International certification system for organisational transformation
1. Introduction

Since 2005, the Chinese multinational Haier Group has developed and implemented its Rendanheyi management model in an ongoingly evolving manner. With the coming of the platform economy, Rendanheyi got a reference model in how to thrive in a VUCA world by promoting human value creation, entrepreneurship, self-organisation, zero distance to users and ecosystem thinking. To make it easier to understand for outside parties, Haier has distilled its model into a two-dimensional RDHY Scorecard, now existing in version 2.0. The vertical dimension illustrates the self-organising capacity and the horizontal dimension the value expansion capacity of an organisation (cf. figure 1). Organisations that evolve on both axes should enjoy exponential growth opportunities. More details, along with many case examples, are provided in the RDHY Transformation Manual.

![RDHY Scorecard 2.0](image)

In collaboration with the Haier Model Institute (HMI), EFMD launched in 2021 a RDHY Certification Center. The Center now offers a RDHY certification scheme that builds on the RDHY Scorecard. It is delivered purely online and open to all organisations that explore self-organisation, agile ways of working, human value maximization, client centricity, and how to engage in an ecosystem. Thereby, it makes Rendanheyi accessible to all organisations outside Haier.

The RDHY certification aims at the following three outcomes:

- **Accelerating** a transformation that aims at self-organisation and client-centricity: *through reflection of an organisation’s transformation journey and the provision of an unbiased outside-in view from external experts, the transformation roadmap can get solidified and accelerated.*
- Strengthening the internal credibility of a transformation initiative: *many initiatives start at grass roots-level; the certification can help to gain credibility vis-à-vis major stakeholders and to mainstream the approach.*

- Access to a community of like-minded ‘transformers’: *certified organisations will be invited to share experiences and practices and learn from each other, and are invited to participate in the Zero Distance Award.*

The RDHY certification is built on two pillars:

- Firstly, the **RDHY Standards and Criteria** as a model of excellence that defines key success factors in realizing the Rendanheyi management philosophy. These Standards & Criteria are based on the two axes of the RDHY Scorecard. They will evolve with the underlying philosophy and its application (the current Standards & Criteria 2.0 are attached as appendix 2).

- Secondly, the **RDHY certification process** that comprises four stages and an optional fifth stage as per below (cf. figure 2).

2. **The Certification Process**

![Diagram of the certification process](image)

*Figure 2: The RDHY certification process (schematic)*

**Stage 1: Application**

General information about the RDHY certification can be found on the EFMD website: [RDHY Certification - EFMD Global](https://www.efmd.be/certification/rdhy-certification). The EFMD staff is happy to answer any further question.
Interested organisations apply by sending their filled-in application form and data sheet (appendix 1) and by accepting the terms and conditions of certification.

EFMD appoints a team of two certification experts and a team lead. The data sheet should inform the certification experts of the scope of the organisation (the entire organisation or only a part of it) under review and its business context, and comprise a SWOT analysis i.e., a realistic assessment of strengths, weaknesses, opportunities, and threats.

**Stage 2: Self-Assessment**

Upon clearing of the application, a candidate organisation is asked to compile a concise self-assessment-report (SAR). The SAR should provide evidence of how the organisation performs against the Standards & Criteria. The questions listed in appendix 3 should help in drafting the report.

The data sheet and self-assessment report should not exceed ten pages in total and can be complemented with attachments.

The self-assessment stage should serve as a means of strategic self-reflection and clarification of the current position and future ambition, and in addition provide the certification experts with an overview before they start with their review.

**Stage 3: External review**

The candidate organisation agrees with EFMD and the certification team lead on a schedule of interviews with representatives of the candidate organisation.

All interviews are performed online and should not exceed a total time of four hours.

**Stage 4: Certification**

The certification expert team compares business practices in the organisation under review with practices in other organisations in light of the RDHY Standards & Criteria, thereby taking the respective business context into account.

The team compiles a feedback report summarising observed strengths and areas of focus and awards one of the following levels of certification (cf. figure 3):

- **Explorer:** the organisation is still at the initial stage of its transformation and may have the desire to learn more about potential next steps.

- **Challenger:** the organisation has progressed well on the self-organisation dimension but has not yet formed and leveraged ecosystems to deliver superior client value.

- **Innovator:** at this stage, the organisation has developed or engaged in an ecosystem that drives innovative solutions, but still relies on traditional ways of organising work.

- **Leader:** here, the organisation has progressed significantly on both dimensions (organisation and market practices) to lead the way in the IoT era.
The value of going through the certification process should largely lie in the clarification of the current strategic position of the certified organisation, and of its future strategic development options. Therefore, the certification team provides an outlook into future growth opportunities and required capabilities for their realisation.

Stage 5 (optional): Transformation support by RDHY Research Centers

If the organisation under review wishes post-certification transformation support, any of the RDHY Research Centers will be happy to provide training, coaching, or consulting services. The Centers are listed on the Business Ecosystem Alliance website: About us - Business Ecosystem Alliance (business-ecosystem-alliance.org).

3. Certification Experts

The RDHY Certification Center can draw on a pool of certification experts. Certification experts get accredited for a period of 3 years. They either lead a RDHY Research Center or are a recognized expert in the field of management innovation, ecosystem thinking and networked organisations.

Figure 3: RDHY matrix
Appendix 1

RDHY Certification Application Form

I, the undersigned _____________________________________________

(name and position)

representative of _____________________________________________

(name of organisation)

confirm the application of my organisation to go through the RDHY Certification process.

We note that the cost of this service to my organisation will be 12,000€. We also confirm that we will accept the results of this process. EFMD Global Network, its directors, employees and consultants, dependent or independent, voluntary or not, shall not be liable on a tortious or contractual basis for any direct or indirect, foreseeable or unforeseeable damages resulting from the certification process. The afore mentioned shall also not be liable for the use by the organisation of the recommendations nor for any delay in the certification process. We fully understand and agree with EFMD Global Network’s general terms and conditions below.

General Terms and Conditions

1. The signatory of this Application Form certifies he/she is a representative who is authorised to commit her/his organisation to go through the RDHY Certification
2. Fee Schedule
   The total fee for the Rendanheyi Certification is 12,000€
   Initial payment: 4,000€, payable upon the submission of the application
   Final payment: 8,000€, payable immediately upon the receipt of the certification report
3. Invoices and expenses claims shall be paid preferably by bank transfer, free of any bank charges, within 30 days of presentation of the invoice.
4. The fees are exempted from VAT (Swiss VAT 0% -Export).
5. In case the candidate organisation decides unilaterally to stop the process after its application, the application fee is non-refundable.
6. Swiss law shall govern all aspects of the certification process. Any dispute arising out of the process which cannot be settled on an amicable basis should be submitted to the courts of Geneva.

Organisation: …………………………………………………………………………………
Address: ………………………………………………………………………………………
City and Country: ……………………………………………………………………………
Email: ………………………………………………………………………………………
VAT Identification Number (for invoicing purposes): ………………………………………

Please return this form duly completed and signed to Shanshan Ge, Senior Manager, Corporate Services at shanshan.ge@efmdglobal.org

Signature: ____________________ Date: ________/_______/__________ Stamp of the organisation
**Data Sheet to be filled in as part of the application for RDHY Certification**

<table>
<thead>
<tr>
<th>Name of the applying organisation and contact person</th>
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<th>The organisation’s value proposition to users</th>
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<th>Brief history of the organisation</th>
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<tr>
<th>Description of the organisational structure and if applicable, of ecosystem partners</th>
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<th>Financial overview</th>
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<th>SWOT analysis: strengths – weaknesses – opportunities - threats</th>
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Appendix 2

RDHY Certification - Standards and Criteria 2.0

Chapter A: Self-organisation

1 Turn employees into entrepreneurs
   1.1. decentralise the organisation and implement a strategy of zero distance to users
   1.2. create Microenterprises (MEs) and empower them to take their own decisions
   1.3. unleash entrepreneurial energy by fairly sharing the added value within the ecosystem and with employees

2 Enable collaboration between autonomous ecosystem partners
   2.1. invite MEs and external partners to bid for work to realise a leading goal
   2.2. eliminate middle management and instead coordinate and align work within an ecosystem through smart contracts such as the EMC contract
   2.3. foster trust and collaboration among ecosystem partners

3 Drive a performance culture and continuous optimisation
   3.1. create full transparency on performance against leading goals
   3.2. identify performance gaps and focus on how to close them
   3.3. hold everyone accountable for delivering on commitments

4 Instill a growth mindset
   4.1 motivate individuals to realise their full potential
   4.2. set and achieve ambitious stretch goals for higher value creation
   4.3 enable the ecosystem to organically evolve and new EMCs to emerge
Chapter B: Value expansion

5 Anticipate evolving user needs

5.1. understand the evolution of markets, industries, and platforms and how to compete on user value

5.2. identify potential new use cases and respond quickly to new business opportunities

5.3. develop critical capabilities for innovation and execution

6 Continuously improve the user experience

6.1. understand and eliminate user pain points to improve the user experience

6.2. facilitate experimentation and fast learning from what works and what does not

6.3. leverage technology, creativity, and co-creation for ecosystem innovation

7 Generate ecosystem revenue

7.1. enhance single user interactions and life-long user relationships

7.2. maximise user touchpoints and the interactive user community

7.3. increase the share of recurring revenues

8 Build an ecosystem brand

8.1. shape a differentiated and sustainable ecosystem brand identity

8.2. enrich the user experience with brand experience across the entire ecosystem

8.3. attract new partners to the ecosystem through its strong brand appeal and its sharing added value mechanism
Appendix 3

RDHY Certification 2.0: Typical questions supporting the self-assessment

Chapter A: Self-organisation

The goal here is to demonstrate autonomous units that are empowered to team up and reach leading goals, incentivised to identify and close respective performance gaps, and allowed to evolve into new units and ecosystems.

Standard 1: Turn employees into entrepreneurs

<table>
<thead>
<tr>
<th>What is your approach to develop entrepreneurship?</th>
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<tr>
<td>To what extent are decentral units and autonomous teams empowered to take their own decisions?</td>
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<tr>
<td>How do these teams participate in the value created?</td>
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Standard 2: Enable collaboration between autonomous ecosystem partners

<table>
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<th>How do you align teams and focus them on overarching leading goals?</th>
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<tr>
<td>How do you build trust across teams and encourage and enable them to collaborate (without hierarchical intervention)?</td>
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Standard 3: Drive a performance culture and continuous optimisation

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<th>How do you create full transparency on performance against goals and respective gaps?</th>
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<td>How do you keep everyone accountable for delivering on previous commitments and on closing performance gaps?</td>
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Standard 4: Instill a growth mindset

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<th>How do you shape an environment of positive thinking, innovation, and growth?</th>
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<tr>
<td>How does the organisation evolve, and new units or ecosystem partners emerge?</td>
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</table>
Chapter B: Value expansion

The goal here is to demonstrate exceptional and expanding value creation as a guiding principle of all activities, by anticipating evolving user needs, improving the user experience, generating ecosystem revenue, and building an ecosystem brand.

Standard 5: Anticipate and fulfill evolving user needs

Please provide evidence for how you anticipate markets and industries to evolve, and how you plan to capitalise on resulting opportunities.
How do you go about spotting opportunities and testing and implementing new use cases?
What would be examples of how you have closed capability gaps re: innovation and execution within the organisation or the ecosystem?

Standard 6: Continuously improve the user experience

How do you eliminate user pain points, by innovating new solutions and/or by finding new partners?
Can you provide examples of organisational/technological innovations and of co-creation within the ecosystem?
How does the organization ensure that the voice of the customer is present in key managerial choices?

Standard 7: Generate ecosystem revenue

Do you closely track user value and user engagement/interactions and how they evolve?
How do you create lifelong user relationships and maximise user touchpoints?
Do you generate recurring revenues from user interactions, and if so, what are your plans to grow them?

Standard 8: Build an ecosystem brand

What is your brand standing for in the eyes of the users?
Do you have multiple brands co-existing within the ecosystem, and if so, do you have plans to brand the entire ecosystem?
Does your ecosystem keep all partners engaged and attract new ones?
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