The Baldrige Criteria for Performance Excellence
Innovation:  *Process to Results*

*If you do not know how to ask the right question, you discover nothing.*

- W. Edwards Deming

Col. Al Faber, President & CEO

The Partnership for Excellence
The Nation’s Most Respected State Based Baldrige Program...
History

In the mid-1980s, U.S. leaders realized that American companies needed to focus on quality in order to compete in an ever-expanding, demanding global market.

Then-Secretary of Commerce Malcolm Baldrige was an advocate of quality management as a key to U.S. prosperity and sustainability. After he died in July 1987, Congress named the Award in recognition of his contributions.

The goal of the Malcolm Baldrige National Quality Improvement Act of 1987 was to enhance the competitiveness of U.S. businesses. Its scope has since been expanded to health care and education organizations (in 1999) and to nonprofit/government organizations (in 2005).

*Congress created the Award Program to:*

- Identify and recognize role-model businesses
- Establish criteria for evaluating improvement efforts
- Disseminate and share best practices
State Baldrige Programs

• 50 states have programs

• States are part of the Alliance for Performance Excellence and partner with The American Society for Quality (ASQ) and the National Baldrige Program

• Ohio, Indiana & West Virginia’s Baldrige state program is *The Partnership for Excellence*
TPE’s Mission, Vision and Values...

- **Mission:** To cultivate performance excellence and continuous improvement among business, education, government, healthcare and non-profit organizations based in Ohio, Indiana, & West Virginia.

- **Vision:** To be recognized nationally as the best state program for the promotion of performance excellence.

- **Values:**
  - Continuous Improvement
  - Creation of Value
  - Integrity
  - Visionary Leadership
  - Accountability
  - Professionalism
  - Trust

The Partnership for Excellence
The Nation’s Most Respected State Based Baldrige Program...
Our Representation in Ohio, Indiana, & West Virginia

• 308 Partnership for Excellence Award Applicants (2000-2012)

• Award Applicants Represent:
  * 1.3 million jobs at 1,732 work locations
  * $131.4 billion in revenues/budgets
  * Estimated 211.6 million customers served

2,131 Examiners have volunteered over $32.3 million in services
What is Baldrige all about?

**Improving organizational performance** using an objective, cost-effective, third party evaluation...

- Accelerating improvement results
- Gaining an outside perspective
- Focusing on results that matter
- Energizing your workforce
- Learning from the feedback report

“The Baldrige Criteria can be adapted to fit your unique challenges and culture and help you evaluate performance, assess where improvements or innovation are most needed, and get results.”

**We are not Consultants – Baldrige is not an “awards program”**

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Baldrige-Based Model – A Systems Perspective

- A flexible “systems” approach - non-prescriptive
- Uses the latest validated management practices

The Baldrige Criteria focus on organizational improvement and innovation systems.

Six Sigma & Lean methodologies drive waste and inefficiencies out of processes that users of the Baldrige Criteria identify for improvement.

Six Sigma & Lean focus on organizational improvement and innovation processes.

ISO, Six Sigma, Lean, Balanced Scorecard, Strategy Maps

Leadership; Strategic Planning; Customer Focus; Measurement, Analysis & Knowledge Management; Workforce Focus; Operations Focus; Results

Baldrige is a Holistic Management Framework
The Business of Quality Versus
A Quality Business...

A Quality Business...

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The Business of Quality...

International Organization for Standardization (ISO)

Lean and Lean 2.0

Joint Commission

Automation

Magnet Recognition Program

Six Sigma

Dashboards

Strategic Planning

Balanced Scorecard

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Alignment of Initiatives

**Domains**

- **Strategic**
  - Baldrige Strategic Planning

- **Operational**
  - ISO
  - Balanced Scorecards
  - Government Mandates
  - OSHA
  - Joint Commission

- **Tactical**
  - Lean and Lean 2.0
  - Six Sigma
  - Dashboards
  - Automation

**The Partnership for Excellence**

*The Nation’s Most Respected State Based Baldrige Program...*
Innovation

What does it mean to you - how do you define it?
Innovation.
Making meaningful change to improve products, processes, or organizational effectiveness and create new value for stakeholders. Innovation involves adopting an idea, process, technology, product, or business model that is either new or new to its proposed application. The outcome of innovation is a discontinuous or breakthrough change in results, products, or processes. Innovation benefits from a supportive environment, a process for identifying strategic opportunities, and a willingness to pursue intelligent risks.

Successful organizational innovation is a multistep process of development and knowledge sharing, a decision to implement, implementation, evaluation, and learning. Although innovation is often associated with technological innovation, it is applicable to all key organizational processes that can benefit from change through innovation, whether breakthrough improvement or a change in approach or outputs. Innovation could include fundamental changes in an organization’s structure or business model to accomplish work more effectively.

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Successful organizational innovation -

Decision to Implement

Implementation

Learning

Evaluation

Development and Knowledge Sharing

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The Nation’s Most Respected State Based Baldrige Program...
Decision to Implement: PRO-TEC Coating Company, Leipsic, Ohio

- PRO-TEC is the industry leader in advanced high strength steel coating and ultrahigh-strength steel coating, supplying about 15 percent of all hot-dipped galvanized steel to the automotive market.

- From 2002 through 2006, PRO-TEC produced no less than 85 percent of the U.S. advanced high-strength steel supply.
Implementation: Montgomery County Public Schools, Maryland

Implementing Baldrige:

Using the Malcolm Baldrige Education Criteria for Performance Excellence, MCPS embarked on its now more than decade-long journey of continuous improvement.

In 2010, MCPS had the highest graduation rate of any large public school system in the nation.

Seven MCPS high schools ranked among the top 100 in the nation by Newsweek magazine in 2010. All 25 MCPS high schools ranked in the nation’s top 3 percent of the nation’s high schools.
Evaluation: Lockheed Martin Missiles & Fire Control

Lockheed Martin Missiles and Fire Control (MFC) attained a leading market share and sustained growth in the four years leading to its Baldrige Award in 2012.

Realized cost savings of an estimated $225 million annually through time reductions resulting from process and performance improvement programs in all lines of its businesses.
Learning:
Kettering Health Network
Dayton, Ohio

In 2011, Dayton was rated the #3 city in the nation by HealthGrades for excellence in health care.

2011

In 2012, KHN was recognized as one of the nation’s best hospital systems.

2012

In 2013 Kettering Medical Center is one of the three best performing hospitals for hip and knee replacements in Ohio as measured by Medicare.

2013

2010 Ohio Governors Award for Excellence Recipient
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Creating a Culture of Innovation

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P1.b(3) What role, if any, do suppliers and partners play in contributing and implementing innovations in your organization?

1.1/2.1 Describe how senior leaders create an environment that supports innovation, and high performance.

3. The Customer Focus category asks how your organization engages its customers to identify opportunities for innovation.

4.1.a(2) Comparative Data - How do you select and ensure the effective use of key comparative data and information to support operational and strategic decision making and innovation?

5. Describe how you develop workforce members, managers, and leaders to achieve high performance, including how you engage them in improvement and innovation.

6. How do you manage innovation processes?

7. What are your current levels and trends in key measures or indicators of operational performance including productivity, cycle time, and other appropriate measures of process effectiveness, efficiency, and innovation?
1. What are you most proud of in your organization?

*Your greatest strength to leverage for innovative results.*
2. What is your greatest concern?

*Your most important strategic challenge to achieving innovative results.*
Resources / Questions / Discussion

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Baldrige Performance Excellence Program:
www.quality.nist.gov

The Alliance for Performance Excellence:
www.baldrigepe.org

The American Society for Quality:
http://asq.org/

15th Annual Quest for Success Conference
Celebrating 15 Years of Performance Excellence!

September 15-16, 2014
Polaris Hilton, Columbus, Ohio

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