The Challenge of Being Outstanding: A Look Back and Ahead After 25 Years of Guiding Organizational Excellence

- What Is Performance Excellence
- Twenty-five Years in Ten Slides
- The Immediate Future
- Baldrige Impact
- The Long-term Future
- Baldrige Simplified
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
Customer of the tax system

Is this a high-performing system?
What Are the Criteria?

A set of expectations or requirements

- A structured approach to performance improvement
- A common language for facilitating communication and sharing of best practices
- A framework for a systems view of performance management
Baldrige Criteria Framework: A Systems Perspective
Organizational Profile: Environment, Relationships, and Strategic Situation

1. Leadership
2. Strategic Planning
3. Customer Focus
4. Measurement, Analysis, and Knowledge Management
5. Workforce Focus
6. Operations Focus
7. Results

Illustration by Jeffrey Aarons
A Brief History of Quality

- In 1959, Mil-Q-9858A was implemented
- In the 1980’s American products were poor
  - “little q” rescued us (ISO 9000 and Baldrige)
- In the early 1990’s “little q” became TQM
  - unfocused process improvements dominated
- In the late 1990’s TQM was another old fad
  - it had not become strategic
- In the 21st century, “Quality” continues to evolve
Evolution of Quality

The Good….

- From Tactical (Operational Quality) ➔ Strategic

The Bad….

- The System and the Tools (e.g. Six Sigma) Are Often Equated
Evolution of Quality (continued)

The Ugly….

- Quality Professionals Cling to the Tools and the Operational
- Accreditation/Compliance and Performance Excellence Are Frequently Confused
The Baldrige Criteria, Six Sigma, and Lean are complementary, not mutually exclusive. Many organizations use Baldrige to develop an overall performance map to identify areas that need improvement, and then they may use one or more of these tools to design operations or improve processes within the organization.
Quality/Performance Excellence
Then and Now

- Building Blocks → System
- Business Results Are What It’s About
- Product/Service QA → Quality Management → Performance Excellence
Quality/Performance Excellence
Then and Now (continued)

- Human Resource Utilization → Workforce Focus
- Customer Satisfaction → Customer Engagement
- Quality Planning → Strategic Thinking
- Quality Improvement Activities → Organizational Learning
- Improvement → Innovation
Tenth Anniversary CEO Survey and Forum

21st Century Challenges

• Use of the Internet
• Execution of Strategies
  – Three-to-one over Development
Baldrige Arrived!

The company has decided to compete for the “Millard Bullrush Quality Award.”

Bullrush? Isn’t he the politician who went snorkeling and got killed by a sea turtle?

They’re faster than they look.

I think we can win this.
Capitalizing on Complexity

- IBM 2010 Global CEO Study
- More Than 1500 CEOs
  - Face-to-Face Interviews
  - 60 Countries
  - 33 Industries
Capitalizing on Complexity

CEO’s:

- Embody Creative Leadership
  - Ambiguity and Experimentation
  - Lead and Interact in New Ways
- Reinvent Customer Relationships
  - Getting Connected Highest Priority
- Build Operational Dexterity
  - Strategies that Allow Speed and Flexibility
  - Complexity that Strives for Simplicity
Capitalizing on Complexity

More than Half of the CEO’s Do Not Think Their Companies Have the Skills and Infrastructure to Handle the Complexity
Leading Through Connections

- IBM 2012 Global CEO Study
- More Than 1700 Leaders
  - Face-to-Face Interviews
  - 64 Countries
  - CEOs and Public Sector Leaders
Leading Through Connections

CEO’s:

● Empower Employees through Values
  - Openness/Risk
  - Sense of Purpose and Shared Beliefs

● Engage Customers as Individuals
  - Analytics and Knowledge

● Amplifying Innovation with Partnerships
  - Break from Status Quo
  - External Catalysts and Disruptive Thinking
What We Have Learned

Measure Business Impact

Financial Performance Results
Cumulative EAT vs. budget

- Gold: 30%
- Blue: 13%
- White: -12%

2012 Baldrige Performance Excellence Program | www.nist.gov/baldrige
Two-Time Baldrige Winners

Median Growth in Revenue 93%
Median Growth in Jobs 63%

Mean Job Growth for Matched Industries 3.2 %
RESEARCH PAPER

COMPARISON OF BALDRIGE AWARD APPLICANTS AND RECIPIENTS WITH PEER HOSPITALS ON A NATIONAL BALANCED SCORECARD

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JEAN CHENOWETH, SENIOR VICE PRESIDENT
CENTER FOR HEALTHCARE IMPROVEMENT AND
100 TOP HOSPITALS® PROGRAMS

OCTOBER 2011
Thomson Reuters Study

Baldrige hospitals were six times more likely to be counted among the 100 Top Hospitals.

The Future Trends

- Global Markets vs. Protectionism and Local Sourcing
- Social Responsibility as a Business Driver
- Business Model Innovation and Agility
- The Protection and Role of IP
- Delivery of Higher Education and Lifelong Learning
- Regional Enterprise Integration
- “Home” Manufacturing
Baldrige in Three Questions

1. Is your organization doing as well as it could?

2. How do you know?

3. What and how should your organization improve or change?
Resources for More Information

- Most Baldrige Performance Excellence Program (BPEP) documents are available both in printed form and on the BPEP Web site.

- To obtain these documents, call (301) 975-2036, e-mail baldrige@nist.gov, or visit www.nist.gov/baldrige.