



»Self-Check Crafts«

Operating guidelines for a situation appraisal in the
crafts sector, supported by a self-check for
»Sustainability Management«

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1. What is the »Self-Check Crafts«?

The »Self-Check Crafts« is an instrument which helps enterprises and organisations to find out about future-compliance of their operations. The self-check serves to review the current situation of businesses in the crafts sector in order to establish their available strengths and activate accessible potentials as well as initiate improvement by introducing a first action plan in these businesses.

The aim of the approach is to point out specific needs for information, training and development in crafts businesses, based on problems and experiences (or: strengths and potentials) that they have recognised themselves by conducting the self-check in their companies. Compared to many other evaluation tools and/or company assessments, the »Self-Check Crafts« provides the advantage of involving employees, of developing participants' self-appraisal skills and of contributing to increased motivation by enabling target-oriented discussions. The tool was tested and adapted to the specific requirements of the crafts sector together with different trade groups of handicraft enterprises during the pilot project »Vocational Training for Sustainability Management in Businesses of the Crafts Sector« (BfNW-Crafts), carried out jointly by the West German Chambers of Crafts and Skilled Trades' Council (Westdeutscher Handwerkskammertag) and the Wuppertal Institute for Climate, Environment and Energy. »Self-Check Crafts« is based on the 'Bochumer Nachhaltigkeitscheck' (BNC)¹

The following procedures manual for a situation appraisal in the crafts sector supported by a self-assessment (the term "evaluation" is used similar) is tailored to:

- Project managers in the company – usually the owners,
- Executives and supervisors
- External consultants, e.g. business consultants in crafts organisations who wish to enrich their 'tool-kits' with the method introduced here.

The »Self-Check Crafts« is subdivided into ten business subject areas and/or task areas:

1. **Clients, Products and Services**
2. **Personnel**
3. **Training and Development**
4. **Mission Statement and Strategy**
5. **Organisation and Leadership**
6. **Production**
7. **Cooperation and Innovation**
8. **Finance und Legal Security**
9. **Regional Company Environment**
10. **International Markets / Globalisation**

Each of the ten topics comprises five to seven statements that are intended to characterise a future-compliant management.

The result of the self-assessment demonstrates the progress that the crafts business has made towards a future-compliant management.

¹ The BNC sustainability check was developed by Trifolium – Beratungsgesellschaft, a consulting company, together with companies and institutions located in Bochum, Germany. The companies and institutions (GLS Bank, Stadtwerke Bochum, Privatbrauerei Moritz Fiege, Louis-Baare-Berufskolleg, VBW Bauen und Wohnen, Hasenkamp – Sanitär – Heizung – Klima, USB Umweltservice Bochum, Nokia) had all participated in the »Bochum companies on the way to a more sustainable management« project. More information is provided on www.nachhaltigkeit.de.

2. How does the »Self-Check Crafts« work?

The following outline describes how project leaders and/or external consultants can apply the self-assessment. External consultants have the additional specific task of facilitating and structuring the discussion process in the company.

While persons performing the assessment should follow the procedure described, parts may be adapted and/or single elements may vary.

- (1) In a first interview, external consultants and the company's responsible person discuss contents and boundary conditions (objectives, number of participants, schedule etc.). It is advisable to adequately inform the entire workforce about the plan in advance of its implementation.
- (2) Next, a project team, with whom the self-assessment will be carried out, is built. The team, which ideally consists of three to a maximum of eight persons², may include a small circle of executives (usually the owners and master craftsmen). Employees may be integrated in the team if required in order to take all relevant functions or levels of the company into consideration. In case the integration of the performing level (journeymen, apprentices, trainees, semi-skilled labour etc.) was desired, the initiation stage should be handled with particular care (see step 3).
- (3) Once it is formed, the self-assessment team is introduced to the method. All participants are given a copy of the self-check evaluation form before the evaluation procedure is explained. Special attention should be paid to detail during this introduction phase in order to ensure that the participants can fill in the evaluation forms by themselves. In case the project leader considered appropriate (e.g. due to complexity, acceptance by participants), it is advisable to carry out the introduction together with the external consultant. Participants are requested to evaluate the statements individually and in accordance with their personal opinion. In case individuals lack in information, this is clarified jointly with the team in the ensuing workshop (see below), since this is the only method of optimally uncovering shortfalls in information flows. Open questions are answered and an overview of the first workshop (see step 5) is provided.
- (4) Completed evaluation forms are collected in advance of the workshop and sent to the person in the project team who is responsible for the process within the company (sometimes the consultant). Deadlines and procedures for this should be coordinated in advance!
- (5) **First half-day Workshop** (accompanied by external consultant)
 - a) Valuations that hold a consensus within the team (usually those that do not differ by more than 2 to 3 »marks«) are determined and their average is defined.
 - b) Ratings that have no consensus within the team should be discussed in order to find a common rating.
 - c) Averages are established (see results).
 - d) (If required) statements/evaluations which participants require further information for are marked in order to answer them..
 - e) Compilation of first visualisation.
- (6) Looking up of information pertaining to open points (if applicable).
- (7) **Second half-day Workshop** (accompanied by external consultant)
 - a) Clarification of open evaluations.
 - b) Identification of strengths and potentials for improvement.
 - c) Deduction of concrete measures based on the results.
 - d) Drawing up of measures in an action plan.
- (8) Optional: Initiation Workshop (Qualification Module) for the company on »Sustainability Management in the Crafts Sector« (one appointment, time needed: 2 to 4 hours → optional whether prior to or concurrently with step 3)

² While experiences made during the pilot project »Berufsbildung für ein Nachhaltiges Wirtschaften im Handwerk« confirm that the assessments can also be conducted by less than 3 persons, cuts need to be made as far as the initiation of discussion processes is concerned. Moreover, positive experiences were made with larger groups of up to 20 people during the »Bochumer Nachhaltigkeitscheck« project (www.nachhaltigkeit.de).

Figure 1 summarises the self-assessment procedure. It includes the required number of meetings as well as a time frame. The time frames are rough estimates based on prior experiences and may vary depending on requirements and/or company situation.

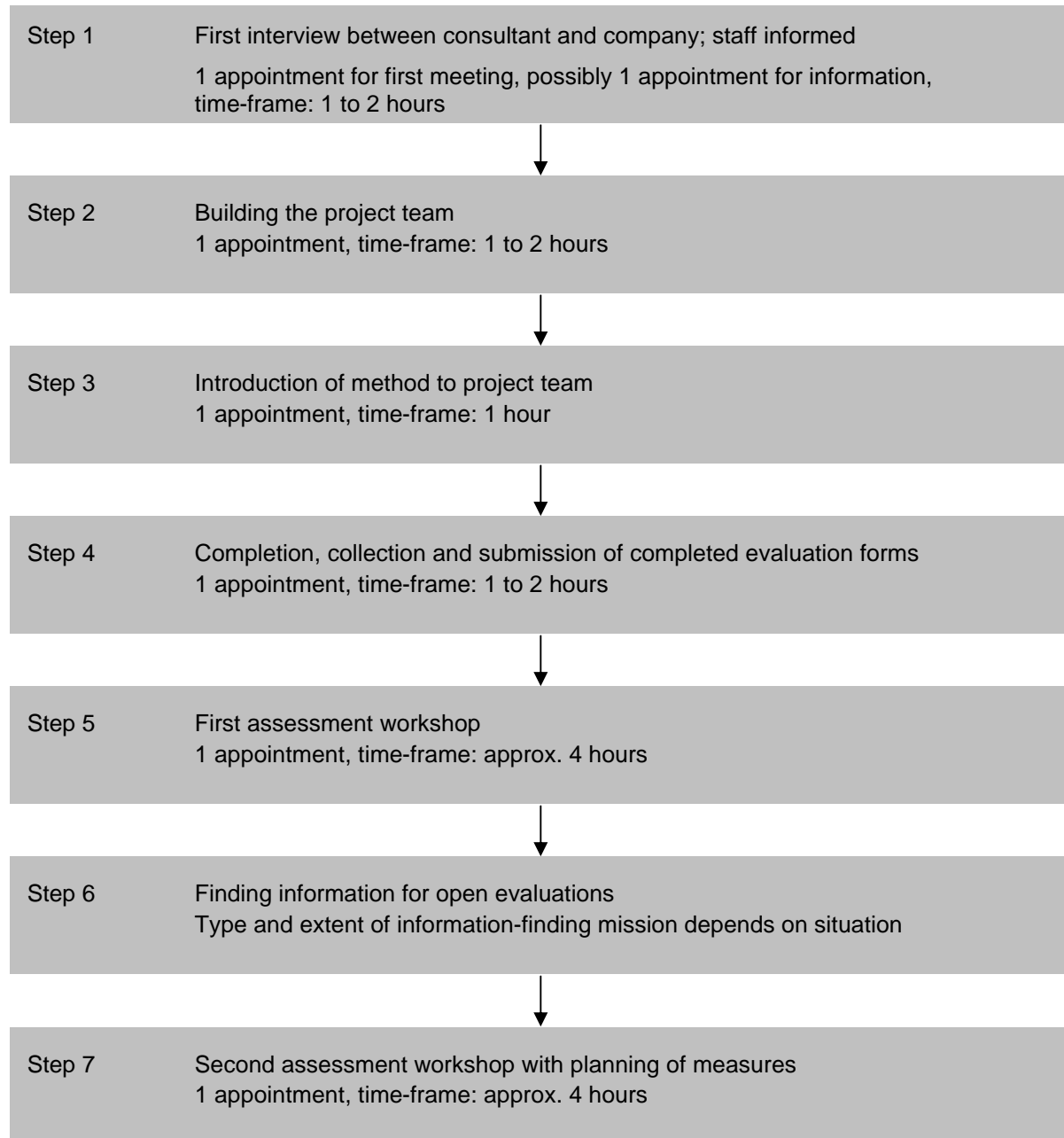


Figure 1: Procedure for self-assessment of »Sustainability Management« with an estimate of time needed.

3. Assessment sheets for »Self-Check Crafts«

The self-assessment for businesses of the crafts sector and the corresponding assessment sheets are mainly based on the EFQM³ Excellence Model's RADAR Logic (or RADAR Cycle – see image in figure 1). Supported by this method a company can systematically set goals (**Results**), develop a course of action to achieve these goals (**Approach**), implement this plan of action (**Deployment**) and analyse the action plan and its implementation finally (**Assessment and Review**).

The self-assessment for sustainability management introduced here, methodologically belongs to the »AR – Assessment and Review« section. It analyses and evaluates quality and conclusiveness of planning, of implementation and of constant review and evaluation (= controlling) in addition to assessing whether efforts are still in line with the goals they are meant to achieve and whether progress is appropriate.

This form of self-assessment usually results in a list of strengths and improvement potentials (often also called »weaknesses« since they portray the opposite of strengths; »improvement potential« however, makes it clear that this is not about finding faults but rather about recognising starting points for development). These lists show in which areas an organisation has room for improvement, where supportive measures or change is to be effected. Such measures may belong to the area of enablers. However, it may also be that objectives in the results area are no longer relevant and therefore change becomes necessary in the results area. The cycle continues either by developing a new or improved action plan to reach existing goals or by a change in goals for which new procedures need to be planned. In doing so, the self-assessment team's task is to set the main direction while the detailed planning of goal changes or the development of action plans is the responsibility of the persons appointed to do so within the company.

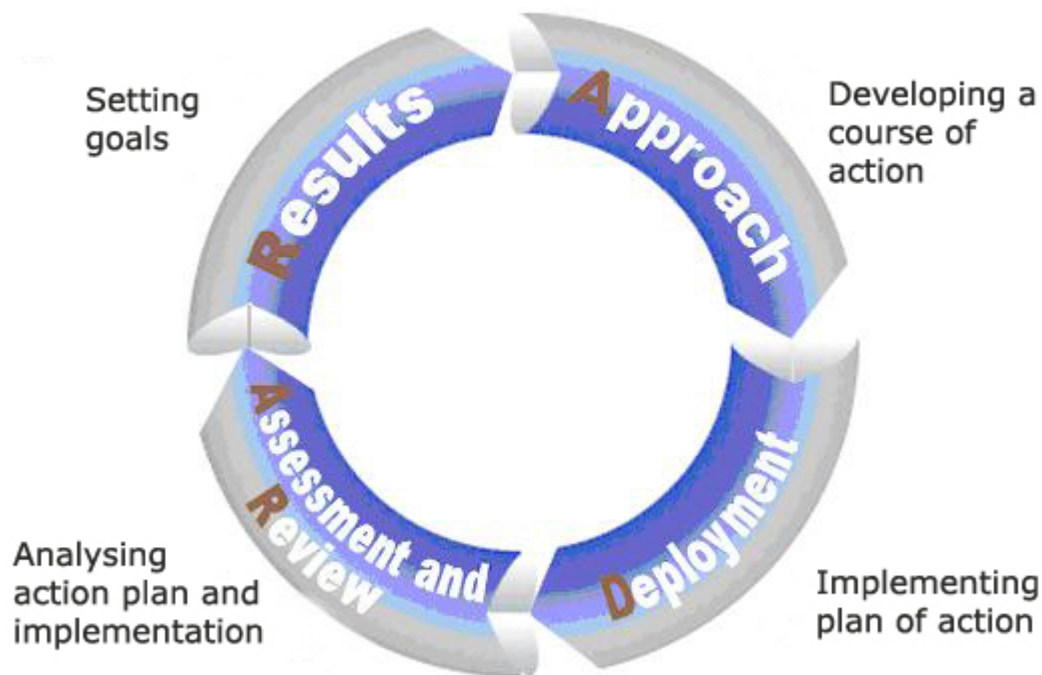


Figure 2: EFQM RADAR-Cycle

³ EFQM stands for European Foundation for Quality Management. The EFQM, a non-profit organisation founded by 14 large European companies in 1988, which encourages the spread and application of quality management systems based on the EFQM-Model. This model divides entrepreneurial work into five into five enabler and four result criteria, which are continuously analysed and optimised with the help of the RADAR cycle. The model is also the basis for the award of the European Quality Award and the Ludwig-Erhard-Prize.

The RADAR-Cycle also forms a systematic basis for the continuous improvement process within a company. By employing this method on a regular basis, the enterprise is equipped to improve itself continuously and to make full use of its potential.

The evaluation form consists of ten sections with five to seven statements each. Figure 3. depicts an example of section 1) »Clients, Products and Services«.

To begin with, the left column provides the option of evaluating each statement's relevance for the company. Since the assessment is suitable for a large variety of organisations (company size, different trades), it covers a wide range of interests and needs. Therefore, some individual statements may not apply to a particular company. Evaluators may leave out statements that are not applicable to their company after providing a reason for doing so in the framework of the further evaluation process.

As a general rule, all statements are to be assessed if possible!

Each statement/conclusion in the self-assessment is considered from three points of view. The task is to determine to what extent the statement applies to one's particular company. The three angles are (see figure 3):

1. *The point is supported by a systematic approach.*
2. *A plan of action was implemented accordingly.*
3. *Procedure and implementation were measured / reviewed and improved where applicable.*

A scale of scores from 10 to 0 is available for each evaluation criterion. Thus, three »marks« are allocated to each point/statement.

Relevance of statement for your company				Evaluation Form for Section 1) Clients, Products and Services																																																	
				Planning a) The points below are supported by a systematic approach.										Implementation b) The plan of action was implemented accordingly..										Review & Follow-Up c) Procedure and implementation are measured / reviewed and improved where applicable.																													
Kindly assess the individual statement's relevance for your company and provide the reason for your assessment.				fully applicable			more or less applicable			absolutely not applicable				to 100%			to 50%			to 0%				fully applicable			more or less applicable			absolutely not applicable																							
relevant				X			X																																														
Explanation:				Place a cross in the box below with the appropriate number to mark your evaluation score between 10 and 0 for each of the following statements.																																																	
1.1 Our company knows its clients' needs as well as their satisfaction with our products & services - also regarding their aspects of sustainability (e.g. environmentally friendly production, biological foods, fair trade, energy- and resource-conserving products / services).				10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0																													
1.2 We consider our clients' requirements when we develop new products.				10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0																													
1.3 We inform our clients about our products and/or services regularly as well as providing them with information on their sustainability (e.g. ingredients, environmental soundness, fair trade, etc.).				10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0																													
1.4 We continuously ensure that our products / services are well-known.				10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0																													
1.5 We have a marketing concept that includes all our products and services.				10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0																													
1.6 The quality of our products / services is very high also as far as social and ecological aspects are concerned (e.g. raw materials, design, production, durability).				10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0																													
1.7 We are aware of the significance and benefits of recognised seals of quality and use the same for our products / services.				10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0										10 9 8 7 6 5 4 3 2 1 0																													
Average score of evaluation a)														Average score of evaluation b)																				Average score of evaluation c)																			
Average totals: a) x 1/3 + b) x 1/3 + c) x 1/3																																																					

Figure 3: Extract of Evaluation Form (appraisal sheet)

After all results have been evaluated, the averages for planning, implementation and review & follow-up are ascertained and entered into the appropriate field below each column. These three scores are then added up and divided by three. This final average is entered in the average totals field (see figure 3).

The following questions and guidelines serve as orientation for appraisers to ensure that the assessments describe the true situation as realistically as possible.

- Is planning sound, i.e. is it well founded and based on defined processes and geared towards interest groups (e.g. customers or employees)?

- Is your planning integrated? In other words: does it support your company policy and strategies and is it wisely linked to planning in other areas?

If only a single or chance reference is available for sound and integrated planning, systematic implementation and regular and consequent evaluation, a score of 0 or 1 is appropriate. Substantiation on some occasions accounts for a score between 2 and 3, while evidence that is more detailed is evaluated by a score of 4, 5 or 6. The scores 7 and 8 stand for clear proof in the form of supporting documentation and detailed or full proof are marked as 9 or 10.

Implementation:

- Is the planning implemented in all relevant areas of the company, e.g. in sales, marketing, human resources etc.?
- Has the planning been implemented systematically? (Here it is particularly important that the implementation process is executed according to the original plan using the same structure and methods).

Again the same evaluation scheme is used: 0 and 1 correlates to no or little evidence of a systematic implementation, 2 and 3 means there is some evidence, 4, 5 and 6 stands for some detailed evidence, 7 and 8 shows clear evidence, while 9 and 10 is supported by substantial evidence.

Review & Follow-up:

- Is the effectiveness of planning and implementation measured and evaluated regularly?
- Do the parties learn from the assessment results, e.g. are good practices and potentials for improvement identified accordingly?
- Does the evaluation and review result in an improvement of activities, e.g. are insights from evaluations and lessons learnt analysed and do they serve to plan and implement improvement measures?

To judge whether measuring, review and subsequent improvement have taken place in the manner indicated, again use the known evaluation scheme: 0 and 1 for no or singular proof of measuring, learning and improvement, 2 and 3 for some evidence, 4, 5 and 6 for substantiation, 7 and 8 for clear facts, 9 and 10 for detailed facts.

The persons performing should remember that the numerical results are meant to contribute to an analysis of a company's present condition and to expose trends and developments. Exact statistics up to one or more decimal points are unnecessary. The figures are meant for participants to collectively review the reasons for the present state of the company (or of a particular area or process), and how they can reach their target state rather than calculating exact data. To support this discussion process and to substantiate figures with specific statements, the evaluation matrix not only consists of numerical evaluations but also of text fields.

There is a text field for every topic and area of activity in the company on a separate sheet of the evaluation form (see figure 4.). By entering the corresponding data, the evaluation can be supported by examples and explanations. These details allow specific assessments to be retraced at a later date, therefore it is very important to completely fill in this form. Please mark all text fields on the designated substantiation sheet, i.e. by making a remark to this effect even if no evidence available.

The final assessment (consensus assessment) should be carried out by the entire team in order to ensure that all participants can identify themselves with the evaluation and resulting consequences.

Evaluation Form for Section 1) Clients, Products and Services (cont.)
Kindly substantiate your evaluation (write down what you are already doing specifically)!
1.1 Our company knows its clients' needs as well as their satisfaction with our products & services - also regarding their aspects of sustainability (e.g. environmentally friendly production, biological foods, fair trade, energy- and resource-conserving products / services).
1.2 We consider our clients' requirements when we develop new products.
1.3 We inform our clients about our products and/ or services regularly as well as providing them with information on their sustainability (e.g. ingredients, environmental soundness, fair trade, etc.).
1.4 We continuously ensure that our products / services are well-known.
1.5 We have a marketing concept that includes all our products and services.
1.6 The quality of our products / services is very high also as far as social and ecological aspects are concerned (e.g. raw materials, design, production, durability).
1.7 We are aware of the significance and benefits of recognised seals of quality and use the same for our products / services.

Figure 4: Extract of evaluation form (page for substantiating explanations)

4. Summary of analysis and average scores

After the first assessment workshop, individual assessments are analysed either by external consultants or by members of the project team.

The analysis takes place in a multi-level process:

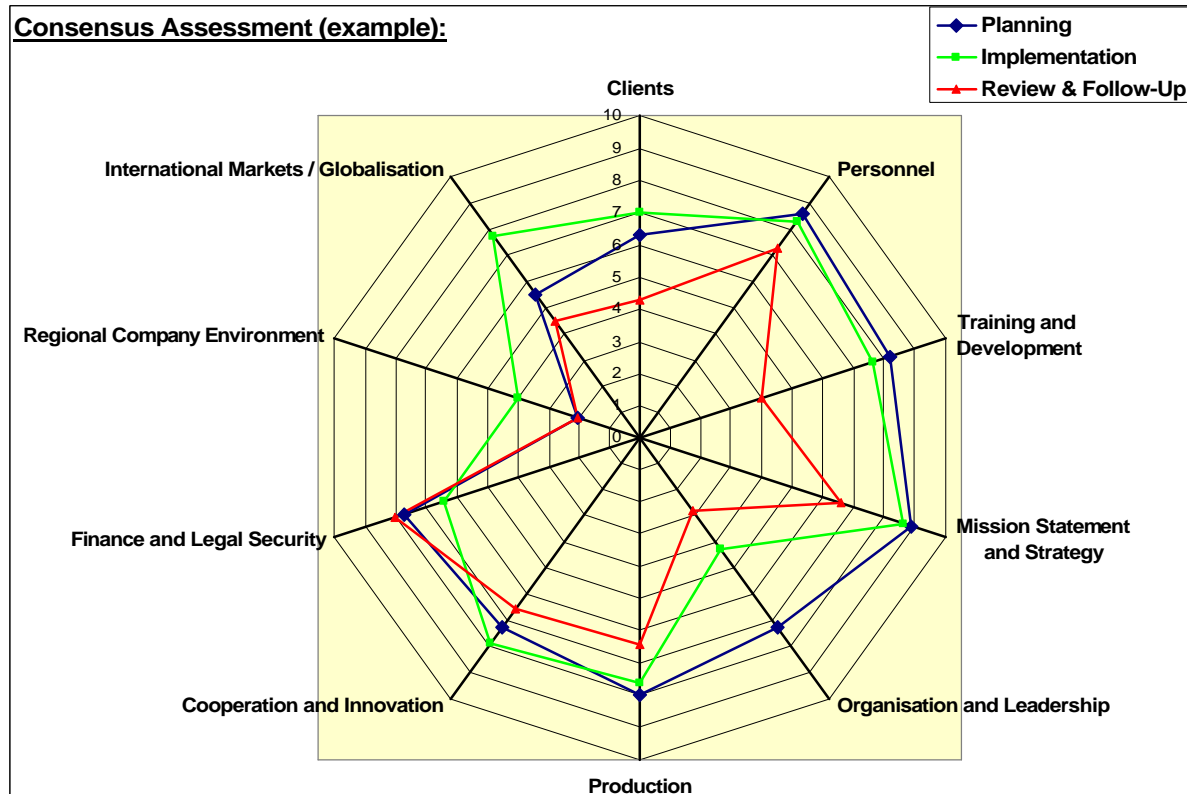
1. Forming of average scores for each of the three evaluation points of view per subject area (see evaluation form).
2. Forming of an overall average per subject area. The values for planning, implementation and evaluation form equally ranked parts when flowing into the overall score (see evaluation form).
3. Entry of each subject areas' four average scores in the radar charts (optional).

As a result of their analysis and evaluation, participants obtain four different radar diagrams. These images summarise the company's current position in striving for a sustainable management method in the areas:

1. creating of plans and courses of action,
2. implementation of these plans and courses of action,
3. evaluation, review and, where appropriate, improvement of plans, processes and their implementation and
4. the overall average score of all three of the aforementioned sections.

Figure 5 shows an example of the radar chart. Even though specific values are used here, we point out that company self-assessments serve to provide a structured overview of a particular company's internal performance (»to evaluate one-self«) and do not serve as a tool for comparing one company's performance with the evaluation results of another. Furthermore, there is no intention to obtain any form of »industry average« or to create a standard on the state of technology. Self-assessment is not a benchmarking process that is based on comparable results/indicators.

Figure 5: Example of analysis by »radar chart«



5. Establishing a profile: Strengths and potentials

During the second workshop participants identify the company's strengths and potential areas for improvement and then determine key areas for action. Based on the four radar charts, topics are selected and structured according to priority and relevance (alternatively, the evaluation forms can be used as a basis).

A seven-step process serves to profile a plan of action:

1. Areas with values lower than »5 points« or 50% or with scores that are lower than the specific average are marked in the radar chart. This is done for all four diagrams.
2. Questionnaires are consulted in order to identify the individual statements that were marked »good« or »poor«.
3. These statements (see step 2) and the corresponding negatively evaluated appraisal category (e.g. internal communication: good in planning; less good in implementation and review/follow-up) are written on cards that are subsequently pinned to the charts. The same procedure is carried out for statements with positive scores. Different colours of cards ensure transparency (e.g. red cards for areas with potential for improvement, green cards for strengths – see figure 6).
4. Discussion of interim findings if the situation required.
5. Focussing of main points (setting of priorities) within the interim results if necessary. The aim is to identify four to eight areas for potential improvement (depending on specific pre-

A table as shown above can be established together by all participants or in small groups of two to three people. In this case, plans of action, based on the joint identification of lead points, are compiled by each group and then presented in front of the whole group, which decides on a final plan of action. With this method, measures for those potential areas are planned that were identified as important and of priority by the team. It is fundamental for all team members to reach a consensus on the measures that are to be considered a priority.

To make the planning process transparent for the whole team, it is recommended to use a pin board and moderation cards.

7. Communicating the process and results within the company

A precondition for the successful implementation of action plans in a company is that all people involved »go along« with the plan in the interest of the company, which makes it necessary for all staff to be informed about the process as early as possible. Employees need an explanation to understand the process' necessity and gains – including those for each individual. The same applies to the assessment's results, especially the subsequent plan of action. Therefore, it is part of the project team's responsibility to develop suitable means of communication and to implement the same. A brief announcement in a company newsletter or by email is probably not sufficient, especially in the case of more profound changes. The palette of communication measures may range from staff meetings including question-and-answer sessions to workshops and training programmes for the affected staff. Media means and methods of communication should always be analysed and determined according to company-specifics.

8. Implementation of measures - and Continual Measuring, Evaluation, Review

The implementation of measures now lies in the hands of those parties determined responsible during the process⁴ and will vary depending on the company and the plan of action. For this reason, we refrain from giving corresponding advice or instructions in this manual.

Whatever the method, it is crucial that a new cycle of measuring, review and follow-up is introduced after the completion of an agreed period (e.g. one year) in order to monitor the development of the company in general and specifically of those areas identified to have potential for improvement. This way, the self-evaluation tool can make a valuable contribution to a systematic and continuous improvement process within a business.

9. Basic variants

Implementation in the form of a group process

As tested during the Pilot Project BfNW-Crafts, this self-assessment tool can be carried out in a group process. In this case, meetings between a number of businesses for the purpose of exchanging experiences are held in addition to the company-internal measures and workshops. During such meetings, experiences are exchanged on the process of establishing the status quo (evaluation, strengths/potential measures for improvement) and on common and specific requirements of action and training that may be dealt with in joint qualification workshops.

Implementation in the form of single company reviews / organisational development process

Outside of the BfNW-Crafts pilot project, the self-assessment instrument is frequently carried out in the form of single company reviews or rather as organisational development process. The concentration on company-internal operating processes in this instructions manual takes this standard into account.

⁴ Of course the company can call on external support if they wish or if required.

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Further information on self-assessment tools can be found on:

www.efqm.de

www.trifolium.org / www.nachhaltigkeit.de