

PERFORMANCE MEASUREMENT IN A “HIDDEN CHAMPION” COMPANY: AN EMPIRICAL STUDY

Nail Sariyev^{*}, Janka Táborecká-Petrovičová^{**}

^{*} Corresponding author, Department of Corporate Economics and Management, Faculty of Economics, Matej Bel University, Banská Bystrica, Slovakia

Contact details: Department of Corporate Economics and Management, Faculty of Economics, Matej Bel University, Tajovského 10, 97590 Banská Bystrica, Slovakia

^{**} Department of Corporate Economics and Management, Faculty of Economics, Matej Bel University, Banská Bystrica, Slovakia



Abstract

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The purpose of the paper is to review and evaluate the performance of a specific type of globally successful innovative company introduced to scientific literature as “hidden champion” by Simon (1990), using a combination of traditional financial key performance indicators (KPIs) with the modern evaluation method of the European Foundation for Quality Management (EFQM) model. The results showed that there are many areas in the selected company where EFQM allows building an effective management system, applied as a benchmarking tool for using the experience of leading companies. The joint utilisation of the KPIs and the EFQM model helps to create an objective picture and evaluate the organization in a relatively complex way. This paper provides in-depth insights into the application of new models in practice that are still scarce and may serve as a base for further research realized on larger samples. This work shows for the first time the application of EFQM commonly used in large organizations, for the special category of small and medium-size enterprises (SMEs) companies called “hidden champions” (HCs). In general, there is a lack of studies in domestic literature devoted to the concept of “hidden champions”. This paper contributes to this field from the perspective of quality management, and it provides also valuable insight for practice.

Keywords: Hidden Champions, Small and Medium-Sized Enterprises, EFQM, Performance Measurement, KPIs

Authors’ individual contribution: Conceptualization — N.S. and J.T.-P.; Methodology — N.S. and J.T.-P.; Writing — Original Draft — N.S. and J.T.-P.; Writing — Review & Editing — N.S. and J.T.-P.; Supervision — J.T.-P.

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1. INTRODUCTION

The first publication about a specific type of globally successful, highly innovative and relatively unknown companies was introduced by Simon (1990). Simon invented this term, explained importance and a huge contribution of “hidden champions” (HCs) for Germany and German-speaking countries, set the list

of criteria to identify or recognize HCs among companies and finally studied their strategies, strategic approaches, competition advantages, financial indicators, and other aspects to reveal their success factors and best practices. The concept of HCs was later studied also in other cultural contexts and from various (broader or narrower) perspectives and it is popular among researchers also nowadays (Fryges, 2006; Din, Dolles, & Middel, 2013; Purg,

Saginova, Skorobogatykh, & Musatova, 2016; Kamp, 2018; Lehmann, Schenkenhofer, & Wirsching, 2019; Schmid, 2018).

Simon (2012) mentions that hidden champions remain a virtually unexplored source of knowledge. Thousands of these highly successful businesses are hidden behind a veil of obscurity, invisibility, and, in some cases, deliberate secrecy, all over the world. This applies to the goods these businesses produce, how they compete, and — even more difficult to investigate — how they are run within. Only a few professionals, consultants, journalists, and researchers are familiar with their names. This secrecy contrasts sharply with the hidden champions' powerful positions in their markets.

In 1996's work, Simon mentioned three criteria to qualify as a hidden champion: 1) number one or two in a world market or number one in the European market in terms of market share; if market share is unknown, a company must be a leader relative to its strongest competitors; 2) it must be small or medium in size and unfamiliar to the public and not generate more than \$1 billion in sales revenue; (in his latest work dated 2012, this number was changed to €5 billion); 3) it should have low public visibility and awareness.

Today, hidden champions selection criteria may differ from those identified by Hermann Simon due to dynamically developing and changing market characteristics (Purg et al., 2016). Moreover, in Central and Eastern Europe (CEE) region, the historical and political background was different in comparison with western European countries, which had an impact on the number of HCs in CEE, a delay in their emergence, further development and other peculiarities that have been identified in international comparative studies involving also cases in Slovakia (Táborecká-Petrovičová, Ďaďo, & Bobáková, 2013; Táborecká-Petrovičová, Ďaďo, & Budinský, 2021). Hence, also other subcategories besides the original HC concept have been defined and used, such as “potential HCs”, “local heroes”, “regional leaders” to address those ones with the potential to reach a status of hidden champion in the future and to study their path (success and failures) to this position.

Currently, the trends in the development of society and the economy determine the need for a faster response of enterprises to the external environment and consumer demands, which in turn poses the corresponding tasks for the scientific community in terms of finding and developing fundamentally new approaches to ensure the efficient functioning of enterprises. One of such research areas is quality management, which currently has not only a high level of scientific development but also practical implementation. Currently, quality management is associated not only with ensuring the appropriate level of quality of products or services, but also with the management of all processes and the enterprise as a whole. The basis of quality management is the process approach and customer focus. The directions of quality management are diverse, such as statistical methods of quality control and various models of quality management, including the European model

of quality European Foundation for Quality Management (EFQM) (Logunova, 2009).

The purpose of this research is to examine the performance of a prospective hidden champion company in Slovakia using the EFQM model and financial key performance indicators (KPIs). The research question arising from the purpose is stated as the following:

RQ: To what extent do the EFQM model and financial KPIs together provide a full performance measure analysis of a hidden champion company?

This paper utilizes secondary data in the first place, due to the objectivity and accessibility. Desk research and literature review techniques were used to accumulate records. The combined use of KPIs and the EFQM model aids in the creation of an objective image and the evaluation of a somewhat complex company. This work gives in-depth insights into the application of novel models in practice, which are still scarce, and could serve as a foundation for larger-scale research. For the first time, this study illustrates how EFQM, which is routinely employed in large organizations, can be used for a special group of small and medium-size enterprises (SMEs) known as “hidden champions”. In fact, Escrig and de Menezes (2016) tried to find the correlation between the effect of size on the use of the EFQM excellence model, however, it did not focus on hidden champions precisely. Moreover, this work focuses on practical aspects of the model, rather than theoretical. This study contributes to this topic from the standpoint of quality management, and it also offers practical advice.

HCs gain higher results from process innovation both in terms of cost savings and sales increase from quality improvement (Rammer & Spielkamp, 2019). Lages, Silva, and Styles (2009) proposed a conceptual framework that linked quality and innovation as precursors to export success. They emphasize the effect of firm-specific quality capabilities on employee engagement, customer concentration, and employee quality training, all of which are compatible with Simon's (2009) definition of hidden champions.

This paper consists of six sections with the first being an introduction. Section 2 reviews the relevant literature on key performance indicators and the EFQM model. Section 3 introduces the methodology that has been used in this paper and the hidden champion company selected for empirical research. Section 4 presents the results of KPIs in the selected hidden champion company and introduces the EFQM model. Section 5 offers a detailed discussion of KPIs and how the EFQM model is implemented within each of them. Section 6 concludes the findings of the paper.

2. LITERATURE REVIEW

HCs can be compared against other businesses using a variety of approaches, according to Simon (2009). Quantitative data, such as financial indicators, is used to develop objective methods. Simon provides a comprehensive list of KPIs for hidden champions that can be used for benchmarking and comparison. In the context of this study, the authors

present KPIs based on Simon's book, which was published in 2009.

According to Simon (2009), HCs often have larger *equity ratios* than other "average enterprises". A high equity ratio indicates that a company's total equity exceeds its total assets by a significant margin. Self-financing, which is the most important source of funding for HCs, requires a high equity ratio. He also claims that many SMEs see funding as a resource that restricts growth, international expansion, the creation of a global sales network, research and development (R&D), and production facility investments. As a result, a lack of financial strength might be a deciding factor in strategy implementation, leaving growth ambitions unfulfilled. HCs, on the other hand, do not see money as a barrier to their plans, because they have the above-mentioned financial freedom for strategic decisions.

Bluhm and Schmidt (2008) suggested that SMEs prefer to finance their business and growth from their own cash-flow (with all the limitations involved), bank loans remain the most important external source. According to Watson (n.d.), SMEs in Europe rely significantly on bank loans and have limited access to other forms of financing. However, as per Simon (2009), 70% of HCs do not see financing to be a limitation on their initiatives. In this way, HCs differ from "normal" businesses in that they prefer to grow through self-financing rather than relying on typical bank loans, private equity, or financial markets. Simon found that the average equity ratio of the HCs he surveyed was 41.9%, indicating that they in fact have the financial flexibility to make strategic investments.

Romano, Tanewski, and Smyrniotis (2001) underline factors that influence financing decisions in general, especially for SMEs, with some of them being culture, entrepreneurial characteristics, entrepreneurs' prior experiences in capital structure, business objectives, business life-cycle issues, preferred ownership structures, age and size of the company, as well as issues relating to autonomy and freedom.

Simon (2009) shows that the studied HCs had an average return on investment (ROI) of 9.5% in 2008 and compares the ROI to Fortune 500 companies' average ROI, which was at the time 3.5%, to show that ROI of HCs is higher in comparison with big players. Simon (2009) also shows that the average return on capital employed (ROCE) for HCs is 13.6%.

Simon (2009) considers *profitability* in terms of market share in most cases. According to Simon, one of the biggest managerial fallacies of our day is the assumption that a greater market share invariably leads to higher earnings. The author found no link between share of the market and return on equity in his first book on HCs (Simon, 1996). The idea that market share can be divided into two categories, "good" and "bad", is one of the most intriguing statements in Simon's work (2009). While "good" market share is frequently won through innovation, higher performance, and outstanding service, "poor" market share is often earned through short-term price cuts that devastate the overall market. According to him, the criteria

that decide whether a market share is "good" or "bad" is the earned margin. It's only natural that HCs have a high ROCE if the profit margin is at the center of good market share, and HCs represent good market share.

As a result, a high return on capital utilized is a viable criterion for HCs. Simon (2009) highlighted the role of *productivity* as one of the main strengths of HCs. As a part of the corporate culture of HCs, he also mentioned the principle of having "slightly more work than people". HCs employ a highly skilled workforce, which they constantly educate and train (Lehmann et al., 2019). Following this corporate culture revenue might grow even if the amount of workforce remains the same. He stresses that revenue growth divided by employee growth is a strong indicator of productivity and efficiency. For most companies, the largest expense is human resources. The more revenues that can be generated for each "unit" of human resources (i.e., an employee) the greater the efficiency of the company (Periu, 2011).

Simon (2009) proposes a number of non-financial objective performance metrics that are indicative of HCs in addition to financial indicators. HCs are efficient (incremental) innovators and, in many cases, technological leaders (Audretsch, Lehmann, & Schenkenhofer, 2021), with great *innovation* determination in processes, systems, marketing, and services. He says, "HCs are exceptionally innovative and successful in their innovation objectives, as evidenced by their R&D intensity, number of patents, and income from new goods" (Simon, 2009, p. 159). Simon (2009) also highlights the importance of innovation in HC's drive for market share.

Patents present a brief monopoly on knowledge exploitation. Patents, on the other hand, are neither a necessary or sufficient condition for the successful commercialization of an idea, as per Mina (2010). By differentiating the effects of patents on competition from their effects on innovation, Hall (2009) summarizes the economic impacts of patents. Providing corporations with temporary monopoly rents in exchange for proprietary ideas reduces the level of competition in the market.

HCs typically work in specific segments, particularly in the B2B sector, and produce components or semi-finished goods, achieving global or regional leadership in their market niches, according to Purg et al. (2016). As a result, it's normal to assume that HCs have fewer patent filings than companies with a broader product line or a high-tech-heavy industry.

Although export has been a common lens through which to study *international development*, Dominguez (2018) indicates, that SMEs are turning to more tempting entry tactics in order to establish themselves on a long-term basis in foreign markets. Many of them are now choosing high-risk entrance methods such as joint ventures, international acquisitions, or the establishment of new subsidiaries in other countries. This reflects the increasing complexity of SMEs' internationalization efforts as the environment of the organization evolves.

This is why HCs frequently establish international subsidiaries as an important element of their strategy, according to Simon (2009), implying that they prefer to go it alone in foreign markets. Lahti (2014), who has conducted a substantial theoretical study on HCs, agrees that the business model of HCs is successful in international markets since they make investments in internationalization soon in their development trajectories. Drawing a conclusion, the literature on the internationalization strategies of hidden champion agrees on the high importance of vertical integration, when entering foreign markets (Schenkenhofer, 2022).

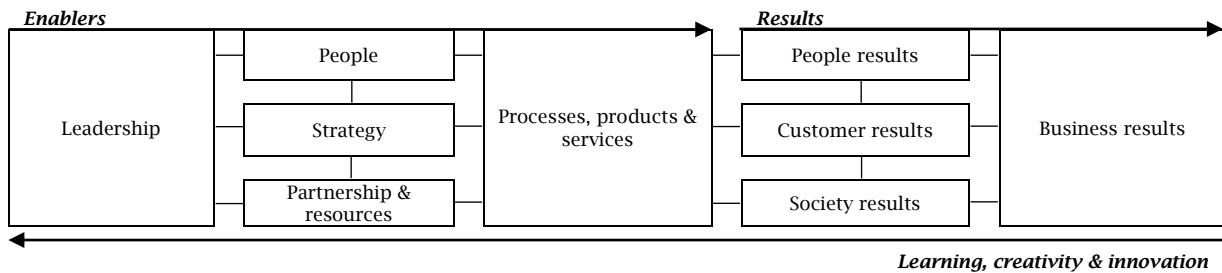
To conduct a self-assessment and understand how the organization copes with the tasks set, (total) quality management tools come to the rescue. Although there are various tools available, the majority of them does not underline the exact criteria of assessment, but provide a general approach (e.g., PDCA, Six Sigma, Kaizen, Benchmarking). The EFQM excellence model is regarded as a valid depiction of total quality management (TQM) in the European environment and stands out with its input-output approach. Bou-Llusar, Escrig-Tena, Roca-Puig, and Beltrán-

Martin (2009) investigated the empirical issue of the EFQM excellence model and its holistic interpretation in the firm, as well as technical and social TQM issues. Moreover, the authors concluded how the model provides some insights into how excellence in the enablers explains the achievement of excellent results by simultaneously considering the intercorrelations between all the elements of the model caused by the latent factors enabler excellence and results excellence.

Taraza and Anastasiadou (2019) provide the most comprehensive understanding of what the EFQM excellence model is. According to them, it is a management tool and a self-evaluation tool that is based on quality principles and includes specific criteria. It is utilized to improve the efficiency and effectiveness of any organization. The most powerful pillars for boosting educational standards and achieving success are good principles.

The EFQM excellence model consists of nine elements organized into two categories of assessment criteria: “enablers” and “results”. The “enablers” refer to everything that the organization does and how it does it. The other group, “results”, relates to what the organization achieves from its activity (Czerwinski, 2016).

Figure 1. Structure of the EFQM excellence model



Source: EFQM (2012).

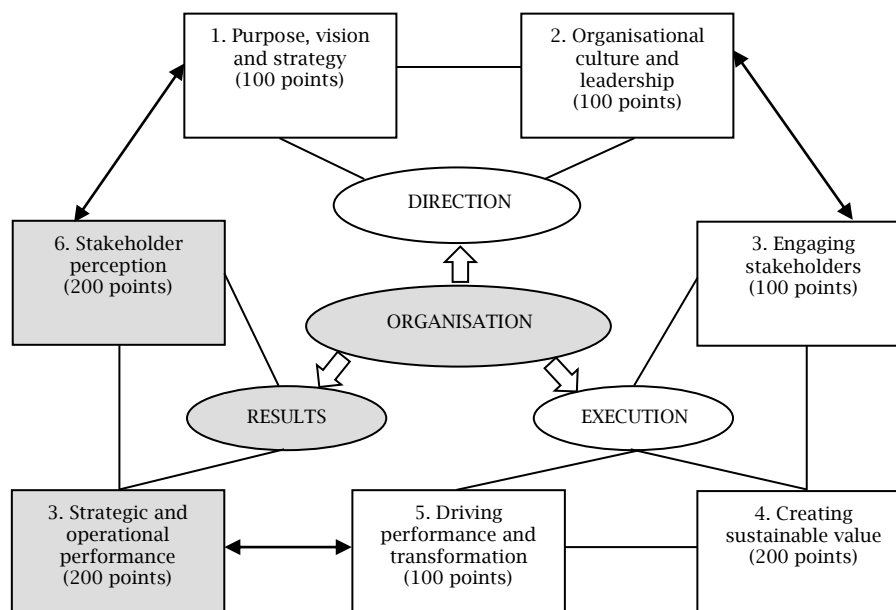
The new EFQM model is based on the completely changed framework and consists of three key sections: 1) Direction (Why to do it?); 2) Execution (How do it?); 3) Results (What is achieved?).

Nenadál (2020) mentions, cause and effect relationships are considerably more obvious in the new model, which may help it gain wider support among managers and academics at all levels. Another significant shift concerns the term “sustainable value”. It primarily replaces words like “product” and “service”. The most significant change is related to offering support and encouraging innovative thinking. As a result of the fact that many European companies have gotten into the slow lane in this field, at least eight different guiding points connected to creativity and innovations have been freshly consolidated into special partial criteria 2.3 and 5.3.

Even though the model was updated recently, it still has flaws that have been discussed for a long

time. And the main thing, of course, is the fact that the model does not consider the size of the organization and often appears complex or even unnecessary for SMEs (including HCs). Kumar and Antony (2008) emphasized the necessity for a specialized quality management (QM) for SMEs, and prior versions of the EFQM included separate criteria for SMEs. According to Wilkes and Dale (1998), small and medium businesses were generally aware of the EFQM concept but did not completely comprehend its benefits. They claimed that under the strain of competition and the necessity to re-establish confidence in the future of the company, SMEs often sought fast results and were turned off by the EFQM methodology. Before SMEs could apply the model, Escrig and de Menezes (2016) believe that they needed to be presented with simplified QM rules, and the view that accreditations were only for large enterprises had to be overturned.

Figure 2. Structure of the EFQM model



Notes: Adapted according to EFQM (n.d.).
Source: Nenadál (2020).

When it comes to QM, Ghobadian and Gallear (1996, 1997) found that some aspects are better suited to small enterprises, while others are not. According to Williams, Bertsch, Van Der Wiele, Van Iwaarden, and Dale (2006), an institution can reach high levels of excellence in some categories but not all. As per Lewis, Pun, and Lalla (2006), higher use of social and soft practices in SMEs fosters cultural change and awareness of individual quality accountability. The findings of Zhao, Yeung, and Lee (2004) backed up the idea that SMEs do a good job with people management on average, probably due to closer interactions and direct negotiations between staff and managers. Smaller businesses, according to Hendricks and Singhal (2001), can win more from QM. On the other hand, Escrig and de Menezes (2016) claimed that being smaller makes it easier to understand key customers' needs and that organizational learning is more effective because key practices like teamwork and empowerment are already existent to some extent in smaller businesses, minimizing the costs of applying QM.

Since a practical example of the new model to base our performance review on could not be found in open sources yet, in further stages we will use an old model for assessment.

3. RESEARCH METHODOLOGY

3.1. Methodology review

The paper aims to review the performance of the selected potential hidden champion company in Slovakia through the EFQM model and with the help of financial KPIs. The methodology used was based on the combination of traditional financial KPIs (as a quantitative approach) and a modern evaluation method of the EFQM model (as a qualitative approach). The selected approach is justified by

the approach of emergent change of organization as "a continuous, open-ended and unpredictable process of aligning and realigning an organization to its changing environment" (Yazdifar, Askarany, Nasser, & Ali Moradi, 2012, p. 50). Performance, as consequence of change, of an organization "is less dependent on detailed plans and projections than on reaching an understanding of the complexity of the issues concerned and identifying the range of available options" (Burnes, 1996, p. 293). A systematic and integrated approach was chosen as the methodological basis of the paper to justify the relationship and interdependence of the competitive advantage of enterprise and the allocation of its main functions. Whereas the quantitative data demonstrated specific relationships, the qualitative data were needed to offer an explanation for those relationships (Yin, 2017). In the process of writing the work, the following methods were used:

- Comparison — as a technique for building social phenomenon categories and determining whether shared occurrences may be explained by the same sources, as per Hantrais (1995).
- Logical generalization — to generate formal, generalizable findings of one particular study that can be applied to unexamined subjects and contexts (Allen, 2017).

These methods were used as supportive to obtain derived information resulting from processing data from the financial reports, interviews with the CEO, information on the company website. Other general methods, such as analysis and synthesis, were used in the paper to reveal the essence and role of competitive advantage in the enterprise system. While the analysis method was picked due to "reduce data to a story and interpret it to derive insights" (LeCompte & Schensul, 2010, p. 240), selection of synthesis is justified by its "common purpose — to summarize, synthesize, or integrate research findings from

diverse studies” (Schick-Makaroff, MacDonald, Plummer, Burgess, & Neander, 2016).

The central role in data collection is given to desk research, content analysis and document research to summarize and arrange existing data to increase the overall value of the paper. Case study, correlative-predictive study, development studies could be used as alternative methods of research.

3.2. Introduction of selected potential HC company

In this part of our work, the authors will introduce the company that was selected as a representative subject for further analysis according to Simon's criteria and taking into consideration peculiarities of HCs in CEE region. We consider this company as “a potential hidden champion”. According to Simon (2009), the majority of hidden champions identified by him (69.1%) are coming from the Industrial goods sector. Second and third places are assigned to consumer goods and services respectively with shares of 20.1% and 10.8%. The decision to investigate Kickresume¹ for this research is, therefore, of a bigger value, as the company represents the minor sector.

Peter Ďuriš in his LinkedIn profile states, “Tomáš Ondrejka and I created Kickresume back at university, in 2012 when we had to write a resume to apply for an internship. We made a very simple tool meant mostly for ourselves and our friends. In a few months, however, we had discovered that Kickresume was being used by thousands of people worldwide. That is when we decided to take Kickresume to another level and make it help others get a job” (Ďuriš, n.d.).

Today, Kickresume helps more than 600,000 people every month to start their job hunt, create an outstanding resume or cover letter and professional websites in minutes. They offer a lot of resume layouts on their site, which are supportively sorted out by industry. It gives more than 50 vocation explicit resume formats to get off the ground; it will reinforce CV with pre-composed expressions for over 3,200 occupation titles. For first-time resume creators, the sample resumes listed are handy since they are samples from people that got hired. Candidates that have used it have found work at companies such as Google, Facebook, NASA, Apple, and Tesla. Kickresume also features an interventional resume maker; it also became one of the first companies with the possibility of importing a resume from LinkedIn. They launched a blog, compiled an e-book. The process of creating a CV, cover letter or personal website gave them elements of playfulness, a conversational approach (Mikula, 2014).

3.2.1. Nature of market leadership

The company remains in the top 3 in terms of resume creation in the world according to Tech Times (Hamilton, 2021). Kickresume was highly appraised during TechPeaks event in 2017, with mentors including the founders of Evernote, The Next Web, and Lean Startup Machine. Business Insider appraised Kickresume for an inventive and entertaining approach several times.

3.2.2. Nature of competitive advantage

Kickresume helps job seekers discover which careers are best suited for them with the help of neuroscience. Using a set of twelve games, Kickresume is investigating the possibilities of gamification of psychotics in human resources (Matijek, 2017). Kickresume was the first company to compile the infographic of unexpected interview questions, detailing some of the more difficult questions tech giants have put to prospective candidates, with some suggestions on how to answer them.

4. RESULTS

The section provides the results of the analysis of the KPIs based on the financial performance of the organization and the assessment of the organization at the EFQM level.

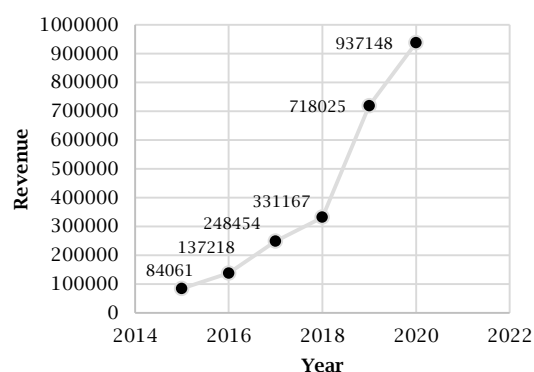
4.1. KPIs analysis of Kickresume

4.1.1. Revenue growth

This KPIs represent the *Business results* in accordance with the EFQM excellence model, providing a general picture of the company's achievements. Additionally, the *Customer results* are a major part of revenues, and our conclusion on the performance of these two blocks can be derived from the quantitative data below.

In comparison to 2019, Kickresume's total revenue increased by 30.07% to €936,026. Over the 2015-2020 period (with available information) mean equalled to €409.69 thousand, the median was €290.55 thousand, and standard deviation, σ was €342.13 thousand.

Figure 3. Total revenue of Kickresume (2015-2020) (€)



Source: Own elaboration based on data from finstat.sk

It is also worth mentioning, in 2015, €60,223 out of total revenue were counted in as capitalization; meaning, net revenue in 2015 was way too lower than it is in recent years.

Data confirms that the company is on the right way with gradual growth in revenue. In this scenario, a straight-line prediction based on average revenue growth (59.39%) may be made that the company may surpass €1 million in 3 years.

¹ <https://www.kickresume.com/en/about/>

Table 1. Yearly revenue change for Kickresume (2015–2020) (%)

Year	2015	2016	2017	2018	2019	2020
Total revenue (€)	84,061	137,284	248,489	332,616	719,651	936,026
Revenue change (%)	n/a	+63.31	+81	+33.85	+116.36	+30.07

Source: Own elaboration based on data from finstat.sk

4.1.2. Equity ratio

Selection of this KPIs justified by *Society results* of the model, and partnership as part of it. In 6 years Kickresume was able to establish a strong equity ratio with nearly doubling sources of self-financing in the last year. The median equity ratio for

Kickresume was 30.21%, mean 40.11%, and standard deviation, $\sigma = 32.21\%$.

These numbers in comparison with the latest year confirm that the company made a huge step and boosted the performance nearly twice above average. Increased equity ratio underlines the initiative of stakeholders to create a long-term project with lower dependence on external sources.

Table 2. Equity ratio calculation for Kickresume (2015–2020) (%)

Year	2015	2016	2017	2018	2019	2020
Total equity (€)	91,005	126,860	141,970	122,908	223,449	280,979
Owners' equity (€)	9,969	14,243	26,146	51,614	176,198	222,614
Equity ratio (%)	10.95	11.23	18.42	41.99	78.85	79.22

Source: Own elaboration based on data from finstat.sk

4.1.3. Return on capital employed

The next KPIs identified is ROCE which compares earnings with capital invested in the company. The following KPIs is the best way of depicting *People results* from the EFQM model.

It can be noticed that ROCE grows together with assets and earnings before interest and taxes (EBIT), in terms of value. The higher number in the latest years means that Kickresume does a better job of deploying its capital.

Table 3. Return on capital employed for Kickresume (2015–2020) (%)

Year	2015	2016	2017	2018	2019	2020
EBIT (€)	6,418	4,274	11,842	33,077	146,257	199,411
Total assets (TA) (€)	91,005	126,860	141,970	122,908	223,449	280,979
Current liabilities (CL) (€)	7,989	63,962	95,041	71,117	47,068	58,182
Capital employed (€) (TA-CL)	83,016	62,898	46,929	51,791	176,381	222,797
ROCE (%)	0.0773	0.06795	0.2523	0.6387	0.8292	0.8950

Source: Own elaboration based on data from finstat.sk

4.1.4. Revenue per employee

The fourth indicator to measure the performance rate of HC is revenue per employee. As the KPIs above, this indicator shows more detailed

information into *People results*. The growing trend in terms of revenue per employee shows that if productivity is defined by these metrics, then the company indeed grasped to raise productivity.

Table 4. Revenue per employee for Kickresume (2015–2020) (€)

Year	2015	2016	2017	2018	2019	2020
Total revenue (€)	84,061	137,284	248,489	332,616	719,651	936,026
Number of employees	5	5	4	4	2	0
Revenue per employee (€)	16,812.2	27,456.8	62,122.25	83,154	359,825.5	-

Source: Own elaboration based on data from finstat.sk

A growth of 494% can be seen in the period of the first analysed 4 years, which identifies a potential increase in this number since the number of employees does not change much and more or less stable.

The following two indicators are supportive in terms of *Customer* and *Society results*, but play a crucial role in concluding that a company is in fact HC. Foreign subsidiaries underline partnership connections of a company, while patents show depth and focus of strategy as enabler of change and performance subsequently.

4.1.5. Amount of foreign subsidiaries

Due to the limited data, the results in terms of foreign subsidiaries were hard to determine validly and reliably, but several foreign subsidiaries were equal to 1 in 2018.

4.1.6. Amount of patents

As with the number of foreign subsidiaries, the number of patents per thousand employees was problematic to count validly. As of today, Kickresume owns only 4 patents, which means our number of patents per employee is nearly equal to 1 (since there is no confirmed number of employees for this year, we use the latest known to us).

4.2. EFQM excellence model in Kickresume

To test the performance of a company in each component, the authors assessed nine components — each element corresponds to one of the segments in the model. Each section consists of several sentences that identify various aspects of business competence. Each sentence was marked on a percentage scale (0–100%) depending on which extent the author agrees based on the research made.

Below there are the sentences included assessing each element. Sentences based on the work of Czerwinski (2016), the EFQM excellence model questionnaire template, and the company information are shared and accessible on the web.

Leadership

- Leaders develop the mission, vision, values, and ethics and act as role models.
- Leaders define, monitor, review and drive the improvement of the organization's management system and performance.
- Leaders engage with external stakeholders.
- Leaders reinforce a culture of excellence with the organization's people.
- Leaders ensure that the organization is flexible and manages change effectively.

Strategy

- Strategy is based on understanding the needs and expectations of both stakeholders and the external environment.
- Strategy is based on understanding internal performance and capabilities.
- Strategy and supporting policies are developed, reviewed and updated.
- Strategy and supporting policies are communicated, implemented and monitored.

People

- People's plans support the organization's strategy.
- People's knowledge and capabilities are developed.
- People are aligned, involved and empowered.
- People communicate effectively throughout the organization.
- People are rewarded, recognized and cared for.

Partnership and resources

- Partners and suppliers are managed for sustainable benefit.
- Buildings, equipment, materials, and natural resources are managed sustainably.
- Finances are managed to secure sustained success.
- Technology is managed to support the delivery of the strategy.
- Information and knowledge are managed to support effective decision-making and to build the organization's capability.

Processes, products, and services

- Processes are designed and managed to optimize stakeholder value.
- Services are developed to create optimum value for customers.
- Products and services are effectively promoted and marketed.
- Services are produced, delivered and managed.

- Customer relationships are managed and enhanced.

Customer results

- Customer satisfaction indicators are defined.
- Changes in customers' preferences are continuously measured.
- The results of customer preferences survey trigger changes in the company (e.g., in customer service or company's offer).
- Customer satisfaction has risen over the last three years.
- The number of loyal customers has risen over the last three years.

People results

- Employee satisfaction indicators are defined.
- The company measures the suitability of an employee's competencies to the needs of the company.
- The company continuously assesses the productivity of employees.
- The company has developed tools to improve the productivity of employees.
- The company measures the efficiency of internal communication.
- Employee satisfaction has increased over the last three years.

Society results

- The company uses indicators to assess the image of the organization as being concerned about the environment.
- The company uses indicators to assess the impact of the organization on the environment.
- Innovations introduced in the last three years have improved the company's environmental impact.
- The company has been receiving positive media coverage.
- In past years the company has become more engaged in supporting local communities.
- The company follows clear rules concerning health and safety performance.
- The amount of waste of natural resources has decreased in the last years.

Business results

- The company has reached its major goals in the last three years.
- The company's outcomes are reflected in financial results.
- The final results satisfy the company's stakeholders.
- Managers can name what was the failure and what was the success.
- The company can estimate future performance and results.

5. DISCUSSION

5.1. Leadership

Entrepreneurship itself is built on using the abilities of the entrepreneur and employees — organizational, creative and others. It is precisely on qualified personnel that the success of a small business is based on the high motivation of employees in its final result. On the www.owler.com company's CEO, Peter Ďuriš has a CEO rate of 90% based on 19 reviews. The company changed its approach over the last three years keeping up with the times and changes in the environment

(Moravčík, 2016). The management board is open to suggestions of employees; however, employees mainly focus on running personal projects under the brand, creating a new branch of business contributing to the main focus by echoing the brand name.

5.2. Strategy

Kickresume expands the industry and merges into other relevant markets, preserving the main direction. This is not to say that the strategy regarding the resume has changed significantly, but the evolution in this direction has been visible for three years. The number of samples and prepared phrases is increasing day by day, increasing the database of all sectors.

By issuing a free book with tips on creating a resume, the company did what was supposed to create more questions for the resource and reduce the number of users, because the platform flaws were visible and could push away. In response, the company received well-established feedback and a huge number of users of other resources switched to Kickresume given their honesty. Being something new in the market, such steps can play poorly at hand and are primarily a negative risk (Ondrejka, 2017).

5.3. People

The nearly perfect aspect of the company is such because of the small number of people in the organization and allows each employee to have close relations with other departments and any personal relations with the leading stratum. All events and all the rules apply equally to each employee, but it is impossible to say that the staff is constantly developing because this happens mainly due to personal interest and personal.

5.4. Partnership and resources

The business has one major flaw: In case of adverse situations, the business should have a more developed "plan B". There is no time to come up with a new plan when something goes wrong. Everyone is mindful of the fact that any situation is difficult to predict but the organization also needs to be more careful and organized. Instructions may later be updated and adapted to the scene, but the plan B should be planned. Kickresume has a partnership with incubator Spot Booster (which holds 10% of starting capital in the company) (Mikula, 2015) and Pymetrics (which kicked the idea with 12 games) (Matijek, 2017). For a company which is on the market for over 3 years, this number is relatively low.

5.5. Processes, products, and services

Kickresume came up with a great initiative of offering 60-day free premium access due to COVID-19 outbreak. Moreover, Ziskova (2020) dedicated a whole blog post on how to update resume during the coronavirus outbreak. Although the essence of the product and its quantity does not increase — which, in principle, is characteristic of hidden champions who adhere to a focus strategy —

the processes and the shell of products always change in step with the times.

5.6. Customer results

Kickresume sensitively and quickly responds to new trends. There is a tendency towards market aspiration for individuality. Trump card of Kickresume is the ability to interact with customers straightforwardly removing the barriers and bureaucracy of larger businesses, designing the capacity to deliver excellent experiences and surpass customer expectations. As part of this, the co-founder chat with customers on the web as well as customer support agents. The central idea of marketing is to identify long-term relationships with each prescribed customer. The basis of relationship marketing is an individual, case-by-case approach.

Security is very important and is a priority for Kickresume. The company uses the latest SSL certificates, and the data of all customers is stored on AWS servers, which are also used by Airbnb, Siemens or Amazon. To manage passwords the company cooperates with CommonKey — the leader in its sphere (Moravčík, 2016). The main setback of the company is its pricing policy. People tend to pay for a creative resume but only when it is way too individual and exclusive for that price.

5.7. People results

The company regularly receives feedback from customers, conducts surveys, collects information about customers and the results of their interviews, creating a database based on their resumes. The company can only increase transparency, but at this stage, it is difficult not to give out strategic advantages and plans.

5.8. People results

A huge number of examples of direct statements of society about the activities of the enterprise, there is evidence that the enterprise defines the key moments of its influence on society, its social responsibility to society. The only drawback is the lack of data confirming this same influence.

6. CONCLUSION

The concept of the EFQM business excellence model can be defined as the process of continuous improvement of activity at each management level, in each functional area of the organization, using all available human and material resources. The construction of quality management systems is based on the following principles: focus on results; customer focus; leadership and constancy of goals; process and data management; staff development and involvement; partnership development; social responsibility. EFQM allows you to build an effective management system for organizations in any industry, is a benchmarking tool for using the experience of leading companies and has ample opportunity to use it.

The integration mechanisms of the EFQM model involve a self-assessment of the enterprise. Thus, the implementation of the EFQM model in the quality management system allows to transfer

theory to practice in the following issues: 1) monitoring and examination of the enterprise's results and the results of its functioning in the external and internal environment; 2) search and justification of the possibility of introducing strong positions in the field of quality; 3) the versatility of using the components of the model, the possibility of making adjustments to the quality management system, both at the enterprise level and individual problem areas; 4) the possibility of choosing alternative strategic decisions and greying the tactical program for the development of the quality management system; 5) the ability to group and coordinate the relationship between the efforts made for implementation and the results obtained in the areas of product quality.

In addition, the EFQM model can be used in several areas of the quality management system at once: 1) strategic analysis — control of the state of making management decisions based on a self-examination; 2) planning — the inclusion of the results of the self-assessment in the process of business planning of the quality management system; 3) a tactical tool — the adoption of a long-term, medium-term, and short-term quality development program based on the EFQM model.

But alas, this model primarily reflects quality indicators and is not quantitative in any way. To answer the research question set at the beginning, the joint use of the KPIs and the model helps to create an objective picture and

evaluate the organization relatively fully. Working on KPIs allows specialists to better understand what they need to do to be effective. By “efficiency” is meant not only the amount of work done per unit of time but also the benefits received by the company from the activities of the employee. When evaluating the effectiveness of work, the principles of incentive (bonus) of employees are reviewed, since the system of evaluating key performance indicators is closed to assess the activities of a particular employee.

The paper presents the analysis of one specific company that limits the generalization of the results. Future research of hidden champions (especially in other industries) within the same prism may help to statistically validate the findings and draw conclusions and recommendations on how to apply selected KPIs in hand with the EFQM model. In conclusion, it remains to note that a fundamental point in the application of the KPIs system in company management is a clear understanding of the purpose of this methodology and its limitations. This is a very effective tool for information support of the decision-making process. In this context, high product quality is the main part of the quality management system, which determines its competitiveness in the market. The successful solution of the problems of ensuring the proper level of quality, advising international standards, directly determines the economic balance and profitability of both the entity itself and the development of the industry.

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