Performance Excellence in America

Created by Congress in 1987, the Baldrige Program helps organizations improve performance and succeed in the competitive global marketplace. It is the only Presidential award program dedicated to improving U.S. organizations. The Baldrige network is comprised of combined national and state programs working in collaboration to accomplish performance excellence across America.

Called “A Roadmap for the Future” Quality Magazine, June 2014

Baldrige Performance Excellence Program

• Founded under the leadership of President Reagan, named after Malcolm Baldrige, Secretary of Commerce
• Considered the nation’s highest honor of recognition for performance excellence
• Award presented annually by the Office of the President of the United States of America
The Baldrige National Quality Program is administered through the Department of Commerce at National Institute of Standards and Technology (NIST) and ASQ. Many organizations use the Award Criteria for achieving organizational improvement and performance excellence.

- Economic study revealed the program’s social benefit-cost ratio is 207 to 1
- The program’s net private benefit to the economy is conservatively estimated to be $24+ billion
- Over 60 other countries have performance improvement programs based on the Baldrige criteria

Respective Goals of NIST and CCE

- **NIST Baldrige**: To recognize America’s best practices in business, education, healthcare and non-profits
- **California Eureka**: To encourage organizational improvement to achieve best practice recognition of a “Gold Level” or ultimately a national award

  - In California, the Eureka award includes three tiers:
    - **Gold**: (Best practice..world class performance)
    - **Silver**: (Sound organization but not quite best practice)
    - **Bronze**: (Beginning the performance excellence journey)
    - **Prospector**: (Limited application / brief site visit)
California – National Baldrige Relationship

In order for an organization to compete for the Malcolm Baldrige National Quality Award, it must first win its respective state Baldrige program at the highest level.

Apply to state award program

Receive “Gold” level Award in California or any other state program

Access to apply to the national Baldrige Award

2016 CAPE Award Recipients

• **Eureka Gold**
  – Stellar Solutions, Inc., Palo Alto, Calif. (small business)

• **Eureka Silver**
  – Adventist Health Central Valley Network, Hanford, Calif. (health care)
  – AltaMed Health Services, Los Angeles, Calif. (health care)

• **Eureka Bronze**
  – Kindred Nursing and Rehabilitation: Golden Gate, San Francisco, Calif. (health care)
  – Sonora Regional Medical Center, Sonora, Calif. (health care)
California National Role Models

1. Momentum Group, 2016 (Irvine)
2. Charter School of San Diego, 2015 (San Diego)
3. Sutter Davis Hospital, 2013 (Davis)
4. SHARP, health care, 2007 (San Diego)
5. Premier Inc., service, 2006 (San Diego)
7. Boeing Mobility (formerly Airlift & Tanker), manufacturing, 1998 (Long Beach)
10. ADAC Laboratories, manufacturing, 1996 (Milpitas)

For a full list of Baldrige Recipients and to read summaries of their applications, go to: www.quality.nist.gov

Comprehensive Coverage and Application

• There are many type of Assessments:
  – Lean, Employee Climate, ISO/other Audits, financial, Regulatory, etc.
  – Too often capture a narrow dimension of an organization

• Power of Baldrige as an assessment tool:
  – Accounts for what is important to you
  – Interactions
  – Comprehensive coverage
Baldrige as an Assessment Tool

• The purpose of the Baldrige framework is simply to help your organization—no matter its size, sector, or industry—answer three questions:
  – *Is your organization doing as well as it could?*
  – *How do you know?*
  – *What and how should your organization improve or change?*

• By challenging yourself with the Criteria for Performance Excellence, you explore how you are accomplishing what is important to your organization.

A focus on core values and concepts

• Baldrige is based on a set of beliefs and behaviors. These core values and concepts are the foundation for integrating key performance and operational requirements within a results-oriented framework:
  • Systems perspective
  • Visionary leadership
  • Customer-focused excellence
  • Valuing people
  • Organizational learning and agility
  • Focus on success
  • Managing for innovation
  • Management by fact
  • Societal responsibility
  • Ethics and transparency
  • Delivering value and results
A focus on processes

The Baldrige helps you assess and improve your processes along four dimensions:

1. **Approach**: designing and selecting effective processes, methods, and measures
2. **Deployment**: implementing your approach consistently across the organization
3. **Learning**: assessing your progress and capturing new knowledge, including looking for opportunities for improvement and innovation
4. **Integration**: aligning your approach with your organization’s needs; ensuring that your measures, information, and improvement systems complement each other across processes and work units; and harmonizing processes and operations across your organization to achieve key organization-wide goals

A focus on results

Assess **Results** from three viewpoints: the **external view** (How do your customers and other stakeholders view you?), the **internal view** (How efficient and effective are your operations?), and the **future view** (Is your organization learning and growing?).

The Baldrige framework helps you assess your results along four dimensions:

1. **Levels**: your current performance on a meaningful measurement scale
2. **Trends**: the direction and rate of change of your results
3. **Comparisons**: your performance relative to that of other, appropriate organizations, such as competitors or organizations similar to yours, and to benchmarks or industry leaders
4. **Integration**: the extent to which the results you track are important to your organization and the extent to which you are using them to support your organizational goals and revise plans
A focus on linkages

- The **linkages** among the Criteria categories are an essential element of the systems perspective provided by the Baldrige framework. Some examples of these linkages:
  - Connections between your processes and the results
  - Data in the strategic planning process and for improving operations
  - Connection between workforce planning and strategic planning
  - Customer and market knowledge in establishing your strategy and action plans

A focus on improvement

- The Baldrige framework helps you understand and assess how well you are **accomplishing what is important** to your organization:
  - How mature and how well deployed your processes are
  - How good your results are
  - Whether your organization is learning and improving
  - How well your approaches address your organization’s needs.
- **Management of performance**: Feedback between your processes and your results leads to cycles of improvement and begin to define the best ways to build on your strengths, close gaps, and innovate.
An Assessment Tool that is Adaptable

- The Criteria **do not prescribe** how you should structure your organization or its operations. In the *Baldrige Organizational Profile* you describe what is important to your organization (its operating environment, key relationships, competitive environment, and strategic context).

An Assessment Tool that is Adaptable

- The Criteria encourage you to **choose the tools** (Lean, Six Sigma, International Organization for Standardization, a balanced scorecard, Plan-Do-Check-Act [PDCA], etc.) **that are most suitable and effective** for your organization in making improvements.
Assessment from a systems perspective

- A systems perspective means managing all the components of your organization as a unified whole to achieve ongoing success. The system’s building blocks and integrating mechanism are the core values and concepts, the seven interrelated Criteria categories, and the scoring guidelines.
An Assessment Tool that supports Sustainability

• What works against an organization’s sustainability?
  – Sub-Optimization
  – Systems vs. Passion
  – Concentrated Knowledge
  – Others….

• What are some examples of organizations (or parts of organizations) that excel in only a couple aspects?

The Role of Knowledge Management

• Assessment with the Baldrige Model provides a perspective on Knowledge Capture:
  – Your responses to the criteria may be the first comprehensive snapshot of the organization
  – Organizational Profile is a great start
    • Identify Key Gaps in Information
    • Conflicting / Little or No information
    • Understand the context and unique aspects of your organization
First Step: Complete the Organizational Profile

• Useful overview to make sure everyone INSIDE the organization knows (and agrees!):
  
  – Operating Environment
    • Product Offerings (What do we do?)
    • Mission, Vision & Values
    • Workforce Profile
    • Assets (Key & Competitive)
    • Regulatory Requirements
  
  – Organizational Relationships
    • Organizational Structure
    • Customers and Stakeholders
    • Suppliers and Partners

First Step: Complete the Organizational Profile

• Organizational Situation
  – Competitive Environment
    • Competitive Position
    • Competitive Changes
    • Comparative Data
  – Strategic Context Defined
  – Performance Improvement System described
Suggested Steps

• Build internal knowledge: CAPE Examiners Training

• Collect additional Information: Customize these NIST resources
  – Are we making Progress?
  – Are we making Progress as Leaders?

Are We Making Progress?
Your opinion is important to us!

There are 40 statements below. For each statement, check the box that best matches how you feel (strongly disagree, disagree, undecided, agree, strongly agree). How you feel will help us decide where we must need to improve or change. We will not be looking at individual responses but will use the information from our whole group to make decisions. It should take you about 10 to 15 minutes to complete this questionnaire.

Senior leaders, please fill in the name of organization or unit being discussed.
Note: This refers to what is meant each time the word “organization” is used below.

<table>
<thead>
<tr>
<th>Leadership</th>
<th>Strongly Disagree</th>
<th>Disagree</th>
<th>Undecided</th>
<th>Agree</th>
<th>Strongly Agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A I know my organization’s mission (what it is trying to accomplish).</td>
<td>☐</td>
<td>☐</td>
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<tr>
<td>1B I know my organization’s vision (where it is trying to go in the future).</td>
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<td>1C My senior (top) leaders are ethical and demonstrate our organization’s values.</td>
<td>☐</td>
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<td>1D My senior leaders create a work environment that helps me do my job.</td>
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<td>1E My organization’s leaders share information about the organization.</td>
<td>☐</td>
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<td>1F My organization asks what I think.</td>
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</table>
Suggested Next Steps

• Complete an Internal Self-Assessment
• Create team(s) to complete “Baldrige Excellence Builder”
  – Top level Categories
  – Start working on obvious gaps
  – Compile Results, develop a Prospector Award Application
  – Utilize Feedback (Strategic Planning/ etc.)

Precursors of Excellence

• Baldrige helps to promote sustainable growth and development. Maturity of Systems is key!
• Could your systems in your organization be best characterized as:
  – Swiss Cheese (Lots of holes!!!)
  – Gouda (Creamy and Consistent!)
Precursors of Excellence

• Kano Model
  – Basic
  – Performance
  – Delight

What to do next....

• Focus on both Strengths and Opportunities for Improvement (OFIs)
  – Strengths are Important
    • Keep doing!
    • Which need further development
  – Set Objectives for Improvement
    • Prioritize gaps / weaknesses
    • Make conscious decisions about risk
What to do next….

• Help Manage the “Zone of Invisibility”  
  (Bart Berry/Ken Brodeur)

• Understand and plan for the lifecycle costs of improvement in an environment of competing priorities

Suggested Steps

• Assess yourself with a Baldrige / Eureka Award Application (<50 pages)  
  – Learn during the preparation  
  – Get non-prescriptive feedback  
  – Consider accelerating progress/maturity with outside assistance

• Consider integration of award process into strategic planning activities
Assessment resources using Baldrige . . .

• Check your progress:
  – Are We Making Progress?
    (http://www.nist.gov/baldrige/publications/progress.cfm)
  – Are We Making Progress as Leaders?
    (http://www.nist.gov/baldrige/publications/progress_leaders.cfm)
  – Easy Insight based on the Organizational Profile.
    (http://www.nist.gov/baldrige/publications/easy_insight.cfm)

• Complete the Baldrige Organizational Profile
• Answer the questions in the Baldrige Excellence Builder

California Council for Excellence

- CCE Mission: To inspire and enable California organizations to achieve world-class results based on the framework of the Baldrige Performance Excellence Program
- CCE was founded in 1994 and structured as a 501(c)3, it is one of the most successful state Baldrige programs in the country based on applicant participation and numbers of organizations involved in providing volunteers and sponsorships
- Administers the California Awards for Performance Excellence (CAPE)
- One full time employee and lots of volunteers (We need you!!)
Upcoming Events

ASQ Section 701 Clinic: Beginning your Baldrige Journey - Becoming a CAPE Examiner, March 14, 2017

CCE Best Practices and Award Conference
March 23, 2017 Long Beach, CA

CAPE Examiner Training (3 Day)
June - July 2017 Various locations

CCE Leadership Symposium,
Soka University, October 2017

Focus on the Journey

Questions and Answers
Thank you

Adept in designing and implementing business excellence, Brent Duggleby works with public and private organizations desiring to achieve organizational excellence, especially in knowledge capture, business assessments and coaching/implementing of Lean methods.

Brent currently serves on Executive Board of CCE. He holds a MBA degree as well as a BSEE degree helping to cement organizational and enterprise concerns with the technical operations inherent in today's organizations. Mr. Duggleby is recognized as a Senior Member of the American Society for Quality and holds ASQ certification as a Six Sigma Black Belt, Quality Engineer and Reliability Engineer. He has served five years with the Board of Examiners for the Malcolm Baldrige National Quality Award and with CCE since 1998.

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