From ‘Have To’ to ‘Want To’
Moving from a Culture of Compliance to One of Excellence

Paul Grizzell
President and Baldrige/EFQM Coach
Core Values Partners, Inc.
November 18, 2014
Presentation Overview

- Do YOU have a culture of compliance or excellence?
- The difference between compliance and excellence
- Overview of performance excellence management models
- How do you know if you’re making progress?
- What should you do when you leave here?
Do YOU have a culture of compliance or a culture of excellence?
Moving from *compliance* to *excellence*...
Compliance vs excellence

Progress toward competitive advantage and world class performance

Compliance – regulatory requirements

Quality required to be "in the game"
World class performance…in safety…

Safety watchwords: Our job is never so urgent or important that we cannot take time to do it safely and in a manner that preserves the environment.

21 consecutive years without a lost work day case.

Won the GPA (Gas Processors Division II) Safety award for the last 14 consecutive years.
The Baldrige Framework

Drivers
- Leadership
- Customer Focus
- Strategic Planning
- Operations Focus
- Workforce Focus

Core Work
- Organizational & Personal Learning
- Measurement, Analysis, and Knowledge Management
- Valuing Workforce Members & Partners
- Focus on Results and Creating Value
- Societal Responsibility

Results
- Visionary Leadership
- Customer-Focused Excellence
- Agility

Visionary Leadership
- Focus on the Future

Customer-Focused Excellence
- Managing for Innovation

Organizational & Personal Learning
- Management by Fact

Valuing Workforce Members & Partners
- Societal Responsibility

Focus on Results and Creating Value
- Systems Perspective
Core Values – characteristics of excellence

- Visionary Leadership
- Customer-Driven Excellence
- Organizational and Personal Learning
- Valuing Workforce Members and Partners
- Agility
- Focus on the Future
- Managing for Innovation
- Management by Fact
- Societal Responsibility
- Focus on Results and Creating Value
- Systems Perspective
## Category Alignment to Core Values

<table>
<thead>
<tr>
<th>Baldridge Process Category</th>
<th>Leadership</th>
<th>Strategic Planning</th>
<th>Customer Focus</th>
<th>Measurement, Analysis, and Knowledge Mgmt.</th>
<th>Workforce Focus</th>
<th>Operations Focus</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Baldridge Core Value</td>
<td>1.1</td>
<td>1.1</td>
<td>1.2</td>
<td>1.2</td>
<td>2.1</td>
<td>2.1</td>
</tr>
<tr>
<td>a</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>c</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Visionary leadership</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer-driven excellence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational and personal learning</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Valuing workforce members and partners</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focus on the future</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Managing for innovation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management by fact</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Societal responsibility</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focus on results and creating value</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Systems perspective</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Focusing Energy & Resources

Performance Excellence Assessment

Vision

Alignment

Mission

Mission

Vision
The BIGGEST Baldrige picture....

**Core Values and Concepts**
- Visionary leadership
- Customer-driven excellence
- Organizational and personal learning
- Valuing workforce members and partners
- Agility
- Focus on the future
- Managing for innovation
- Management by fact
- Societal responsibility
- Focus on results and creating value
- Systems perspective

**Why?**
Fundamental concepts of excellence

**What?**
Characteristics of excellence

**How?**
Structured approach to improvement

---

©2014 Core Values Partners, Inc.
The BIGGEST EFQM picture....

Why?
Fundamental concepts of excellence

1. Leading with Vision, Inspiration, and Integrity
2. Adding Value for Customers
3. Developing Organizational Capability
4. Succeeding Through the Talent of People
5. Managing with Agility
6. Creating a Sustainable Future
7. Harnessing Creativity and Innovation
8. Sustaining Outstanding Results

What?
Characteristics of excellence

How?
Structured approach to improvement

Fundamental concepts of excellence

Characteristics of excellence

Structured approach to improvement

©2014 Core Values Partners, Inc.
<table>
<thead>
<tr>
<th>Compliance</th>
<th>Excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Management of people</td>
<td>1. Visionary Leadership</td>
</tr>
<tr>
<td>2. Meet patient requirements</td>
<td>2. Patient-Focused Excellence</td>
</tr>
<tr>
<td>3. Required certifications</td>
<td>3. Organizational and Personal Learning</td>
</tr>
<tr>
<td>4. Employees as a commodity and vendors as adversaries</td>
<td>4. Valuing Workforce Members and Partners</td>
</tr>
<tr>
<td>5. Process constrained</td>
<td>5. Agility</td>
</tr>
<tr>
<td>6. Quarterly perspective</td>
<td>6. Focus on the Future</td>
</tr>
<tr>
<td>7. Status quo</td>
<td>7. Managing for Innovation</td>
</tr>
<tr>
<td>8. Management by opinion</td>
<td>8. Management by Fact</td>
</tr>
<tr>
<td>9. Inward focus</td>
<td>9. Societal Responsibility and Community Health</td>
</tr>
<tr>
<td>10. Requirements focus</td>
<td>10. Focus on Results and Creating Value</td>
</tr>
<tr>
<td>11. “Silo” mentality</td>
<td>11. Systems Perspective</td>
</tr>
</tbody>
</table>
“Compliance” versus “Excellence”

Compliance

Bad
Wrong
Weakness

Good
Right
Strength
“Compliance” versus “Excellence”

Excellence

Progress on performance excellence journey

Organizational maturity

…the organization does not have a strategic planning process…

…the organization does not have a method to gather supplier input to be used in the strategic planning process
How do you know if you’re making progress?
## 2013-14 Baldrige Criteria for Performance Excellence Scoring

<table>
<thead>
<tr>
<th>Category</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Leadership</td>
<td>120</td>
</tr>
<tr>
<td>2. Strategic Planning</td>
<td>85</td>
</tr>
<tr>
<td>3. Customer Focus</td>
<td>85</td>
</tr>
<tr>
<td>4. Measurement, Analysis and Knowledge Management</td>
<td>90</td>
</tr>
<tr>
<td>5. Workforce Focus</td>
<td>85</td>
</tr>
<tr>
<td>6. Operations Focus</td>
<td>85</td>
</tr>
<tr>
<td>7. Business Results</td>
<td>450</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,000</strong></td>
</tr>
</tbody>
</table>
Results are what counts…

- Labor productivity describes the hours worked per vehicle and reaches 82% above the target and other benchmarks.
- Overall employee satisfaction of 99%. Trust in leadership of 99%.
- Most customer satisfaction results have positive trends and targets are met in many areas.
- Most important financial results have improved in the last few years and annual targets have been achieved.
- Targets for “carbon free energy supply” and activities behind that (skills, technical developments) have reduced carbon emissions by about 25% from 2006 to 2012.

BMW Plant Regensburg Germany

EFQM Excellence Award Recipient
K-12 education

Parent and student satisfaction surveys show PSD parent satisfaction with communication ranged between 91.5 percent and 94.8 percent at the four schools in 2012-2013, while the national average was 74 percent. Parent satisfaction with educational quality during the same school year was 93.8 percent.

_Pewaukee School District – Wisconsin_

_Baldrige Award Recipient 2013_
Customer-focused changes...

...and the required process improvement

Robert Wood Johnson University Hospital
Baldrige Award Recipient
"...the most effective leaders out there are the ones who can, beyond a shadow of a doubt, draw a direct line-of-sight between what a person does, and how that person and his or her work contributes to the mission and vision of the team and the organization, and even how that person and that person’s work matters to society."
Midway USA
Baldrige Award Recipient
But what really counts in the long run?

Measure business results!
Financial Performance Results
Cumulative EAT vs. budget

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

Cargill, Inc.
Multiple Baldrige Award Recipients 1999, 2005, 2008
Study of the six 2-time Baldrige recipients

- Represent manufacturing, service, small business sectors
- Used Baldrige criteria for a significant period
- Represent a significant time-span of Baldrige program

Results of these high performers:
- Median growth in sites – 67%
- Median growth in jobs – 63%
- Median growth in revenue – 93%
Why Baldrige or EFQM?

The Baldrige, EFQM Criteria can help:

• ...hold your organization accountable
• ...sustain your organization
• ...align your organization
• ...improve your organization
• ...recruit to your organization
• ...reward and recognize your organization
• ...provide a common language of performance excellence
What do I do next?

Consider if you are an “Excellence” or “Compliance” focused organization

Assess yourself against the Baldrige “Core Values” or EFQM “Fundamental Concepts of Excellence”

As a leader, begin to ask “How do you know?” to ensure fact-based decision-making

Begin your performance excellence journey with Baldrige or EFQM
What are we working toward?

“Perfection is unattainable, but if we chase it, we can catch Excellence.”

Vince Lombardi
Thank you for your commitment to performance excellence!

Paul Grizzell
Email: paul.grizzell@corevaluespartners.com
Office: 651.735.7716
Cell: 651.792.5149
Website: www.corevaluespartners.com