A Strategy for Building Sustainable Innovation Excellence – A Danish Study

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The purpose of this paper is to report on the development of a methodology and an associated measurement instrument for diagnosing innovation excellence, and to show how this methodology was applied in a case study. The conceptual model behind the measurement instrument has been developed based on the specific enabler criteria and criteria parts from the European Excellence Model adapted to the innovation area. The areas to address (= the key performance indicators) under each criterion is the result of a comprehensive study of innovation literature combined with the case company's experiences from a relatively new established technology center.

In the literature study and model building section (section 1) a strategic model for building sustainable innovation excellence will be developed by going through a simplification process. The starting point for this simplification process is a previous study where the European Excellence Model was adapted to innovation and new product development. The resulting model which is called the "4P" model will be discussed further in section 2, followed by a presentation and discussion on the epistemology and ontology in section 3. Then a simple approach for measuring and diagnosing innovation excellence will be presented in section 4 and the results by using this approach will be presented and discussed in section 5. The paper will then be finalized in section 6 with final discussions and validation of the "4P" model.

1 Literature Study, Model Building and Simplification

Based on extensive literature studies related to the EFQM Excellence Model a new *Innovation Excellence Model* was developed and tested (Martensen and Dahlgaard 1999a, 1999b; Dahlgaard et.al. 2006). The developed model consisted of seven enabler or driving factors and one result factor compared to the EFQM Excellence Model's five enabling factors and four result factors. A comparison between the two models can be seen in Table 1 below.

Table 1. Critical success factors (criterions) of the EFQM Model and the developed Innovation Excellence Model

EFQM Excellence Model	Innovation Excellence Model
Enablers:	Enablers:
1. Leadership	1. Leadership
	2. Customer Orientation
	3. Innovativeness
2. Strategies and Plans	4. Strategies and Plans
3. People	5. People
4. Partnership and Resources	6. Partnership and Resources
5. Processes	7. Innovation Processes
Results:	Results:
6. Customer Results	
7. Employee Results	
8. Society Results	
9. Key Performance Results	8. Innovation Results

One main difference between the two models is that the developed Innovation Excellence Model only had one result factor – "Innovation Results" – where the EFQM Model has four result criterions. Another difference is that the EFQM Model has five enabler factors while the developed innovation excellence model had seven enabling factors. We will discuss these differences in the following.

The reduction of the *results criterions* compared to the EFQM Model was done in order to simplify when adapting the EFQM Excellence Model to the context of innovation. In this section we will gradually try to simplify the model even further because our experience is that simplification is a necessity for understanding, communication and hence for acceptance of the model. Without understanding the model will be neglected and it will not help in attaining or building sustainable innovation excellence.

The types of results to be included under *innovation results* should always be flexible and be related to the context and the company's strategic goals which should be determined by balancing the different stakeholders'

needs and interests. Hence the *concept of sustainability* should be used here in order to assure both long-term and short-term customers' and other stakeholders' satisfaction meaning that the company in its new product development activities is building sustainable innovation excellence. By *sustainable innovation excellence* we mean that innovative new products or services are developed in a way which both in the short-term and in the long run satisfies the customers and other stakeholders, such as employees, suppliers and society, in a balanced way.

Regarding the *enabling factors* (criterions) of the two models it is obvious that the basis for developing new innovative products is a *customer culture*, which starts with the identification of the customers' problems and needs (latent as well as manifest needs) and ends with customer satisfaction and loyalty. Everyone involved in innovation should have an open, constructive, positive attitude towards its customers and make sure to understand customers' needs and problems.

The literature analysis showed that *customer orientation* together with *innovativeness* should have a special high importance in the context of innovation. These enablers should therefore have a high priority in order to assure sustainable innovation excellence, and they should have the same high focus as the other enablers even if we in this article will regard them as leadership sub-criterions.

Regarding the influence of *people* on the innovation process and hence on innovation results this aspect is supported by several studies (Cooper and Kleinschmidt 1988; Cooper and Kleinschmidt 1991; Cooper 1998). We believe that one of the primary tasks in the future for leaders and its people will be to integrate creativity and learning in the innovation processes, and motivate and manage knowledge, learning and creativity in relation to its people. *Learning* helps to increase the capacity of a person's creativity. *Creativity*, on the other hand, is the foundation for building a learning organization, and is the underlying driver behind improvements and innovation. To have success with that integration leadership is needed at the top level as well as at the department levels and at the team level. That is the reason why *innovativeness* in this article is regarded as a leadership sub-criterion.

It is a management responsibility – top management as well as middle management – to build an innovative culture, with norms and values, which supports innovation and new product development. Such a culture is not a coincidence. It is the result of intentional long-term activities. It is the result of careful thinking, reflection, planning, measurements and follow-up from top level to process level. The plans for building the right innovative culture should be a part of the yearly strategic planning and follow up process ("Strategies and Plans") where the deployment process follows the

Hoshin Planning methodology (see Dahlgaard-Park et al. 1998; Dahlgaard and Dahlgaard-Park 1999).

As *strategies and plans* (together with *innovativeness* and *customer orientation*) also can be regarded as belonging to *leadership* we now has simplified the two models into the "4P" model's enablers (Dahlgaard and Dahlgaard-Park 2004, 2007):

1. Leadership
2. People
3. Partnership and Resources
4. Processes
5. Products

The "4P" model's main message is that before companies try to improve their processes they must improve the areas of leadership, people and partnerships. The background of the "4P" model will be presented in the following section.

2 A People Oriented Quality Strategy for Building Sustainable Organizational Excellence

As there is an increasing recognition of employees as organizations' greatest asset, there seems to be a need to develop a people oriented quality strategy or model to be used as a guideline for strategic planning, implementation, measurement and follow up when companies are trying to build *organizational excellence*. Such a model should clearly signal that the first step in building organizational excellence is to build quality into people, and that "the people first policy" and "total development of people" are essentials for achieving organizational excellence (Dahlgaard-Park and Kondo 2000; Dahlgaard-Park and Dahlgaard 2007).

Dahlgaard and Dahlgaard-Park (2004) suggested a model of organizational excellence, called *the "4P" model*, in which the people dimension is recognized and emphasized as the primary enabler. According to the model building quality or excellence into the following 4Ps develops organizational excellence:

1. People
2. Partnership/Team
3. Processes of work
4. Products/service products

The "4P" model is suggested based on the recent awareness on human resources and their role in the organizational context as the basic unit for any organizational improvement activity. From this viewpoint it is argued that the first priority of any quality or excellence strategy should be to build quality into people as the essential foundation and catalyst for improving partnerships, processes and products. But what does that really mean? In order to answer that question we need to understand human nature, human needs, human psychology, environmental and contextual factors of human behavior because the project of "building quality into people" can only be carried out when we have a profound knowledge of people and psychology (Deming 1993).

The quality strategy should always be implemented multidirectional, i.e. through a top-down, middle-up-down and a bottom-up strategy (Dahlgaard et al. 1994,). The strategy should follow the Policy Deployment approach (Hoshin Kanri), which has both the top-down and the bottom-up strategy included. Such an approach provides a framework for building quality into the following three levels (Dahlgaard-Park et al. 1998):

1. Individual level
2. Team level and
3. Organizational level

An efficient quality strategy aiming at improving the "4P" can only be developed based on an understanding of the interrelationships and interactions between individuals, teams, and the organization and the critical contextual factors at each level.

Figure 1 below illustrates these interrelationships and the process of building these different levels. The figure indicates that building organizational excellence starts with *building leadership*, which means developing (educating/training) and/or recruiting leaders with the right values and competencies. The next step is to develop and/or recruit *people* with the right values and competencies. Especially on the value dimension leaders' behaviors determine if core values (as for example trust, respect, openness etc.) will be diffused and will become a part of the organizational culture (Dahlgaard and Dahlgaard-Park 1999). *Building partnership/teams* means that teams are established and developed, so that each team is able to practice the right and needed values and competencies, and *partnership* is established in all people relationships – within the team, between team members (intra-team), between teams (inter-team) and with other people or groups outside the team (suppliers, lead customers etc.). *Building processes* means that leaders, individuals and teams day by day try to practice the needed values and competencies based on the principle of continuous improvement and the company's mission, vision, goals and strategies.

Building products/services means building quality into tangible and intangible products/services through a constant focus on customers' needs and market potentials, and to practice the principles of continuous improvement parallel with innovativeness in new product development. The foundation (building leadership) supports the four other factors represented by "the 4P" and all together the five factors comprise a roadmap to the "result" called *organizational excellence*. It is assumed by the model, that all five factors are necessary for achieving organizational excellence.

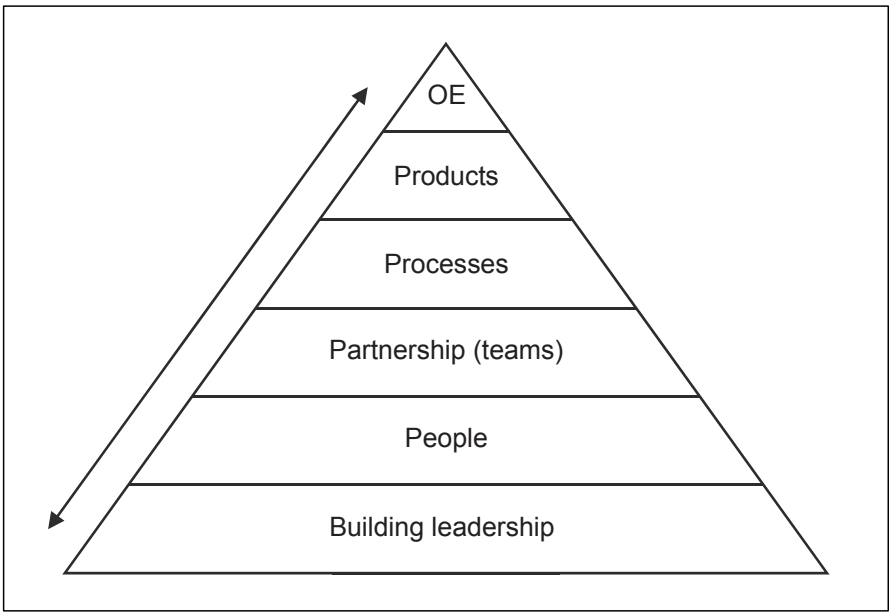

Fig. 1. Building organizational excellence through leadership and "the 4Ps"

Figure 1 is a general model which can be context related and adapted to innovation and new product development as shown in Fig. 2 below.

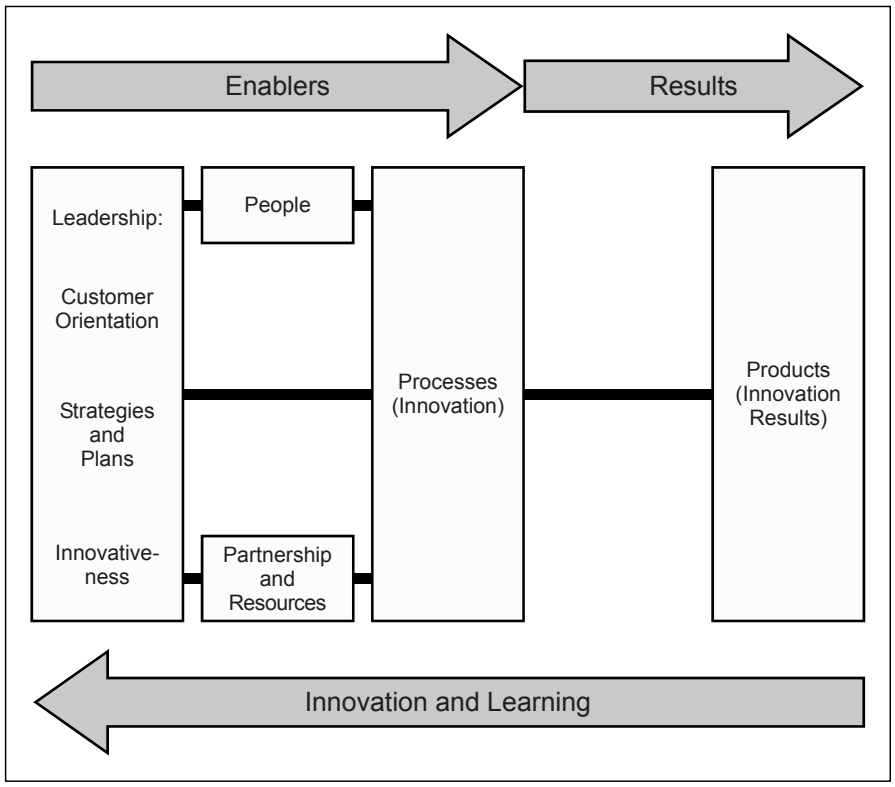

Fig. 2. The "4P" Excellence Model to be adapted for innovation and new product development

3 Epistemology and Ontology behind the "4P" Model

In this section of the article we will reflect on our paradigms and assumptions, which the "4P" model is based on.

One of the basic assumptions behind the "4P" model are *the principles of open systems theory* that recognize the importance of interrelationships, processes, contingency and integrative aspects between various parts of a system (Deming 1993; Luhmann 1995). More specifically we adopt the purposive and goal seeking socio-cultural system view (Buckley 1967) in which organizations are supposed to intentionally searching and receiving information and making efforts in order to keep moving toward their goals. The positioning of *building leadership* in the "4P" model should be understood from this point of view, as we recognize the decisive influence and

authority of leadership in shaping goals and designing the vision, mission and strategy for achieving the goals. Although we recognize the decisive role of leadership in shaping the vision, mission and organizational culture, the influence and interaction aspects of all levels and subcultures should not be underestimated. The multidirectional approaches of the "4P" model are based on this view.

Seen from this perspective all activities and interactions are information exchange activities, which organizations try to utilize in order to not only maintain their existing standards and processes (morphostasis), but also to improve and change (morphogenesis) (Buckley 1967, p. 58–62). Thus in order to continuously improving the system's capability and energy, information from the outside environment are utilized to restore, maintain and improve structures, processes and routines. In this way energy is "imported" from the outside and is being utilized for work which is valuable for the customers and other stakeholders – internal as well as external stakeholders. Without this continuous import of energy there is, according to the second law of thermodynamics, a risk that the system spontaneously will move towards a state of increasing *entropy* – a state of maximum disorder – a state where energy cannot be turned into value-added work.

Another assumption in relationship with the "4P" model is the aspect of organizational reality. The quality movement has often been explained and characterized as a quality evolution from a rather mechanical view with a focus on objective and rational elements to a more holistic and organic view with a focus on both subjective and objective elements of organizational reality (Dahlgaard-Park 1999). TQM can be explained as an ongoing process of fusion between western and eastern ways of seeing, thinking, interpreting, understanding, and doing. It is argued (Dahlgaard-Park 2006), that the rational and logical approach is a heritage from the western tradition mediated by pioneers such as Shewhart, Deming and Juran, and the more holistic and humanistic approach is a heritage of the eastern tradition, mostly transmitted by Japanese practices. As a result of this quality evolution, which also comprises the fusion between western and eastern traditions, TQM as well as the various business excellence models came to recognize this multifaceted reality (Dahlgaard-Park 2006). The multifaceted reality means here that the various aspects of organizations, e.g. subjective, irrational, objective, logical, rational, emotional, formal, and informal aspects are all recognized as representing organizational reality, and are thereby candidates for consideration (potential areas to address) in relationship with implementing TQM and building organizational excellence.

As many theoreticians still seem to misinterpret excellence models by seeing these models only from a one-sided "reductionist" view, we emphasize that *the "4P" model* should be viewed as an integrative model where

the distinctions between subjective/mental and objective/physical as well as between micro/individual and macro/collective aspects of reality are abandoned. Instead of dichotomies between these aspects we suggest an integrative approach where subjective and objective as well as micro and macro aspects are to be seen as a dynamic continuum of organizational reality, and thereby as parts of the reality.

As can be seen from Table 2 below the various elements of *the "4P" model* can be interpreted as parts of the dynamic continuum between the micro–macro and the subjective–objective pole of organizational realities. The micro/individual–macro/collective continuum is shown vertically and the subjective/intangible–objective/tangible continuum is shown horizontally. Because the table may be misinterpreted as four distinctive areas we emphasize the importance of interactions and interrelationships among and between the four areas. The micro/subjective area of organizational reality involves individual persons' mental processes of both emotional and intellectual cognitive aspects. Perceptions, reference frameworks/mental models, thoughts, intentions, beliefs, motives, willingness, desires etc. are some examples of the micro/subjective realities. These realities are often difficult to observe and take time to understand, as they are mostly intangible and are not revealed unless people have intimate relationships. The micro/objective area of organizational reality involves the more tangible aspects of individual processes such as behavior and interaction patterns. The macro/subjective area of organizational reality involves intangible collective processes e.g. norms, values, political interest of groups, departments and organizations. The macro/objective area involves tangible collective organizational realities such as vision, mission statements, the visible part of organizational cultures in terms of the way of celebrating success and failures, the way of using symbols, work processes, rules, routines, technology, manuals, structures, collective behavior patterns, communication channels, reward systems, products, profits etc. The most formalized parts of organization belong to the macro/objective area.

Seen from *the "4P" model*, large parts of "Building Leadership" and the first two Ps – "People" and "Partnership" building – belong to the micro areas, and large parts of the last two Ps – "Processes" and "Products" – belong to the macro areas of organizational realities. However, as is indicated in Table 2, most of the "4P" are relevant in each category of the organizational reality. Thus the most important point is that all four aspects of realities are important, and there are mutual interrelationships between all four areas.

Table 2. The "4P" and the four aspects of organizational realities

	Subjective/intangible	Objective/tangible
Micro/ individual	Individual feelings/emotions, perceptions, assumptions, values, thoughts, intentions and will, beliefs, motives, meaning creations, desires, motivation, commitment, loyalty *(Building leadership, people, partnership, processes and products)*	Individuals' patterns of behavior, leadership behavior and patterns, patterns of interactions, patterns of partnership, individual work processes, individual work performance, *(Building leadership, people, partnership and processes)*
Macro/ collective	Groups, departmental and organizational norms, values, believes, political interest, power relationships, informal power & communication structure, conflicts, interpersonal-, intergroup meaning creations *(Building leadership, people and partnership)*	Vision, mission statement, symbols, ceremony, traditions, patterns of intergroup /interdepartmental interaction and partnership, patterns of interorganizational partnership, groups, departmental and organizational work processes, training and education programs, rules, techniques, communication channel, structures, manuals, technology, routines, products *(Building leadership, people, partnership, processes and products)*

The micro/subjective realities will often be *key performance indicators* and input for micro/objective realities and vice versa. Similarly micro/subjective realities are also closely interrelated to macro/subjective realities. Individual persons can initiate an action (micro objective) driven by some personal motives, intentions and willingness (micro subjective), however those personal motives might have been shaped, modified and constrained by the organizational culture (macro subjective) or the existing hierarchical structure (macro objective). In other words, individuals' behaviors and actions are often constrained and shaped by the organizational environments. Thus interrelationships between them are multidirectional and not a clear linear cause-and-effect or enabler-results relationship. These relationships can be explained as an ongoing process of "becoming" (Sztompka 1991) or "emergence" (Wiley 1988) where feedback and feedforward flow constantly at all levels through interactions. Various processes identified in knowledge creation such as externalization, internalization, sympathy, socialization, combination, articulation (Nonaka and Takeuchi 1995) etc. are some main mechanisms in interactions that make this becoming or emergence possible.

Although we are careful and reluctant to make priorities at any level, we can observe from Table 2 that the impact of *leadership* is obvious within and between all four levels. This is the reason behind our argument of leadership to be considered as the foundation of the "4P" model indicating that *leadership* is the most critical and influential factor of the model.

4 Questionnaire Design and a Simple Approach for Measuring Innovation Excellence

During the spring of 2000 a questionnaire survey was run in a large Danish pump manufacturing company. The final version of the questionnaire comprised 80 questions related to innovation, which was a reduction from approximately 300 questions in the prototype questionnaire. The questionnaire was developed during a period of a year where the authors had a close co-operation with four managers from the innovation area. During this period a prototype of the questionnaire was developed and 15 people tested this prototype by filling out the questionnaire. Through simple data analyses, feedback and discussions with the managers the final version of the questionnaire was developed.

Respondents were asked to rank each question, formulized as statements, according to their perceived degree of *agreement* and *importance* using a Likert scale ranging from 1 to 5. On the "importance" scale, a "1" indicates that the statement according to him/her is of very minor importance, while statements that score "5" are perceived as having very high importance. On the agreement scale, a "1" indicates that the respondent fully disagrees with the statement, while a score of "5" means that the respondent fully agrees with it. To fully disagree with a statement means for the first seven critical success factors of the model (the enablers) that the respondent does not agree that the driver (activity) behind the question (statement) has been implemented into daily practice. To fully agree with a statement means for the first seven success factors of the model that the respondent totally agrees that the driver (activity) behind the question (statement) has been implemented into daily practice. Generally the importance measurements (= I) can be understood as indications of the respondents' needs and the agreement measurements (= P) as indications of the company's performance. Any negative difference between perceived indicated performance and perceived importance (P - I) can be regarded as a gap indicating an opportunity for improvement seen from the respondents' points of view.

260 employees involved within the innovation area were invited to participate in the survey and to fill out the developed questionnaire. 131 questionnaires were returned giving a response rate of approximately 50 %.

5 Using the Simple Approach to Prioritize Improvement Areas

By using the simple approach the gaps between importance and agreement were analyzed and the biggest gaps were regarded as most interesting to analyze. It is assumed that the biggest gaps are signals from the respondents about where to improve first. Therefore the first step in the simple approach is to rank the statements according to the size of the gaps. Table 3 shows the statements with the biggest gaps – first the enabler statements and then the result statements.

A quick overview tells us that according to the ranking in Table 3 the enabler factors should be prioritized for improvements in the following order: 1. "Leadership", 2. "Partnership and Resources", 3. "People", 4. "Processes", and 5. "Strategy". The message is very clear:

Improve first the "soft aspects of innovation" (= leadership, people and partnership), before you try to improve the "hard or logical aspects" (= processes, strategy).

This ranking is the same as suggested by Dahlgaard-Park and Dahlgaard in their "4P" model for building Organizational Excellence (1999, 2004, 2007). The suggested ranking is also supported by the biggest gap under *innovation results* which is "employees' motivation and commitment have increased during the last 4 years".

Table 3. Identification of statements with the biggest gaps

Criterion	Statements from Enablers	(Importance I, Agreement P)	Gap (P - I)
Leadership	The organization is characterized by an innovative culture (time to think freely and follow up on own ideas, learn of experiences, risk willingness etc.), entrepreneurship.	(4.51, 3.30)	1.21
Leadership	Important information is shared quickly and accurately to the right persons – up, down and sideways in the organization.	(4.47, 3.45)	1.02
Leadership	Creating, acquiring and transferring of new knowledge and skills are a part of the company culture.	(4.49, 3.52)	0.97
Partnership/ Resources	The resources necessary to accomplish the roles set up for the company's innovation programme are clearly mapped out.	(4.22, 3.33)	0.89
Partnership/ Resources	The company allocates consequently and visibly resources for the innovation.	(4.16, 3.28)	0.88
People	The reward system related to innovation is known by everybody and reviewed and improved collectively	(3.88, 3.03)	0.85
Leadership	The organization is always scanning the horizon and is proactively anticipating change.	(4.32, 3.48)	0.84
Partnership/ Resources	The employees participate in external innovation activities, creativity discussions, creativity teams etc.	(3.98, 3.18)	0.80
People	All people try to improve and develop themselves in order to cope with future challenges within the innovation area.	(4.38, 3.66)	0.72
People	Core team members use 80 % or more of their time on the innovation project.	(4.21, 3.52)	0.69
Processes	Bench marking data from "best practices" within innovation are used to set objectives for future improvements	(3.97, 3.30)	0.67
Processes	Faulty omission of key activities in the new product development process seldomly happens.	(4.33, 3.68)	0.65
People	The innovation team consists of committed employees from different departments which participate equally in the project.	(4.11, 3.48)	0.63

Table 3. (cont.)

Processes	Design errors, production errors, communication errors, marketing errors, etc. are continuously reduced or eliminated throughout the new product development process.	(4.39, 3.78)	0.61
People	Team members are empowered to make decisions about their innovation project and to participate in the planning and decision making for innovation.	(4.24, 3.67)	0.57
People	People in the organization possess a willingness to accept and adopt "external" ideas.	(4.10, 3.54)	0.56
Strategy	Visions, goals, and strategies for innovations are communicated clearly to everybody.	(4.26, 3.81)	0.45
Strategy	A Policy Deployment Process for innovation is established (develop 3–5 year plans, annual objectives, departmental plans, implementation, reviews, etc.).	(4.16, 3.74)	0.42
Strategy	Success criteria for the innovation programme have been formulated (guidelines, minimum standards, result benchmarks etc.).	(3.88, 3.49)	0.39
Criterion	Statements from Results	(Importance I, Agreement P)	Gap (P - I)
People	Employees' motivation and commitment have increased during the last four years.	(4.46, 3.70)	0.76
Products/ Sales	The percentage of sales provided by innovations that are less than four years old has increased.	(4.16, 3.50)	0.66
Products/ Sales	The number of innovations that provide the company with a sustainable competitive advantage has increased the last three years.	(4.36, 3.71)	0.65
Products/ ROI	Return on investment (ROI) of the company's innovation program has increased during the last four years.	(4.11, 3.60)	0.51

6 Discussion and Conclusions

An important finding by using *the simple approach* was that:

Improve first the "soft aspects of innovation" (= leadership, people and partnership), before you try to improve the "hard or logical aspects" (= processes, strategy).

This finding is supported by Peters and Austin (1985) who found *excellence* as being the result of the following four critical success factors:

1. *People*, who practice
2. Care of *costumers*,
3. Constant *innovation* and
4. *Leadership* which binds together the first three factors by using *MBWA* (Management by Wandering Around) at all levels of the organization.

The finding is also supported by the logic of the European Excellence Model and especially our research experiences with this model (e.g. Dahlgaard and Dahlgaard-Park 2004).

In case after case, when companies did their first self-assessment, we observed almost the same results: The biggest gaps were related to leadership and people oriented areas (the subjective/intangible part of Table 1). It seems as if top and middle managers too often ignore these factors and focus too much on logical factors such as technology and economy. But a focused self-assessment approach such as the approach used in this case will function as an "eye opener" and top management as well as middle management will easily come to a consensus about what to improve first. After having prioritized and worked with understanding (analyzing) and improving the soft areas then remarkable improvements in these areas will often be experienced and new priorities for improvements will be identified in the following self-assessments (see Dahlgaard and Dahlgaard-Park 2004). These new priorities may gradually be more focused on logical areas (the objective/tangible part of Table 2) without forgetting the learning points from the first self-assessment run. A new and sustainable company culture has gradually emerged – a culture, which is characterized by 1. Respect for People, and 2. Continuous Improvements, which is the same as the DNA of Toyota's Production System (Dahlgaard-Park and Dahlgaard 2007).

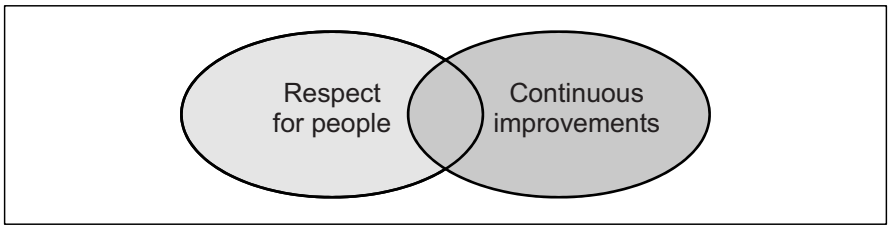

Fig. 3. Toyota's DNA (Dahlgaard-Park and Dahlgaard 2007, p. 388)

Our observations above may be understood simply by flaws in the existing managerial paradigms. Seen from a meta level, *TQM and the excellence approach* require a fundamentally different managerial paradigm and mental model compared to earlier quality approaches.

Earlier quality approaches were rooted in a positivistic and reductionist paradigm, which is well matching when focusing and understanding the formal and tangible aspects of organizations (Dahlgaard-Park 1999, 2006). One major problem with the various excellence models and the managerial practices of these models seems to be that people still interpret these models from a positivistic and mechanistic paradigm. The high failure rate with implementation of TQM and excellence models seems to be related to this problem (Dahlgaard-Park 2006). The phenomenon can be illustrated by an analogy of a doctor who tries to cure a mental sick person by carrying out a physical surgery. In order to understand the complex realities of organizations and its environments organizations need a new cure (framework), which can capture both depth (qualitative) and breadth (quantitative). The suggested "4P" model is our attempt to provide such a framework which may help to overcome organizations' current problems when trying to implement TQM and excellence by using existing excellence models.

With the "4P" model and its related principles we have tried to simplify the integration of tangible and intangible aspects (objective and subjective) as well as individual and organizational levels (micro and macro) into the framework. The "4P" model can be used as a guideline for implementing TQM and excellence by integrating the paradigm level with the methodological level. The successful transformation of Post Denmark's company culture in the period 1998 to 2004 from a bureaucratic commanding and control culture to a TQM and excellence culture was guided by an educational framework designed by the "4P" model and complemented by measurements of more than 500 managers' perceptions (mindsets) of selected critical success factors for excellence (key performance indicators) inspired by the European Excellence Model (Dahlgaard and Dahlgaard-Park 2004). Post Denmark received in 1999 the Danish Human Resource Prize, the Danish Quality Award in 2004 and the European Excellence Prize in 2006. Post Denmark is today regarded as one of the few innovative and best managed post companies in Europe.

By taking into account the discussion and arguments above combined with our theoretical discussion in sections 2 and 3 our final conclusion is that the validity of the "4P" model has been supported by this case. Combined with several other cases where we have used the simple approach for identifying and prioritizing improvement areas during the last 15 years we hence conclude that the "4P" model shows a valid structure or strategy for building sustainable organizational and innovation excellence.

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