



## PROBE explained

PROBE has its roots in the ground-breaking research on world-class manufacturing and service excellence<sup>1</sup> led by IBM and London Business School. It has a tremendous pedigree. Originally designed in the mid 1990s it continues to evolve and adapt to the challenges and opportunities of the constantly evolving business environment.

PROBE has, at its core, a simple premise: **Achieving and sustaining world-class status is based on the proposition that adoption of best practice leads to strong operational performance, and in turn to superior business performance.** This fundamental principle has been in place since PROBE's inception, and continues to drive PROBE's evolution and methodology.

PROBE aims to be at the cutting edge of best business practice, and to constantly scan for future best practice ('next practice'). Development is driven by a core team who have been at the heart of best practice benchmarking innovation and deployment for twenty years, drawing upon the support and input of business and academic experts in many fields, including members of the international network of PROBE users. The most recent developments, for example, have focused upon strengthening and updating PROBE's content and emphasis relating to manufacturing excellence; innovation; environmental, social and economic sustainability; and electronic/social media.

PROBE's impact has been profound and far-reaching, and has led to a series of projects and initiatives which have adapted and deployed the methodology into a wide range of settings. PROBE's reach, and the size and richness of its knowledge base, continues to grow steadily, thanks to PROBE Network's on-going drive and the efforts of partners and licensees around the world.

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<sup>1</sup> The *Made in Europe* research programme and the *International Service Study*, led by IBM and London Business School.

At its core PROBE offers a simple, effective business excellence framework that gets to the heart of what a business needs to do to improve its competitiveness, productivity, innovativeness, sustainability and bottom line. This core architecture of PROBE's analysis, **the PROBE Analytical Framework**, is based on three powerful internationally renowned models:

- A process framework, an adaptation of the *Process Classification Framework* developed by the APQC
- a performance model, based on Kaplan and Norton's *Balanced Scorecard*.
- a sustainability framework, based on the *Framework for Strategic Sustainable Development*, developed by non-governmental organisation The Natural Step.

PROBE recognises that an organisation's journey to sustained business excellence can have different entry points and can be travelled by various routes, and helps business advisers to 'meet the client business where they are' in two different ways. Firstly, by providing four separate but interlinked modules, any one of which may be the appropriate starting point for a particular business:

Three 'core' modules

- **PROBE**
- **PROBE for Manufacturing Excellence**
- **PROBE for Small Business Excellence**

and one 'specialist' module\* that benchmarks the organisation in depth with respect to a focused aspect of excellence – environmental, economic and social **Sustainability**

- **PROBE for Sustainability Excellence**

\*An additional 'specialist' module – **PROBE for Innovation Excellence** – focuses on best practice in the deployment of innovation in and through the organisation's processes and activities and in the delivery of innovative services, products and performance. This PROBE module has not yet been widely deployed - expressions of interest are invited from potential partners who may wish to collaborate in field-testing this module and helping to build its benchmarking dataset.



Secondly, PROBE recognises that some organisations are business excellence novices, needing help to decide where and how to get started; others are ready to enter into a more detailed and searching examination of their processes and performance; and some have already made substantial advances and will benefit from the most stretching of challenges.

PROBE enables business advisers to choose to engage with individual client businesses at one of three levels.

A 'Lite' version of one of the PROBE modules is, as the name suggests, a light-touch introduction to the PROBE methodology. The questionnaire is short, typically 24 questions. The engagement is flexible to suit the context, but the business adviser may work one-to-one with an individual representing the business, or perhaps with a very small group. The analysis is less in depth than at the 'Standard' and 'Advanced' levels. The intention of PROBE Lite is as an introductory process, which may well be a stepping stone to a deeper engagement with the client business.

PROBE 'Standard' delivers a more thorough examination of the organisation's practices and performance. The questionnaire contains typically 36 questions, requires the full team approach and produces a thorough benchmarking analysis.

The 'Advanced' level is the most stretching, contains 48 team questions and requires more input from the organisation's PROBE team.

## PROBE's Analytical Framework

Through facilitated discussion of the questionnaire, the client business's PROBE team assesses many aspects of their organisation's practices and performance. Once their consensus scores are analysed the findings from the benchmark can be reported back to the organisation using the **PROBE Analytical Framework**.

This framework is the heart of the PROBE suite of tools. It is the framework for PROBE's analysis regardless of which module/level has been deployed. This holistic business excellence framework illustrates the cause-and-effect relationship between:

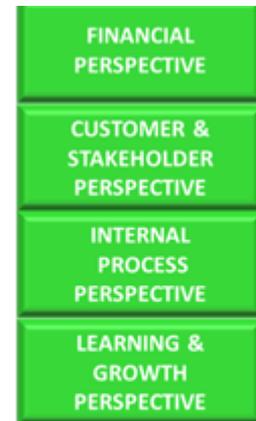
- the processes at the heart of how the business functions
- performance across a range of perspectives, and the sustainability of that performance
- how the business's activities contribute to sustainability in the broader societal/environmental sense



This framework can be applied to businesses/organisations of all types across all sectors, enabling PROBE to provide the broadest possible benchmarking and learning opportunities.

The **PROBE Analytical Framework** is based on three powerful internationally renowned models: a process framework, a sustainability framework and a performance Model.

PROBE views 'Performance' through the lens of the Balanced Scorecard, a well-established framework for developing a holistic understanding of a business's performance from four key perspectives: Financial, Customer & Stakeholder, Internal Process, and Learning & Growth. This analysis of performance addresses the issue of **what** the business achieves.



Importantly, PROBE looks beyond the question of **what** is achieved, by also asking **how** the business operates. It does this by examining the processes through which the business functions. This provides insights into **why** the performance is as it is, and **how** it can be improved.

PROBE uses an adapted version of a widely-used and respected generic process framework<sup>2</sup>, examining a set of *Operating Processes* and *Management and Support*

*Processes* which exist in some form in any organisation, to complete an analysis of all of the key aspects of how the organisation functions.

<sup>2</sup> Adapted from the internationally recognised Process Classification Framework developed by APQC.

The third 'lens' through which the PROBE Analytical Framework examines the business is the Framework for Strategic Sustainable Development (FSSD), developed by The Natural Step. This model enables PROBE to test the business's practices and performance against a rigorous, science-based definition of sustainability, helping the business both to contribute to society's sustainable development and to reap the business benefits of a focus on sustainability.



Moreover, in addition to the broad holistic PROBE Analytical Framework which drives the core analysis in all PROBE modules, **individual modules offer PROBE users the option of enhancing their analysis, each using a lens that is specific to the focus of that module.**

Module	Lenses available in the analysis			
	PROBE's Analytical Framework	Service Insights Framework	Manufacturing Insights Framework	Sustainability Insights Framework
<b>PROBE</b>	✓	✓		
<b>PROBE for Manufacturing Excellence</b>	✓	✓	✓	
<b>PROBE for Small Business Excellence</b>	✓	✓		
<b>PROBE for Sustainability Excellence</b>	✓			✓

The flexibility of the PROBE approach provides a methodology that can be used in any organisation of any size and type regardless of the business sector they are in or the sophistication or simplicity of the processes they have in place; with options to focus particularly on aspects that are current key priorities for the organisation, such as manufacturing or sustainability.

In all cases PROBE has been designed to help the business advisor and the client business to identify its strengths and weaknesses and act as a catalyst for action.

## PROBE's Core Modules

PROBE's three core modules take an holistic approach to benchmarking an organisation. A set of key themes run through all of the core modules, providing a thorough insight into the organisation's business excellence credentials. These key themes are:

- Leadership
- Customer focus
- Performance focus
- Sustainability
- Innovation
- Service excellence
- Operational excellence
- Lean thinking

PROBE for Small Business Excellence speaks the language of the smaller business, and emphasises aspects of business practice that are particular to the small business context.

PROBE for Manufacturing Excellence assesses the manufacturing enterprise holistically, with particular emphasis on the advanced manufacturing capabilities that enable it to achieve both business excellence and manufacturing excellence.

The three core modules are described in more detail on the following pages.

## PROBE

Today's customers are smart, well informed and demanding. They expect the providers of their products and services to be leaders in their fields, achieving outstanding quality and reliability, delivering outstanding service and leading-edge products, displaying qualities of responsiveness, agility, innovativeness, connectedness and accessibility, and demonstrating their credentials as responsible corporate citizens.



PROBE will demonstrate how business practices are driving the performance of an organisation across a demanding scorecard of performance measures. It will provide positive business returns through identifying actions that directly link internal activities to customer satisfaction and retention and ultimately to profitability.

The core 'PROBE' module is universally applicable, able to be used by any business or organisation that wishes to submit the way it operates and the results it achieves to scrutiny and challenge.

At the heart of PROBE's analysis is an holistic approach to examining the practices and performance of an organisation, based on the PROBE Analytical Framework. The range of practice and performance elements, and the questions that feed each index, are listed below:

### Practice – Operating Processes

<b>Develop Vision and Strategy</b>	<b>Develop and manage Markets, Products and Services</b>
Leadership for sustainable excellence	Market and sell products and services
Customer and process focus	Listening to the customer
Developing vision and strategy	Develop and manage products and services

<b>Deliver Products and Services</b>	<b>Manage Customer Service</b>
Design for deliverability & whole life value	Managing customer interactions
Delivering outstanding quality	e-communications with customer & markets
Lean processes	Measuring customer satisfaction
Visible, challenging standards	Developing customer relationships
Service recovery	
Effective procurement	
Housekeeping	
Workplace layout	
Managing the workflow	
Managing material quantities	

### Practice – Management and Support Processes

<b>Develop and Manage People</b>	<b>Manage Assets and Finance</b>
Culture for excellence	Financial management
Employee contracts, conditions and wellbeing	Investment in systems and physical assets
Development of people	Information systems

<b>Develop Sustainability of the Business and Society</b>	<b>Manage Knowledge, Improvement and Change</b>
Understanding sustainability and its business benefits	Performance measurement for improvement
The business in its community	Managing knowledge and intellectual property
Energy management & carbon footprint	Leading change and development
Managing water usage	Systematic benchmarking
Managing material reuse, recycling & waste	Measuring employee satisfaction

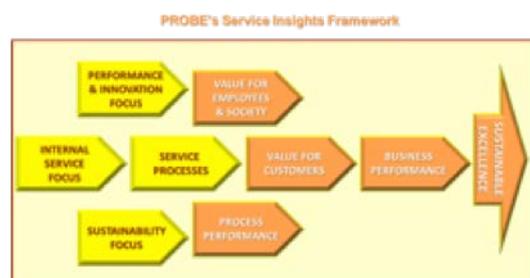
### Performance Indices

<b>Financial Perspective</b>	<b>Customer &amp; Stakeholder Perspective</b>
Key results for financial stakeholders	Level of customer satisfaction
Cash flow	On-time completion
Market penetration and share	Our impact on the environment, and on society
Customer retention and loyalty	Service & product reliability

<b>Internal processes</b>	<b>Learning &amp; growth</b>
Process capability	Sense of purpose, direction and confidence
Smooth work flow	Employee satisfaction
Productivity	Innovativeness
Accessibility, responsiveness & speed	Distinctiveness of service

PROBE also offers the opportunity to enhance the analysis using a second business excellence model, the Service Insights Framework.

This framework is derived from the research and concepts of the Service Value Chain, focusing particularly on cause-and-effect linkages between 'internal service quality' (the extent to which employees are, and feel, valued and supported), linking ultimately to 'top line' and 'bottom line' business performance. PROBE's ongoing research and analysis continues to confirm and refine our understanding of the principles and linkages embodied in the Service Insights Framework.



## PROBE for Manufacturing Excellence

PROBE for Manufacturing Excellence incorporates all of the capabilities of the core 'PROBE' module, plus the ability to test the business's manufacturing capabilities against world class standards of advanced manufacturing best practice, covering aspects including:

- manufacturing strategy
- research and development
- emerging product and manufacturing technologies and materials
- new product design, development, introduction and time to market
- product and process innovation
- product customisation
- supply chain management
- cycle time and lead time reduction
- manufacturing agility
- process capability
- plant and equipment availability and maintenance

This module also (optionally) uses PROBE's Manufacturing Insights Framework to provide a specifically manufacturing-focused perspective on the business's strengths, benchmarking comparisons and improvement opportunities. This framework originates from the findings of the Made in Europe studies from which PROBE itself emerged, and has been refined and updated in the light of developments in world's best practice and of the experience of deploying PROBE with thousands of businesses internationally.



PROBE for Manufacturing Excellence is likely to be the first choice PROBE module for businesses whose operations include a substantial element of manufacturing and other businesses that process physical materials as part of their work<sup>3</sup>.

<sup>3</sup> This includes businesses that manufacture products and those in wholesale, retail and construction. It can also include businesses that store or transport goods, produce or process foodstuffs, mine or process raw materials, provide engineering or repair services, prepare and serve food, or in other ways deliver services that involve handling and/or conversion of physical materials.

## PROBE for Small Business Excellence

PROBE for Small Business Excellence offers the benefits of PROBE best practice benchmarking in a format that is better suited to the perspectives and priorities of many small business<sup>4</sup> owners, managers and employees.

The language and style are uncomplicated and jargon-busting, helping to make potentially complex subjects more accessible and engaging. This PROBE module is ideal for organisations and teams who appreciate a straight-talking approach.

A business is a business... but a small business is both the same as larger businesses and yet different from them. It has

some advantages, some limitations, some differentiating features, some additional challenges, some exciting possibilities, some recurring frustrations... Every small business is unique, but there are some common characteristics that tend to set small businesses apart.

PROBE for Small Business Excellence covers all of the areas of practice and performance that are covered by the core 'PROBE' module, while speaking the language of the smaller business and emphasising aspects of business practice that are particular to the small business context.

The analysis delivered by this module is structured around the PROBE Analytical Framework and the Service Insights Framework, flavoured with the straight-talking style that makes most sense to many small businesses and their owners and leaders.

Some small businesses will find this module of PROBE works best for them, others may relate better to other modules – that's ok, business advisers are best-placed to judge what will work best for their clients and their contexts. Small businesses that are also manufacturers will find much in this module that is relevant to them and tests many aspects of their business, including many aspects of their manufacturing-focused processes; they and their advisers also have the option of experiencing the deeper manufacturing-specific challenges posed by PROBE for Manufacturing Excellence, which they can see either as an alternative to PROBE for Small Business Excellence, or perhaps as a 'next step'.



<sup>4</sup> PROBE would define a 'small business' as one that employs up to approximately 50 people.

## PROBE's 'Specialist' modules

A feature of businesses' experiences of the core PROBE modules is that they invariably tease out recurring threads during the PROBE team's discussions – aspects of the way the business works and how it performs that crop up repeatedly, often as Achilles' heels that the business clearly needs to address, sometimes as under-exploited strengths that the business could capitalise upon. In many cases these recurring threads become focal points in the business's decisions about 'next steps'.

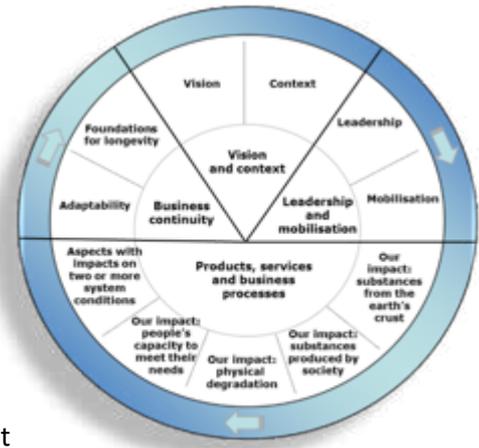
Sustainability and innovation are, for good reasons, two of the key themes that run through all of PROBE's core modules, and they commonly feature among the recurring threads that emerge from PROBE teams' discussions. They are aspects that many businesses and business leaders continue to find particularly challenging, and these are two areas in which many businesses can identify major, exciting and potentially valuable opportunities for improvement.

It is for these reasons that PROBE offers business advisers and their clients opportunities to 'dive deep' into these two focused aspects of business excellence, through the 'specialist' modules **PROBE for Sustainability Excellence** and **PROBE for innovation Excellence**. Using one of these specialist modules may be a very fruitful next step after completing one of PROBE's core modules, as a stepping stone to focused action that will improve practices and deliver stronger business performance. In other cases, a business's first encounter with PROBE may be via one of the specialist modules which addresses a known priority for the business.

The following pages describe PROBE's specialist modules in more detail.

## PROBE for Sustainability Excellence

There is a growing body of evidence that smart sustainability-focused strategies deliver substantial business benefits including improved profitability. Many of your business clients will want to be at the forefront of this new Industrial Revolution. They will want to know how they measure up and what they need to do to become a sustainable business. Now they can access a framework that pulls the corporate, social and environmental picture together in one business model.



PROBE for Sustainability Excellence will help any organisation that wishes to review its readiness for and progress towards the goal of sustainability. It engages colleagues in this crucial and urgent issue, drawing upon their knowledge and skills to pinpoint strengths to be consolidated and exploited, and improvement opportunities, stimulating and focusing actions that will make the organisation more sustainable.

Again, using the PROBE Analytical Framework as its core business model PROBE for Sustainability Excellence uses a range of practice and performance indices to analyse and report back to the client organisation.

As with all PROBE modules, PROBE for Sustainability Excellence brings together the proven PROBE methodology and business excellence model, the PROBE Analytical Framework, with a second rigorously-researched framework – The Framework for Strategic Sustainable Development - developed by international non-governmental organisation The Natural Step. This is a methodology for business planning designed to deal with the most complex challenge of all – environmental, social and economic sustainability. It enables organisations to create optimal strategies for dealing with their present-day situation, by incorporating a perspective of a sustainable future for themselves and for the society in which they operate and with which they interact. This results in investments and activities that move the organisation toward sustainability while also maximising the long-term success and prosperity of the business itself.

In a sustainable society, nature is not subject to systematically increasing...



...concentrations of substances extracted from the Earth's crust,



...concentrations of substances produced by society,



...degradation by physical means,

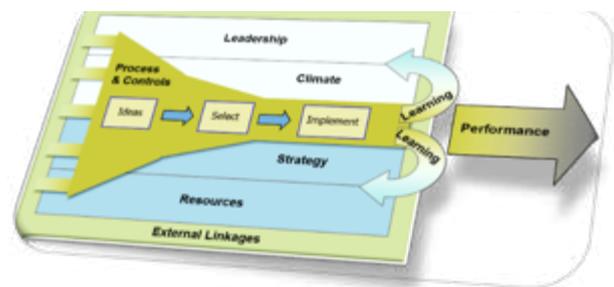
and, in that society...



...people are not subject to conditions that systematically undermine their capacity to meet their needs.

## PROBE for Innovation Excellence

Innovation is about developing the business in new ways that will yield benefits. It's about a mindset, a managed approach and a culture that maximises value from new ideas. Innovation covers any new improvement to the business, be it incremental or a more dramatic step change. Innovation can include introducing new products and services, re-engineering business processes, re-positioning the business in the market or developing a completely new business model.



Businesses need to innovate in the way they do business and they need to become much more effective at innovation - more systematic, more regular and with more impact. PROBE for Innovation Excellence focuses on best practice in the deployment of innovation in and through the organisation's processes and activities and in the delivery of innovative services, products and performance. It is applicable to any business, any organisation of any size and type in any sector.

*Please note that **PROBE for Innovation Excellence** has not yet been widely deployed, and is not yet able to offer the users the opportunity to compare their practices and performance with those of large numbers of other businesses/organisations that have also benchmarked themselves using PROBE. Expressions of interest are invited from potential partners who may wish to collaborate in field-testing this module and helping to build its benchmarking dataset.*