

INSTITUTE FOR PERFORMANCE EXCELLENCE



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**The Baldridge Foundation  
Institute for Performance Excellence**

*Presents:*

**The Importance of Focusing on Employee  
Colleagues, Customers, and Community**

*October 27, 2022*



Mac Baldrige Society  
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# Opening Remarks/Agenda

<b>Introduction</b>	<b>Al Faber, President &amp; CEO, Baldrige Foundation</b>
<b>Presenter</b>	<b>Tom Raffio, President and CEO of Northeast Delta Dental</b>
<b>Audience Questions</b>	<b>Moderator – Al Faber</b>
<b>Closing</b>	<b>Al Faber Remarks</b>

# The Importance of Focusing on Employee Colleagues, Customers, and Community

Webinar by Tom Raffio, President and CEO of Northeast Delta Dental

October 27, 2022



# Leaders Thinking and Acting Systemically...to create a better world

➤ Baldrige – Leadership Category asks “How do Senior Leaders...”

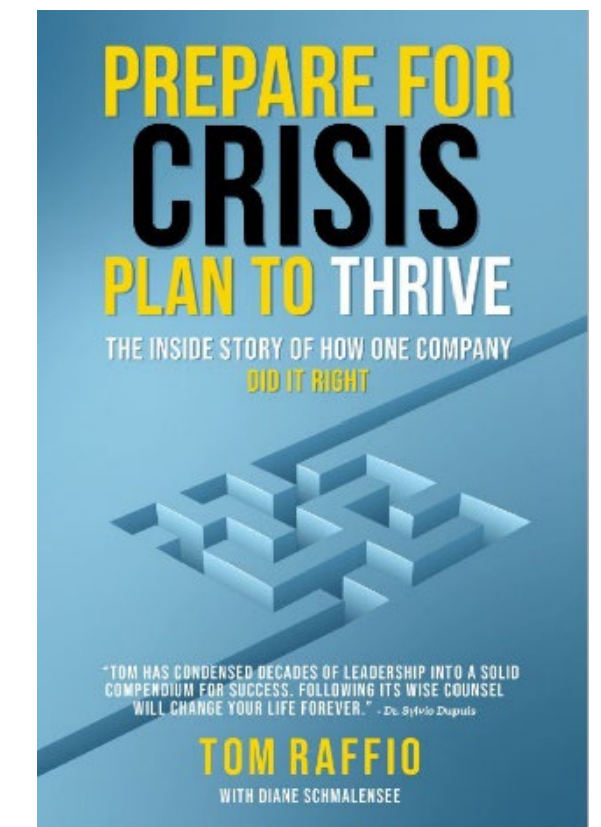
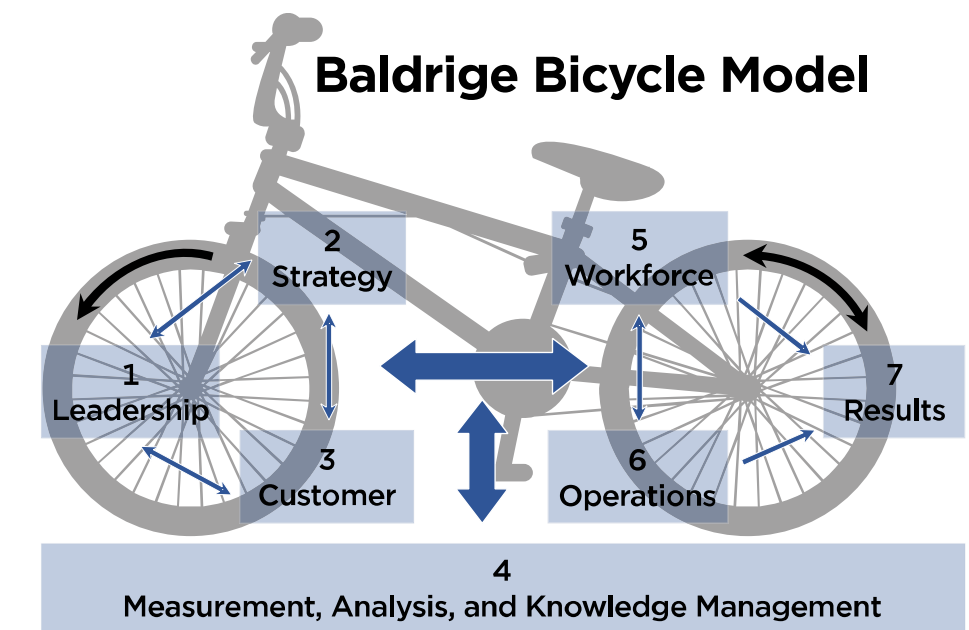
- Set and deploy their organization’s Vision and Values
- Communicate with and engage stakeholders
- Create an environment for success and a focus on action

➤ Also asks:

- How do you incorporate societal well-being and benefit into your strategy and daily operations
- How do you actively support and strengthen your key communities?

# Does One Size Fit All?

- Written three books on successful leadership
- Most recent, *Prepare for Crisis — Plan to Thrive*, emphasizes Baldrige principles
  - Building trust and loyalty within the organization
  - Motivating and recognizing staff to work toward common goals
  - Making ‘pleasing customers’ a top priority
  - Growing a strong financial base
  - Value of servant leadership
- Doing all these things can seem overwhelming especially in today’s environment
  - Will what works at Northeast Delta Dental work elsewhere?
- Studied Walmart (very large) and the Santa Fe restaurant, Sazón (very small)
  - All apply the same principles
  - All succeed in a world where lethargy seems to have taken hold



# Northeast Delta Dental, Walmart, and Sazón All Succeed by Creating Cultures of Excellence

## ➤ Northeast Delta Dental

- Tom Raffio inducted into the Business Excellence Hall of Fame 2022
- Business NH Magazine Best Places to Work Awards and in Hall of Fame
- Claims handling and customer call center are world class
- Almost \$500k donated by Foundation in 2021 and \$3M in corporate philanthropy

## ➤ Walmart

- Sam Walton received Presidential Medal of Freedom Award in 1992
- Top 20 Companies for Leadership by Business Week
- Ranked #1 for Retail and #9 Overall for Most Innovative Companies by Fast Company
- Donor of the Year from Feeding America

## ➤ Sazón

- James Beard Foundation Award of Excellence Best Chef of the Southwest in 2022
- Very unique restaurant focused on updated Mexican cuisine
- Wine Spectator Award of Excellence and Trip Advisor Certificate of Excellence
- Supports many local food and family charities

# Cultures Begin Uniting Colleagues with Shared Vision and Values

- We have different terms for employees (colleagues, associates, and team) that show our common emphasis on respect and working together as a group
  - 200 “Colleagues” at Northeast Delta Dental
  - 2.3 million “Associates” at Walmart
  - 40 “Team Members” at Sazón
- We all have worked to encourage strong discretionary effort – and to avoid “quiet quitting” and the malaise that is all around us
- We all have missions and values that appeal to our emotions and motivate our desire to work for something other than just money



# Northeast Delta Dentals' Mission and Values

- Mission: Everybody deserves a healthy smile (Advance the oral health and overall wellness of our customers and the public)
- Values:
  - Communication
  - Teamwork
  - Quality
  - Integrity

# Walmart's Mission and Values

- Early Mission: Sell for less – satisfaction guaranteed
- Today's Mission: Helping people save money and live better
- Values
  - Service to Customers
  - Respect for Individuals
  - Excellence
  - Integrity
- Note how similar the Walmart and NEDD values are!

# Sazón's Mission and Values

- Expressed as a prayer written by founding chef, Fernando Olea
- Dear God, I humbly request
  - Create a sacred space of joy around this kitchen
  - Help me feel the importance of what I do
  - Bless me as I prepare this meal
  - Bless the ingredients I use
  - Help me make this meal a reflection and embodiment of your love
  - Make its flavors delights and its textures please
  - Make it nourish and comfort
  - And bless the body, mind, and spirit of all who partake of it.

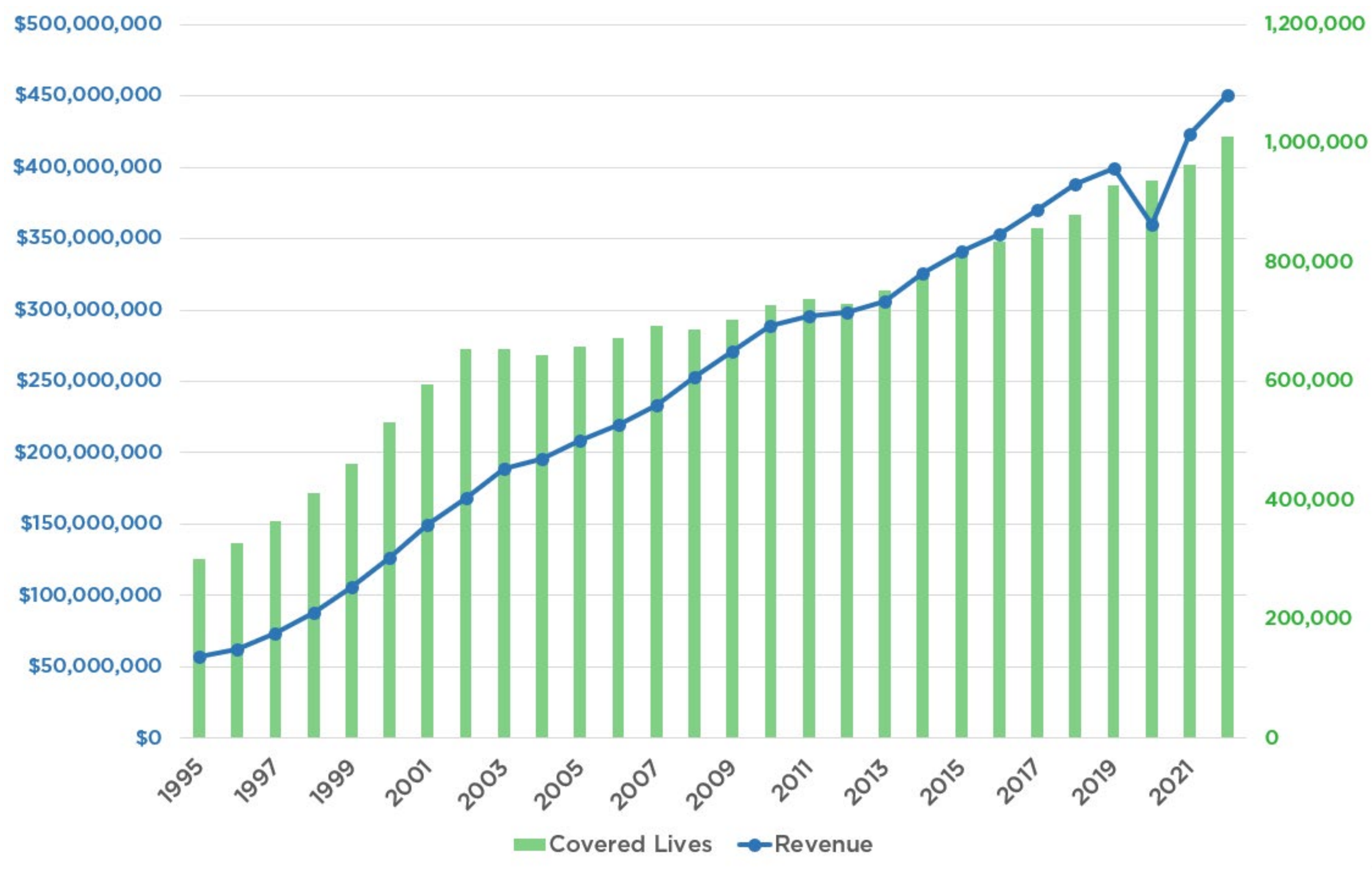
# Excellent Two-way Communications a Must!

- Communication helps ensure the Mission and Values are internalized
  - Sazón's Chef Fernando Olea with one location has an ongoing dialogue with his employees
    - Creates a 'sacred space of joy' which is felt by everyone in the restaurant
  - Walmart founder Sam Walton believed in personal contact with the Associates
    - He started Walmart World in 1971 and personally contributed articles
    - The 'Open Door' is a cornerstone of the culture
  - At Northeast Delta Dental I walk around and listen, have open door, and am as honest and transparent as possible
    - Daily (now twice per week) emails during pandemic often included photos and stories of my young granddaughter
    - All Colleagues meetings held virtually
- Northeast Delta Dental results in 2021
  - Retained 90% of our colleagues – 16% higher than national norm
  - Amazingly 100% of job offers were accepted
  - Colleague engagement was nearly 90% - much higher than the national norm of 75%

# Job #1 – Serving the Customers...Even During a Pandemic

- Northeast Delta Dental has two groups of valued customers
  - Over one million lives covered - about 60% market share
  - 90% of all dentists in our service area participate with us
  - We exist for and because of our customers
    - Guarantee Of Service Excellence<sup>SM</sup> when promised service levels aren't attained
      - Average Speed to Answer less than 30 seconds to get a knowledgeable human agent
      - First Call Resolution Rate of over 95%
      - Claims Processing Accuracy of 100%
    - During Pandemic helped both groups of customers
      - Forgave almost \$19 million of subscribers' and employers' July 2019 premiums
      - Spent \$7 million on PPE while speeding up claims payments
    - This helped to retain almost 100% of participating dentists and more than 98% of subscriber groups
- Walmart's sales held up
  - Enhanced website so it's become one of the most visited in the world
  - Their satellite network linked home office with all operating units
  - Their own trucking, warehousing, and distribution systems saved customers money while speeding up deliveries
- Sazón continued to win awards
  - Prepared and served meals that would "be a reflection and embodiment of love"
  - A dinner reservation was and still is highly coveted

# The Payoff of Building the Foundation



# Communities, Philanthropy and More...

- The Walmart Foundation was started in 1979 to “create opportunities so people can live better”
    - Works with farmers, suppliers and nonprofits as well as K-12 Education outcomes
  - Sazón donates to a number of nonprofits in its home state
    - Their giving seeks to offer “nourishment and comfort...to the mind, body and spirit”
  - Northeast Delta Dental’s Foundation and Corporate Philanthropy
    - We support local charities financially and donate time of leaders and colleagues
    - Support ties directly to our Mission – “everybody deserves a healthy smile”
      - In 2020, over \$400k to oral health-related
      - In 2020, over \$100k to other non-profits related to the arts and other causes
- 
- \$6M in student loan repayment to help with dentist workforce challenges (2022)
  - \$2.3M to start up new dental school (2013)
  - \$4.6M in scholarships (2001 – Present)
  - Sponsor many running events to bring our people and communities together
  - I belong to and chair a number of regional and national boards

# Servant Leadership Is the Foundation for a Caring and Compassionate Culture

- I strive to be a servant leader as in Robert Greenleaf's *The Power of Servant Leadership*
  - Supporting others and putting their interests first
  - Motivating and inspiring employees through a clear mission and values statements that are regularly communicated and reinforced by actions and examples of leaders
  - Giving customers world-class service and earning their loyalty
  - Creating a reputation for caring and compassion in our communities
- Sam Walton was a servant leader who worked hard to ensure 'his voice' would stay alive in the company and its culture
- Chef Olea's mission statement and values are a beautiful and ongoing expression of his passion for his cuisine, employees, customers, and community
- Yes, any type and size of organization can practice servant leadership while focusing on its employees, customers, and communities i.e., caring passionately about all stakeholders
- Baldrige Category One!!



# Summing Up – The Baldrige Basics Apply to All Types of Organizations

- Organizations with a servant leadership culture succeed by supporting our colleagues, customers, and communities (3Cs)
- Growing a caring culture means colleagues feel pride in serving their customers
- Creating satisfied customers means they are happy to do business with us and remain loyal
- Developing a strong community means we enhance our reputation and attract the best colleagues and customers
- All organizations benefit greatly by doing what's right for our 3Cs
- By doing right, we do well

# Panelist Questions and Discussion



**Tom Raffio**  
President & CEO  
Northeast Delta Dental



**Al Faber**  
President and CEO  
Baldridge Foundation  
(Moderator)



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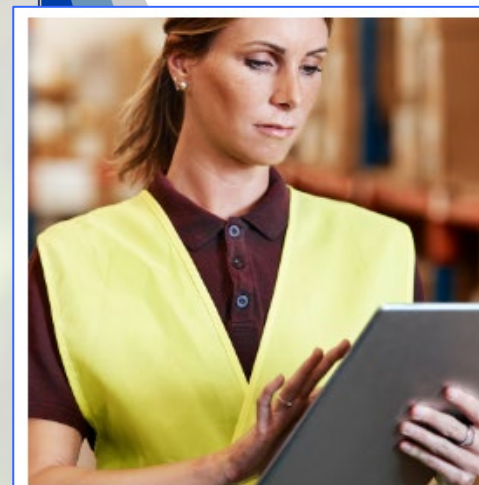


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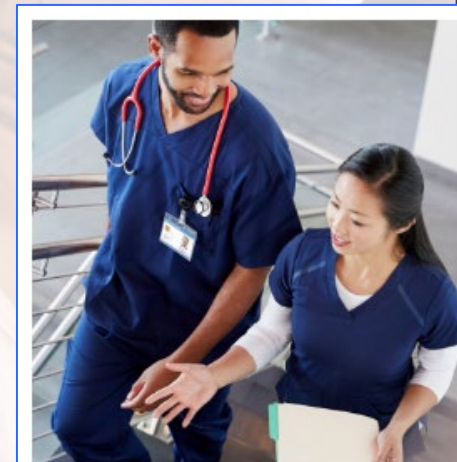
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