EXCELLENCE IN BRAZIL: 10 YEARS OF NATIONAL QUALITY AWARD

Dalton Oswaldo Buccelli
Technical Manager
National Quality Award Foundation

KEY WORDS
Excellence Model, Quality Award, Quality in Brazil

SUMMARY
The purpose of this paper is to present the results obtained by The National Quality Award in Brazil, for the last ten years. The National Quality Award is the acknowledgement, represented by a trophy, to the excellence in management of the organizations located in Brazil.

The Award has the purpose of promoting a wide understanding of the requirements to reach performance excellence and, therefore, competitiveness improvement; and exchange of information on management methods and systems that have reached success, as well as on the benefits resulting from the use of the Excellence Criteria.

The National Quality Award Foundation was established in October 11th, 1991. It is a non-profitable private entity, originally founded by 39 private organizations, with the following objectives:

• To administrate the National Quality Award which, since 1992, acknowledges the best management practices for performance excellence, and all the activities therefore resulting from said practices, over all the national territory of Brazil; and

• To perform the external institutional representation of the National Quality Award, at the international forums.

INTRODUCTION
In early 1989, the American Chamber of Commerce for Brazil formed a Task Force of Quality Specialists (1), drawn from private industry, professional service companies and academia, and began working on the creation of a National Quality Award for Brazil. The Task Force members evaluated several types of Brazilian and foreign awarding processes and decided to base the Brazilian process on the basic precepts of the Malcolm Baldrige National Quality Award (USA).

In 1990, the executive branch of the Brazilian Government and the National Committee formally approved the objectives of the award for Quality and Productivity. These approvals brought formal and unique status to the award as the sponsor of the only "National Quality Award" in Brazil.

Thirty-nine of the most prestigious Brazilian and international companies agreed to be founders and this guaranteed the financial resources needed to move forward in instituting The Foundation for the National Quality Award. The Foundation was established in October 11th, 1991, with the following Mission:

To promote the quality and productivity awareness of the manufacturers of goods and services companies and to facilitate the transmission of information and concepts related to modern and successful quality management practices and techniques, to all Brazilian companies, including public organizations, through The National Quality Award.

FOUNDATION MEMBERS AND STRUCTURE

The creation of the National Quality Award Foundation was only made possible due to the contributions offered by the 39 organizations, Institutional Members, who firmly believed in the benefits that the National Quality Award would bring to the country, by the utilization of the Excellence Criteria in leading the Brazilian organizations towards the world-class quality and competitiveness level.

Lately, due to the ever-increasing interest from other organizations pertaining to different segments of activities, in joining the Foundation on its mission, new categories of members were created and nowadays the Foundation counts on 160 Members, both from the public and private sectors, registered in the following categories:

- **Founders**
  the Corporate Entities who have donated money to establish the Foundation and who continue to contribute with money in a yearly basis.

- **Benefactors**
  the Corporate Entities, who donate money or goods to the Foundation for assistance, support, sponsorship or subventions, of significant usefulness or economic value, according to the value criteria defined by the Board of Trustees.

- **Maintainers**
  the Corporate Entities who give yearly contribution in money to the Foundation and who have more than 500 employees at the date of their subscription.

- **Maintainers I**
  The Corporate Entities who give yearly contribution in money to the Foundation and who have up to 500 employees at the date of their subscription and who have not opted for subscribing as a Maintainer Member.

- **Maintainers II**
  The Corporate Entities who give yearly contribution in money to the Foundation and who have up to 50 employees at the date of their subscription and who have not opted for subscribing as a Maintainer Member or Maintainer Member I.

![Organizational Structure Diagram](image-url)
The General Assembly of Members elects The Board of Trustees and The Fiscal Council each two year and The Chairperson of the Board of Trustees indicates three representatives of The Board of Directors. The management directions of these three teams of volunteers are executed by a small group of ten (10) professionals.

The Foundation has Technical, Thematic and Segment Committees, composed of volunteers, which have the following objectives:
- To enhance the comprehension and the use of the Excellence Criteria;
- To improve the Evaluation Process of the National Quality Award;
- To study the creation of new awarding categories for the National Quality Award; and
- To promote the creation of intermediate awards aligned with the Excellence Criteria.

BOARD OF EXAMINERS

The Board of Examiners (Examiners, Report Examiners, Senior Examiners and Judges), with the support of The National Quality Award Foundation, develops, during the annual award cycle, a volunteer work in order to evaluate all the candidates to the award. Therefore, the Board acts independently from the Foundation during the whole process, and still the members of the Board submit themselves to the Code of Ethics of the Board of Examiners, which gives the necessary orientation about matters of behavior, confidentiality and conflict of interest, that must be observed during the manipulation of information referring to the award process.

The Award Process Technical Committee is responsible for the development of this process as well as of the training course to prepare the candidates for the Board of Examiners. The Technical Management of the Foundation designates board examiners who will participate in the evaluation process, according to the Criteria for Designation of Examiners. These Criteria take into consideration their professional history, availability, conflict of interest declaration, previous performance evaluation (including that shown during the course classes), the organizations profile and their geographical location.

The National Quality Award trophy is made of noble materials: steel, granite and crystal. The transparent crystal plate, carrying the Award logo, is perpendicularly based on the steel plates. A nameplate, containing the name and the logo of the rewarded organization, is put on the front side of the black granite base. The trophy symbolizes the message "Breakthrough". This message is composed of seven polished stainless steel blades and by a cylinder made of the same material. The blades represent the seven Excellence Criteria while the cylinder represents the organization in its continuous efforts to obtain positive results through ever-higher performance levels.
AWARD PROCESS

The information usually requested from the organization can be divided in three areas:

- Eligibility Determination
- Application Forms
- Candidate Management Report containing:
  - Organization Profile
  - Description of Management (in the format required by the Criteria).

More detailed information can be found in the Award Application Instructions, which is supplied free of charge by the Foundation (see web site: www.fpnq.org.br).

During the phase of eligibility determination, the organization submits some documents to the Foundation who, within the maximum period of one week, officially informs whether the company is eligible for the award, or not, and also informs in which of the following awarding categories the candidate will be running:

- Large Companies
- Medium Size Companies
- Small and micro companies
- Federal Administration Public Organisms
- Private Non Profitable Organizations

The Candidate Management Report must meet the Excellence Criteria, which are revised and updated every year, with the purpose of improving the material and making it suitable to the modern management trends found in Brazil and abroad.

The Report must be prepared with the expectation of getting maximum use from the benefits resulting from the evaluation process, regardless of the final result, and its elaboration must be used as an important continuous improvement phase and as a learning process as well.

The names of candidates, the comments as well as the information and the score obtained during the evaluation process, are considered secret and, therefore, treated with high confidentiality, being available only for the individuals who are directly involved in the processes.

The information concerning the successful strategies of the rewarded organizations, as well as those from other candidates, will only be made public when authorized in writing by these organizations and in accordance to the procedures defined by the Foundation.
All the candidates receive, at the end of the process, an Evaluation Report that indicates their strong points and the opportunities of improvement in each item of the Criteria as well as the respective scores.

The organizations to be awarded will be those which reach the excellence level in management, according to the Board of Examiners evaluation.

The winners can use the award for publicity, and they are requested to share the information about their management best practices and performance strategies that have reached success and about the benefits resulting from the use of the Excellence Criteria.

**THE EXCELLENCE CRITERIA**

The Award is based on a group of seven Criteria for the performance excellence, which were created from the experience sharing among organizations both in the public and private sectors of the economy.

The organizations that are candidates to the Award must supply information about their management system, improvement processes and accomplished results, according to what is required by each one of the seven Excellence Criteria. This information has the purpose of demonstrating that the candidate uses effective and exemplar approaches, which may also be useful to other organizations.

The Criteria were designed not only to be used as a reference for the awarding process, but, mainly, to allow a global diagnostic, whatever the type of organization that is under analysis, as far as the performance management system is concerned.
EVALUATION PROCESS

Volunteers of the Board of Examiners, who have undergone a strict qualifying process and who strictly follow the Foundation Code of Ethics, perform confidentially The Management Report critical analysis.

The evaluation process will take place in three phases:

- **Phase I** – individual review, by 10 Examiners.
- **Phase II** – consensual review, by 4 Examiners, 1 Writer Examiner and a Senior Examiner.
- **Phase III** – site visit of candidates that were successful evaluated in Phase II, by a group of 4 to 6 Examiners (1 Senior Examiner, 1 Writer Examiner and 2 to 4 Examiners).

The judges decide the winners based on the Evaluation Reports received from the Board of Examiners and based on further information given by the Foundation. The decision is forwarded to the Board of Trustees for announcement.

Each one of the Candidates receives an Evaluation Report, which has been prepared based on the Management Reports that were turned in by the candidates and, for the organizations considered as Finalists, that is, those who successfully went through Phase II, a more complete report, based both on the Management Report submitted by them and also on information collected during the visit, is offered.

### NATIONAL QUALITY AWARD RECIPIENTS (1992-2000)

<table>
<thead>
<tr>
<th>Year</th>
<th>Company Name</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992</td>
<td>IBM - Sumaré Unit</td>
<td>Manufacturing Category</td>
</tr>
<tr>
<td>1993</td>
<td>Xerox do Brasil</td>
<td>Manufacturing Category</td>
</tr>
<tr>
<td>1994</td>
<td>Citibank - Global Consumer Bank Unit</td>
<td>Services Category</td>
</tr>
<tr>
<td>1995</td>
<td>Serasa - Centralização de Serviços dos Bancos</td>
<td>Services Category</td>
</tr>
<tr>
<td>1996</td>
<td>Alcoa - Poços de Caldas Unit</td>
<td>Manufacturing Category</td>
</tr>
<tr>
<td>1997</td>
<td>Citibank - Corporate Banking Unit</td>
<td>Services Category</td>
</tr>
<tr>
<td></td>
<td>Copesul - Companhia Petroquímica do Sul</td>
<td>Manufacturing Category</td>
</tr>
<tr>
<td></td>
<td>Weg - Electric Motors Unit</td>
<td>Manufacturing Category</td>
</tr>
<tr>
<td>1998</td>
<td>Siemens - Telecommunications Unit</td>
<td>Manufacturing Category</td>
</tr>
<tr>
<td>1999</td>
<td>Caterpillar Brasil Ltda.</td>
<td>Manufacturing Category</td>
</tr>
<tr>
<td></td>
<td>Cetrel S.A. - Empresa de Proteção Ambiental</td>
<td>Large Companies Category</td>
</tr>
<tr>
<td>2000</td>
<td>Serasa - Centralização de Serviços dos Bancos</td>
<td>Large Companies Category</td>
</tr>
</tbody>
</table>
The National Quality Award Schedule follows the flowchart behind:

**Launching of the Excellence Criteria and Award Application Instructions to the following year**
Month: November

**Eligibility Determination**
Month: May

**Award Application**
Month: June

**Evaluation Process (Phases I, II and III)**
Period: June - October

**Remittance of the Evaluation Report**
(At the end of the process)

**Public Announcement of the Winners and Finalists**
Month: October

**Awarding Ceremony (Brazilian President)**
Month: November

**OTHER FOUNDATION PRODUCTS AND SERVICES**

Besides this, the Foundation promotes Seminars, open and in company Training Courses, edits publications and video tapes, develops award processes software and also transfer awarding processes know-how with the purpose of supporting Private Institutes and Associations and Federal, State and Local government in structuring their award processes.

- **Seminars (In Search of Excellence)** in São Paulo, Brasília, Rio de Janeiro, Porto Alegre, Curitiba, Salvador, Belo Horizonte e Fortaleza.
- **Open and “in company” Courses (Board of Examiners Training Course, Excellence Criteria for the Upper Management and First Steps Towards Excellence)**. The instructors are professionals who fully dominate NQA evaluation process. Besides this, the courses offered by the Foundation present practical and group exercises, offering the immediate application of the acquired knowledge, bringing effectiveness to the learning process.
• Technical Publications (Excellence Criteria - both paper printed and electronic file, First Steps Towards Excellence, Winner Organizations Management Reports, Case Studies their Evaluation Reports and Thematic Reports.
• Video Tapes with Panels and Lectures presented at the "In Search of Excellence" Seminars.
• Software (Sideral). During each phase, The Board of Examiners generates a standardized documentation concerning the candidate’s evaluation, using the support of the Sideral Software, with the objective of attending, directly or indirectly, all those who have interest in the process, that is, candidates, judges, examiners and the Foundation itself. Besides this, the Foundation offers to the award managing entities that use the Excellence Criteria and the First Steps Towards Excellence, the Sideral Support Software, which assists them in the compilation of evaluations, in the preparation of graphs and charts for judgment and in the elaboration of the candidates Evaluation Reports.
• Award Process Technology.

STATE, REGIONAL AND LOCAL AWARDS IN BRAZIL

The knowledge in the evaluation area, using the successful award model, along with a Code of Ethics that is strictly followed by the Board of Examiners, as well as the annual updating of the Criteria of Excellence, originated from the exchange of information with similar institutions located abroad, have generated the credibility that nowadays supports the National Quality Award. The experience that has been acquired by the Foundation through all these years, while accomplishing its institutional mission, has enabled its leadership to stimulate and to participate in several regional and segmental awarding processes.

In Brazil, through specific programs for each State, regional awards were created, using the First Steps Towards Excellence or other simplified criteria aligned with The National Quality Award model, which has been adopted by The State of Rio Grande do Sul Quality Award (since 1994), by The State of Bahia Quality Award (since 1997), by The Federal Government Quality Award (since 1998), by The State of Rio de Janeiro Quality Award (since 1999) and by The State of Sergipe Quality Award (since 2000).

![Number of State, Regional & Local Criteria Distributed](chart.png)

Other regional, sector and association awards have been distinct through the adoption of evaluation referential aligned to the Excellence Criteria, such as: The São Paulo Urban Public Transportation Quality Award, The ANTP (National Association for Public Transportation) Quality Award, Quality Award on Agriculture (Federal Government), ABES (Environmental and Sanitary Engineering Brazilian Association) Quality Award, the ABRAPP (Private Provident Closed Entities Brazilian Association) National Quality Award and the Banas Magazine Quality Award.
Some organizations have been internally using the Excellence Criteria, as a tool for the self-evaluation of their management system and for the creation of internal quality awards. Such are the cases of SERPRO, PETROBRAS, SENAI, EMBRATEL, and Agriculture Federal Offices, among others.

CONCLUSION

During these ten years, the basis for sharing successes and innovative approaches was established. A common language for excellence and a new way to stimulate interest, mainly at the state, region and sector level, were created. Many partnerships with diverse, public and private, organizations were consolidated.

Global Performance Results

- 168 Candidates
- 12 Award Recipients
- 32 Site Visits
- 6,000 Professionals Trained
- 69 Instructors for the Board of Examiners
- 30 “In Search of Excellence Seminars” (8 of them international)
- 6,500 Seminar Attendees
- 179,000 Excellence Criteria distributed
But much has to be done. The need to maintain strategies updated and to continue adding value to the different shareholders, reinforced the Board of Trustees to review the Strategic Planning, covering all areas of actuation, all products and services, as well as the internal resources in order to adequate the Foundation to the new competencies established in The 2005 Vision:

"To be recognized for the relevant role played in the advancement of the organizations towards the level of excellence in management, consolidating its actuation as the NQA manager in all the organized segments and generating a sustainable base of Members and Candidates, through the alignment with benchmarks in organizational management."

Our challenge for the next decade will be to spread this proven performance excellence model throughout all sectors of the economy, demanding a greater effort to reach a representative part of our 500,000 small & micro businesses, assuring positive results for the Brazilian's economy, competitiveness, citizenship and quality of life.

REFERENCES

- FPNQ - Instruções para Candidatura do PNQ 2001 - Nov. 2000
- FPNQ - Primeiros Passos para a Excelência - Nov. 2000