Baldrige Performance Excellence

Systematic Processes Yield Results
Agenda

- Results
- History
- The National Malcolm Baldrige Quality Award
- What is the Baldrige Excellence Framework?
- Why use it?
- Who should use Baldrige?
It’s all about ‘Results’

45% of the scoring is results
Results:

- Efficiency
- Effectiveness
- Competitiveness
- Sustainability
Baldrige award winners have seen drastic efficiency and effectiveness improvements

Customer - Customer satisfaction of 95% or higher for 4 years...
Workforce - 19% annual improvement rate in overall employee engagement...
Operations - 15-fold annual improvements in cost savings from supply-chain efforts...
Strategy - More than $7.5 million annual cost savings from implementing innovative ideas...
Environment - 20% annual cost savings from energy conservation improvements for 3 years
The ratio of the Baldrige Program’s benefits for the U.S. economy to its costs is estimated at 820 to 1.

2010–2015 award applicants represent 567,434 jobs.

2,665 work sites, over $142 billion in revenue/budgets, and about 449 million customers served.

109 Baldrige Award winners serve as national role models.

349 Baldrige examiners volunteered roughly $5.3 million in services in 2015.

State Baldrige-based examiners volunteered around $30 million in services in 2015.
History

Why was the Baldrige Performance Excellence Program established?
History

- Foreign companies were producing higher quality products
- U.S. companies were losing market share
- President Regan wanted a new standard for quality in the U.S.
Program History

Malcolm Baldrige National Quality Improvement Act of 1987, Public Law 100-107

- Created award program to
  - establish criteria for evaluating improvement efforts
  - identify/recognize role-model businesses
  - disseminate/share best practices
- Expanded to health care and education (1998) and to nonprofit sector (2005)
The National Malcolm Baldrige Quality Award
About the Award

- Presidential award
- **Highest level of national recognition for performance excellence**
- Traditionally presented by the President of the United States
Eligibility Categories

- Manufacturing
- Service
- Small business
- Education
- Health care
- Nonprofit
Award Recipients: Manufacturing

- 3M Dental Products Division (1997)
- ADAC Laboratories (1996)
- AT&T Transmission Systems Business Unit (1992)
- The Bama Companies, Inc. (2004)
- Boeing Airlift & Tanker Programs (1998)
- Cadillac Motor Car Company (1990)
- Cargill Corn Milling North America (2008)
- Clarke American Checks, Inc. (2001)
- Corning Telecommunications Products Division (1995)
- Dana Corporation—Spicer Driveshaft Division (2000)
- Eastman Chemical Company (1993)
- Honeywell Federal Manufacturing & Technologies (2009)
- IBM Rochester (1990)
Award Recipients: Manufacturing

- Lockheed Martin Missiles and Fire Control (2012)
- MEDRAD, Inc. (2003, 2010)
- Milliken & Company (1989)
- Midway USA (2009)
- Motorola C Gill (2002)
- Motorola, Inc. (1988)
- Nestlé Purina PetCare Co. (2010)
- Solar Turbines Inc. (1998)
- Solectron Corporation (1991 and 1997)
- STMicroelectronics—Region Americas (1999)
- Sunny Fresh Foods, Inc. (2005)
- Westinghouse Commercial Nuclear Fuel Division (1988)
- Zytec Corporation (1991)
Award Recipients: Service

- AT&T Consumer Communications Services (1994)
- AT&T Universal Card Services (1992)
- BI (1999)
- Dana Commercial Credit Corporation (1996)
- Federal Express Corporation (1990)
- GTE Directories Corporation (1994)
- Merrill Lynch Credit Corporation (1997)
- PricewaterhouseCoopers Public Sector Practice (2014)
- Premier Inc. (2006)
- Xerox Business Services (1997)
Award Recipients: Small Business

- Ames Rubber Corporation (1993)
- Branch-Smith Printing Division (2002)
- Custom Research Inc. (1996)
- Freese and Nichols Inc. (2010)
- Globe Metallurgical Inc. (1988)
- Granite Rock Company (1992)
- K&N Management (2010)
- MidwayUSA (2009, 2015)
- Pal’s Sudden Service (2001)
- Park Place Lexus (2005)
- PRO-TEC Coating Company (2007)
- Studer Group (2010)
- Sunny Fresh Foods (1999)
- Trident Precision Manufacturing, Inc. (1996)
- Wainwright Industries, Inc. (1994)
- Wallace Co., Inc. (1990)
Award Recipients: Education

- Charter School of San Diego (2015)
- Chugach School District (2001)
- Iredell–Statesville Schools (2008)
- Jenks Public Schools (2005)

- Montgomery County Public Schools (2010)
- Pearl River School District (2001)
- Pewaukee School District (2013)
- Richland College (2005)
- University of Wisconsin–Stout (2001)
Award Recipients: Health Care

- Advocate Good Samaritan Hospital (2010)
- AtlantiCare (2009)
- Baptist Hospital, Inc. (2003)
- Bronson Methodist Hospital (2005)
- Charleston Area Medical Center Health System (2015)
- Heartland Health (2009)
- Henry Ford Health System (2011)
- Hill Country Memorial (2014)
- Mercy Health System (2007)

- North Mississippi Medical Center (2006)
- North Mississippi Health Services (2012)
- Poudre Valley Health System (2008)
- Robert Wood Johnson University Hospital Hamilton (2004)
- Schneck Medical Center (2011)
- Sharp HealthCare (2007)
- Southcentral Foundation (2011)
- SSM Health Care (2002)
- St. David’s HealthCare (2014)
- Sutter Davis Hospital (2013)
Award Recipients: Nonprofit

- City of Coral Springs, Florida (2007)
- City of Irving, Texas (2012)
- Concordia Publishing House (2011)
- Elevations Credit Union (2014)
- U.S. Army Armament Research, Development and Engineering Center (ARDEC; 2007)
- Veterans Affairs Cooperative Studies Program Clinical Research Pharmacy Coordinating Center (2009)
This year’s [Baldrige Award] recipients have shown how quality, innovation, and an unending quest for excellence help strengthen our nation and brighten the future of all Americans.

—President Barack Obama
Baldrige Excellence Framework

An Integrated Approach
People

Process

Performance

Leadership

Strategy

Customer Focus

Measurement, Analysis & Knowledge Management

Workforce Focus

Operations Focus

Results
Baldrige Excellence Framework
Integrated Management Framework

Emphasis on:
• Integration
• Innovation
• Results
• Sustainability

• Nonprescriptive
• Holistic
• Inclusive
• Adaptable
Integration...
While other approaches focus on a single aspect, such as leadership or process management, the Baldrige Criteria provide an integrated management framework that addresses all the factors that define an organization’s operations and results. And the process is compatible with Lean and Six Sigma strategies as well as ISO 9000.

—Robert W. Galvin, chairman, Baldrige Award winner Motorola Commercial, Government & Industrial Solutions Sector
The Baldrige Criteria promotes:

- ISO Standards
- Lean
- Six Sigma
- PDCA
- Innovation
- Intelligent risk taking
- Product life cycle
The Baldrige Criteria promotes:

- Systematic processes
- Root cause analyses
- Supply chain management
- Benchmarking
- Performance analyses
- Decision sciences
Why Use Baldrige?
Benefits:

• Higher *productivity*
• Greater *customer loyalty*
• Increased *market share*
• Improved *profitability*
• Better *employee relations*
Benefits of Participation in the Awards Process

Organizations that have received the Award have seen:

• Increased revenue
• Decreased cycle time
• Improved product reliability
• Greater customer satisfaction and engagement
• An increase in new product sales as a percentage of total annual sales
• Decreased time to market
• Increased employee involvement, empowerment, and productivity
• Increased market share
• Greater opportunities for innovation, research and development
• Cost reduction opportunities
• Increased return on assets and return on equity
• Global market improvement
Baldrige Performance Excellence

An integrated approach to organizational performance management that results in

- **delivery** of ever-improving **value** to customers and stakeholders, contributing to **organizational sustainability**
- **improvement** of overall organizational effectiveness and capabilities
- **organizational and personal learning**
It’s all about continuous improvement. . . . By embracing all of the key dimensions of Baldrige, the company has doubled in size this year as a business of Bayer Health Care. We are $690 million in revenue, as of the end of 2010.

—Samuel Liang, president and CEO, two-time Baldrige Award winner MEDRAD
Who should use Baldrige?
Business Sectors:

- Manufacturing
- Education
- Nonprofit | Government
- Healthcare
- Business
- Services
Who should use Baldrige?

Those seeking a higher level of:

• Leadership
• Strategic planning
• Customer service and engagement
• Measurement & knowledge management
• Workforce satisfaction and engagement
• Process improvement
• Results
Who should use Baldrige?

*Those seeking a higher level of Quality*

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*Those seeking a higher level of Results*

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If you want the benefits of applying the Baldrige Performance Excellence Criteria, contact us at:

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