

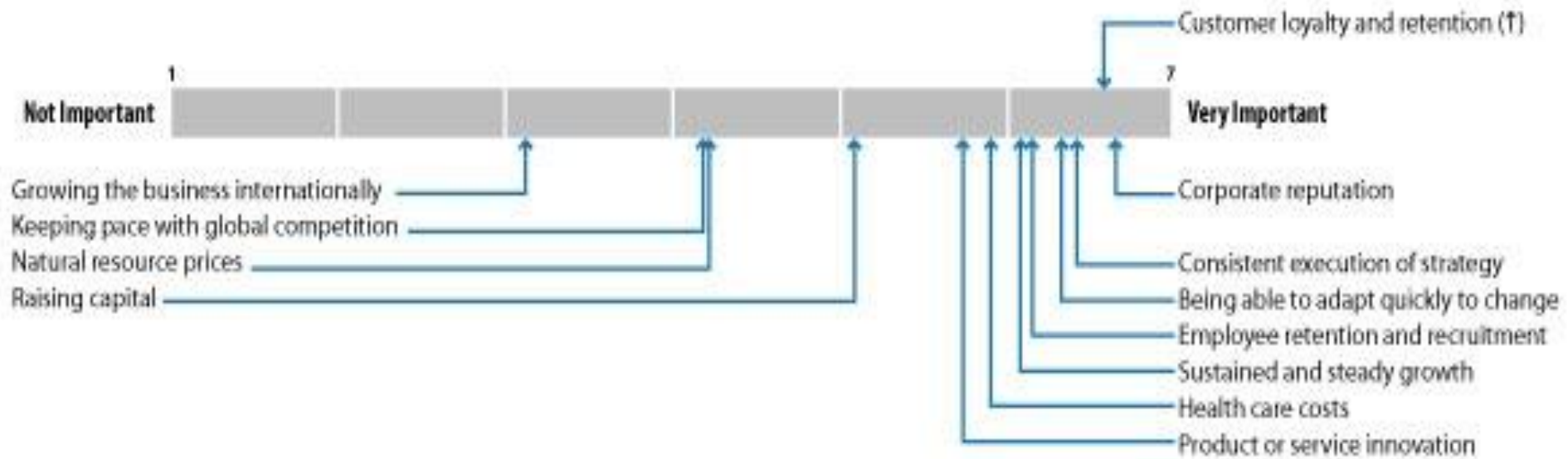
Baldrige: A Process that Delivers Results

- Challenges
- What Is Baldrige?
- Baldrige Criteria in 2011
- Baldrige Recipients' Results
- Tomorrow Morning

Harry S. Hertz | March 16, 2011



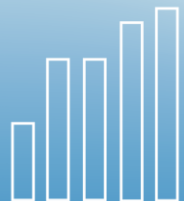
Figure 1: Importance of Business Issues



Please rate the following issues in terms of their importance to you and your company (Q1)

Variables shown above the scale are statistically different than 2009 results. Arrows indicate the direction of change.

Indiana CEO Survey, June 2010



Capitalizing on Complexity

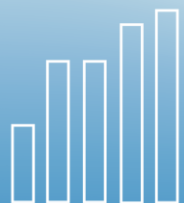
- IBM 2010 Global CEO Study
- More Than 1500 CEOs
 - Face-to-Face Interviews
 - 60 Countries
 - 33 Industries



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



I Really Wanted to Pay My Taxes



What is the Baldrige Program?

- Operates as a unique public-private partnership
- Educates on organizational performance management and excellence
- Manages the Malcolm Baldrige National Quality Award

*Baldrige is Performance Excellence:
Organizations Achieve and
the U.S. Succeeds*



Program History

The Malcolm Baldrige National Quality Improvement Act of 1987, Public Law 100-107

- Created Award Program to
 - identify/recognize role-model businesses
 - establish criteria for evaluating improvement efforts
 - disseminate/share best practices
- Expanded to health care and education (1998)
- Expanded to nonprofit sector (2005)

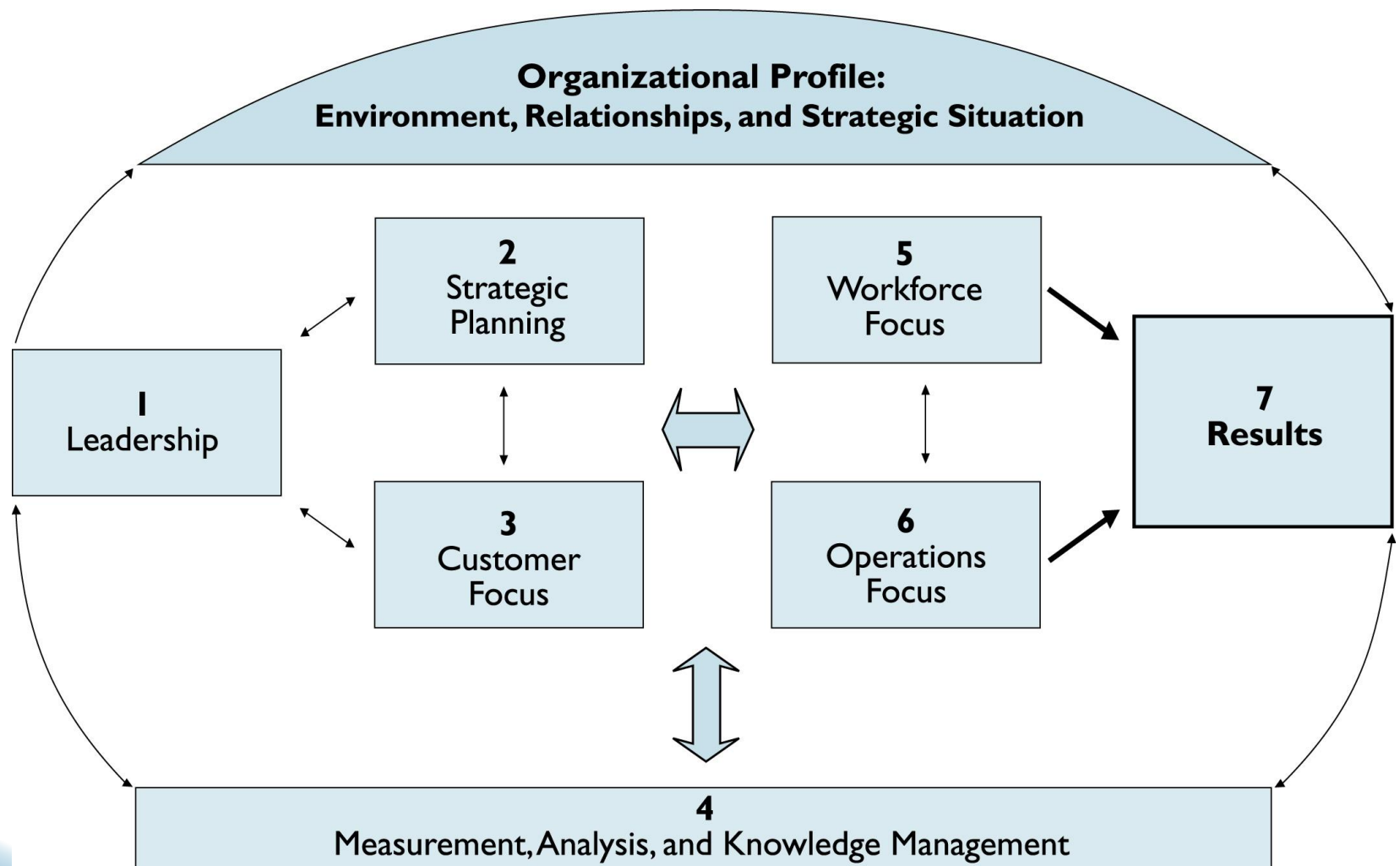


What Are the Criteria?

- A set of expectations or requirements
- A structured approach to performance improvement
- A framework for a systems view of performance management



Baldrige Criteria Framework: A Systems Perspective



Basic Goals of the Criteria

To help organizations enhance their performance by focusing on **processes** and **results** for

- delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability
- improvement of overall organizational effectiveness and capabilities
- organizational and personal learning



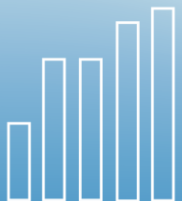
Criteria—Key Characteristics

- Focus on results
- Are nonprescriptive and adaptable
- Support a systems perspective
- Support goal-based diagnosis



Criteria Evolution

The Leading Edge of Validated
Management Practice



2011-12 Criteria Changes

- New Concepts: Social Media for Voice of the Customer and Intelligent Risk
- Performance Projections as a Strategic Concept
- Results for Product/Service and Process Effectiveness Outcomes Combined



Intelligent Risk

Two critical elements of innovation:*

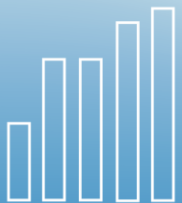
- Support for risk taking and change
- Tolerance of mistakes

*Charles Hampden Turner , *Charting the Corporate Mind*, New York: The Free Press, 1990



Intelligent Risk

An opportunity where the potential gain outweighs the harm or loss that could impact the organization's sustainability if the opportunity is not explored.



Summary

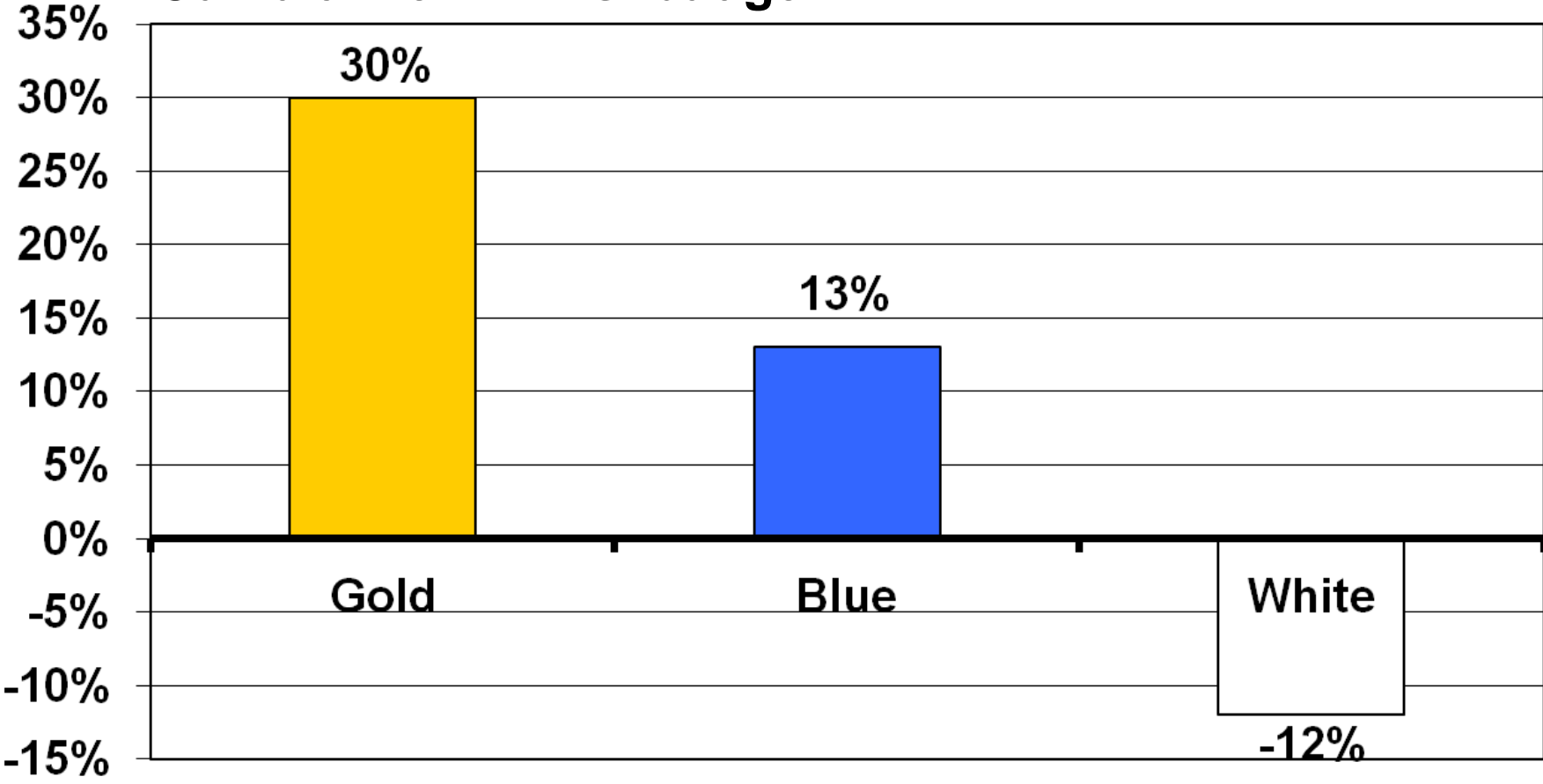
- **Work must be aligned to strategy (goals)**
 - **Metrics must be meaningful**
- **Integration can be fun**
 - **Learn, share, innovate**
- **Don't give up**
- **Just do it**

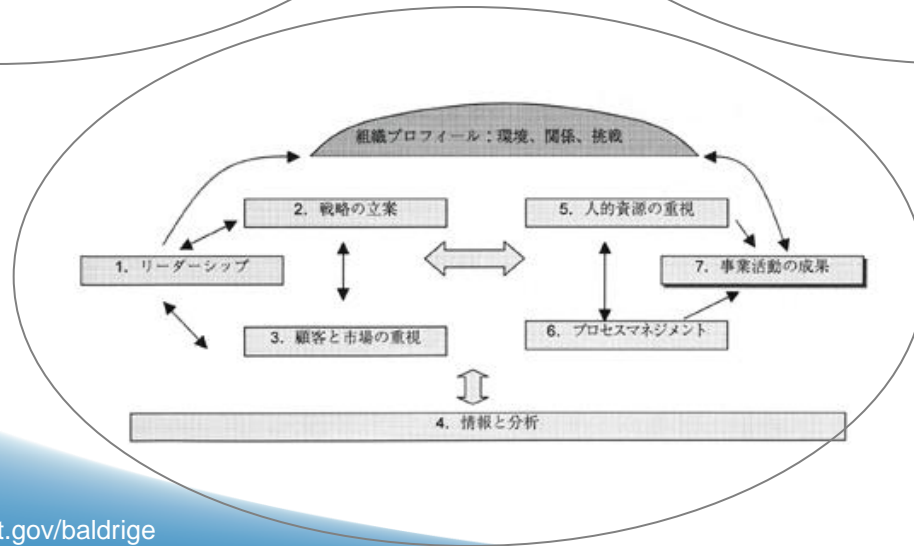
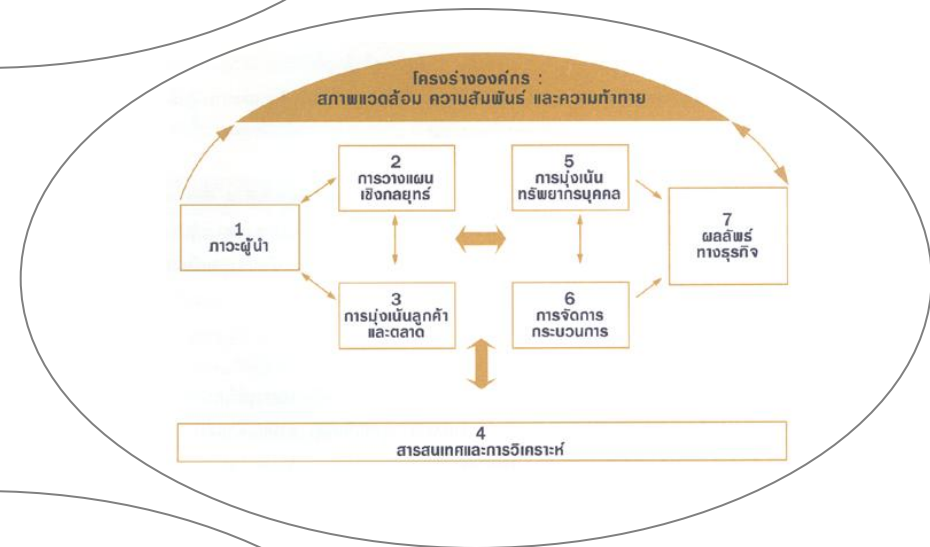
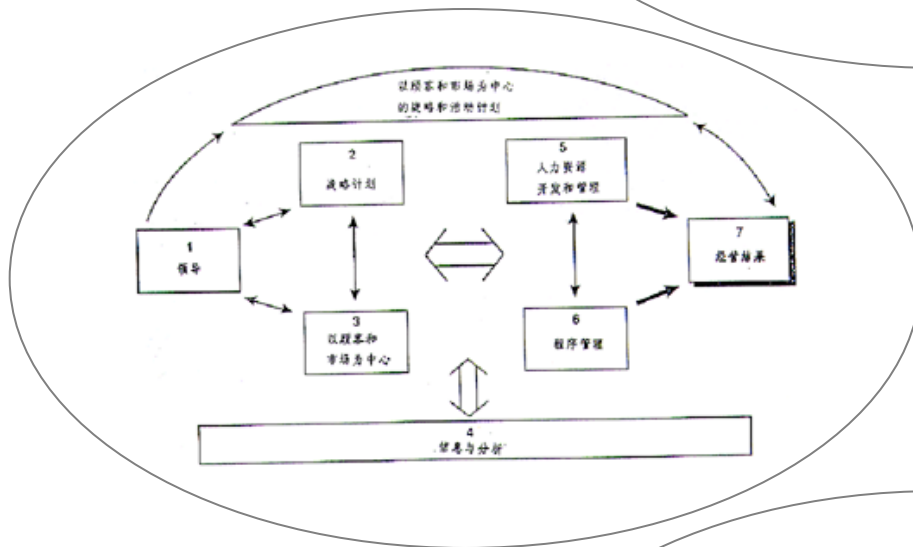
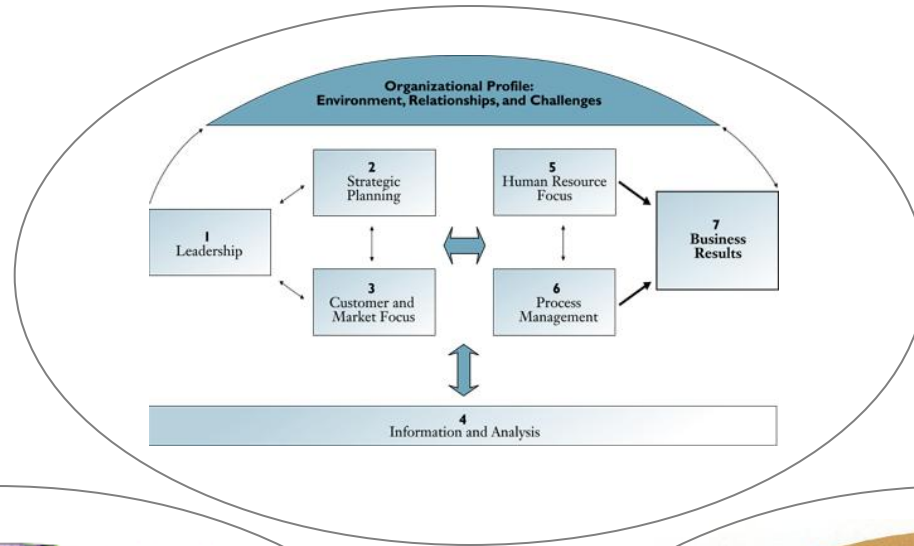


What We Have Learned

Measure Business Impact

Financial Performance Results
Cumulative EAT vs. budget





For More Information

- Criteria booklets
- Self-assessment tools based on the Criteria
- Award recipient videos and profiles
- Case studies
- Baldrige community

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Thank you!

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