Why Baldrige, what’s in it for me/my organization

ASQ Minnesota Monthly Section Meeting
November 18, 2014

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Agenda

- Background on Baldrige
- Basics of the Baldrige criteria
- Local & national resources for you & org.
- How’s Baldrige different from other Q tools
- How it’s similar/compatible with other Q tools
- What’s in it for me, why learn & use it
History of Baldrige

- The Malcolm Baldrige National Quality Improvement Act of 1987 - Public Law 100-107
  - The Award is named after Malcolm Baldrige
  - Secretary of Commerce from 1981 – 1987
  - Award started in 1988
  - 2001 the first Education Award
  - 2002 the first Health Care Award
  - 2007 the first Nonprofit Award
  - First Minnesota award 1991
  - Currently 41 states have a quality award program
Baldrige Defines Excellence

Understanding the Baldrige Criteria

Performance Excellence Network
Fire-Form Consulting

www.performanceexcellencenetwork.org
Organizational Profile

- Starting point for:
  - self-assessment
  - writing an application
- Describes what is important
  - drives measurement choices, strategic plan
- Describes operating environment & key relationships with customers, students, patients, suppliers, partners, or stakeholders.
- Evaluators & judges use it to review/understand the organization
The foundation of the assessment is the Malcolm Baldrige National Quality Award, which outlines validated Criteria that have been shown to produce excellent organizational results. The Criteria are divided into seven Categories which form an organizational system.
## Criteria for Performance Excellence

### 1.1 Senior Leadership (70 points)

Describe how senior leaders guide and sustain your organization. Describe your senior leaders communicate with staff and encourage high performance.

Within your response, include answers to the following questions:

**a. Vision and Values**

1. How do senior leaders set organizational vision and values? How do senior leaders deploy your organization’s vision and values through your leadership system, to all staff, to key suppliers and partners, and to students/stakeholders/patients/customers, as appropriate? How to their personal actions reflect a commitment to the organization’s values?

2. How do senior leaders promote an environment that fosters and requires legal and ethical behavior?

3. How do senior leaders create a sustainable organization? How do senior leaders create an environment for performance improvement, accomplishment of strategic objectives, innovation, and organizational agility? How do they create an environment for organizational and staff learning? How do they personally participate in the succession planning and the development of future organizational leaders?

**b. Communication and Organizational Improvement**

1. How do senior leaders communicate with, empower, and motivate all staff throughout the organization? How do senior leaders encourage frank, two-way communication throughout the organization? How do senior leaders take an active role in staff reward and recognition to reinforce high performance and a focus on the organization, as well as on stakeholders?

2. How do senior leaders create a focus on action to accomplish the organization’s objectives, improve performance, and attain your vision? How do senior leaders include a focus on creating and balancing value for patients/students/customers/stakeholders in their organizational performance expectations?
Understanding Maturity

Criteria are split into three levels of maturity; this helps organizations know where to start

• **Basic:** Question after the title
  • Corresponds to scoring up to 45%
• **Overall:** Bold text at the top of the grey box
  • Corresponds to scoring up to 65%
• **Multiple:** All the detail that follows
  • Corresponds to scoring up to 100%
## Category 7 – Results

<table>
<thead>
<tr>
<th>Results item</th>
<th>Related to Process item</th>
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<tbody>
<tr>
<td>7.1 – Product &amp; Process Outcomes</td>
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<td>7.2 – Customer-Focused Outcomes</td>
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<td>7.3 – Workforce-Focused Outcomes</td>
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<td>7.4 – Leadership and Governance Results</td>
<td>1 &amp; 2</td>
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<td>7.5 – Financial and Market Results</td>
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Category 7 – Results

- Results enable you to look at your organization’s key performance and improvements.
- They help you make decisions about how your organization is doing.
- They mainly come from three areas:
  - Baldrige criteria requirements
  - Regulatory requirements
  - Areas deemed important to your organization’s success
    - Usually identified in the organizational profile
Performance Excellence Network

- A non-profit founded in 1987
- Purpose
  - The Performance Excellence Network (formerly the Minnesota Council for Quality) is a non-profit corporation that advances improvement and performance excellence within organizations, individuals, and communities.
- Mission
  - The Network helps leaders identify strengths and improvement opportunities and builds networks that bring information, resources, knowledge, and best practices to organizations desiring to improve.
- Vision
  - The Network will be the innovative national leader in facilitating performance excellence.
Regional Program – MN, ND, SD

- Program is developmental, not just recognizing the best
- Four levels of Award
  - Excellence (top level)
  - Achievement
  - Advancement
  - Commitment
- To help organizations get started regional program offers:
  - self-assessments
  - alternative assessments
  - Baldrige 101
Accelerating Improvement

- The Performance Excellence Network has services to broker information, resources, knowledge, and best practices on organizational improvement
  - Knowledge Forums
    - Breakfast meetings
    - PENworks (annual conference): April 27-28, 2015
  - Other events
  - Webinars/Video Forums
  - Consultant Referral Network
  - Partnerships/Alliances
  - Benchmarking
  - Roundtables
    - and more coming!...
Contact Information

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Fire-Form Consulting
Focusing Energy & Resources

Fire-Form Consulting
Steps toward Mature Processes
An Aid for Assessing and Scoring Process Items

Reacting to Problems
(0–25%)
Operations are characterized by activities rather than by processes, and they are largely responsive to immediate needs or problems. Goals are poorly defined.

Early Systematic Approaches
(30–45%)
The organization is beginning to carry out operations with repeatable processes, evaluation, and improvement, and there is some early coordination among organizational units. Strategy and quantitative goals are being defined.

Aligned Approaches
(50–65%)
Operations are characterized by repeatable processes that are regularly evaluated for improvement. Learnings are shared, and there is coordination among organizational units. Processes address key strategies and goals.

Integrated Approaches
(70–100%)
Operations are characterized by repeatable processes that are regularly evaluated for change and improvement in collaboration with other affected units. The organization seeks and achieves efficiencies across units through analysis, innovation, and the sharing of information and knowledge. Processes and measures track progress on key strategic and operational goals.
Integrating Improvement Frameworks/Tools

Baldrige

Baldrige as a management system *sets an overall organizational context of excellence* and *integrates and aligns improvement initiatives*.

Lean

| Value Stream Mapping | 5S   | Kanban | Empowered Teams | Kaizen |

Lean is used to *eliminate waste* from processes. It has been characterized as broad and shallow.

Six Sigma

Six Sigma is used to *perfect processes* from which waste has been eliminated. It has been characterized as narrow and deep.

Scorecard

Scorecards *measure the progress* of the organization in accomplishing strategic and operational goals.

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Why Use Baldrige?

- Baldrige is a framework
  - Not regulatory; not accreditation (it’s flexible)
  - System that any organization can choose to use (scalable)
  - Criteria identifies what needs to be done, not explicitly how to do things
  - Represents “leading edge of validated management practice”

- Self-evaluation
  - Requires honest self-examination
  - Helps build a common language

- Outside Evaluation
  - State program, National program
Benefits of Using Baldrige

- Identifies strengths
  - foundation for continuous improvement
- Identifies improvement opportunities
  - pain or problem areas
- Facilitates and guides improvement
- Promotes organizational alignment and integration
- Assists in delivery of value to stakeholders
- Facilitates personal & organizational learning
- Monitors (measures) progress over time
The Criteria are Flexible

- Is based on a set of validated, leading edge practices
- Is applicable to any organizational entity –
  - manufacturing, service, health care, schools, non-profits, public sector agencies
- Is scalable –
  - can be used for very small or very large, complex organizations (or parts of organizations)
- Encourages communication and knowledge sharing – helps build a common language.
Where Do You Start?

- Improve productivity
- Improve HR selection
- Improve margins
- Improve HR selection
- Improve customer satisfaction
- Improve employee training and development
- Improve reward & recognition
- Improve cycle time
- Improve results
- Improve supplier performance
- Improve planning
- Improve accuracy
- Improve supplier performance
- Improve goal setting
- Improve value creation processes
- Improve recruiting
- Improve morale
- Improve ethics
- Improve use of data
- Improve measurement
- Improve benchmarking
- Improve quality
- Improve core processes
- Improve knowledge management
- Improve communication
- Improve outcomes
- Improve employee training and development

- Improve employee turnover
- Improve support processes
- Improve complaint management
- Improve leadership
- Improve competitiveness
- Improve ROI
- Improve decision making
- Improve use of data
- Improve employee satisfaction
- Improve support processes
- Improve leadership
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What’s in it for me? Why learn & use it?

- Expand knowledge…. value, self worth
  - Opportunity to give back to society
  - Take a risk… learn from your experience
- Expanded value to your employer
    - Provides a high-level mgmt./executive view
- Can open doors to new opportunities
- Provides a different focus on current skills
- You live longer
Baldrige is just another Opportunity

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