



***Baldrige After 15 Years:  
Being Excellent Isn't Rocket  
Science, But Getting There  
Requires Constant Boosters***

***ASQ Washington Section  
March 20, 2003***



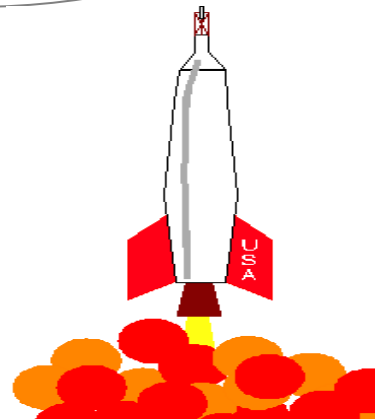
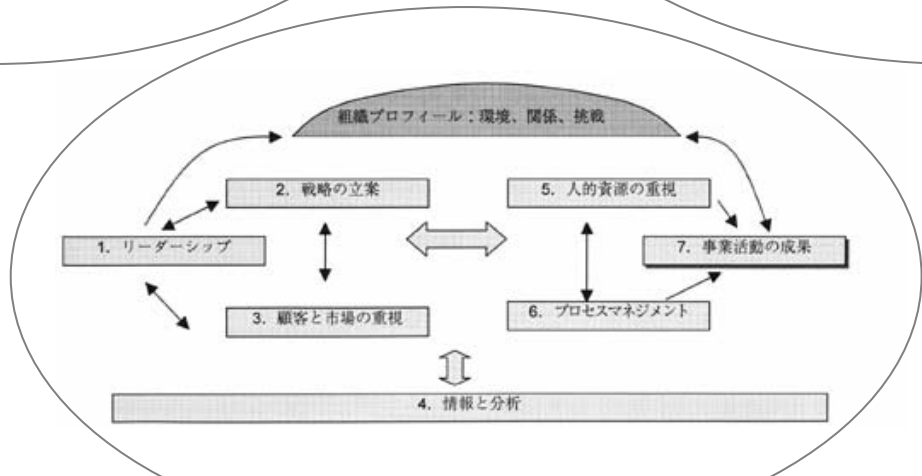
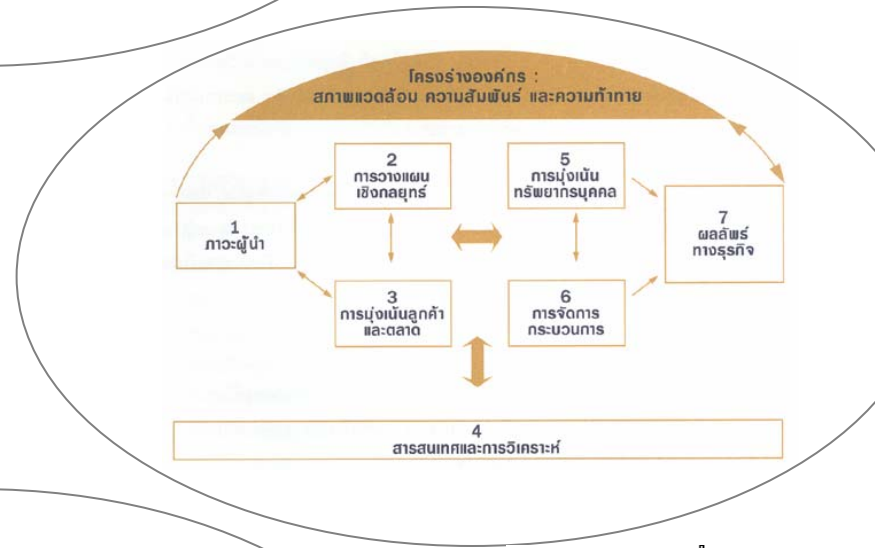
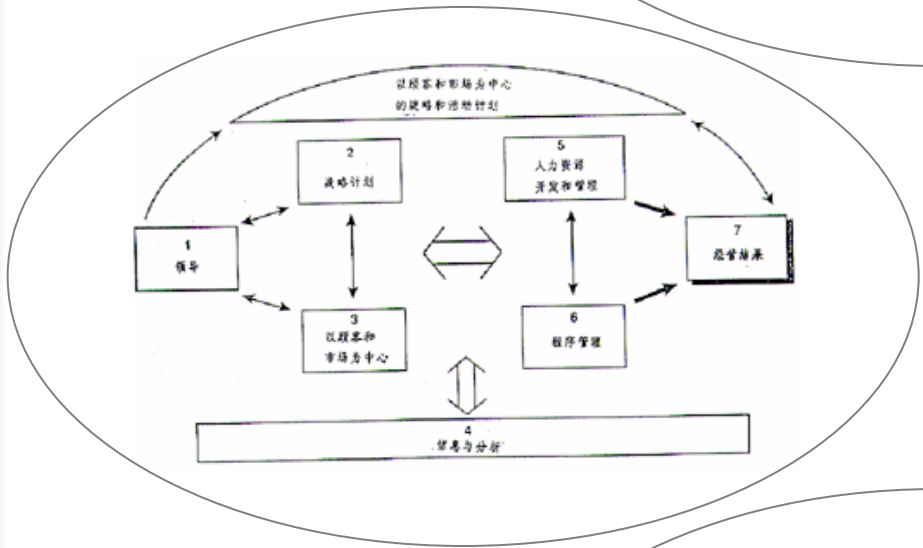
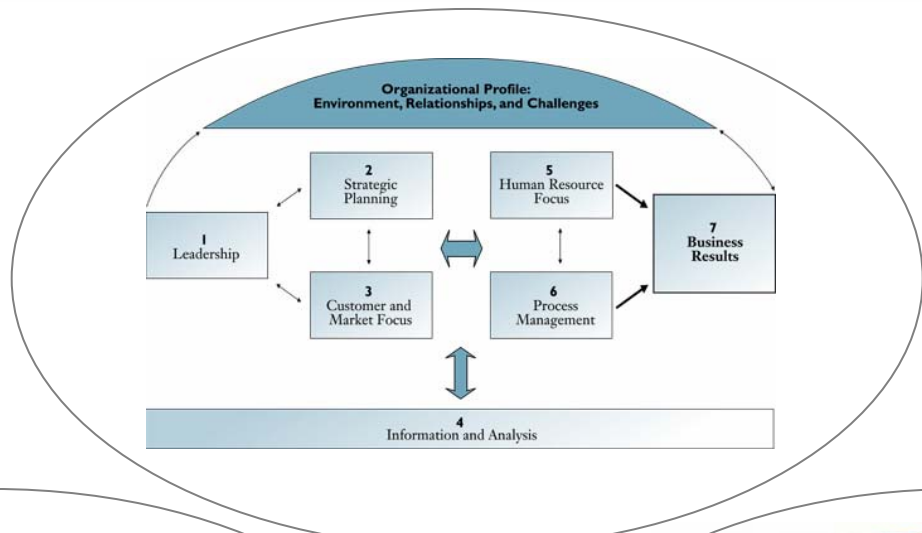
# *Outline*

- **Lessons Learned**
- **New in 2003**
- **Getting Started**
- **Hobby Horse**

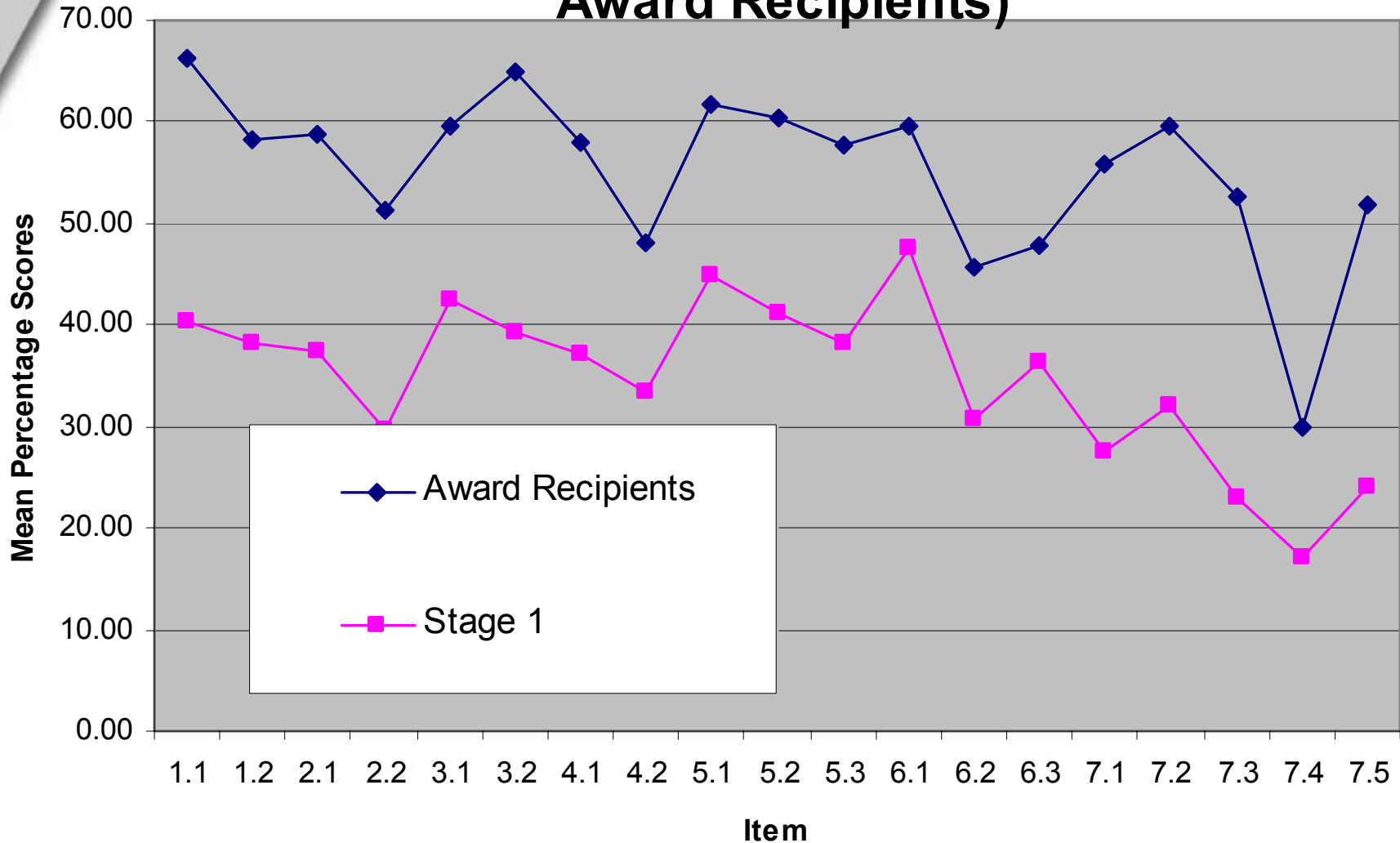


# *Top Ten Reasons for Not Using The Baldrige Framework*

- In this economy our focus is on the next quarter.
- Baldrige takes too much time.
- They (the Baldrige Criteria) do not apply to us.
- Our organization is unique.
- Our plates are full.
- We already know we are the best.
- We know what our issues are.
- We are part of a larger organization, and therefore, do not report our results.
- There is no comparative information available for a similar organization
  - All of our competitors are privately held or part of a larger organization.
  - What we do is unique and cannot be compared with others.
- Our leadership does not support it.



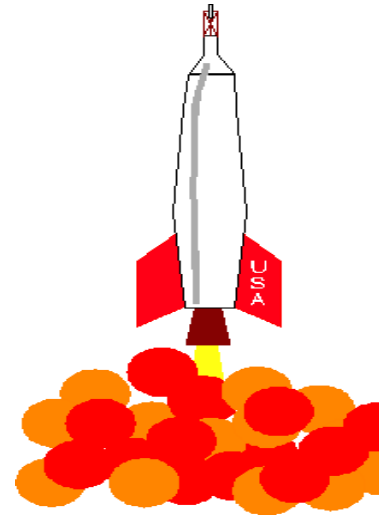
# 1999 & 2000 Award Process Mean Item Percentage Scores: All Business Categories (Stage 1 and Award Recipients)





# *Baldrige Role Model Characteristics - Business*

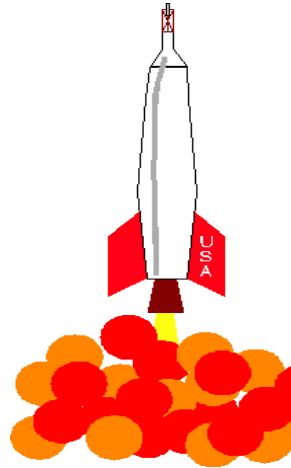
- **Visionary Leadership Guidance (1.1)**
- **Focused on Customer Satisfaction and Relationships (3.2)**
- **High Performance Work Systems (5.1)**
- **Focused on Employee Education/Development (5.2)**
- **Student, Stakeholder, and Market Focus (3.1)**
- **Process Driven -- Manufacturing and Service (6.1)**
- **Strong Financial and Market Results (7.2)**





# *Baldrige Role Model Characteristics - Education*

- **Visionary Leadership Guidance (1.1)**
- **Process Driven Education (6.1)**
- **Student, Stakeholder and Market Knowledge (3.1)**
- **Strategy Development (2.1)**
- **Measurement and Analysis of Performance (4.1)**



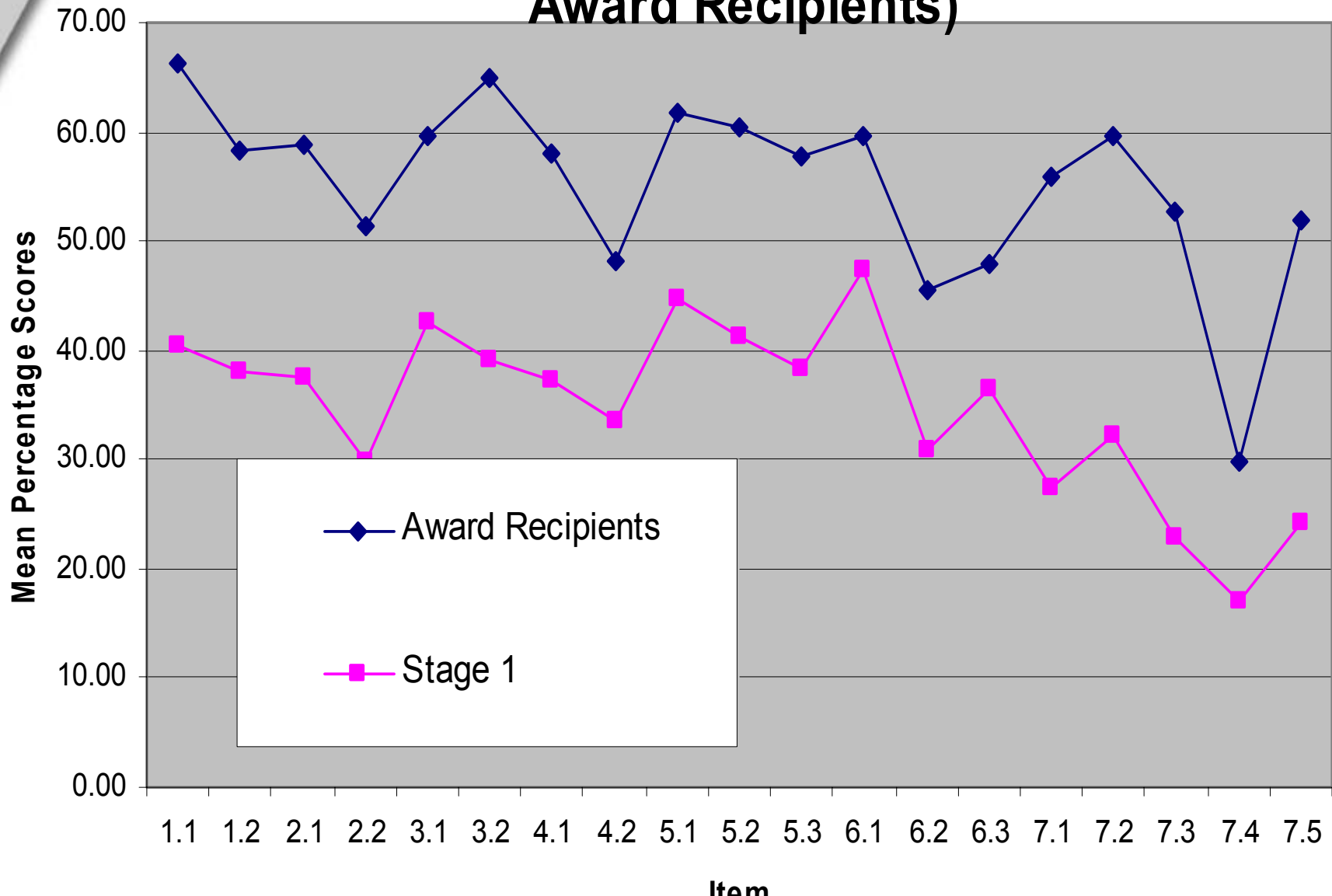


**“The task of the leader is to get people from where they are to where they have not been.”**

**Henry Kissinger**



# 1999 & 2000 Award Process Mean Item Percentage Scores: All Business Categories (Stage 1 and Award Recipients)





# *Greatest Improvements - Business Award Recipients vs. Stage 1*

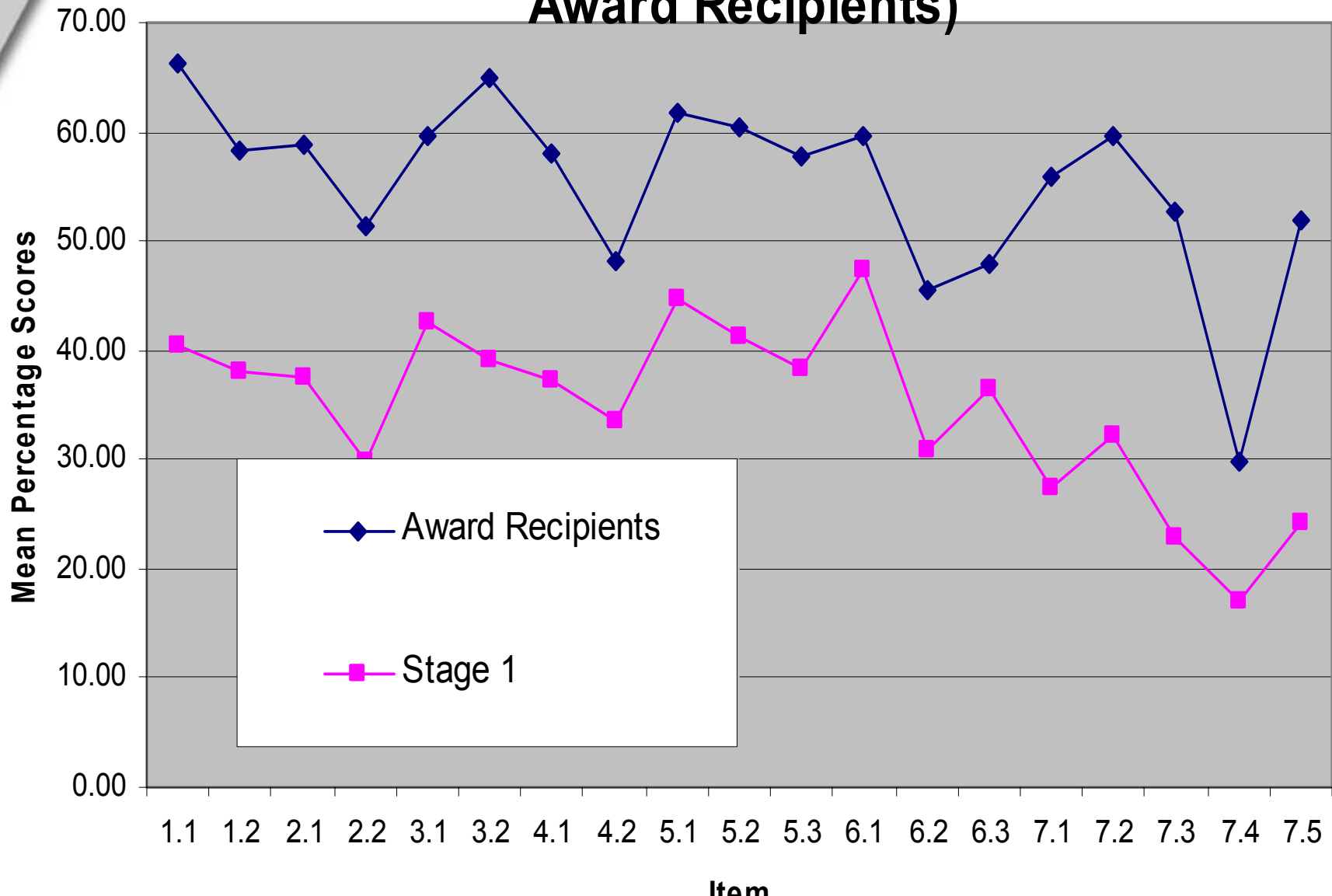
- **Human Resource Results (7.3)**
- **Customer Focused Results (7.1)**
- **Organizational Effectiveness Results (7.5)**
- **Financial and Market Results (7.2)**
- **Visionary Leadership Guidance (1.1)**
- **Focus on Customer Satisfaction and Relationships (3.2)**



***Greatest Improvements -  
Education  
Award Recipients vs. Stage 1***

- **Organizational Effectiveness Results (7.5)**
- **Budgetary, Financial, and Market Results (7.3)**
- **Student Learning Results (7.1)**
- **Measurement and Analysis of Performance (4.1)**

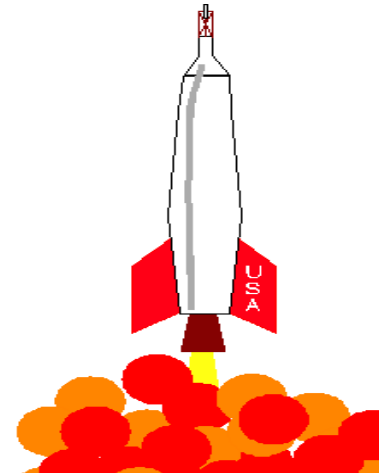
# 1999 & 2000 Award Process Mean Item Percentage Scores: All Business Categories (Stage 1 and Award Recipients)





# *Early Adopters* *Stage 1*

- **Process Driven (6.1)**
- **High Performance Work Systems (5.1)**
- **Customer and Market Knowledge (3.1)**





# *What Is Performance Excellence?*

An integrated **approach** to organizational performance management that **results** in

- delivery of ever-improving value to customers, contributing to marketplace success
- improvement of overall organizational effectiveness and capabilities
- organizational and personal learning

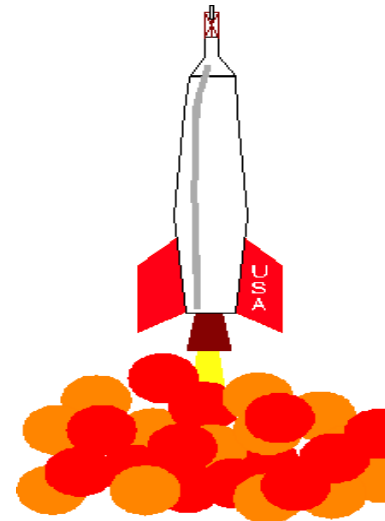


# *2003 Criteria Changes*

- **It's the System**
- **Governance and Ethics**
- **Knowledge Management**
- **Process Management**
- **All Criteria Items Updated**

# *It's the System*

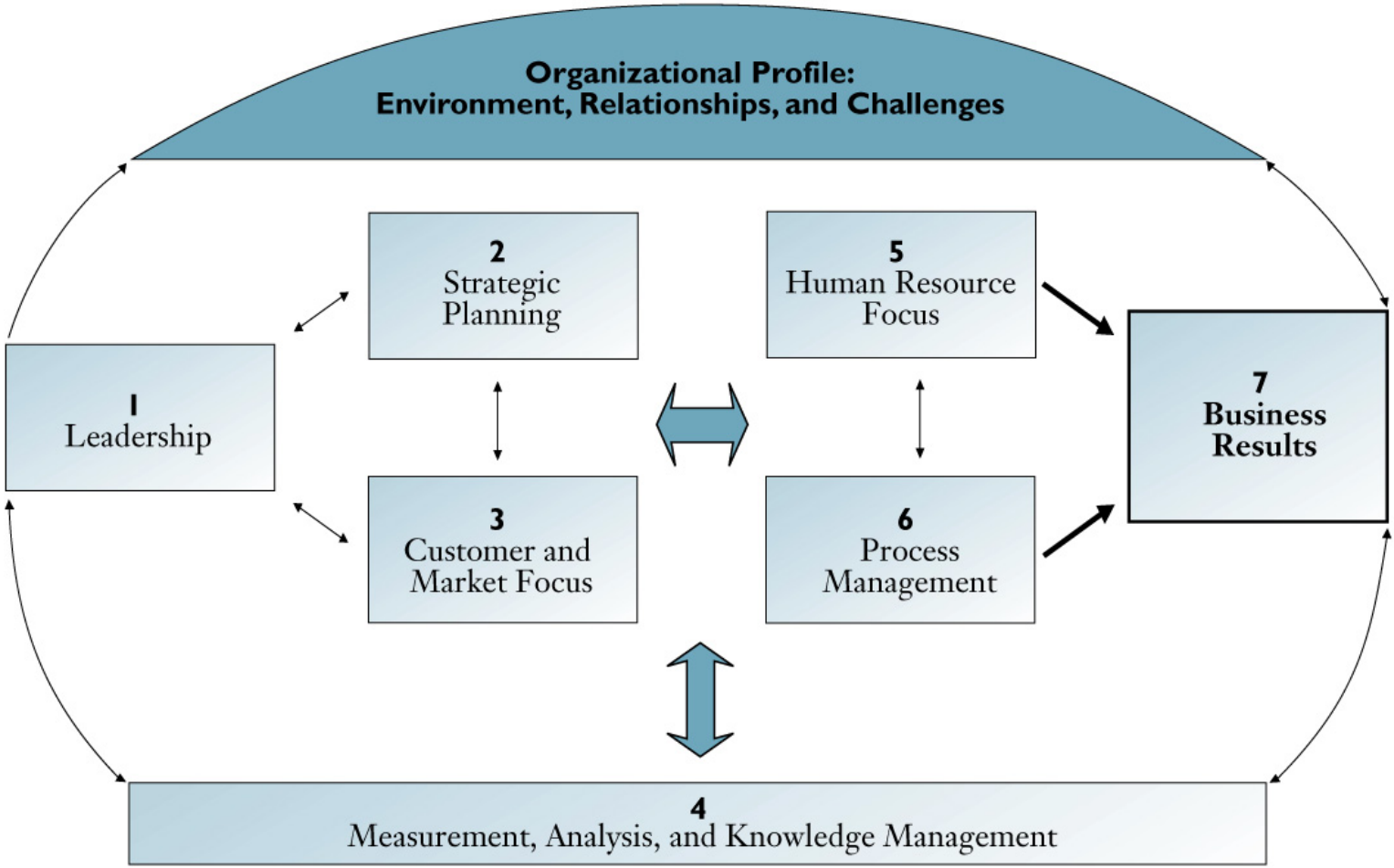
- **Run the Business ↔ Change the Business**
- **Evidence - Based Management**



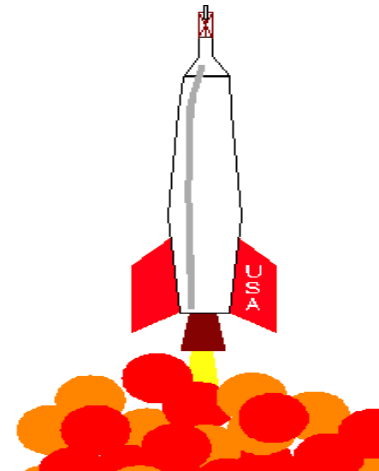
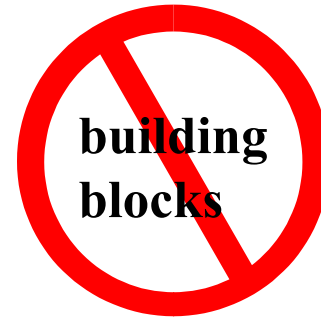


# *It's the System*

## Baldrige Criteria for Performance Excellence Framework: A Systems Perspective



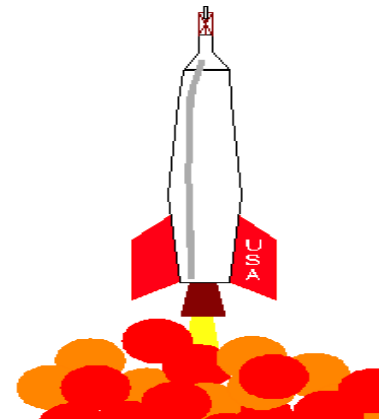
# *It's the System*



# *Governance and Ethics*

- **Governance**

- **System of management and controls for stewardship**
- **Owners, directors, CEO**
- **Ensure: accountability, transparency, fair treatment**
- **Trust and effectiveness**





# *Governance and Ethics*

- **To which criteria are you most attentive in your business decision-making?**
  - **Pragmatic (business consequences) 17%**
  - **Altruistic (impact on others/relationships) 14%**
  - **Idealistic (values and principles) 60%**
  - **Individualistic (impact on me) 8%**

**Ethics Resource Center**

**January 2003**



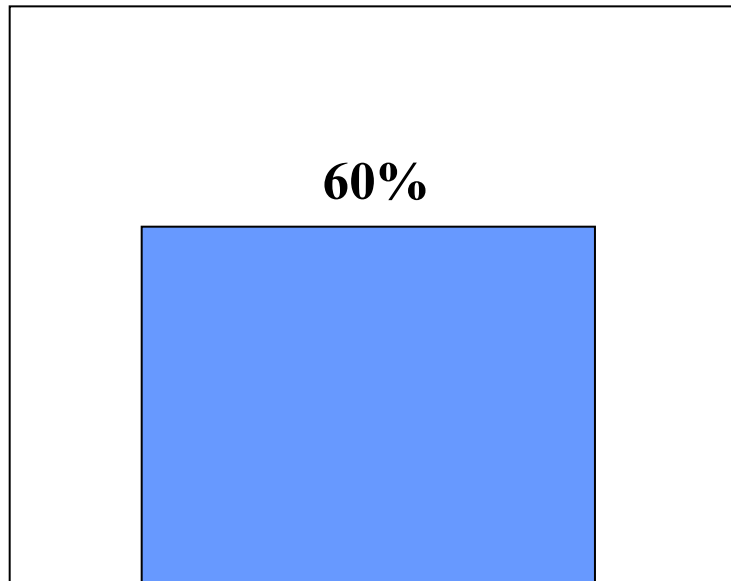
# *People Who Can Be Trusted*

	<u>Most Can Be Trusted</u>	<u>Can't Be Too Careful With Them</u>
<b>People Who Run Small Businesses</b>	<b>75%</b>	<b>22%</b>
<b>Military Officers</b>	<b>73</b>	<b>24</b>
<b>CEOs of Large Corporations</b>	<b>23</b>	<b>73</b>
<b>Car Dealers</b>	<b>15</b>	<b>81</b>

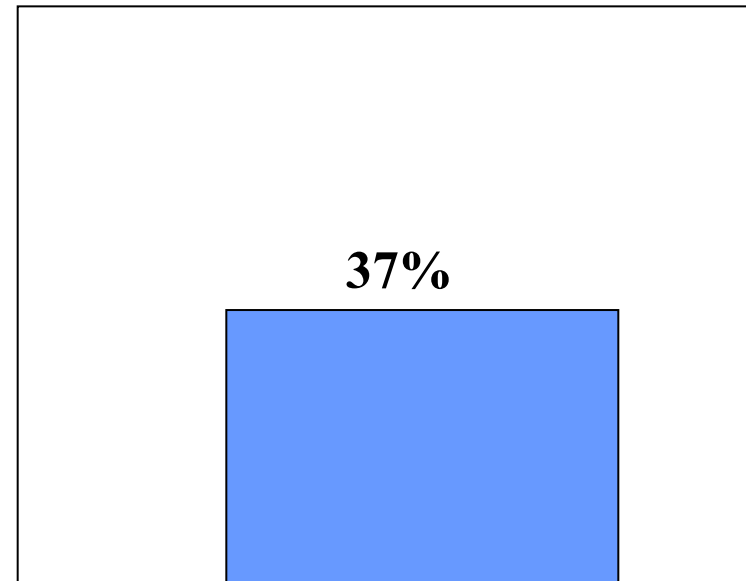
Source: CNN/USA Today/Gallup Poll, July 2002.



# *Employees' Observations of Any Violation of Law or Company Standards*



**% of employees who observed violations of law or company standards at least "sometimes" in previous 12 months**

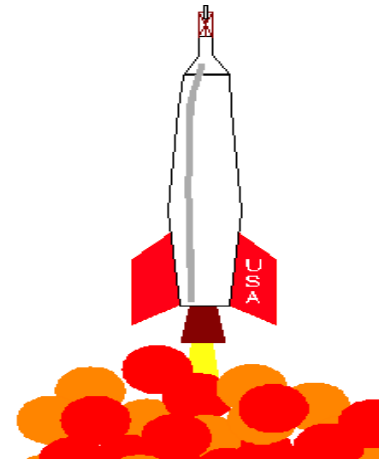


**% of employees who observed misconduct that they believed could result in a significant loss of public trust if known**



# *Knowledge Management*

- **Knowledge Assets**
  - **Accumulated intellectual resources of organization and employees**
  - **Takes many forms, e.g., ideas, learnings, skills**





# *Knowledge*

**“Knowledge is of two kinds. We know a subject ourselves, or we know where we can find information on it.”**

**Samuel Johnson**





# *Knowledge*

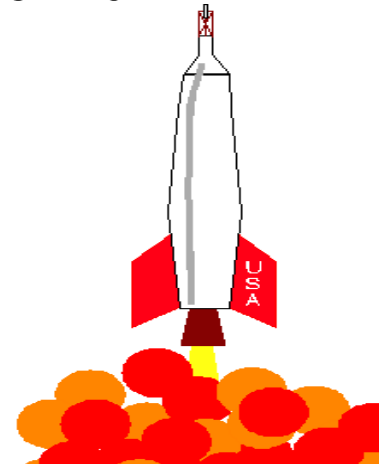
**“Knowledge is not a series of self-consistent theories that converges toward an ideal view; it is rather an ever increasing ocean of mutually incompatible (and perhaps even incommensurable) alternatives, each single theory, each fairy tale, each myth that is part of the collection forcing the others into greater articulation and all of them contributing, via this process of competition, to the development of our consciousness.”**

**Paul Feyerabend**



# *Process Management*

- **Value Creation**
  - **Processes that benefit customers and business**
  - **Involve majority of employees**
  - **Generate products, services, and business results**





# *Are We Making Progress?*

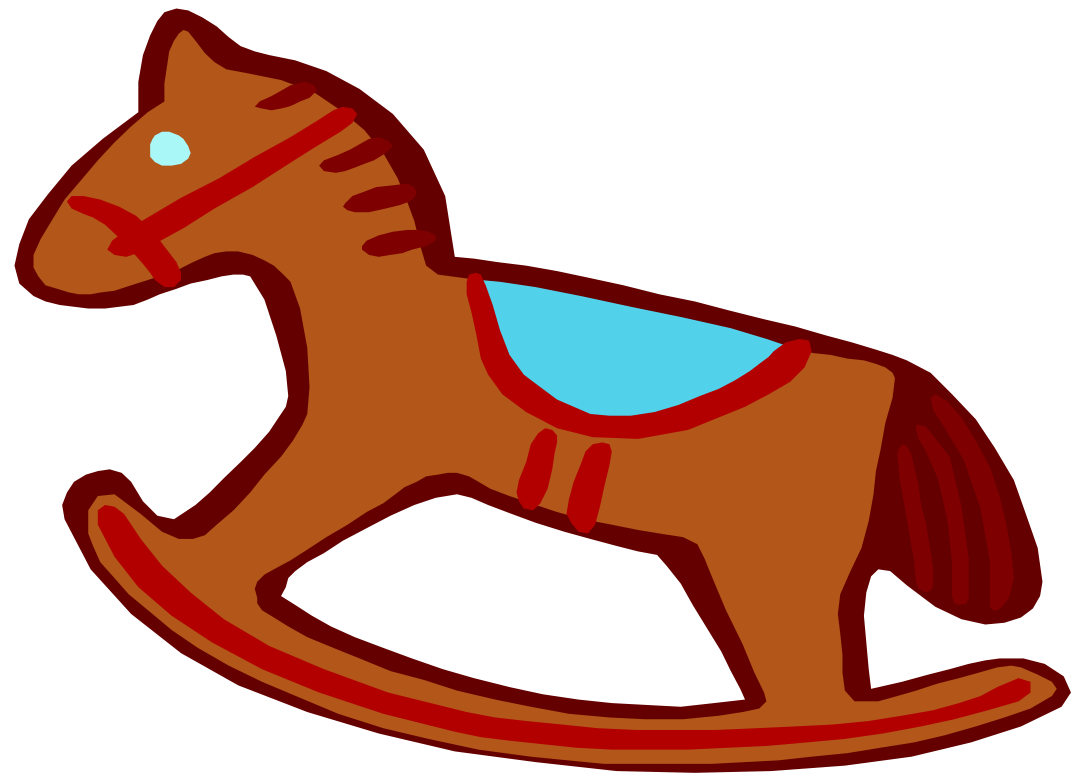
- **Employee (Leadership Team) Questionnaire**
- **Seven Category Framework**
- **40 Statements, 5-Point Scale**
- **Focus Improvement and Communication for Your Organization**

# Are We Making Progress?

ASQ (n = 29)

Examiners (n = 202)

	Agree %	Not Agree %	Strongly Disagree %	Agree %	Not Agree %	Strongly Disagree %
1a) I know my organization's mission.	81	19	0	95	5	0
1b) My senior leaders use our organization's values to guide us.	46	54	11	68	32	5
1g) My organization asks what I think.	36	64	11	61	39	5
2a) As it plans for the future, my organization asks for my ideas.	35	65	15	53	46	8
7a) My customers are satisfied with my work.	81	19	0	81	19	0
7e) My organization removes things that get in the way of progress.	18	82	25	36	64	7
7f) My organization obeys laws & regulations.	72	28	0	94	5	0
7i) I am satisfied						



- **Change**
- **Quality Professional**



**Change is inevitable, except from vending machines.**



# *Change*

- **Run the Business**
  - **Serve your customers**
  - **Sustain your current competitive advantage (continuous improvement)**
- **Change the Business**
  - **Plan for the future**
  - **Sustain your long-term competitive advantage (strategic planning)**



# *Change*

**“Middle age is when your broad mind and narrow waist begin to change places.”**

**E. Joseph Crossman**

**“Instead of giving a politician the keys to the city, it might be better to change the locks.”**


**Doug Larson**





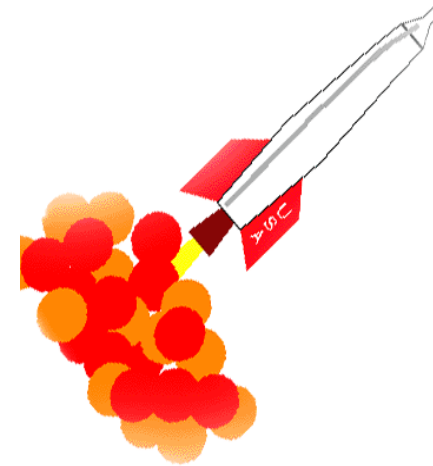
# *The Quality Professional*

- **Wrong Job, Wrong Title**
- **Strict Definition Causes Sub-Optimization**
- **It's About the Business**
- **It's About Performance**
- **It's Tied to Strategy**
- **It's Process and People**



# *Baldrige Not-for-Profit Eligibility*

- **Planning for 2004-2005**
- **Businesses, Charitable Organizations, Associations, Government....**
- **Use Business Criteria**
- **Needs Congressional Action**



**“Outside of a dog, a book is a man’s best friend. Inside of a dog, it’s too dark to read.”**

**Groucho Marx**