

# Baldrige Performance Excellence

Systematic Processes Yield Results

**Bridget P. Dewees, PhD**  
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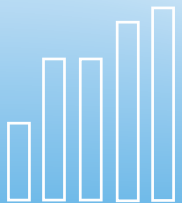
# Agenda

- Benefits and Results
- History
- The National Malcolm Baldrige Quality Award
- What is the Baldrige Excellence Framework?
- Why use it?
- Who should use Baldrige?
- Baldrige in SC



# It's all about 'Results'

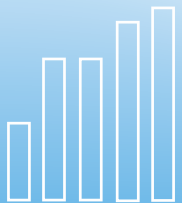
45% of the scoring is results



# Results:

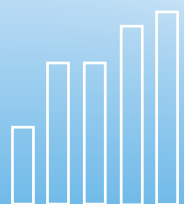
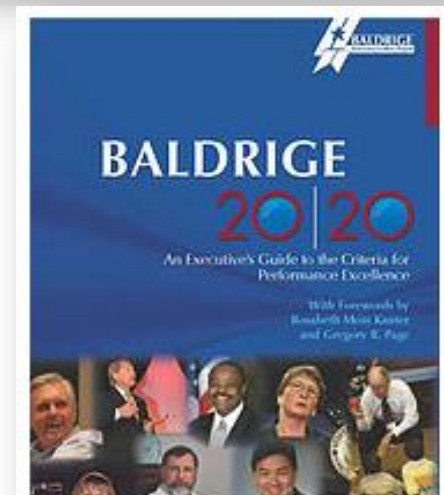


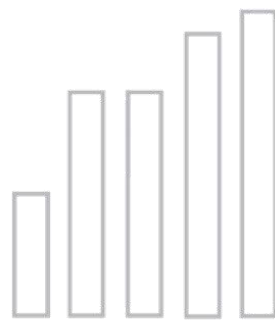
- Efficiency
- Effectiveness
- Adaptability
- Competitiveness
- Sustainability



# 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

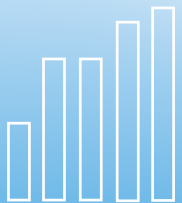
roughly **\$5.3 million** in services in 2015.

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



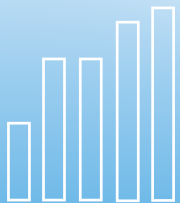
# History

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.

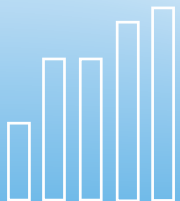




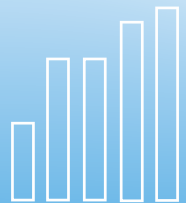
# Program History

## 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)

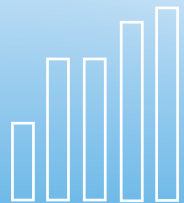


# The Malcolm Baldrige National Quality Award



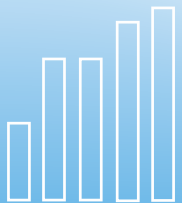
# About the Award

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



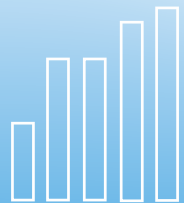
This year's [Baldrige Award] recipients have shown how **quality, innovation, and an unending quest for excellence** help strengthen our nation and brighten the future of all Americans.

—*President Barack Obama*



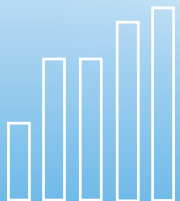
# Eligibility Sectors

- Manufacturing
- Service
- Small business
- Education
- Health care
- Nonprofit



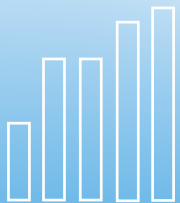
# Award Recipients: Manufacturing

- 3M Dental Products Division (1997)
- ADAC Laboratories (1996)
- Armstrong Building Products Operations (1995)
- 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)



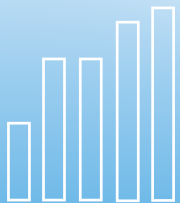
# Award Recipients: Manufacturing

- KARLEE Company, Inc. (2000)
- Lockheed Martin Missiles and Fire Control (2012)
- MEDRAD, Inc. (2003, 2010)
- Milliken & Company (1989)
- Midway USA (2009)
- Motorola CGISS (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)
- Texas Instruments Defense Systems & Electronics Group (1992)
- Westinghouse Commercial Nuclear Fuel Division (1988)
- Xerox Corp. Business Products & Systems (1989)
- Zytec Corporation (1991)



# Award Recipients: Service

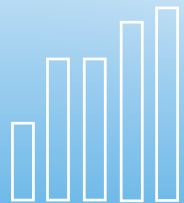
- AT&T Consumer Communications Services (1994)
- AT&T Universal Card Services (1992)
- BI (1999)
- Boeing Aerospace Support (2003)
- Caterpillar Financial Services Corp. U.S. (2003)
- Dana Commercial Credit Corporation (1996)
- DynMcDermott Petroleum Operations (2005)
- Federal Express Corporation (1990)
- GTE Directories Corporation (1994)
- Merrill Lynch Credit Corporation (1997)
- Operations Management International, Inc. (2000)
- PricewaterhouseCoopers Public Sector Practice (2014)
- Premier Inc. (2006)
- The Ritz-Carlton Hotel Company, L.L.C. (1992, 1999)
- 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)
- Los Alamos National Bank (2000)
- Marlow Industries, Inc. (1991)
- MESA (2006, 2012)
- MidwayUSA (2009, 2015)
- Pal's Sudden Service (2001)
- Park Place Lexus (2005)
- PRO-TEC Coating Company (2007)
- Stoner, Inc. (2003)
- Studer Group (2010)
- Sunny Fresh Foods (1999)
- Texas Nameplate Co., Inc. (1998, 2004)
- Trident Precision Manufacturing, Inc. (1996)
- Wainwright Industries, Inc. (1994)
- Wallace Co., Inc. (1990)



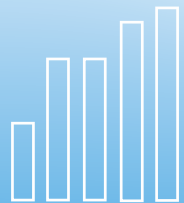
# Award Recipients: Education

- Charter School of San Diego (2015)
- Chugach School District (2001)
- Community Consolidated School District 15 (2003)
- Iredell–Statesville Schools (2008)
- Jenks Public Schools (2005)
  - Kenneth W. Monfort College of Business (2004)
  - Montgomery County Public Schools (2010)
  - Pearl River School District (2001)
  - Pewaukee School District (2013)
  - Richland College (2005)
  - University of Wisconsin–Stout (2001)



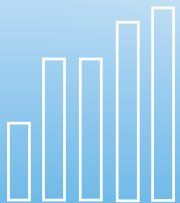
# Award Recipients: Health Care

- 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)
- Saint Luke's Hospital of Kansas City (2003)
- 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)
- Mid-American Transplant Services (2015)
- U.S. Army Armament Research, Development and Engineering Center (ARDEC; 2007)
- Veterans Affairs Cooperative Studies Program Clinical Research Pharmacy Coordinating Center (2009)



# Baldrige Excellence Framework

An Integrated Approach



## People



## Process



## Performance



Leadership



Strategy



Customer Focus



Measurement, Analysis & Knowledge Management



Workforce Focus



Operations Focus



Results



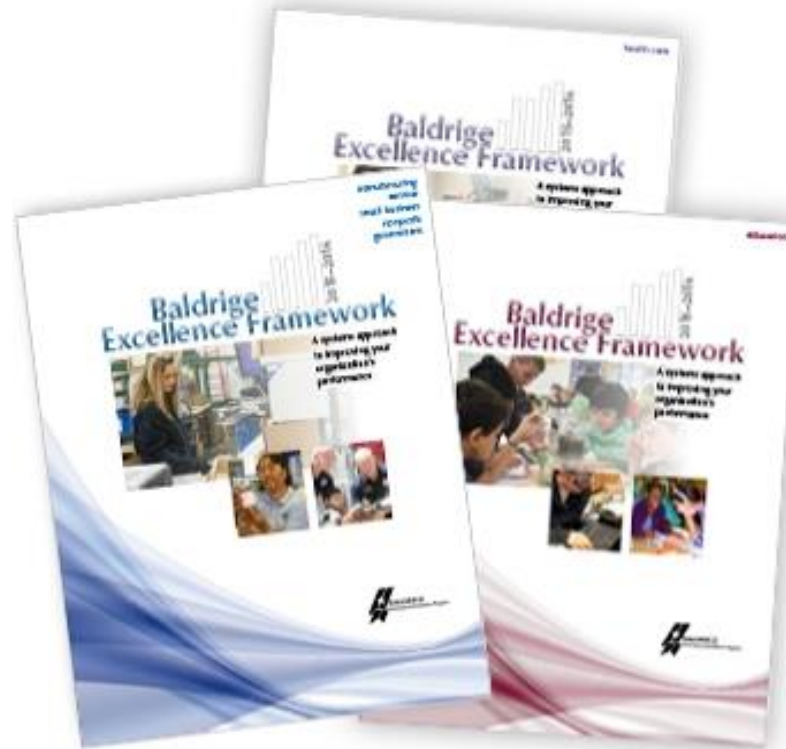


# Baldrige Excellence Framework

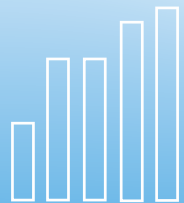
## Integrated Management Framework

Emphasis on:

- Integration
- Innovation
- Results
- Sustainability

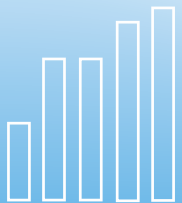


- Nonprescriptive
- Holistic
- Inclusive
- Adaptable



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*





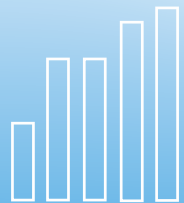
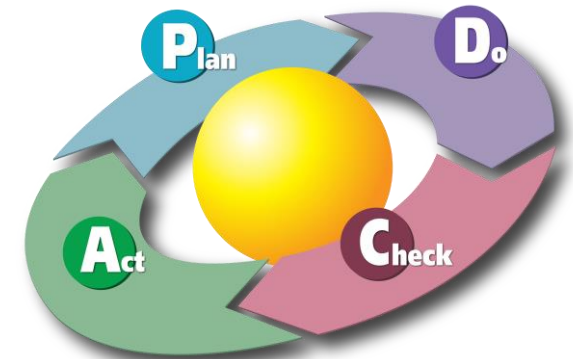
# The Baldrige Criteria promotes:

- ISO Standards
- Lean
- Six Sigma
- PDCA
- Innovation
- Intelligent risk taking
- Product life cycle



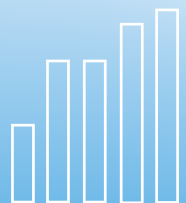
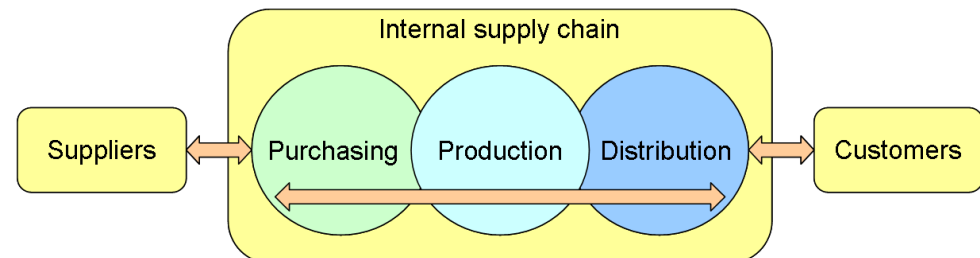
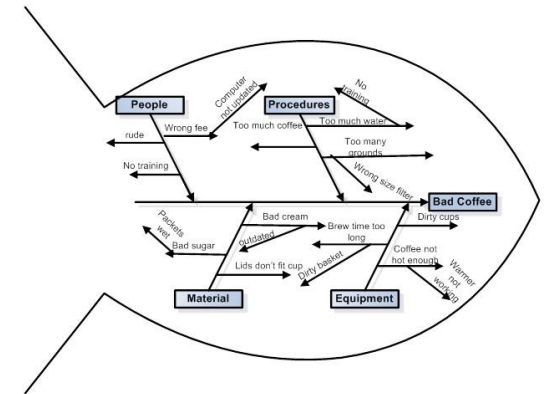
International  
Organization for  
Standardization

# 6σ

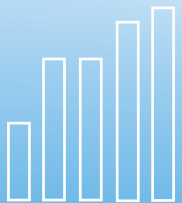


# The Baldrige Criteria promotes:

- Systematic processes
- Root cause analyses
- Supply chain management
- Benchmarking
- Performance analyses
- Decision sciences

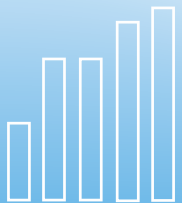


# Why Use Baldrige?



# Benefits:

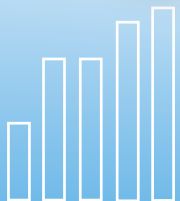
- Higher *productivity*
- Greater *customer loyalty*
- Increased *market share*
- Improved *profitability*
- Better *employee relations*



# Benefits of Participation in the Awards Process

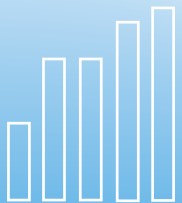
## Organizations that have received the Award have seen:

- 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



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



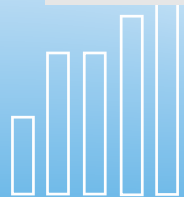
Healthcare



Business



Services

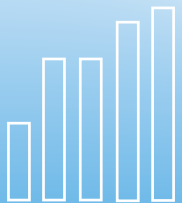




# Who should use Baldrige?







Those seeking a higher level of:

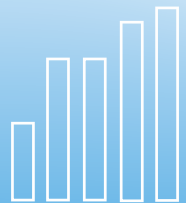
- Leadership
- Strategic planning
- Customer service and engagement
- Measurement & knowledge management
- Workforce satisfaction and engagement
- Process improvement



# Who should use Baldrige?







*Those seeking a higher level of Quality*

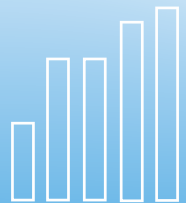
	Approach	Deployment	Learning	Integration
ISO 9001				
Baldrige				



# Who should use Baldrige?

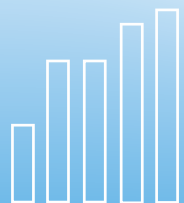
*Those seeking a higher level of Results*

	Levels	Targets Trends	Comparisons	Integration
ISO 9001				
Baldrige				



# About the SC Quality Forum

- Created in 1991
- Vision- To be the partner of choice for performance excellence in every sector of the economy in SC
- Steering Committee/ Advisory Board
- Annual SC Governor's Quality Conference
- Recognition Process



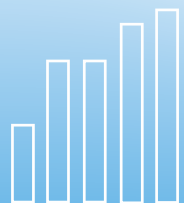
# Baldrige National Program in SC

- 5 South Carolina applicants for the Baldrige Awards
- 1 SC award applicant in 2012 represents 944 jobs, 1 work location, \$330 Mil in revenue, 42,000 customers
- Examiners from SC volunteered over \$151,000 in services in 2014 alone.



# Recent SC Governor's Quality Award Winners

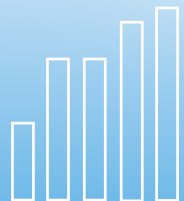
- Greenville Technical College ( Gold)
- Charleston Water System (Governor's Award)
- Self Regional Healthcare (Governor's Award)
- Caris Healthcare (Silver)
- Greenville Technical College (Bronze)
- Public Employees Benefit Authority (Explorer)



# Recent AHCA/NCAL National Quality Award Recipients in South Carolina

## Baldrige Based Assessment

- NHC Anderson
- Fellowship Health and Rehab of Anderson
- Agape Rehabilitation of Rock Hill
- Hope Health & Rehab of Marietta, LLC
- Capstone Health and Rehab of Easley, LLC
- Hosanna Health & Rehab of Piedmont, LLC
- Manna Health & Rehab of Pickens
- NHC HealthCare, Mauldin
- PruittHealth Walterboro
- NHC HealthCare, Greenville
- Sumter Valley N&R LLC, dba Sumter Valley Nursing
- Omega Health and Rehab of Greenville, LLC
- Anchor Health & Rehab of Aiken
- Petra Health & Rehab of McCormick, LLC
- Diamond Health & Rehab of Simpsonville
- Redeemer Health and Rehab of Pickens, LLC
- Exalted Health & Rehab of Iva, LLC

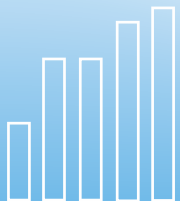


# SC Testimony

*In 2007, Self Regional Healthcare chose the Baldrige Criteria for performance Excellence as the best measure of its quality journey. In 2010, Self Regional Healthcare was awarded the overall highest level Governor's Quality Award. The Baldrige Criteria's role as a "disciplined improvement" methodology has helped focus, align, and accelerate Self Regional Healthcare's improvement efforts.*

Dee H. McLane, V.P. Quality/Professional Services

Self Regional Healthcare





# SC Testimony

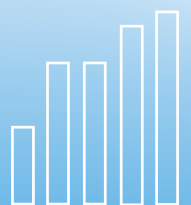
*I have witnessed firsthand the marked improvement in customer service, workforce engagement, and overall increase in financial impact simply from those submitting an application and instituting the Baldrige criteria. For these agencies, businesses, and schools, it is not about an award or recognition it is about improvements to provide better services for customers, opportunities for employee engagement, the ability to improve financial stability, along with increased innovation.*

Betsy J Beam, Chief of Staff

Baptist Easley Hospital

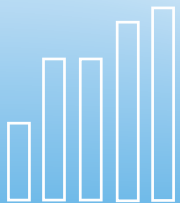


# Governor Nikki Haley Recognizes SCQF Recipients



# Baldrige in the US

- 2010–2014 applicants represent 537,871 U.S. jobs, 2,520 work sites, more than \$80 billion in revenues/budgets, and more than 436 million customers served.
- 378 national Baldrige examiners volunteered roughly \$5.7 million in services in 2014.
- In 2013, more than 30 independently funded and managed regional, state, and local Baldrige-based award programs evaluated 266 organizations using 2,297 volunteer examiners.



# The Reality

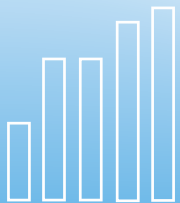
Consider this data from the 2012-2013 World Economic Forum Competitiveness Report. The United States ranks:

- **7th in overall global competitiveness, falling from 1st in 2007**
- 12th in prosperity amongst a league of 142 countries representing 96% of the world's population and 99% of global GDP
- 8th in income mobility, falling from 1st place in terms of doing better than our parents



# The Reality

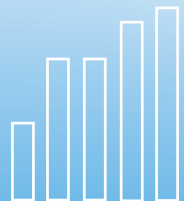
- The U.S. education infrastructure ranks 23rd, well behind every major developed economy, according to the Organization for Economic Cooperation and Development (OECD).
- Our 15-year-olds rank 17th in science and 25<sup>th</sup> in math, while the quality of America's math and science education ranks 48th.
- Furthermore, the U.S. ranks 12th in college graduation rates, down from being number one for decades.

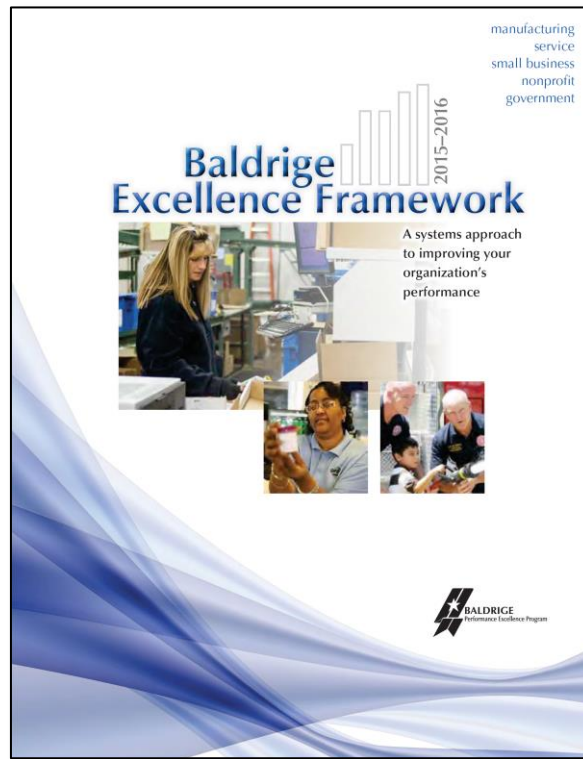


# Join the Baldrige Movement

The Malcolm Baldrige National Quality Award...offers a vehicle for companies, large and small....to examine their own approaches to quality. It offers companies a standard with which to compare their own progress to that of the country's very best”

President Ronald Reagan





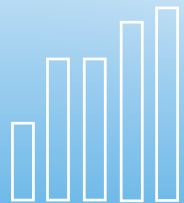
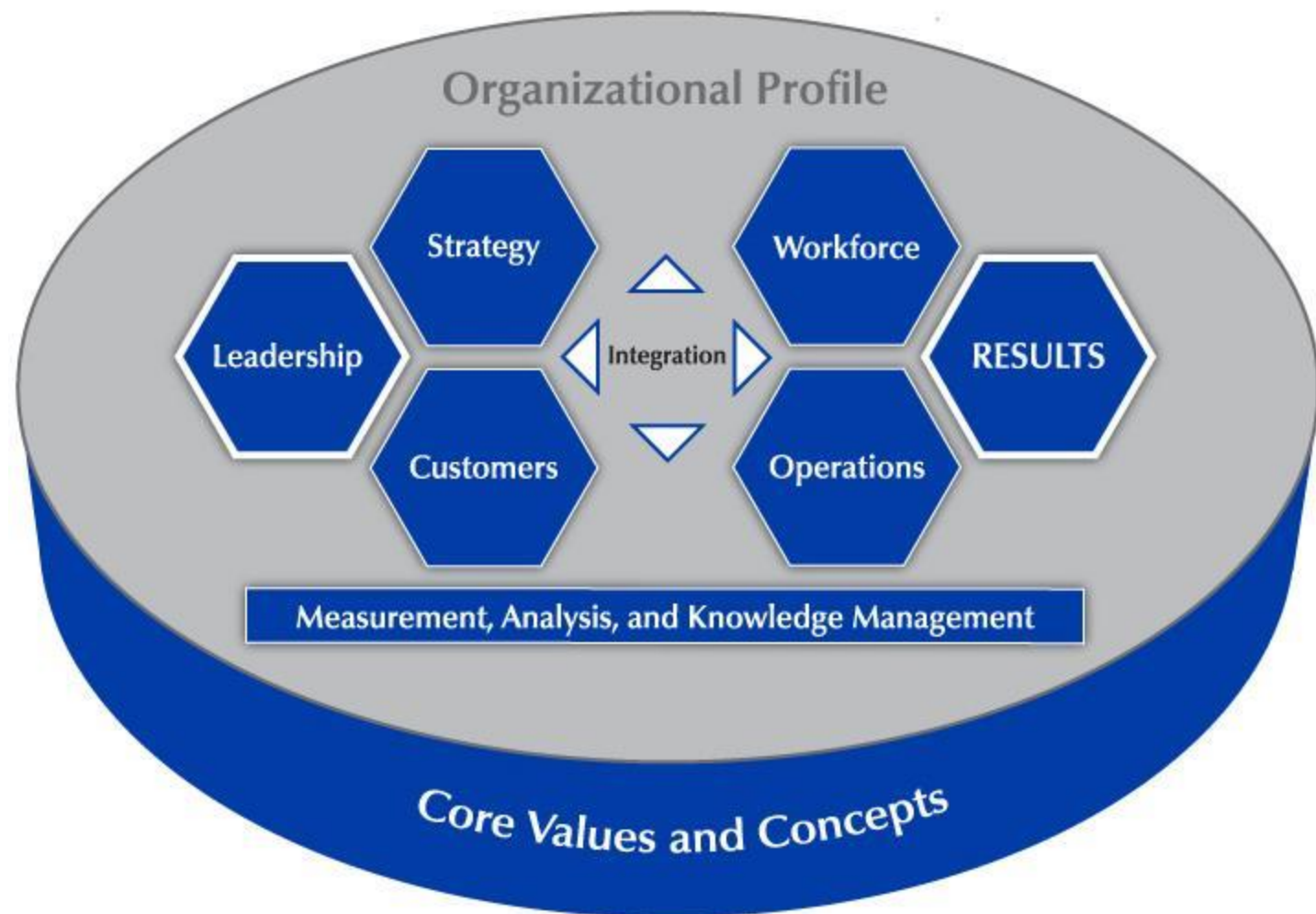
# Baldridge Excellence Framework

A systems approach  
to improving your  
organization

Baldridge Performance Excellence Program | 2015



# Baldrige Criteria Overview: A Systems Perspective





# For more information

- *Baldrige Excellence Framework* booklets and free content
- Self-assessment tools
- Organizational assessments
- Training, conferences, executive education
- Award recipient profiles
- Case studies
- Connections to the Baldrige community

[www.nist.gov/baldrige](http://www.nist.gov/baldrige)

301-975-2036

[baldrige@nist.gov](mailto:baldrige@nist.gov)



# The Future

- The Baldrige impact on America is indisputable
- But frankly, the Baldrige Program is at a crossroads.
- The Baldrige Foundation and SC Programs are aggressively developing partnerships across public and private sectors to ensure the long-term financial viability and growth of Baldrige.





# South Carolina Quality Forum

We must enlist more partners in this work - companies and individuals willing to invest in the growth of Baldrige and the future of America. Be one of them!

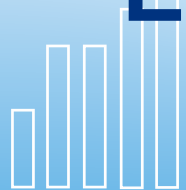
**Bridget P. Dewees, PhD Chair**

**Phone: (803) 535-5793**

**Address: P.O. Box 3435**

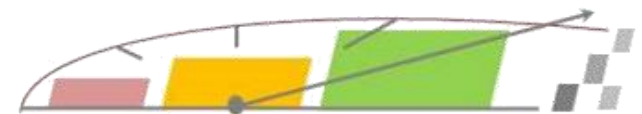
**Summerville, SC 29484-3435**

**Email: [bdewees@claflin.edu](mailto:bdewees@claflin.edu)**



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

- Rick Bickerstaff
- 843.297.2596
- Rick@CompetitiveEdgePerformance.net
- CompetitiveEdgePerformance.net



*Competitive Edge*  
Performance Solutions, LLC

Improving:

Business

Management

Systems

Strategy

Competition

Excellence

CompetitiveEdgePerformance.net

