus groups, in place for securing continuous feedback from stakeholders about communications activities?</p> <p>20. Does the association coordinate its communications planning with partner associations as appropriate?</p>				
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Persons to Contact

- Chief Elected Volunteer (Chair of the Board or President of the Association)
- Chief Staff Officer
- Knowledge manager for the association
- IT Manager
- Communications Manager
- Communications staff
- Random selection of association employee

C. Knowledge Management Assessment Indicators

C1. Sub-Criterion 1: Knowledge Operations

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Awareness and Commitment												
1	The association has full awareness and commitment from the board of directors, the CSO, and the staff to operate a KM system.											
2	The paid staff of the association uses good KM practices that help achieve the strategic objectives of the organization.											
3	The CSO generally understands the concept of KM and is willing to allot the association's resources to creating, maintaining and using such a system.											
4	The paid staff understands the importance of using and contributing to the KM system and their job descriptions include a requirement to participate.											
5	The CSO has appointed a knowledge manager, either formally or informally, and supports that paid employee in encouraging other employees and association members to contribute to the KM system.											
Factor 2: Planning												
1	The CSO, the knowledge manager, and the staff have identified and are utilizing the KM assets of the association.											
2	The association's KM system utilizes both information and experience as key elements											
3	The association's KM system is computerized and is easily accessible to all staff and all members.											
4	The CSO has designated specific individuals to support the knowledge manager by helping share, create, store and disseminate knowledge.											

C2. Sub-Criterion 2: Knowledge Impact

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Knowledge Deployment												
1	The association encourages continuous knowledge sharing and avoids spending time and effort in creating knowledge or solutions that already exist.											
2	The association's knowledge manager has electronic management and archiving systems that capture important and relevant internal and external documents and vital departmental knowledge of key staff.											
3	The knowledge manager has a well-structured, up-to-date "knowledge map" to guide the staff and members to the information they seek.											
4	Association members and employees are adequately informed and trained to take full advantage of the KM system.											
Factor 2: Review and Assessment												
1	The CSO and the knowledge manager regularly review the association's knowledge assets to identify any significant gaps that need to be filled and have outlined its KM strategic objectives in the association's strategic plan.											
2	The CSO regularly reviews the effectiveness and assesses the usefulness of the association's information and communications technology (ICT) strategy, inputs, outputs, and results.											

C3. Sub-Criterion 3: Communications and Public Policy Advocacy

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Internal Communications												
1	The CSO has developed an internal communications strategy and has assigned responsibility for internal communications to a specific staff employee who has the skills and the motivation necessary to plan, implement, and evaluate the strategy.											
2	The paid staff employee in charge of internal communications has a clear action plan for implementing the CSO's strategy with assigned responsibility and defined tasks and timelines, for the creation and dissemination of communications materials.											
3	The CSO has assigned an adequate number of qualified employees and has devoted sufficient financial resources to implement the internal communication action plan.											
Factor 2: External Communications and Public Policy Advocacy												
1	The association has an external communications strategy and a communications or public relations person that has the skills necessary to plan, implement, and evaluate the strategy.											
2	The CSO has established clear guidelines for cooperation among staff for implementing the external communication strategy, which includes dealing with emerging crises.											
3	The association staff is implementing the external communication program by following its adopted strategy and adhering to its management's guidelines.											
4	The association has developed a list of issues for their public policy advocacy program.											
5	The association staff has developed research information that is used in their public policy advocacy program.											
6	The association staff and the board of directors have developed careful strategies to implement needed changes in public policy.											

A. Purpose of Association Finances Criterion and Sub-Criteria

Criterion: Association Finances

Purpose	<p>The Association Finances Criterion examines the association’s financial decision-making process, including administration and budgeting. It assesses how effectively the association’s democratically elected board of directors, who are the ultimate fiduciaries, and the chief staff officer and the chief financial officer:</p> <ul style="list-style-type: none"> • develops its budget and allocates funds to meet the objectives of its strategic plan; • designs and implements accounting systems that ensure financial accountability, prevent mismanagement, and enable the association to make best use of available resources; and • analyzes its financial performance and applies lessons learned to continually update and improve budgeting and financial administration.
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Sub-Criterion 1: Planning

Purpose	<p>This sub-criterion examines the association’s budget and allocation process. It assesses to what extent the association gathers sufficient, relevant information for making sound budgeting decisions, and how effectively the association develops the budget and allocates funds to achieve the objectives of the strategic plan.</p>
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Sub-Criterion 2: Implementation

Purpose	<p>This sub-criterion examines the association’s financial administration system. It assesses the effectiveness of the association’s accounting system for ensuring that funds are managed according to the priorities of the budget and for preventing financial mismanagement and corruption. It also assesses how well the association coordinates its purchasing and inventory activities to ensure both the continuous availability of supplies and the most efficient use of cash.</p>
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Sub-Criterion 3: Financial Assessment

Purpose	<p>This sub-criterion examines the association’s system for reviewing and improving its budgeting and accounting activities. It assesses the effectiveness of the association’s monitoring and evaluation system for providing continuous, critical feedback about budget performance. It also assesses how well the association applies lessons learned when updating budget priorities and revising the budgeting process.</p>
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B. Association Finances Assessment Factors

B1. Sub-Criterion 1: Planning

Factor 1: Projections

Purpose	Excellent financial management depends on the staff's ability to make accurate projections about its activities for the coming year and beyond. Directors, who have the fiduciary responsibility for the association, need reliable data about the association's expected revenues, well researched estimates of program costs, and a thorough understanding of the association's current and future strategic objectives to make sound budgeting decisions.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the association receive and review sufficient information about its financial requirements, with proper methodologies and well-thought out assumptions, to enable its board of directors to make sound funding decisions? 2. Does the association receive and review sufficient information about the design, execution, monitoring and evaluation processes for its projects, programs, or activities? 3. Does the association do a cost/benefit analysis of each proposed project? 4. Does the association use the results of previous years' budgets in making current budgeting decisions? 5. Does the association use the latest projection techniques and methods to predict its financial needs? 6. Has the association identified what percentage of variation is acceptable in its financial projections? 7. Do the directors and staff managers who are not involved in making projections have confidence in the projections? 8. Does the association have a system for forecasting revenues and expenditures that is appropriate for developing projections that are relevant to the association's needs? 9. Does the current budget take into consideration potential changes to the association's strategy that might occur in future years? 10. Are variances reflected in the budget? 11. Do the directors and the CSO regularly review the budget?				

Documents Required	a. Financial Projections b. Written Assumptions for Projections c. Past Three Years Financial and Budget Documents
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Factor 2: Budgeting and Allocation

Purpose	Budgeting and allocation are an open-ended process. By developing a flexible, participatory approach to budgeting and managing and monitoring the allocation of funds on an ongoing basis, the association can ensure that its funds are always being used in the most effective and efficient way.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Is the budget prepared through a participatory process involving volunteer committees and paid staff? 2. Does the CSO review and revise priorities throughout the budgeting process? 3. Do the association's budget drafting guidelines ensure that the budget is aligned with the priorities of the strategic plan and action plans? 4. Does the association take membership needs and expectations into consideration when developing the budget? 5. Does the association translate member needs and expectations into weighted factors to ensure that they influence budgeting decisions in an appropriate way? 6. Are new technological advancements that relate specifically to the association and its constituency taken into consideration in the budgeting process? 7. Is the rationale behind funding allocation decisions well known and understood throughout the association? 8. Does the association actively attempt to assess the effect of its allocation decisions on volunteer and employee morale? 				

B2. Sub-Criterion 2: Implementation

Factor 1: Financial Administration

Purpose	A well developed accounting system, designed according to internationally accepted standards and conventions, is essential for preventing financial mismanagement and corruption.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Do the bylaws require the association to maintain a high standard of financial accountability? 2. Does the association have written policies and procedures for its accounting process? 3. Are the association's financial reports readily available to the membership? 4. Are these reports made available to the members in a format and style that is clear and easy-to-understand even to readers who do not have a technical background in accounting or finance? 5. Does the association review its accounting system annually to identify strengths and weaknesses? 6. Does the association's accounting system conform to the standards of international conventions of the accounting profession? 7. Does the association have an applied cost accounting system that helps identify costs and assign them to the appropriate project or activity? 				

Documents Required	<ul style="list-style-type: none"> • Financial Documents
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Factor 2: Purchasing

Purpose	A clear, well defined system for purchasing supplies and services from outside sources that involves proper documentation and recordkeeping helps the association control and monitor its expenditures.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the association provide written documentation of proper purchasing methods to volunteers and staff? 2. Does the association have procedures in place to prevent fraud and corruption in the purchasing process? 3. Does the association conduct an assessment of its purchasing procedures as part of its regular auditing process? 4. Does the association’s purchasing system require a paper trail for every purchase, including signed vouchers with matching numbers and receipts? 5. Does the association have clear and effective purchasing approval processes? 6. Are these processes routinely implemented at all levels of the association? 7. Does the association have a formal system for ensuring that it receives quality services and products at the best price? 				

Factor 3: Inventory Management

Purpose	Associations buy myriads of brochures, stationary, office supplies, and other printed material. Those associations involved in major trade shows, exhibitions, and events purchase displays, decorations, and other items that must be stored. Proper inventory management is critical to ensuring that the association always has adequate supplies on hand to carry out its functions. It also helps the association prevent unnecessary expenses.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the association have a written inventory policy that clearly outlines what items can and cannot be placed in inventory? 2. Does the association periodically inventory its storage facilities to prevent unnecessary purchasing? 3. Does the association link inventory management to cash flow management? 4. Does the association have property insurance that covers its inventory? 				

B3. Sub-Criterion 3: Financial Assessment

Factor 1: Monitoring and Auditing

Purpose	Constant monitoring and regular auditing of the association’s financial administration is a necessary safeguard against corruption and the embezzlement of members’ funds. Effective monitoring and auditing systems assess the accounting staff’s performance using relevant indicators and compare actual outcomes with forecasted results to provide managers with information that can be used to update priorities and improve budgeting and funding allocation systems.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the association identify key indicators that are appropriate for assessing the effectiveness of the budgeting process? 2. Do these indicators include measurements of the quality and quantity of the products or services it provides? 3. Do these indicators include measurements that help the association assess the value of its outputs and compare them to the expenditures? 4. Does the association assess the accuracy of its projections at the end of each budget year? 5. Does the association document and update these techniques and methods each year? 6. Does the association have systems for providing managers with updated financial information throughout the budget year? 7. Does the association prepare comprehensive budget reports comparing actual expenditures and revenues to forecasted figures? 8. Does the association generally adhere to its budget? 				

Factor 2: Recommendations

Purpose	To ensure continuous improvement in the budgeting process, the chief staff officer, the chief financial officer and the board of directors must work together to apply lessons learned from previous budget years to the current and future financial challenges that the association faces.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the association’s strategic plan drive its financial planning and administration? 2. Does the association’s chief financial officer make formal recommendations to the association’s CSO and board about improving the budgeting process? 3. Do the chief financial officer and the CSO ask the members for recommendations on how to make the association’s reports more readable and understandable? 4. Does the paid staff regularly review methods of data collection to ensure that they provide information of practical value to the association? 5. Does the chief financial officer provide the association with information that is useful for justifying requests for additional dues revenue from the membership?				

Persons to Contact

- Chief Elected Volunteer Financial Officer, usually Treasurer or Chair of the Finance Committee
- Chief Staff Officer
- Financial Manager or Chief Accountant
- A random selection of staff at different management levels

C. Finances Assessment Indicators

C1. Sub-Criterion 1: Planning

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Projections												
1	The board of directors receives sufficient financial projections and the assumptions for those projections in order to make sound financial decisions.											
2	The board and the CSO receive and review sufficient financial data related to the association’s projects, programs, and activities.											
3	The chief financial officer causes cost/benefit analyses and revenue and expenditure projections to be made on each major project or program under consideration.											
Factor 2: Budgeting and Allocation												
1	The association has a flexible, participatory budgeting process that ensures that its funds are being used effectively.											
2.	The association monitors the allocations of funds on an ongoing basis.											
3	The CSO and the chief financial officer insure that the association’s revenues and expenditures are prioritized to achieve the objectives of the strategic plan.											
4	The rationale behind association’s funding allocation decisions is well known and understood by the membership and the staff and the CSO actively attempt to assess the effect of the board’s allocation decisions on volunteer and employee morale.											

C2. Sub-Criterion 2: Implementation

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Financial Administration												
1	The association has a well developed accounting system that meets internationally accepted standards and conventions.											
2	The association's bylaws and written policies require a high standard of financial accountability.											
3	The association has specific accounting devices to help in avoiding financial mismanagement and corruption.											
4	The association has a cost accounting system that applies revenues and costs to specific projects and programs.											
Factor 2: Purchasing												
1	The association has a clear, well defined system for purchasing supplies and services from outside sources. The system involves proper documentation and recordkeeping that helps the association control and monitor its expenditures.											
2	The association's purchasing system requires a paper trail for every purchase, including signed vouchers with matching numbers and receipts.											
Factor 3: Inventory Management												
1	The association has written policies that clearly outline what items can and cannot be placed in inventory and periodically investigates its storage facilities to prevent against unnecessary purchasing.											

C3. Sub-Criterion 3: Financial Assessment

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Monitoring and Auditing												
1	The chief financial officer constantly monitors and regularly audits the financial administration as a necessary safeguard against corruption and the embezzlement of members' funds.											
2	The chief financial officer has systems for providing committee volunteers and staff with updated financial information throughout the budget year and prepares comprehensive budget reports comparing actual expenditures and revenues to forecasted figures.											
3	The association generally adheres to its annual budget.											
Factor 2: Recommendations												
1	The association's strategic plan drives its financial planning and administration.											
2	The chief financial officer provides the information to the CSO and the board of directors that is useful for justifying requests for additional dues revenue from the membership or for the implementation of new non-dues revenue sources.											

ANNEX E. BUSINESS CRITERIA

Definitions for Business Criteria

Definitions	<p>Business brings together people with shared aspirations who use their time, talent, and money to create wealth, known as profits, for themselves, for investors, and for society by meeting market demands of customers by producing products and services. From tiny micro-enterprises to large international conglomerates, all business institutions fit within this same definition. The leaders and owners of businesses attempt to create their own vision of the future by designing a mission to accomplish a set of strategic business objectives, which are sometimes recorded only in the mind of one person or at times meticulously designed and transcribed for public consumption. Usually with the assistance of paid employees and suppliers, business operators realize their objectives by fulfilling the needs of customers within particular market sectors. The purpose of their actions is to take advantage of opportunities to make profits, thereby creating economic wealth.</p> <p>Customer refers to purchasers of the business's products or services.</p> <p>Management refers to the chief executive officer (CEO) and senior managers, who are the top-paid executive officers who are owners or are hired by the owners and are in charge of leading the business's employees, maintaining the organization's philosophy, managing the policies and programs, and supervising the inputs and the outputs of the business.</p> <p>Employees refers to paid workers of the business who are hired, supervised, and assigned by the CEO, by senior managers, or line supervisors to help achieve the organization's strategic production and marketing objectives designed to fill the demands of the business's customers.</p> <p>Profit of a business refers to the excess of revenues over outlays or expenditures over a given period of time. Profits are used as rewards for investors and employees, funds for buying additional assets, as a way to reduce prices for customers, or for other actions deemed appropriate by the owner, owners, and/or managers of a business enterprise.</p> <p>Fiduciary refers to the person or persons ultimately responsible for how a business accounts the use of its assets, the acquiring of liabilities, and for recording and reporting its revenues, expenditures, investments, reserves, and cash.</p>
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A. Purpose of Business Leadership Criterion and Sub-Criteria

Criterion: Business Leadership

Purpose	<p>This criterion examines the business’s leadership ability to mobilize resources and successfully contribute to customer–centered and results-oriented strategic objectives. It assesses the extent to which the business has:</p> <ul style="list-style-type: none"> • developed a logical, realistic strategy to guide actions and maximize contribution to the business’s objectives; • created and maintained an organizational culture that supports good management and the full utilization of the business’s employees and resources; and • developed and implemented systems for monitoring and evaluating performance, collaboration with suppliers, and assessing potential risks.
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Sub-Criterion 1: Strategic Planning

Purpose	<p>This sub-criterion examines the business’s strategic planning process, including its vision, mission and strategic objectives. It assesses to what extent the business’s vision and mission act as effective guides for the management’s policies and actions. The sub-criterion assesses the effectiveness of the design, review, implementation, and utilization of the strategic plan. It also assesses whether the management has correctly identified the needs of the business’s customers to which it markets products and services, and to what extent the vision, mission, and strategic plan are in line with those needs.</p>
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Sub-Criterion 2: Supportive Culture

Purpose	<p>This sub-criterion examines the business’s organizational culture. It assesses the management’s effectiveness in setting and reinforcing suitable core values for the business. It explores the management’s willingness to empower employees, thereby increasing their ability to achieve the business’s mission.</p>
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Sub-Criterion 3: Monitoring and Evaluation

Purpose	<p>This sub-criterion examines the management’s system for monitoring and evaluating 1) the business’s performance and 2) its contribution to the strategic objectives of the organization. It assesses how effectively the management reviews and evaluates the business’s performance, identifies opportunities and areas of improvement, makes decisions, and follows through on these decisions to enhance the business’s ability to serve its customers. It assesses how effectively it collaborates with suppliers and strategic partners to coordinate outputs to achieve common objectives.</p>
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B. Business Leadership Assessment Factors

B1. Sub-Criterion 1: Strategic Planning

Factor 1: Vision and Mission

Purpose	Defining why the business exists helps its employees understand how their own individual and team roles contribute to achieving output targets and customer-centered, results-oriented objectives. The vision acts as a compass to guide the management by offering a clear, succinct expression of what the owners want the business to become. The mission statement identifies the company's essential markets and outlines how it intends to meet its customers' demands and expand its market share.
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Specific Questions for Clients	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the business have a written vision statement? 2. Is the vision well-conceived and clearly written? 3. Does the vision statement outline standards of excellence that contribute to achieving the business's strategic objectives in a customer-centered and results-focused manner? 4. Was the business's vision decided upon in a systematic and collaborative way and with wide employee participation and agreement? 5. Do the managers at all levels embrace and support this vision? 6. Do the owner and/or the chief executive officer embrace and support this vision? 7. Has the written vision statement been made available to all employees? 8. Does the business have a written mission statement? 9. Does the mission statement accurately define why the business exists? 10. Does the mission statement outline broadly how the business intends to fulfill its purpose? 11. Is the mission statement consistent with both the management's vision of excellence and the business's strategic objectives? 12. Was the mission decided upon systematically and with wide employee participation and agreement? 13. Has the mission statement been made available to all employees? 				

Factor 2: Strategic Objectives

Purpose	A well-developed strategic plan helps the business achieve specific, measurable targets and outlines the actions and timeframe for accomplishing them.
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Specific Questions for Clients	No	To some extent	To a great extent	Yes
1. Does the business have a written strategic plan?				
2. Does the strategic plan incorporate underlying objectives that clearly link the business's outputs to customer needs?				
3. Has the management prioritized these objectives in a manner that is consistent with the vision and mission?				
4. Does the business's strategic plan include specific, measurable output performance targets and a specific timeframe for accomplishing them?				
5. Does the management use the strategic plan as a guide when allocating resources, delegating responsibilities, and creating detailed work plans to produce the targeted outputs?				
6. Does the strategic plan have clear objectives that are supported by detailed action plans?				
7. Is the strategic plan the result of consultation with all levels of employees?				
8. Have the highlights of the business's strategic plan been made widely available to its employees?				
9. Is the strategic plan reviewed regularly to determine what, if any, changes are required for the business to better achieve its objectives?				
10. Does this review process generally result in changes to the strategic plan?				

Factor 3: Market Strategies & Research

Purpose	A well-developed plan for market strategies and market research helps the business achieve specific, measurable marketing targets and outlines the actions and timeframe for accomplishing them.
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Specific Questions for Clients	No	To some extent	To a great extent	Yes
1. Does the business have a written marketing plan that identifies the most promising opportunities for the company?				
2. Does the marketing plan clearly link the business's outputs to customer needs?				
3. Has the management established the products and services to be sold, the pricing policies to be used, the methods of distribution to be selected, and the promotions to be implemented?				
4. Does the plan outline how to penetrate, capture and maintain positions in identified markets?				
5. Does the marketing plan combine all elements of the marketing mix in a coordinated action plan?				
6. Does the marketing plan include specific, measurable output performance targets and a specific timeframe for accomplishing them?				
7. Does the management use the marketing plan as one of the guides when allocating resources, delegating responsibilities, and creating detailed work plans to produce the targeted outputs?				
8. Does the marketing plan have clear objectives that are supported by detailed action plans?				
9. Is the marketing plan the result of inputs from all levels of employees?				
10. Does the research include market size, segmentation, characteristics, share, and projected growth rate?				
11. Has a marketing budget been established?				
12. Has a competitive analysis been made?				
13. Have the highlights of the marketing plan been made widely available to employees?				
14. Is the marketing plan reviewed regularly to determine what, if any, changes are required for the business to better achieve its objectives?				
15. Does this review process generally result in changes to the marketing plan?				

B2. Sub-Criterion 2: Supportive Culture

Factor 1: Business Values and Ethics

Purpose	The concept of business values and ethics generally means knowing what is right or wrong in the workplace and doing what's right in regard to the effects of the company's products and services and in relationships with business's stakeholders. Attention to ethics helps ensure that when managers are confused on decisions to make, they retain a strong moral compass. Business ethics improves society, helps managers maintain a moral course in turbulent times, builds teamwork and productivity, ensures that policies are legal, avoids criminal acts, and promotes the company's public image.
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Specific Questions for Clients	No	To some extent	To a great extent	Yes
1. Is there a clear understanding of integrity and corporate social responsibility throughout the business?				
2. Do the CEO and senior managers embody the understanding of integrity?				
3. Do the CEO and senior managers fully support the development of an ethics program within the company?				
4. Has the CEO caused a formal code of ethics to be adopted?				
5. Has the business adopted a set of clearly defined core values such as <i>fairness, respect, honesty, team building, promptness, trustworthiness, caring, citizenship, and due process</i> ?				
6. Are these core values appropriate for fostering a culture of excellence and promoting customer-centered and results-focused management?				
7. Does the CEO actively promote the application of these core values?				
8. Do these core values permeate the on-the-job performance of the employees?				
9. Are there mixed messages about values and ethics?				

Factor 2: Employee Empowerment and Supervisory Training

Purpose	The management can empower a business's employees to achieve customer-centered and results-focused strategic objectives by motivating them to strive for excellence and by ensuring that they have the opportunities and resources to do so.
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Specific Questions for Clients	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Do the business's leaders recognize and systematically acknowledge excellent employee performance by individuals and departments? 2. Are employees authorized and encouraged to respond quickly—subject to clear guidelines with appropriate accountability reporting—to customer needs and concerns? 3. Does the management have a transparent, merit-based system of promotion and salary increases for all employees? 4. Do the employees feel management has given them proper training for the roles that they have been assigned? 5. Do the leaders think that employees generally feel that they are appreciated? 6. Do the employees feel they are generally appreciated by the management? 7. Do the leaders actively encourage employees to be innovative and creative in seeking to achieve the business's strategic objectives and to satisfy the needs of their customers? 				

B3. Sub-Criterion 3: Monitoring and Evaluation

Factor 1: Legal Compliance

Purpose	The management can avoid unnecessary problems and expenses by carefully complying with all laws, regulations, international business codes and other requirements of government.
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Specific Questions for Clients	No	To some extent	To a great extent	Yes
1. Are all of the business's important agreements in writing?				
2. Do the contracts provide for disputes to be resolved in courts in the city where the business's principal office is located?				
3. Does the contract say that amendments to the contract may only be made in writing?				
4. Are there provisions in the business's contracts regarding limiting the business's liability?				
5. Do the articles of Incorporation or charter provide for a sufficient number of authorized shares?				
6. Does the management keep its minute book current?				
7. Is a copy of the Articles in the minute book?				
8. Is a copy of the business's bylaws in the minute book?				
9. Are there minutes for all meetings of shareholders?				
10. Are there minutes for all meetings of directors?				
11. Are there minutes of annual shareholder meetings?				
12. Is the list of stockholders current?				
13. Were all sales of stock made in compliance with applicable securities laws?				
14. Were stock certificates issued?				
15. Has the business obtained all necessary government documents and permits?				
16. Have trademark registrations been obtained for business products and services?				
17. Is a proper copyright notice put on all business copyrightable materials?				
18. Have patents been issued for business-owned inventions and discoveries?				
19. Have consultants and independent contractors signed appropriate Confidentiality and Invention Assignment Agreements?				
20. Is the business infringing the intellectual property rights of others?				
21. Are all needed licenses obtained?				
22. Does the business have an "at will" employment policy in place?				
23. Is each prospective employee required to fill out an Employment Application?				
24. Are employees treated fairly and evenly?				

B4. Sub-Criterion 4: Risk Assessment

Factor 1: Threat Management

Purpose	Threat management helps a business identify, understand, prioritize, and manage the major threats to its ability to produce results and contribute most effectively to its mission and strategic objectives. A business leadership needs to know the threats they may face and have plans to appropriately meet the challenges that these potential risks present.
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Specific Questions for Clients	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the business clearly identified the major risks to its outputs or to its customers? 2. Has the business assessed each major risk, estimating the probability of the risk occurring and the likely magnitude of its impact? 3. Is this assessment clearly documented? 4. Are these estimations based on rational assumptions? 5. Are these assumptions clearly documented? 6. Are these estimations supported by any statistical or empirical analysis? 7. Does the CEO have a strategy to manage these threats? 8. Is this strategy clearly documented? 9. Does the strategy involve coordinating action with other strategic partners? 10. Is the CEO implementing the strategy? 11. Does the CEO review the strategy to ensure that it is relevant to current circumstances? 12. Does the leadership modify the strategy as appropriate if circumstances change? 13. Has external interest increased in either the industry or in the business by outside parties such as legislators, news media, citizen groups, or the general public that may indicate a future risk? 14. Are there complex laws, regulations, international agreements, contracts, or reporting requirements that increase the risk to the business because of non-compliance? 15. Is the employee turnover rate creating a risk to the accomplishment of the strategic objectives of the business? 				
<ol style="list-style-type: none"> 16. Is the cash flow of the business sufficient to decrease the risk of not achieving the strategic objectives? 17. Are budget constraints increasing the risk of not achieving the strategic objectives? 18. Are cash and check controls in place to lessen the risk of theft and embezzlement? 19. Does the business have large inventory balances or specialized inventories of controlled substances, hazardous waste, or precious metals that increase the business's risks? 20. Does the business have sensitive data, the loss of which would cause increase risks? 21. Has the CEO implemented a program of internal audits to decrease the risks of the business's operations? 22. Have the recommendations from the internal audits been implemented? 				

Persons to Contact

- Chief Executive Officer or Owner
- Senior Management
- Department Heads
- Random selection of employees at different levels of the business
- Random selection of customers of the business
- Other stakeholders

C. Leadership Assessment Indicators

C1. Sub-Criterion 1: Strategic Planning

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Vision and Mission												
1.	The business's vision describes what the owners wants it to become, captures the management's aims of excellence in carrying out its role, is consistent with its strategic objectives, and is supported by the chief executive officer and the employees.											
2.	This vision is well known and embraced throughout the business, and is an effective guide for decision making.											
3.	The business's mission statement clearly defines its role in the marketplace, outlines how it intends to fulfill this role, and is consistent with its strategic objectives.											
4.	This mission statement is well known and embraced throughout the business, supported by and the employees and senior management.											
Factor 2: Strategic Objectives												
1	The business's strategic plan accurately defines its strategic objectives, outputs, and relative priorities, and is consistent with the owner's vision and customers' needs.											
2	The business uses the strategic plan to guide operational decisions, including allocation of resources and delegation of responsibility.											
3	The strategic plan is supported by more detailed action or work plans for each product or service.											
4	The employees generally know, understand, and support the strategy, including their role in achieving its strategic objectives and helping to produce its planned outcomes.											
5.	The strategic plan is subject to a regular revision process in a timely fashion to promote continual improvement.											

Factor 3: Market Strategies & Research												
1	The business's written marketing plan identifies the best opportunities for product and service growth that are linked to customer demands.											
2	The business has written pricing policies for each product and service.											
3	The management have established efficient distribution systems for all products and services.											
4	The marketing plan has strategies that will penetrate, capture, and maintain segments in the targeted markets.											
6	The marketing plan is subject to a regular revision process in a timely fashion to promote continual improvement.											
7	The marketing plan clearly supports the objectives in the business's strategic plan.											
8	The marketing budget is sufficient to accomplished the assigned product and service targets.											

C2. Sub-Criterion 2: Supportive Culture

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Business Values and Ethics												
1	The business's core values are appropriate, focused on achieving excellence, and promote customer-centered and results-focused outcomes.											
2	These core values are widely understood and embraced by all levels of the business, and permeate the on-the-job behavior of the business's employees.											
Factor 2: Employee Empowerment and Supervisory Training												
1.	The employees generally believe that they have been delegated enough responsibility and authority to fill their role in achieving the business's strategic objectives.											
2.	The management follows a philosophy that consistently recognizes and acknowledges excellent performance, encourages innovation and creativity in achieving strategic objectives, and understands the importance of creating opportunities for employees to realize their full potential.											
3.	The employee promotion system is transparent and merit-based.											
4.	The management has established a required training program for supervisors.											

C3. Sub-Criterion 3: Monitoring and Evaluation

Factor 1: Legal Compliance												
1	The management is generally complying with the laws, regulations and international treaties and agreements.											
2	Contracts are carefully written to protect the business from various legal problems.											
	The management documents all major business decisions in its official minutes.											
3	All appropriate guidelines for issuing shares in the business have been followed.											
4	The business is in compliance with all applicable labor laws.											

C4. Sub-Criterion 4: Risk Assessment

Factor 1 : Threat Management												
1	The business has identified and understands the major threats to its ability to achieve its mission and strategic objectives.											
2	The CEO has a strategy for managing these threats with a clearly documented strategy and plan of action.											
Factor 2: Risk Assessment and Management												
1	The management has identified specific current or future threats to their abilities to achieve the business's strategic objectives.											
2	The management has developed contingency plans for handling such threats.											

A. Purpose of Business People Criterion and Sub-Criteria

Criterion: Business People

Purpose	<p>In the new global information-based economy, well-educated, well-trained, and highly motivated people are a business's greatest asset. This People Criterion examines the business's human resource capital that will build and maintain a supportive environment to encourage excellent performance from employees. It assesses how effectively the business's management:</p> <ul style="list-style-type: none"> • plans workforce supply to meet current and anticipated demands for employees; • implements employee training and development programs that meet the business's needs; • applies fair and transparent employment policies and implements reward/compensation schemes to motivate its employees; and • designs and implements programs that promote employee satisfaction and retention.
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Sub-Criterion 1: Management

Purpose	<p>This sub-criterion examines the business's recruitment, selection, supervisory, and placement policies. It assesses the extent to which these policies are designed to employ qualified people in the appropriate jobs in a timely fashion. It assesses how well the business uses results-based job descriptions to plan activities such as recruiting, training, and evaluating employees. It also assesses, on behalf of employees, the following:</p> <ul style="list-style-type: none"> • the accuracy and fairness of salary scales and job grading; • compensation and rewards policies; • results-based employee performance appraisal systems; and • other workforce policies and practices.
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Sub-Criterion 2: Planning

Purpose	<p>This sub-criterion examines the business's human capital forecasting and planning procedures and policies. It assesses how accurately the business anticipates future employee needs and plans hiring and recruiting activities to ensure that the available workforce is sufficient for meeting the objectives of the strategic plan. It also assesses the effectiveness of the business's succession planning program for cultivating future leaders.</p>
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Sub-Criterion 3: Training and Development

Purpose	<p>This sub-criterion examines employee training programs that enhance overall organizational and individual performance, optimize employee productivity, and help ensure continuous employee satisfaction and performance improvement. It also assesses the professional management development programs that enhance overall and individual performance, and promote improved relations. This sub-criterion is designed to help the managers fulfill their current roles as well as prepare them to meet the business's future needs. It also assesses training programs for non-employee suppliers, dealers, or representatives that improves the business's performance and helps it reach its profit targets.</p>
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Sub-Criterion 4: Employee Welfare

Purpose	<p>This sub-criterion examines the business's employee programs and its open communication channels that are used to improve employee welfare and maintain a healthy work environment. It assesses the well-being, the satisfaction, and the motivation of the business's employees. Also the sub-criterion investigates the compensation and incentive policies that improve employee productivity and boost performance quality by motivating employees to strive for excellence.</p>
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B. Business People Assessment Factors

B1. Sub-Criterion 1: Management

Factor 1: Job Descriptions and Classifications

Purpose	Clearly written job descriptions are essential tools for recruiting and selecting employees, conducting fair and accurate performance appraisals, and identifying training needs. In both large and small businesses, a fair, transparent, and accurate job classification system that grades positions according to an overall scale is crucial to effective human capital planning, transparent salary grading, and fair recruitment and promotion.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Have the owners established a clear, unambiguous policy that states that the chief executive officer has exclusive supervisory responsibilities for all employees of the business? 2. Has the CEO caused to be written a clear, detailed, results-based job description for each position in the business? 3. Do all employees receive their job descriptions at the beginning of their employment? 4. Does the management use the job descriptions to help plan other personnel policies, such as training and employee performance appraisals? 5. Does the management prepare and update job classification tables that clearly rank each position in the business? 6. Does the business use the job grading system when designing promotion and recruitment procedures? 				

Documents Required	<ul style="list-style-type: none"> • Job Description • Job Classification Tables
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Factor 2: Employment

Purpose	Excellent employment policies ensure that the business's staffing needs are filled in a timely manner by applicants whose talents, competencies, and skills match the job requirements, and that the process is in compliance with the firm's strategic objectives as well as in compliance with applicable labor laws.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the management of a business with a relatively large number of employees routinely attempt to recruit from within the firm to fill vacancies before searching for applicants from outside? 2. Does the management circulate among the employees notices of job vacancies, including the timeframe for recruitment? 3. Does the management encourage qualified employees to apply for these jobs as a means of career advancement and/or improving/diversifying their skills? 4. Does the management have a set of clear procedures for recruiting and selecting potential candidates and placing new employees? 5. Are the management's recruitment and selection policies aligned with the business's strategic objectives?				

Documents Required	a. Job Analyses b. Recruitment Policies c. Selection Methods d. Employment Forms
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Factor 3: Performance Appraisals

Purpose	An accurate and transparent appraisal system that measures employee performance against reasonable, tangible objectives is helpful in achieving those objectives. Regular, results-based performance appraisals provide feedback that the management can use to improve the business's performance and employee satisfaction. Such an appraisal system also helps identify opportunities for rewarding excellent performance.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the management conduct a regular, results-based performance appraisal of all employees? 2. Does the business with a large number of employees provide training to help both supervisors and employees better understand and administer the firm's performance appraisal process? 3. Are employees notified of performance appraisal results in a timely manner? 4. Do the results of performance appraisals have a clear effect on an individual's career progression? 5. Does the management use the results of performance appraisals in giving promotions? 6. Does the management have procedures for addressing poor employee performance? 				

Documents Required	<ul style="list-style-type: none"> • Performance Appraisal Guidelines • Performance Appraisal Forms
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Factor 4: Compensation and Incentive

Purpose	Transparent, equitable, and effective compensation and incentive policies improve employee productivity and boost performance quality by motivating employees to strive for excellence in achieving the business's strategic objectives.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the management established a system for rewarding excellent employee performance? 2. Is this system designed to promote the owners, CEO, and management's values, goals, and performance objectives? 3. Does the management implement this system in a transparent way, and ensure that employees at all levels have equal opportunity to earn rewards? 4. Are the management's compensation schemes based on employee performance? 5. Are the management's compensation schemes in line with the business's priorities and desired outcomes? 6. Are the management's compensation schemes and incentive programs reviewed at least once a year to assess their relevance and effectiveness in promoting the business's values, goals, and performance objectives? 7. Do these programs encourage employees to bring new knowledge into the business by rewarding skill development and creativity in areas that enhance the firm's ability to achieve its goals? 8. Are the management's job grading scale and salary ranges fair and transparent? 9. Are employees' salaries based on job grade, educational qualifications, experience, occupational hazards, and workload? 10. Does the management have equitable and merit-based policies and standards for promoting individuals? 				

Documents Required	<ul style="list-style-type: none"> • Reward system • Compensation schemes • Salary scale • Job grading
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B2. Sub-Criterion 2: Planning

Factor 1: Forecasting Employee Needs

Purpose	Forecasting helps the CEO anticipate future requirements for employees. For employees these forecasts may include promotions, retirement, and resignation.			
1. When developing the strategic plan and other operational plans, does the CEO use forecasts for the need for additional employees?				
2. Does the management keep a computerized record of the talents and the qualifications of current employees?				
3. Does the CEO regularly compare employee assignments with the priorities of the business's strategic plan to determine the number and quality of employees the business needs to meet the plan's strategic objectives?				
4. Does the CEO use forecasting to train employees to perform new assignments, tasks, or jobs?				
5. Does the CEO take into account the strategic plan priorities when hiring employees?				

Factor 2: Succession Planning

Purpose	Succession planning is a method of identifying, cultivating, and recruiting leaders and employees for the business who can fill future vacancies among managers, as well as vacancies among employees. By preparing individuals to assume leadership roles before the positions actually become available, succession planning programs ensure an easier transition process and minimize gaps in productivity.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the management have a succession planning program?				
2. Does the management have fair, transparent, objective standards for selecting candidates?				
3. Does the management have fair, objective standards for choosing which candidates to promote when a position becomes vacant?				
4. Are candidates for the program aware of the time and effort that the succession program will require?				
5. Does the management allocate sufficient time to support the succession planning program?				

Documents Required	<ul style="list-style-type: none"> • Succession plan • List of potential candidates • Development plan for each candidate
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B3. Sub-Criterion 3: Training and Development

Factor 1: Employee Training

Purpose	Well-designed and implemented employee training programs enhance overall organizational and individual performance, optimize employee productivity, and help ensure continuous employee satisfaction and performance improvement.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the CEO or a designee assess the training needs of the business's employees? 2. Does the CEO or a designee regularly gather and consider feedback from employees and their supervisors on training needs? 3. Are employee training plans based on the business's strategic plan? 4. Does the management include funds for employee training in the business's budget? 5. Does the CEO focus special attention on training employees who deal with customers? 6. Does the management consider both formal training and informal methods, such as coaching and mentoring, when developing plans to address training needs? 7. Does the management balance the training needs of individual employees with those of the business when planning training and career development programs? 8. Does the CEO or a designee regularly evaluate the results of training programs? 9. Does the management use the results of employee performance appraisals in assessing training needs? 				

Documents Required	<ul style="list-style-type: none"> • Training needs analysis • Training plan • Training budget
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Factor 2: Management Training

Purpose	Well-designed and implemented professional management development programs enhance overall and individual performance, and promote improved relations between the CEO and the management team. Such training helps the managers fill their current roles as well as prepare them to meet the business's future needs.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Do the owners and the CEO identify the development needs of each individual manager as well as the needs of the business's management in general? 2. Are management development programs designed according to current roles and functions as well as anticipated future needs? 3. Does the CEO identify management development needs and plan programs to meet those needs? 4. Does the CEO provide management development opportunities to all managers? 5. Does the CEO incorporate both formal and informal approaches into its management development program? 6. Does the CEO provide managers with opportunities to practice what they learn? 7. Does the CEO have a method for reviewing management development programs to determine their benefit to the business? 	8.	9.	10.	11.

Documents Required	<ul style="list-style-type: none"> Management development programs Methods and techniques of management development
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Factor 3: Supplier, Dealer, and Representative Training

Purpose	Carefully planned and implemented training programs for non-employee suppliers, dealers, or representatives enhance the business's performance, promote improved relations between important partners, and helps the business reach its profit targets.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has management established training programs that help suppliers understand the business's product or service needs, inventory policies, time constraints, and production requirements? 2. Has management established training programs that help dealers understand the benefits and features of the firm's products and services so that both the dealers and the business profit from increased sales? 3. Has the management established training programs that help representatives understand and use the latest marketing techniques and advanced technology in order to help the representative increase sales? 4. Does the management review these types of training programs to ensure that the cost/benefit ratio is in line with the firm's strategic objectives and profit targets? 				

Documents Required	<ul style="list-style-type: none"> • Training Outlines for Suppliers, Dealers, and Representatives
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B4. Sub-Criterion 4: Employee Welfare

Factor 1: Employee Relations

Purpose	Caring programs and open communication channels improve employee welfare and maintain a healthy work environment, contributing to employee satisfaction, well-being, and motivation.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the CEO take employee complaints seriously and consider them fairly? 2. Does the CEO encourage employees to contribute ideas for improving workplace conditions? 3. Does the CEO analyze key program results to identify elements of the work environment and employee support climate that need to be improved? 4. Does the CEO analyze employee needs to plan and establish caring programs that are appropriate for improving employee welfare? 5. Does the management allocate sufficient funds to implement caring programs? 				

Documents Required	<ul style="list-style-type: none"> • Wellbeing programs for employees
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Factor 2: Employee Retention

Purpose	Maintaining a positive, appreciative, and supportive work environment that contributes to the wellbeing, satisfaction, and motivation of all employees is essential for reducing turnover and burnout. Retaining high-performing employees is critical to the business’s continual growth.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the CEO regularly attempt to measure the level of employee satisfaction? 2. Does the CEO have procedures for monitoring employee satisfaction on an ongoing basis, such as a feedback or suggestion program or a policy of conducting regular office or field visits? 3. Are the management’s personnel policies and procedures designed to improve employee retention and decrease the rate of turnover? 4. Has the management identified those key positions in each department and in areas of the business that are critical to fulfilling the firm’s mission? 5. Is special attention given to retaining employees in these key positions? 				

Documents Required	<ul style="list-style-type: none"> • Statistics of employee turnover • Employee satisfaction survey
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Persons to Contact

- Chief Executive Officer (CEO)
- Personnel Manager
- A random selection of employee at different management levels

C. Business People Assessment Indicators

C1. Sub-Criterion 1: Management

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Job Description and Classification												
1	The management has adopted clear job descriptions for each employee.											
2	The employees receive a job description at the beginning of their employment.											
3	Management has updated personnel policies and job classification tables and uses a job grading system.											
Factor 2: Employment												
1	The management recruits from within the firm to provide opportunities for advancement.											
2	The management recruitment and selection criteria determines the proper selection of potential candidates (including reference checks).											
3	The management carries out needs assessments and job analyses to determine the number and quality of employees needed.											
4	The management has established recruitment and selection policies that are linked to the business's strategic objectives.											
5	The management circulates lists of vacant jobs internally.											

Factor 3: Performance Appraisals											
1	The performance management system includes feedback to all employees on the level of their performance to encourage them to enhance future performance levels.										
2	Appraisals are periodically conducted and results are communicated.										
3	Assessed information on level of performance is used to determine promotion and/or training needs.										
Factor 4: Compensation and Incentives											
1	The management has aligned reward systems and compensation schemes with performance-related results.										
2	The management examines and regularly updates reward systems, incentive programs, and compensation schemes to ensure alignment with priorities and desired outcomes.										
3	The management links pay and other compensation schemes with a performance-based management system, workload, and level of responsibility.										
4	The management has equitable and merit-based policies and standards for promoting individuals.										

C2. Sub-Criterion 2: Planning

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Forecasting												
1	The management forecasts employee needs using the strategic plan.											
2	The management keeps a computerized record of the talents and qualifications of current employees.											
3	Strategic, operational, and financial outcomes are reviewed and become the basis for the business's human resource planning.											
4	Policies and procedures are in place to specify how employees will be fairly recruited, selected, trained, and compensated.											
Factor 2: Succession Planning												
1	The management has a succession plan for employees.											
2	Succession planning steps are transparently followed, and results are clearly monitored.											
3	The management has fair, objective standards for choosing which candidates to promote to fill a position when it becomes vacant.											

C3. Sub-Criterion 3: Training and Development

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Employee Training												
1	Training needs are analyzed for each job title and at each management level.											
2	The topics of employee training and performance improvement are addressed and included in new employee orientation materials.											
3	The management evaluates the results of training and uses the findings to determine cost efficiency and to measure the return on investment for training.											
4	A supportive climate encourages the transfer of learning events into the workplace.											
5	Training and development plans are prepared according to the business's strategic plan and inputs from supervisors and individuals.											
Factor 2: Management Training												
1	Training needs are identified for all managers of the business											
2	Development programs are shared among all managers.											
3	Formal and informal approaches to developing managers are both encouraged.											
4	The business has a supportive learning climate for all managers.											
5	An assessment methodology is adopted by the CEO to verify the benefit of training and executive development.											
Factor 3: Supplier, Dealer, and Representative Training												
1	The management has planned and implemented training programs for suppliers, dealers, or representatives that enhance the business's performance.											
2	The management has a planned assessment methodology to determine the impact and the profitability of dealer, supplier, and representative training programs.											

C4. Sub-Criterion 4: Employee Welfare

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Employee Relations												
1	The management takes employee complaints seriously.											
2	The management maintains worker satisfaction by listening to suggestions and concerns, and expressing appropriate recognition and appreciation.											
3	Key factors that affect worker morale are addressed promptly.											
Factor 2: Employee Retention												
1	The management encourages a friendly work environment and employee satisfaction.											
2	The management considers employee needs through various means, such as a suggestion program and “walk around” management.											
3	The management carries out effective communications with employees designed to improve morale and performance level.											
4	Employee retention rates are measured yearly and continuously increased.											
5	The management has employee incentive programs that encourage employee retention.											

A. Purpose of Business Processes Criterion and Sub-Criteria

Criterion: Business Processes

Purpose	<p>The Business Processes Criterion examines the design and implementation of processes that the business uses to manage its employees and to deliver products and services. It assesses how effectively the business:</p> <ul style="list-style-type: none"> • manages its processes to meet its strategic objectives; • identifies customer needs and expectations and designs processes to meet or exceed them; • gathers customer feedback and incorporates suggestions and information into process design to improve customer satisfaction; and • manages relationships with external stakeholders to help meet the business's needs.
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Sub-Criterion 1: Product & Service Processes

Purpose	<p>This sub-criterion examines the processes the business uses to plan, design and market products and services. It assesses the business's advertising and public relations strategies, its sales programs, its ability to deliver products and services, and its methods for billing and collecting money owed to it.</p>
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Sub-Criterion 2: Process Management & Streamlining

Purpose	<p>This sub-criterion examines how the business designs, implements, markets, reviews, and improves its products and services to ensure effective use of its resources. It assesses each stage of the value chain and how successfully the employees control costs, implement time management, integrate technology, and coordinate and test processes to minimize, anticipate and prevent problems and duplications.</p>
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Sub-Criterion 3: Customer Relations Management

Purpose	<p>This sub-criterion examines the business's processes for satisfying customers' expectations. It assesses the employees' ability to identify, anticipate, meet, and exceed customer needs. It assesses how well the management implements the fundamentals of customer satisfaction, including efficiency and access to service. This sub-criterion assesses to what extent the employees gather and use customer feedback to continually identify and act on opportunities to improve outputs.</p>
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Sub-Criterion 4: Relations with External Stakeholders

Purpose	<p>This sub-criterion examines the business's processes for building strong relationships with external stakeholders including its product and service dealers, representatives, and suppliers, its government regulators or licensors, and the news media and trade press. It also assesses the business's contacts with community leaders, opinion makers, and other stakeholders.</p>
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B. Business Process Assessment Factors

B1. Sub-Criterion 1: Products and Services Process

Factor 1: Product & Service Planning

Purpose	This sub-criterion assesses if the strategic plan is an integral tool for the development of the process for producing products and services for the business. By thinking strategically about the business's value chain and its ultimate outputs, business management can enhance the firm's capability to capture a larger share of its market and to have a better opportunity to increase the business's profit margin.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the management use the business's strategic plan as a guide when allocating resources, delegating responsibilities, and creating detailed work processes to produce products or services?				
2. Does the day-to-day functioning of the business's processes meet performance target's in the business's strategic plan?				
3. Is the strategic plan reviewed regularly to determine what, if any, process changes are required for the business to better achieve its objectives?				
4. Does the management create process maps for each of its products or services that clearly defines the inputs, the procedural steps, and the outputs?				
5. Has the management studied how the processes that deliver different products or services affect each other and coordinated these processes to ensure that they complement each other and contribute toward the same goals?				
6. Does the management encourage communication and cooperation among different departments and levels of employees to promote understanding and coordination of the business's processes?				
7. Do the employees accurately assess the types and quantities of resources required for each process?				
8. Has the design process for products and services been carefully documented?				
9. Are procedures for monitoring and reviewing results built into the process itself?				

Factor 2: Market Planning and Design of Products and Services

Purpose	By planning and designing efficient processes for producing products and services and by constantly monitoring these processes' implementation, the business's management can enhance the firm's ability to deliver products and services in a more timely and profitable way.
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Specific Questions for Client	No	To some extent	To great extent	Yes
<ol style="list-style-type: none"> 1. Does the management use the results of external expert market research to determine the type and amount of products and/or services that will be offered to customers? 2. Does the management use the results of marketing research to determine the need for additional production facilities and/or for additional service personnel? 3. Has the management identified specific design goals for the firm's products and services? 4. Does the firm's marketing plan have an internal/external situational analysis, a product or service positioning strategy, a list of core competencies for the business, pricing strategies, distribution strategies, implementation schedules, and evaluation strategies? 5. Have quality standards been included in the design? 6. Have the designers taken into consideration market requirements, competitive pressures, and conformance to external standards or government regulations? 7. Has the need and cost for field repair service and/or field technical service personnel been considered in the design process? 8. Has the need for operating manuals, instructions for usage, technical literature, parts lists, and the availability of parts been considered in the design phase? 9. On product design, have the designers considered the ease of assembly? 10. Have labeling, warnings, identification numbers, traceability requirements, and the availability and use of standard parts been taken into consideration during the design phase of the product or service? 11. Does the business have the ability to produce products and services conforming to the design? 12. Does the business have the capability to inspect and test the design prior to marketing the products or services? 13. Has the ability of products or services to perform under unexpected conditions been considered? 14. Have comparisons with competitive designs been made? 15. Do the employees test each product or service process to ensure that they are designed to be trouble-free? 				

Documents Required	<ul style="list-style-type: none"> • Manual of business processes • Mind Map or Flow chart (mapping) of procedural steps • Feedback from customers • Results Reports
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Factor 3: Advertising and Public Relations Strategies for Marketing

Purpose	This sub-criterion assesses the business management’s ability to communicate its core messages about the firm’s products and services to existing and potential customers through paid media such as newspaper, television, radio, billboard, and point-of-sale advertisements and through publicity in the general media. It examines the business’s communications strategy that positions the firm in the marketplace to ensure its identification with the correct target audiences. It investigates the advertising to make certain that the management is listing meaningful benefits and is providing reasons why the product or service is superior and unique.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the management insist that the business’s advertising address their targeted customers? 2. Has the management written a detailed description of their targeted customers? 3. Does the management insist that the business’s advertising ask the customers to take specific action immediately? 4. Has the management developed a list of benefits for their products and services? 5. Does the firm’s advertising tell a typical customer specifically what to do? 6. Is the firm’s advertising the result of a carefully developed marketing plan? 7. Does the management plan advertising several months in advance to avoid rush charges, rate increases, and poor creative copy? 8. Does the management hire professionals to handle the firm’s advertising? 9. Does the firm’s advertising message focus on what is important to the typical customer? 10. Does the management insist on avoiding misleading or dishonest advertising? 11. Do the firm’s advertisements attract the audience’s attention by featuring benefits that compel customers to take action? 12. Does the management have a public relations strategy in addition to an advertising strategy? 13. Has the management hired professionals to operate the firm’s public relations program? 				

Documents Required	<ul style="list-style-type: none"> • Advertisements for the past three years • News Clips for the past three years • Marketing Plan • Advertising and Public Relations Strategy
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Factor 4: Sales

Purpose	This sub-criterion measures the management’s abilities to generate a better return on its advertising and marketing expenditures by evaluating sales opportunities, testing and measuring the results of sales efforts, and ensuring that the sales representatives are building customer loyalty. It also assesses the extent to which the sales processes have been systemized.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the management insist that the sales message for their products and services emphasize the feelings produced by using their products instead of listing what their product or service is or how it works? 2. Are the sales messages delivered for the firm’s products and services converting the benefits into vivid word pictures and placing the typical customer in the picture? 3. Does the management’s sales strategy include continuous follow-up communication with previous non-buyers because most customers do not buy on the first contact? 4. Does the sales training given to representatives of the firm include encouraging prospective buyers to ask questions? 5. Does the management insist that sales representatives be extensively trained in the latest product and service benefits and the latest sales techniques? 6. Does the management insist that sales representatives make buying as easy as possible stressing that every non-essential action in the process is an opportunity for the customer to reverse their decision causing a lost sale? 7. Does the management require their sales representatives to make their presentations relevant to the customer, not a canned presentation listing features instead of benefits? 8. Does the management insist that the firm’s processes assist sales representatives in building customer loyalty for their products and services by ensuring prompt delivery, good service, good warranties, and continuous improvements? 9. Has the management systemized the sales process to ensure that the customer receives the product or the service as promptly and as efficiently as possible? 				

Documents Required	<ul style="list-style-type: none"> • Sales Strategies • Sales Reports • Sales Training Outline
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Factor 5: Delivery, Billing, and Collections

Purpose	This sub-criterion assesses the business managements ability to deliver the products and services, to collect the moneys that are legitimately owned to the firm, to handle customer credit, and to mänge the accounts receivables in an effective and efficient manner.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the management continually explore the most cost effective means and customer-satisfying methods for delivering their products and services?				
2. Does the management require effective credit procedures on each sale with credit applications, credit reports, and credit approval?				
3. Does management extend credit where the payments include the cost of interest, attorney fees, and remedies for default?				
4. Do the business's sales contracts include requirements for sales confirmation, service agreements, payment schedules, retention of title, and insurance?				
5. Has the management established collection procedures including prompt billing, monthly statements, follow up letters, follow up phone calls, and referrals to collection agencies?				
6. Does the management review accounts receivable figures on a regular basis?				
7. Does the management adjust reserves for bad debts and review disputed and litigated accounts?				
8. Has the management implemented plans for reclaiming goods from insolvent customers, dealers, or representatives?				

Documents Required	<ul style="list-style-type: none"> • Billing and Collections Policies and Procedures
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B2. Sub-Criterion 2: Process Management and Streamlining

Factor 1: Process Design and Delivery for Products and Services

Purpose	The management of a successful private enterprise must be able to design and deliver products and services that customers need and want. This factor measures the depth of the employees' efforts to match marketing reseach with producing products and services that will be offered to customers.
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Specific Questions for Assessors	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the management use the business's strategic plan as a guide when allocating resources, delegating responsibilities, and creating detailed work plans to produce the products or service and their targeted outputs? 2. Does the management use the results of their marketing research to determine the need for additional production facilities and/or for additional service personnel? 3. Has the management identified specific design goals? 4. Has the design process for products and services been carefully documented? 5. Are product and service designs based on international best practices and quality standards? 6. Has the flexibility and the cost of design changes been considered? 7. Has the ease of operations been designed into the products or services? 8. Does the production department have the ability to produce a product conforming to the design? 9. Has the maintenance of the products or services been considered? 10. Have productsand services been designed taking into consideration market requirements, competitive pressures, and conformance to external standards or regulations? 11. Have prototypes of the products or services been tested and verified? 12. Have labeling, warnings, identification numbers, traceability requirements and the availability and use of standard parts been taken into consideration during the design phase of the product or service? 13. Has the need for operating manuals, instructions for usage, technical literature, parts lists, and the availability of parts been considered in the design phase? 14. Have packaging considerations been fully explored? 15. In designing the products or the services, have safety, environmental considerations, dependability, and service requirements been studied? 16. Have comparisons with competitive designs been made? 17. On product design, has the ease of assembly been considered? 18. Have shelf life, disposability, aesthetic specifications, and the company's ability to correct problems been studied? 19. Do the employees have the capability to inspect, test and verify the design prior to marketing the product or service and to validate the product or service after the sale? 				

Factor 2: Streamlining of Procedures

Purpose	Streamlining business procedures reduces the time, effort, and costs of producing the products and services by deleting or merging steps and eliminating confusion. Effective streamlining increases customer satisfaction by lowering costs or improving availability and service.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Do the employees regularly audit procedures and streamline them by eliminating unnecessary and duplicated steps? 2. Does this streamlining effectively reduce the time, effort, and cost of programs, projects, and events? 3. Do the employees use process mind mapping and/or flowcharts (production plans) to outline the procedures and steps for each process? 4. Do the employees ensure that process mind maps or flowcharts are available to, and well understood by, other workers? 5. Does the management form cross-department teams of employees with varied expertise to implement the streamlining process? 6. Do the employees coordinate and cooperate with other businesses to review and streamline processes? 7. Does the management deal effectively with resistance among the employees before, during, and after changes to procedures are enacted? 8. Does the management accurately communicate the results of efforts to streamline procedures to employees? 9. Does the management take corrective action if the level of quality is below anticipated standards? 10. Does the management train employees on newly streamlined procedures? 11. Does the management consider, and where appropriate, incorporate new technology resources to help streamline procedures? 				

B3. Sub-Criterion 3: Customer Relations Management

Factor 1: Customer Needs, Expectations, Satisfaction, & Feedback

Purpose	Empowering employees to respond promptly and thoroughly to customer inquiries and concerns is important for customer satisfaction. Maintaining open channels of communication with customers ensures that their concerns are heard and understood and these open channels help the business improve the products and services it provides, thus increasing customer loyalty.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the CEO instituted training for the business’s employees to better respond to customer inquiries? 2. Does the CEO ensure that the employees have the authority and resources they need to respond to customer complaints and requests promptly and courteously? 3. Does the management use modern systems, such as call centers or hot-lines, to receive customer inquiries? 4. Do the employees respond promptly to customer inquiries? 5. Does the management use a documentation system to track how it deals with customer complaints? 6. Does the management take customer feedback seriously, and apply lessons learned when redesigning processes? 7. Does the CEO encourage employees to submit suggestions for improving customer satisfaction? 8. Do the employees communicate effectively with customers about the benefits of the business’s products and services? 9. Do the employees routinely solicit customer feedback to gain a better understanding of customer needs and expectations? 10. Do the employees respond to customer complaints by taking action to improve unsatisfactory performance? 11. Do the employees provide customers with brochures or pamphlets about how to gain benefits and to access programs and services? 12. Do the employees regularly update data on customer needs and expectations and use this data to determine changes in the business’s strategic plan? 13. Do the employees continually update processes according to changing customer needs and expectations? 14. Do the employees anticipate customers’ future needs and expectations to ensure that product and service processes are updated before they become obsolete or inefficient? 				

Documents Required	<ul style="list-style-type: none"> • Surveys on customer satisfaction • Statistical report on customer satisfaction • Communication channels with customers
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Factor 2: Quality Assurance Programs

Purpose	To be competitive in the global marketplace, a business must sell quality products and services that comply with international standards. A quality assurance program is necessary in today's business world.
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Specific Questions for Assessors	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the CEO instituted a quality assurance program for all the business's products and services? 2. Has the management established quality assurance standards that are built into the processes of producing the business's products and services? 3. Has the management trained the employees to comply with quality assurance standards? 4. Has the management adjusted the business's systems and processes to conform to international standards, such as ISO 9000 and other best practice standards? 5. Does the management receive regular reports from quality assurance personnel about the success of compliance? 6. Does the management review from time to time the need for changing processes to increase the compliance levels? 7. Has the management applied for various certifications from world bodies in order to have certified products and services? 8. Has the management submitted applications for receiving awards for the quality of the business's products and services? 				

Documents Required	<ul style="list-style-type: none"> • Quality Certificates • Training Records • Compliance Reports on Quality Performance • Management Review Reports • Awards and Recognition Letters
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Factor 3: Continuous Improvement by Upgrades and Development

Purpose	Excellence in customer satisfaction entails continually searching for and identifying ways in which the business can achieve higher standards of programming and services by improving efficiency, effectiveness, and timeliness. This sub-criterion assesses the business management's efforts to stay ahead of market demands by upgrading and continuously improving products and services before they become obsolete or non-competitive.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Do the CEO and management have strategies for continuously improving products and services, such as updating facilities, adding new product lines, creating new services, and integrating new technology? 2. Does the management regularly identify and follow through on opportunities for upgrading products and services? 3. Does the management actively seek information and suggestions from customers when streamlining or updating the business's processes? 4. Does the management have a clear product and service definition process? 5. Has the management standardized and streamlined the entire product and service development process? 6. Has the management trained the employees in standardized processes? 7. Has the management established continuous improvement teams to make recommendations on upgrades? 8. Has the management communicated a sense of urgency for the continuous upgrading and development of the business's products and services? 9. Has the management developed cross-departmental camaraderie as people worked together and with other teams to improve products and services? 10. Has the management specified the outputs wanted from the continuous improvement teams? 				

Documents Required	<ul style="list-style-type: none"> • Added value model of customer services • Performance improvement indicators
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B4. Sub-Criterion 4: Relationships with External Stakeholders

Factor 1: Interactions with Stakeholders

Purpose	Building relationships with external stakeholders is essential to effective and efficient business management. This sub-criterion examines the management’s emphasis and dedication to establishing good working relationships with various external stakeholders.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the management have a well designed program to identify all stakeholders? 2. Does the management have a well-established program to build solid relationships with its dealers, representatives, and suppliers? 3. Does the management have a well-established program to expand its relationships with the news media and trade press? 4. Does the management focus on building appropriate relationships with government regulators and licensors? 5. Has the management become part of the community leadership through participation in civil society organizations and activities? 6. Does the management continually ask for input from opinion makers in the communities and countries in which the business’s products and services are sold? 7. Does the CEO regularly meet with external stakeholders to solicit suggestions and criticisms of products and services of the business? 8. Does the management continually solicit input from its external stakeholders? 9. Does the management seek external allies by participating in business associations? 10. Does the management effectively communicate and cooperate with external allies seeking feedback and recommendations on the business’s products and services? 				

Documents Required	<ul style="list-style-type: none"> • Approaches of building relationships • Feedback reports
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Persons to Contact

- Chief Executive Officer
- Management Personnel
- Quality Assurance Personnel
- External Stakeholders

C. Business Processes Assessment Indicators

C1. Sub-Criterion 1: Business Process Management and Streamlining

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Product and Service Process Planning												
1.	The management uses the business's strategic plan as a guide for creating processes for products and services.											
2.	The processes meet the performance targets in the strategic plan.											
3.	The management creates process maps for each product and service.											
4.	The management encourages cooperation and communication among different departments to promote understanding of the business's processes.											
5.	The employees have assessed the types and quantities of resources required in each process.											
6.	The management regularly reviews the results of each process.											
Factor 2: Market Planning and Design of Products and Services												
1.	The business incorporates the changing requirements of customers into program designs.											
2.	The management uses the results of external expert market research for determining product and service designs											
3.	The management has the firm's products and services designed based on international quality standards.											
4.	The firm has the ability to produce the products and services conforming to the designs.											
5.	The management's product and service designs take into considerations packaging, shelf life, disposability, aesthetics, safety, and other consumer oriented considerations.											

Factor 3: Advertising and Public Relations												
1	The management concentrates their advertising on the business's typical customers.											
2	The management has developed a list of each product and service benefits.											
3	The business's advertising is the result of a well developed marketing plan.											
4	The management has hired professionals to handle the firm's advertising and public relations programs.											
Factor 4 Sales												
1	The business's sales messages emphasize the feelings produced by using their products and services.											
2	The sales strategy includes continuous contact with previous non-buyers.											
3	The management has instituted a sales training program for all representatives that includes the latest sales techniques.											
4	The sales program is designed to build customer loyalty to the firm's products and services.											
5	The management has a sales system that ensures the customer receives the product or the service promptly and efficiently.											
Factor 5 Delivery, Billing, and Collections												
1.	The management has cost effective and customer satisfying means of delivering the business's products and services.											
2.	The management has instituted an effective and efficient credit program for the firm's customers.											
3.	The management has adopted sales contracts that include legal protection for the firm.											
4.	The management reviews accounts receivable on a regular basis.											
5.	The management has plans for collecting bad debt and for reclaiming goods from insolvent customers.											

B2. Sub-Criterion 2: Process Management and Streamlining

Factor 1: Process Design and Delivery for Products and Services												
1	The management uses the business's strategic plan as a guide when allocating resources, delegating responsibilities, and creating detailed work plans to produce the the products or service and their targeted outputs.											
2	The management use the results of their market research to determine the type and amount of products and/or services that will be offered to customers.											
3	The management has identified specific design goals and has documented carefully the design process.											
4	Products and services are designed based on international best practices and quality standards											
5	The designs for products and services take into consideration market requirements, competitive pressures, and conformance to external standards or regulations											
Factor 2 Streamlining of Procedures												
1	Management regularly audits procedures and streamlines them by eliminating unnecessary and duplicated steps.											
2	The management can prove that this streamlining has effectively reduced the time, effort, and cost of products and services.											
3	The management has formed cross- department teams of employees with varied expertise to implement the streamlining process.											
4	The management always considers, and where appropriate,incorporates new technology resources to help streamline procedures.											

C2. Sub-Criterion 2: Customer Relationship Management

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Customer Needs, Expectations, Satisfaction, and Feedback												
1	Feedback from customers is actively solicited through surveys and other methods to better identify customer needs and expectations.											
2	The management conducts periodic analyses of customer expectations.											
3	The business's CEO and management meet with customers to solicit feedback and suggestions when attempting to improve designs and processes.											
4	The employees provide customers with brochures or pamphlets about how to gain benefits from the business's products and services.											
Factor 2: Quality Assurance Programs												
1	The CEO has instituted quality assurance program for all the business's products and services.											
2	The management has established quality assurance standards that are built into the processes of producing the business's products and services.											
3	The management has adjusted the business's processes to conform to international standards, such as ISO 9000 and other best practice standards.											
Factor 3: Continuous Improvement by Upgrades and Development												
1	The CEO and management have strategies for continuously improving products and services, such as updating facilities, adding new product lines, creating new services, and integrating new technology.											
2	The management actively seeks information and suggestions from customers when streamlining or updating the business's processes.											
3	The management has standardized and streamlined the entire product and service development process.											
4	The management has established continuous improvement teams to make recommendations on upgrades.											

C4. Sub-Criterion 4 Relationships with External Stakeholders

Factor 1: Interaction with Stakeholders												
1.	The management has well-established programs to build solid relationships with its dealers, representatives, and suppliers											
2.	The management has an entrenched program to expand its relationships with the news media and trade press.											
3.	The management focuses on building appropriate relationships with government regulators and licensors.											
4.	The management continually asks for input from opinion makers in the communities and countries in which the business's products and services are sold.											

A. Purpose of Business Knowledge Criterion and Sub-Criteria

Criterion: Business Knowledge

Purpose	<p>The Knowledge Criterion examines the business's knowledge management systems and strategies. It assesses to what extent the employees:</p> <ul style="list-style-type: none"> • understand what knowledge management entails; • use a sound strategy for managing and improving knowledge resources; • use their knowledge resources effectively to achieve profit targets; and • disseminate timely, relevant information to customers, fellow-employees, stakeholders, and other institutions to build trust and cooperation.
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Sub-Criterion 1: Knowledge Operations

Purpose	<p>This sub-criterion examines the management's understanding of the key elements of knowledge management. It assesses how well the employees manage their knowledge assets, including:</p> <ul style="list-style-type: none"> • to what extent the employees have accurately identified the business's vital knowledge assets; • the assets' relative priorities ; • where the assets are located; • what the key risks are, and • how the assets add value to the business's outputs;
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Sub-Criterion 2: Knowledge Impact

Purpose	<p>This sub-criterion examines the management's strategies for developing and using knowledge assets. It assesses how effectively the employees create, capture, share, and use the available knowledge.</p>
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Sub-Criterion 3: Knowledge Communications

Purpose	<p>This sub-criterion examines the business's internal and external communication activities. It assesses how well the internal communication strategy is designed and implemented to provide timely, relevant information to employees and the extent to which it enhances the employees' performances. The sub-criterion assesses how well the external communication strategy is designed and implemented to help the business convey timely, appropriate messages to stakeholders, and to what extent the strategy enhances customer confidence and facilitates customer access to information, services and products.</p>
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B. Knowledge Assessment Factors

B1. Sub-Criterion 1: Knowledge Operations

Factor 1: Awareness and Commitment

Purpose	For a knowledge management system to be most effective for a business, the management must understand the concept of knowledge management (KM) and be willing and able to create, maintain, and use a KM system. The chief executive officer (CEO) must be committed to its use and should encourage KM activities that support and promote the business's strategic objectives and profit targets.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the CEO explained the concept of KM to the employees, including how good KM practices can help the business meet its strategic objectives and profit targets more efficiently? 2. Is there a general understanding of the concept of KM within the business? 3. Does the CEO generally understand the concept of KM and the requirements for maintaining an effective KM system? 4. Does the CEO demonstrate a strong commitment to KM policy, guidelines, and activities? 5. Does the CEO understand the importance of promoting KM among managers and employees? 6. Are the KM responsibilities of each position clearly outlined in the job description? 7. Is KM explicitly included as a priority in the business's mission statement and strategic objectives? 8. Is training in the knowledge management systems and practices available to all the employees? 9. Does the management actively promote good knowledge management practices (i.e., knowledge sharing) by providing employees with both resources and encouragement? 10. Does the management encourage employees to check if knowledge already exists within the business before trying to create it or obtain it from an external source? 11. Are individuals rewarded for teamwork and knowledge sharing? 				

Factor 2: Knowledge Management Planning

Purpose	To devise an effective KM strategy, the employees need to have a thorough understanding of the business's knowledge requirements and assets. The CEO must understand the impact of KM strategies on the business's performance, and must understand their relative importance, as well as assessing any significant risks to outcomes.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the CEO designated an employee to be the business's knowledge manager, either formally or informally, who will sponsor and oversee the implementation of the KM strategy, including development of KM resources and tools? 2. Has the CEO designated specific employees whose functions are to support the knowledge manager, including assisting in the sharing, creating, storing and disseminating knowledge? 3. Does the business have a clear, written, well defined KM strategy? 4. Has the CEO translated its KM strategic objectives into tangible, reasonable performance targets in the business's strategic plan? 5. Does the strategy clearly define "knowledge" as a mix of both information and experience? 6. Does the strategy clearly outline how knowledge contributes to the business's outputs and results? 7. Has the knowledge manager clearly identified and documented the business's vital knowledge requirements? 8. Has the knowledge manager clearly defined and documented the gaps between knowledge requirements and assets, and incorporated plans to fill those gaps into the KM strategy? 9. In attempting to fill these gaps, does the knowledge manager first attempt to find and/or create the knowledge within the business? 10. Does the knowledge manager solicit input from fellow workers when attempting to close knowledge gaps? 11. Does the knowledge manager maintain a database of its vital knowledge assets that lists the type of knowledge, its location, and the person to contact to access the knowledge asset? 12. Does the knowledge manager generally understand how each of its knowledge assets contributes to the business's outputs? 13. Has the knowledge manager identified the threats or risks to the business's knowledge assets? 14. Does the knowledge manager have a system for managing these threats and risks? 15. Has demographic, historical purchasing, and consumer behavior data about the business's customers been collected? 				

B2. Sub-Criterion 2: Knowledge Impact

Factor 1: Knowledge Deployment

Purpose	Developing easy-to-use systems for capturing various types of knowledge and making it widely available is critical to effective knowledge management. Allowing time and space for employees to exchange information and ideas is also vital to KM. By encouraging continuous knowledge sharing, the business can avoid spending time and effort to create knowledge or solutions that already exist, thereby improving efficiency and reducing costs.
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Specific Questions for Client	Yes	To some extent	To a great extent	No
<ol style="list-style-type: none"> 1. Does the knowledge manager have a document management and archiving system, either manual or electronic? 2. Does this system capture important and relevant internal documents as well as those created for external use? 3. Does the knowledge manager have a system for archiving documents after a specified period of time? 4. Does the knowledge manager capture the vital department knowledge of its key employees to make it more accessible in the business, for example by documenting it or holding internal cross-department trainings? 5. Are there any restrictions on access to information that is not confidential or personal? 6. Does the knowledge manager have a means of making captured knowledge available to the business's customers and to all employees, such as a library or electronic file-sharing system? 7. Does this system include measures to protect the security, confidentiality, and/or integrity of the knowledge? 8. Does the knowledge manager have a well-structured, up-to-date "knowledge map" to guide the employees to the information they seek? 9. Is this map flexible, showing the employees multiple ways to find and access information? 10. Has the knowledge manager clearly designated the best resource(s) for particular kinds of information? 11. Do the CEO and the knowledge manager regularly bring employees together across normal lines of responsibility to develop and/or share knowledge? 12. Does the CEO arrange for regular internal employee meetings on important issues or topics of broad interest or applicability? 13. Does the business have an effective information technology system to support knowledge sharing, communication, and the business's learning? 14. Are employees adequately trained to take full advantage of this system? 15. Do employees make use of information through KM technology resources in their daily work? 				

Factor 2: Review and Assessment

Purpose	Knowledge is a constantly evolving asset. To maximize the effectiveness of its KM system, the management must regularly review the business's knowledge assets and requirements and monitor progress toward tangible KM strategic objectives.
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Specific Questions for Client	Yes	To some extent	To a great extent	No
<ol style="list-style-type: none"> 1. Do the CEO and the knowledge manager regularly review the business's knowledge assets to identify any significant gaps that need to be filled? 2. Do the CEO and the knowledge manager set these KM performance targets through a process involving widespread employee participation? 3. Are these targets widely circulated and understood throughout the business? 4. Does the knowledge manager monitor employee KM practices, including how well they share knowledge? 5. Is this KM responsibility clearly outlined in employee performance agreements? 6. Are KM practices assessed during employee performance reviews? 				

Factor 3: Knowledge about Competitors

Purpose	In the global economy, gaining market share for a business is the measurement of success or failure. Management must continually gather and analyze knowledge about their competitors' products and services and their methods for capturing additional sales.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the management identified the business's direct and indirect competitors? 2. Has basic data about competitors been compiled including locations, annual sales, major managers, partnerships, product and service lines, product and service comparisons, price structure, marketing activities, and supply sources? 3. Have the competitors strategies and objectives been analyzed? 4. Are the competitors' market shares growing? 5. Has the management studied the competitors strengths and weaknesses? 6. Has the management studied the competitors' advertising and promotional program? 7. Has a study been conducted to determine the differences between the business's products and services and those of the competitors? 8. Has the distribution system of the competitors been studied? 9. Has the customer services programs of the competitors been analyzed? 10. Has the management included in the business's strategic plan how to capitalize on the competitors' weaknesses and how to meet the challenges of their strengths? 				

Factor 4: Intellectual Property Protection

Purpose	The globalization of markets has led to more competition, therefore, most businesses are striving to find and sustain a competitive advantage, something that will satisfy customers' needs better and more profitably than the competition. The business's intellectual property is often the asset that sets it apart in the market place and management must be protective of that asset. Intellectual property is defined as the creation of property of mind or intellect and in the case of a business, this also can mean proprietary knowledge.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Has the management identified all intellectual property, such as literary works, designs, artwork, graphics, logos, plans, processes, client lists, and other corporate knowledge owned by the business?				
2. Has the management established clear ownership or useage rights to the intellectual property?				
3. Has the knowledge manager established a list and a value on all intellectual property owned and used by the business?				
4. Has the knowledge manager conducted a search on various Internet search engines such as IBM Patent Network or European Patent Office, to ensure that the business's intellectual property is not already claimed by another business?				
5. Has the management registered patents and designs, trade marks, copyrights, licenses, goodwill, original circuit layouts, plant breeder's rights, and any other intellectual property that the business may own?				
6. Has the management set up a system to protect all knowledge derived from research and development projects?				
7. Has specific sales information been copyright protected?				

B3. Sub-Criterion 3: Knowledge Communications

Factor 1: Internal Communications

Purpose	A well designed and implemented internal communications strategy can enhance employees' performance by keeping them well informed of current administrative and production issues, helping them feel more engaged in their work and promoting teamwork.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Has the management put in place an effective internal communication system?				
2. Has the CEO assigned responsibility for internal communications to a specific employee?				
3. Is there a clear action plan for implementing the internal communications strategy?				
4. Does the action plan assign responsibility and define clear tasks and timelines for the creation and dissemination of communications materials?				
5. Does the management assign an adequate number of qualified employees and devote sufficient financial resources to implement the action plan?				
6. Does the assigned employee have the skills necessary to plan, implement, and evaluate the internal communications strategy?				
7. Has the assigned employee identified the appropriate objectives, messages, target audience, tools, and assessment mechanisms for its internal communications activities?				
8. Does the CEO support internal communications efforts?				
9. Are there clear guidelines for cooperation among the various departments devoted to internal communications?				
10. Does the internal communication strategy include a system for dealing with emerging crises, such as legal problems, natural disasters, or political attacks?				
11. When appropriate, are internal communications tools tested prior to actual production to ensure that the most effective format and method of delivery are used?				
12. Is the internal communication strategy regularly reviewed to ensure that the objectives of the strategy are being met?				
13. Does the management use feedback from employees to improve the effectiveness of the internal communications strategy?				

Factor 2: External Communications With Consumers, Current & Potential Investors, Government Officials, and the General Public

Purpose	A well designed and implemented external communications strategy provides customers and other stakeholders with timely, accurate information on business products and services. It also helps the business convey a positive image, build customer and stakeholder confidence in the business's work, create loyalty to its products and services, and emphasize its social corporate responsibility.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the business have an external communications strategy? 2. Does the strategy include an action plan with assigned responsibility and clear tasks and timelines, for the creation and dissemination of external communications materials? 3. Does the business have communication specialists? 4. Do the communication specialists have the skills necessary to plan, implement, advocate, and evaluate the external communications strategy? 5. Has the CEO identified the appropriate objectives, issues, messages, target audience, tools, and assessment mechanisms for the business's external communications activities? 6. Does the CEO support proactive external communication efforts? 7. Does the external communication strategy have enough flexibility to capitalize on unforeseen opportunities, such as a sudden opening of a new market or the development of a new product? 8. Does the external communication strategy have enough flexibility to deal with emerging crises? 9. Are the processes for planning, implementing, and assessing external communications activities centralized? 10. Are there clear guidelines for cooperation among employees from various departments devoted to external communications? 11. Do the communication employees have a well-organized KM system for researching, archiving and retrieving external communications and advocacy documents? 12. Does the business hire external service providers to carry out communications functions that the business cannot handle internally? 13. When appropriate, are communications tools tested prior to actual production to ensure that the most effective format and method of delivery are used? 14. Is the external communications strategy regularly reviewed by the CEO to ensure that the strategic objectives are being met? 15. Does the business formally survey stakeholders to assess the extent to which external communications efforts help the business project a positive image, increase public awareness and recognition, and ensure that customers and other stakeholders are well informed of events, activities, or changes that may affect them? 				

21. Does the business use feedback from employees and stakeholders to improve the effectiveness of the external communication strategy?				
17. Are there mechanisms, such as focus groups, in place for securing continuous feedback from stakeholders about communications activities?				

Persons to Contact

- Chief Elected Volunteer (Chair of the Board or President of the Business)
- Chief executive officer
- Knowledge manager for the business
- IT Manager
- Communications Manager
- Communications staff
- Random selection of business employee

C. Knowledge Management Assessment Indicators

C1. Sub-Criterion 1: Knowledge Operations

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Awareness and Commitment												
1	The business has full awareness and commitment from the CEO and the employees to operate a Knowledge Management system.											
2	The employees uses good KM practices that help achieve the strategic objectives of the business.											
3	The CEO generally understands the concept of KM and is willing to allot the business's resources to creating, maintaining and using such a system											
4	The employees understand the importance of using and contributing to the KM system and their job descriptions include a requirement to participate.											
5	The CEO has appointed a knowledge manager, either formally or informally, and supports that employee in encouraging other employees and business customers to contribute to the KM system.											
Factor 2: Knowledge Management Planning												
1	The CEO, the knowledge manager, and the staff have identified and are utilizing the KM assets of the business.											
2	The business's KM system utilizes both information and employee experience as key elements.											
3	The business's KM system is computerized and is easily accessible to appropriate employees.											
4	The knowledge manager has identified and documented the business's vital knowledge requirements.											
5	The CEO has designated specific individuals to support the knowledge manager by helping share, create, store and disseminate knowledge.											
6	The KM has identified the threats or risks to the business's knowledge assets.											

B2. Sub-Criterion 2: Knowledge Impact

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Knowledge Deployment												
1	The business encourages continuous knowledge sharing and avoids spending time and effort in creating knowledge or solutions that already exist											
2	The business's knowledge manager has electronic management and archiving systems that capture important and relevant internal and external documents and vital departmental knowledge of key staff.											
3	The knowledge manager has a well-structured, up-to-date "knowledge map" to guide the staff and customers to the information they seek.											
4	Business customers and employees are adequately informed and trained to take full advantage of the KM system.											
5	The KM system has measures that protect the security, confidentiality, and/or integrity of the knowledge.											
Factor 2: Review and Assessment												
1	The CEO and the knowledge manager regularly review the business's knowledge assets to identify any significant gaps that need to be filled and have outlined its KM strategic objectives in the business's strategic plan.											
2	The CEO regularly reviews the effectiveness and assesses the usefulness of the business's information and communications technology (ICT) strategy, inputs, outputs, and results.											

Factor 3: Knowledge about Competitors												
1	The management has identified the business's direct and indirect competitors.											
2	Basic data about competitors is compiled including locations, annual sales, major managers, partnerships, product and service lines, product and service comparisons, price structure, marketing activities, and supply sources.											
3	The management has analyzed the competitors' strategies, objectives, and market share.											
4	The management has included in the business's strategic plan how to capitalize on the competitors' weaknesses and how to meet the challenges of their strengths.											

Factor 4: Intellectual Property Protection												
1	The management has identified the business's intellectual property.											
2	The management has established clear ownership or useage rights to all the intellectual property in the business's possession.											
3	The knowledge manager has established a list and values for all items of intellectual property.											
4	The management has registered patents and designs, trade marks, copyrights, licenses, goodwill, original circuit layouts, plant breeder's rights, and any other intellect property that the business may own.											

C3. Sub-Criterion 3: Knowledge Communications

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Internal Communications												
1	The CEO has developed an internal communications strategy and has assigned responsibility for internal communications to a specific employee who has the skills and the motivation necessary to plan, implement, and evaluate the strategy.											
2	The employee in charge of internal communications has a clear action plan for implementing the CEO's strategy with assigned responsibility and defined tasks and timelines, for the creation and dissemination of communications materials.											
3	The CEO has assigned an adequate number of qualified employees and has devoted sufficient financial resources to implement the internal communications action plan.											
Factor 2: External Communications												
1	The business has an external communications strategy and a public relations person that has the skills necessary to plan, implement, and evaluate the strategy.											
2	The CEO has established clear guidelines for cooperation among employees for implementing the external communications strategy, which includes dealing with emerging crises.											
3	The external communications program is following its adopted strategy and adhering to its management's guidelines.											

A. Purpose of Business Finances Criterion and Sub-Criteria

Criterion: Business Finances

Purpose	<p>The Business Finances Criterion examines the business's financial decision-making process including administration and budgeting. It assesses how effectively the business owners, who are the ultimate fiduciaries, and the chief executive officer and the chief financial officer:</p> <ul style="list-style-type: none"> • develop the business's budget and allocate funds to meet the objectives of the business's strategic plan; • design and implement accounting systems that ensure financial accountability, prevent mismanagement, and enable the business to make best use of available resources; and • analyze its financial performance and apply lessons learned to continually update and improve budgeting and financial administration.
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Sub-Criterion 1: Financial Planning

Purpose	<p>This sub-criterion examines the business's budget and allocation process. It assesses to what extent the management gathers sufficient, relevant information for making sound budgeting decisions, and how effectively the chief financial officer develops the budget and allocates funds to achieve the objectives of the strategic plan.</p>
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Sub-Criterion 2: Implementation

Purpose	<p>This sub-criterion examines the business's financial administration system. It assesses the effectiveness of the business's accounting system for ensuring that funds are managed according to the priorities of the budget and for preventing financial mismanagement and corruption. It also assesses how well the employees coordinate their purchasing and inventory activities to ensure both the continuous availability of supplies and the most efficient use of cash.</p>
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Sub-Criterion 3: Financial Assessment

Purpose	<p>This sub-criterion examines the business's system for reviewing and improving its budgeting and accounting activities. It assesses the effectiveness of the business's monitoring and evaluation system for providing continuous, critical feedback about budget performance. It also assesses how well the employees apply lessons learned when updating budget priorities and revising the budgeting process.</p>
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B. Business Finances Assessment Factors

B1. Sub-Criterion 1: Financial Planning

Factor 1: Historical Accounting Data

Purpose	Directors or owners, who have the ultimate fiduciary responsibility for the business, need reliable historical data about the business in order to make reasonable financial judgements about the future.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Do the ultimate fiduciaries and the management receive and review sufficient information about the business's financial requirements, with proper methodologies and well-thought out assumptions, to enable them to make sound funding decisions? 2. Do the ultimate fiduciaries and the management receive and review sufficient information about the design, execution, monitoring and evaluation processes for the company's products and services, or special activities? 3. Does the management use results of the previous years' balance sheets, profit and loss statements, cash flow statements, and budgets in making current funding and budgeting decisions? 4. Are variances reflected in the financial reports? 5. Do the ultimate fiduciaries and the CEO regularly review and formally approve the financial reports? 				

Factor 2: Financial Projections

Purpose	Excellent financial management depends on the management’s ability to make accurate projections about its revenues and expenditures for the coming year and beyond. Expected revenues, well researched estimates of production and service costs, and a thorough understanding are necessary for making sound financial judgements. Also the management needs to be in complete agreement about the business’s current and future strategic objectives to make appropriate budgeting allocations
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Does the management use the latest projection techniques and methods to predict the business’s financial needs? 2. Does the management create cost/benefit analyses of proposed products or services? 3. Has the management identified what percentage of variation is acceptable in its financial projections? 4. Do the ultimate fiduciaries and the management who are not involved in making projections have confidence in the projections? 5. Does the management have a system for forecasting revenues and expenditures that is appropriate for developing projections that are relevant to the business’s needs? 6. Do the managers developing the current budget take into consideration potential changes to the business’s strategy that might occur in future years? 				

Factor 3: Research & Development Needs

Purpose	The lifeblood of many businesses is a strong research and development program to develop new products, services, and markets. The range of such programs varies greatly, from a very simple search for new processes to complex scientific advancements. The financial impact for all such programs should be carefully planned by the management of the business.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has the management developed a brief summary of all research and development (R & D) programs and projects? 2. Does the summary include the names of the key people involved, the dates that the research began, the dates that the development began, and the projected date of commercialization? 3. Does the summary include the objectives of the R & D? 4. Has the management developed a list of each of the key characteristics of the research? 5. Has the management developed a best estimate of the costs of the research from beginning to commercialization? 6. Has the management sought and received outside funding for R & D, such as a government or foundation grant? 7. Has the management taken into consideration the requirements for additional human resources, the need for more production space, and the additional funds and time required to commercialize the products and services that are developed from R&D? 8. Has the cost of environmental resources management been considered? 9. Is there a patentable invention, or could one arise from the R&D? 10. Has the management developed a list of the types of customers that are likely to purchase the new products or services? 11. Are government approvals likely to be needed for the release of the product/process? 				

Factor 4: Budget & Allocation Planning

Purpose	Even with careful planning, the budgeting and allocation of the business's funds are a dynamic, ever-changing process. Management should develop a flexible, participatory approach to budgeting, thereby increasing the chances of accuracy. Then by managing and monitoring the allocation of funds on an ongoing basis, they can ensure that the business's funds are always being used in the most effective and efficient way.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Is the annual budget prepared through a participatory process?				
2. Does the CEO review and revise priorities throughout the budget planning process?				
3. Do the budget-drafting guidelines ensure that the budget is aligned with the priorities of the strategic plan and action plans?				
4. Does the management take customer needs and expectations into consideration when developing the budget?				
5. Does the management translate customer and employee needs and expectations into weighted factors to ensure that they influence budgeting decisions in an appropriate way?				
6. Are new technological advancements that relate specifically to the business and its constituency taken into consideration in the budgeting process?				
7. Is the rationale behind funding allocation decisions well known and understood throughout the business?				
8. Does the CEO actively attempt to assess the effect budget allocation decisions have on employee morale?				

B2. Sub-Criterion 2: Implementation

Factor 1: Financial Administration/Accounting/Internal Controls

Purpose	The CEO and the chief financial manager should establish and maintain a well-developed computerized accounting and financial system. The system should be designed according to internationally accepted standards and conventions. Also internal accounting controls are vital to every business. The management needs to be assured that all sales are carefully accounted for and that all cash is properly handled. Too, the management needs controls to make certain that all time and material costs are captured and assigned to the right accounts. Proper internal controls should be part of everyday procedures in a business and should work in a way that helps prevent or detect fraud and theft.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Has the CEO caused a set of financial policies to be written, adopted, and followed?				
2. Does the CEO require the managers to use solid internal controls?				
3. Does the management plan the business's budget based on the realistic availability of resources?				
4. Has the CEO established a methodology to safeguard cash?				
5. Does the entire management team have an attitude that will cause the business's spending habits to stay lean?				
6. Has the CEO required the accountants to develop a decision-oriented accounting system?				
7. Does the CEO ensure that financial management costs are kept reasonable and in line as a small percent of the business's expenditures?				
8. Do the CEO or the owners require annual audits?				
9. Do the bylaws of the business's corporation specifically require that a high standard of financial accountability is maintained?				
10. Do the CEO or owner review the accounting system annually to identify strengths and weaknesses?				
11. Does the business's accounting system conform to the standards of international conventions of the accounting profession?				
12. Does the business have an applied cost accounting system that helps identify costs and assign them to the appropriate business functions?				
13. Does the chief financial officer make financial reports readily available to all the managers?				
14. Are these reports made available to the managers in a format and style that is clear and easy-to-understand even to readers who do not have a technical background in accounting or finance?				
15. Does the management encourage training in financial decision-making skills?				
16. Does the Chief Financial Officer make comparative analyses of competitors?				
17. Are unnecessary and bureaucratic procedures carefully eliminated in the approval process for expenditures?				

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<p>18. Does management safeguard against the creation of unauthorized debt?</p> <p>19. Does the accounting system require the prompt recording of all liabilities?</p> <p>20. Do the accountants carefully check the accounts payable for accuracy?</p> <p>21. Is a policy in place that ensures outstanding bills are paid only when the supplies or services have actually been received?</p> <p>22. Does management take advantage of vendor discounts?</p> <p>23. Does the management require that cash-handling and cash-recordkeeping duties are segregated?</p> <p>24. Are all expenditures authorized and documented?</p> <p>25. Does the management conduct unannounced checks of petty cash and other cash accounts?</p> <p>26. Has the CEO prohibited any single employee from handling a transaction from start to finish?</p>				
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Factor 2: Purchasing

Purpose	A clear, well defined system for purchasing material, parts, supplies and services from outside sources that involves proper documentation and recordkeeping helps the management control and monitor expenditures.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the management require written documentation using proper and systematic purchasing methods by all employees?				
2. Does the management have procedures in place to prevent fraud and corruption in the purchasing process?				
3. Does the management conduct an assessment of its purchasing procedures as part of its regular auditing process?				
4. Does the purchasing system require a paper trail for every purchase, including signed vouchers with matching numbers and receipts?				
5. Does the business have clear and effective purchasing approval processes?				
6. Are these processes routinely implemented at all levels of the business?				
7. Does the management have a formal system for ensuring that the business receives quality services and products at the best price?				
8. Does the management have a system of bidding for higher-cost items where the supplier is the lowest or the best bidder?				

Factor 3: Inventory Management

Purpose	Businesses buy myriads of production and service supplies, office supplies, and other items that must be stored. Proper inventory management is critical to ensuring that the business always has adequate supplies on hand to carry out its functions. It also helps the business prevent unnecessary expenses, such as paying interest on inventory and paying unnecessary storage fees.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the management have a written inventory policy that clearly outlines what items can and cannot be placed in inventory?				
2. Does the management periodically require an inventory of storage facilities to prevent unnecessary purchasing?				
3. Do the accountants and the financial managers link inventory management to cash flow management?				
4. Does the management have property insurance that covers its inventory?				
5. Does management require that inventories physically be counted at least annually?				
6. Has the management established central control over inventories that are maintained?				
7. Does the management require that perpetual inventory records be maintained?				
8. Have the inventories been adequately insured?				
9. Has the management instituted safeguards against theft and pilferage of inventories?				

Factor 4: Accounts Receivable Management

Purpose	The CEO must carefully manage the business’s accounts receivable. Accounts receivables are monies that are owed to the firm for products and services provided on <u>credit</u> to a customer. These types of funds are treated as a current asset on a balance sheet. Every business should be sure it has set up an adequate system to safeguard and collect all its accounts receivable assets with periodic reviews to be sure the controls are working.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
<ol style="list-style-type: none"> 1. Has management established a system ensuring that customers are billed promptly? 2. Does management require that accounts-receivable-aging schedules are prepared regularly? 3. Does the management have different employees responsible for the various duties associated with accounts receivable? (For example: taking the order, shipping the product, customer billing, collecting receivables, and depositing collections in the bank.) 4. Does the billing process ensure that customers receive monthly statements? 				

B3. Sub-Criterion 3: Financial Assessment

Factor 1: Monitoring and Auditing

Purpose	Effective monitoring and auditing systems assess the employees' performances using relevant indicators and comparing actual outcomes with forecasted results. This provides managers with information that they can use to update priorities and improve budgeting and funding allocation systems. Constant monitoring and regular auditing of the business's financial administration is a necessary safeguard against corruption and the embezzlement of funds.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the management identify key indicators that are appropriate for assessing the effectiveness of the budgeting process?				
2. Do these key indicators include measurements of the quality and quantity of the products or services that the business sells?				
3. Do these indicators include measurements that help the management assess the value of product and service outputs in comparison with expenditures?				
4. Does the management assess the accuracy of their projections at the end of each financial year?				
5. Does the management document and update the projection techniques and methods each year?				
6. Does the management have systems for providing employees with updated financial information throughout the budget year?				
7. Does the management prepare comprehensive budget reports comparing actual expenditures and revenues to forecasted figures?				
8. Do the managers and the employees generally adhere to the budget?				

Factor 2: Achievement of Profit Targets

Purpose	Without profits the business will not survive. Therefore, the business's leaders need to know if they actually achieved the products and services output targets that they should have identified in their strategic plan in order to determine how to improve future profit performance.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Has the chief executive officer (CEO) set profit performance targets for each key product or service output in the current financial year?				
2. Has the CEO divided these targets into sub-targets for each of the geographical or functional area of the business?				
3. Has the management carefully explained these profit targets to appropriate personnel?				
4. Do these targets clearly specify the maintenance or the improvement of quality standards and quantity measurements?				
5. Are the quantity measures realistic, being consistent with experience and based on a logical analysis of what can be achieved?				
6. Has the CEO outlined the logical assumptions underlying the analytical basis for these profit targets?				
7. Does the management have a system to monitor, measure, analyze, and report the actual financial performance of each product or service output?				
8. Does the CEO use the findings of this process to revise the business's strategic plan?				
9. Is there a clear linkage between the management's projected targets and the actual outcomes for the year that are stated in the balance sheet and in the profit and loss statement?				
10. Do the CEO and the Chief Financial Officer provide realistic financial assessments to stakeholders?				

Factor 3: Recommendations on Lessons Learned

Purpose	To ensure continuous improvement in the business's financial performance, the chief executive officer, the chief financial officer, and the board of directors or the owner or owners must work together to apply lessons learned from previous years to the current and future financial challenges that the business faces.
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Specific Questions for Client	No	To some extent	To a great extent	Yes
1. Does the business's strategic plan drive its financial planning and administration? 2. Do the employees regularly review methods of data collection to ensure that they provide information of practical value to the management? 3. Does the business's chief financial officer make formal recommendations to the CEO about improving the financial process? 4. Does the chief financial officer provide the CEO with information that is useful for justifying requests for additional investment or debt in the business processes? 5. Has the management established a reward system for ideas that reduce costs or increase revenue?				

Documents Required	<ul style="list-style-type: none"> • Financial Documents • Annual Reports • Balance Sheets • Profit and Loss Statements • Cashflow Statements • Audits for past three years • Strategic Plan • Annual Budget • Financial Policies and Procedures
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Persons to Contact

- Chief Executive Officer
- Senior Management Personnel
- Chief Financial Officer
- Chief Accountant
- A random selection of employees at different management levels

C. Finances Assessment Indicators

C1. Sub-Criterion 1: Financial Planning

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Historical Accounting Data												
1	The owners and the management receive sufficient financial information to enable them to make sound fiscal decisions.											
2	The management uses results of previous years' financial reports for making decisions.											
Factor 2: Financial Projections												
1	The management uses the latest projection techniques and methods.											
2	The chief financial officer causes cost/benefit analyses and revenue and expenditure projections to be made on each major project of program under consideration.											
3	The managers and employees not involved in developing financial projections have confidence in the figures.											
4	The chief financial officer produces projections that are relevant to the business's needs.											
Factor 3: Research & Development Needs												
1	The management has research and development projects underway for new or improved products and services.											
2	The management has developed an estimate of the costs for commercializing the results of the research and development.											
3	The CEO and owners are funding the research and development efforts at sufficient levels to increase the chances for success.											
4	The management has calculated the costs of additional human resources, physical facilities, and the time required for commercialization of the R & D successes.											

Factor 4: Budgeting & Allocation Planning											
1	The business has a flexible, participatory budgeting process that ensures that its funds are being used effectively.										
2	The management monitors the allocations of funds on an ongoing basis.										
3	The CEO and the chief financial officer ensure that the business's revenues and expenditures are prioritized to achieve the objectives of the strategic plan.										
4	The rationale behind management's funding allocation decisions is well known and understood by the employees										
5	The CEO actively attempts to assess the effect of the budget allocation decisions on employee morale.										

C2. Sub-Criterion 2: Implementation

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Financial Administration/Accounting/Internal Controls												
1	The business has a well developed accounting system that meets internationally accepted standards and conventions.											
2	The business's bylaws and written policies require a high standard of financial accountability.											
3	The business has specific accounting devices to help in avoiding financial mismanagement and corruption.											
4	The business has a cost accounting system that applies revenues and costs to specific projects and programs.											
5	The management requires annual audits.											
6	The management guards against the creation of unauthorized debt.											
7	The financial system helps manage accounts receivables, accounts payable, and vendor discounts.											
8	The financial system has a cash management protocol that prevents embezzlement.											

Factor 2: Purchasing												
1	The management has a clear, well defined system for purchasing supplies and services from outside sources. The system involves proper documentation and recordkeeping that helps the business control and monitor its expenditures.											
2	The business's purchasing system requires a paper trail for every purchase, including signed vouchers with matching numbers and receipts.											
Factor 3: Inventory Management												
1	The management has written policies that clearly outline what items can and cannot be placed in inventory and periodically investigates storage facilities to prevent unnecessary purchasing.											
2	The inventories are adequately insured and protected from theft and pilfering.											
Factor 4: Accounts Receivable Management												
1	The management has a system for careful control of accounts receivable.											
2	The system produces schedules showing accounts-receivable aging so past due bills can be appropriately handled.											
3	The system has a billing process where the customers receive monthly statements.											

C3. Sub-Criterion 3: Financial Assessment

No.	Indicators	Poor		Fair			V. Good			Excellent		Total Score
		1	2	3	4	5	6	7	8	9	10	
Factor 1: Monitoring and Auditing												
1	The chief financial officer constantly monitors and regularly audits the financial administration as a necessary safeguard against corruption and the embezzlement of customers' funds.											
2	The chief financial officer has systems for providing managers with updated financial information throughout the budget year and prepares comprehensive budget reports comparing actual expenditures and revenues to forecasted figures.											
3	The management has key indicators to measure the quality and the quantity of products and services and helps assess the value of outputs comparison with expenditures.											
4	Management financial projections are checked for accuracy at the end of each budget year.											
5	The business generally adheres to its annual budget											
6	The management prepares comprehensive budget reports comparing actual to forecasted revenues and expenditures.											

Factor 2: Achievement of Profit Targets												
1	The management has set profit performance targets for each product and service.											
2	The management has explained the profit performance targets to the employees.											
3	The management takes into consideration quality standards and quantity measurements when setting the profit performance targets.											
4	The management has a system in place that monitors, measures, analyzes, and reports the actual financial performance of each product or service output.											
Factor 3: Recommendations on Lessons Learned												
1	The management's strategic plan drives its financial planning and administration.											
2	The employees are providing management with information that is practical and of value in the decision making processes of the business.											
3	The chief financial officer provides information that is useful for justifying requests for additional investments or debt to the CEO and the owners.											