

BALDRIGE FOUNDATION

# JOURNAL OF PERFORMANCE EXCELLENCE

2017



“Baldrige:  
America’s Best  
Investment!”







# The Year in Review

by Al Faber

President and CEO, Baldrige Foundation

“ Throughout the federal government and with members of Congress, we are building strategic partnerships where none had previously existed to expand support for the Baldrige Performance Excellence Program.”

As President and CEO of the Foundation for the Malcolm Baldrige National Quality Award, it is an honor for me to introduce the inaugural *Journal of Performance Excellence*, celebrating the achievements of the Baldrige Enterprise during fiscal year 2017.

To all our stakeholders throughout the Enterprise, congratulations on a year filled with achievement, progress, and performance excellence! Examiners, judges, and volunteers at the state and national level and around the globe have contributed to the success and prosperity of thousands of organizations in every sector of the economy. The Alliance for Performance Excellence continues to introduce Baldrige to hundreds of organizations, while the Baldrige consultant community passionately develops and guides Baldrige organizations and serve as champions and ambassadors throughout the nation for our program.

In 2017, the Baldrige Foundation continued to fund the Baldrige Performance Excellence Program at the National Institute of Standards and Technology (NIST). The Baldrige Program’s mission is precisely aligned with NIST and the Department of Commerce. This public-private partnership, which improves the performance and competitiveness of U.S. organizations, has an economic impact of more than one billion-dollars annually. The Baldrige Program had a very successful year in 2017, executing the awards process and delivering exceptional training experiences like the Baldrige Executive Fellows Program and examiner training. In FY17, the Baldrige Executive Fellows Program and several other training offerings were ranked first and fourth, respectively, by Leadership Excellence and Development Awards (LEAD) in their education categories for emphasis on human resources and leadership/organizational development. The Baldrige Program is the only state or federal government program to be recognized in LEAD Award categories.

This year, more than twenty high-performing organizations met the requirements to be considered for the Malcolm Baldrige National Quality Award. After an arduous awards process, this year’s national role-model award recipients are:

- Bristol Tennessee Essential Services, Bristol, TN
- Stellar Solutions, Palo Alto, CA
- Adventist Health Castle, Kailua, HI
- Southcentral Foundation, Anchorage, AK
- City of Fort Collins, Fort Collins, CO

We congratulate each of them for their stellar, role-model performance and commitment. They have achieved the pinnacle of organizational performance excellence and will be recognized with the Malcolm Baldrige National Quality

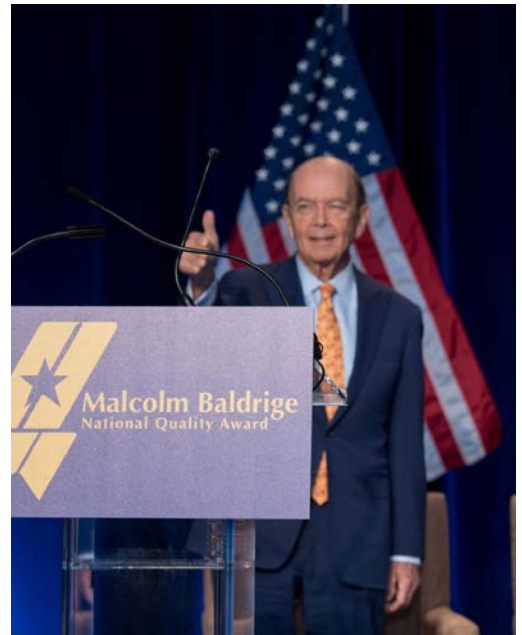
Award, the only award for quality presented on behalf of the President of the United States of America and which carries the Presidential Seal.

## ADVOCACY

With the new administration there is enormous potential for support and growth. The President has focused on transforming government and growing the economy, and the Foundation has been working tirelessly with all federal agencies and Congress to show where Baldrige can help.

Secretary of Commerce Wilbur Ross presided over his first Baldrige Award ceremony in April 2017, and in his remarks, he recognized the \$1 billion contribution Baldrige makes to the American economy annually. Prior to his remarks, he congratulated each team of award recipients while taking official photographs, and talked about his enthusiasm for the Baldrige program, and what it represents.

In September, I attended the confirmation hearing of the new Under Secretary of Commerce and NIST Director, Dr. Walter Copan. I was proud to have the opportunity to show our support for him during this process. Once he was confirmed, I invited Dr. Copan to attend the next Foundation Board meeting in November and he graciously accepted. All of our board



Secretary of Commerce Wilbur Ross takes the podium at the 29th Annual Malcolm Baldrige National Quality Awards presentation ceremony, April 2, 2017.

members were thrilled to introduce themselves and share their insights and experience with the new Director. Equally excited, Dr. Copan expressed his admiration for the Foundation's mission and support of the Baldrige Program. He re-affirmed his commitment to performance excellence and vowed his personal support as an ambassador for Baldrige and the Foundation. We have a true leader and champion in Dr. Copan and look forward to working with him to restore the federal government's support for the Baldrige Program.



Confirmation hearing for Dr. Walter Copan.

We have also had the privilege of working with members of the House and Senate Commerce, Justice, Science and related Agencies (CJS) Subcommittees to restore federal funding for the Baldrige Program. Many in both chambers, and on both sides of the aisle, have shown their willingness to help. In particular, we must thank Senators Richard Shelby of Alabama and Jeanne Shaheen of New Hampshire for their support in the Senate. Together, they crafted a Senate

Subcommittee recommendation for \$2.2 million for the Baldrige Program in FY18. As of this publication we are awaiting final approval of the FY18 Budget.

The Foundation has worked with many other members of Congress, including Senator Shelley Moore Capito of West Virginia. Senator Capito is the first member of Congress to attend a national awards ceremony in recent memory, supporting Charleston Area Medical Center from West Virginia. Congressman Sam Graves from Missouri worked with us and submitted convincing written testimony to the House CJS Subcommittee in support of Baldrige and the positive impact it has made in his district.



Baldrige Foundation President and CEO Al Faber (left) with Dr. Walter Copan, Under Secretary of Commerce for Standards and Technology and Director of the National Institute of Standards and Technology.

In addition to the new administration and Congress, the Foundation has reached out and met with the secretaries of federal agencies to gain support for Baldrige and to partner with them to make Baldrige resources available within their own departments and to those whom

they serve throughout the nation. We recently met with cabinet leaders and their staffs, including Dr. Ben Carson at Housing and Urban Development (HUD); Dr. David Shulkin, Veterans Administration; Elaine Chao, Transportation; Sonny Purdue, USDA; Linda McMahon, Small Business Administration; Betsy DeVos, Department of Education, and many others.

Throughout the federal government and with members of Congress, we are building strategic partnerships where none had previously existed to expand support for the Baldrige Performance Excellence Program. As an example, I recently had the opportunity to sit on a panel at USDA to offer advice to their senior leadership on the important role the Community of Excellence 2026 Framework can play in developing strategies to revitalize rural communities and regions. Our effort may eventually lead to a grant from USDA for several COE2026 pilot regions.

## FUNDRAISING

During 2017, the Baldrige Foundation continued its transformation into a more successful and sustainable fundraising organization and advocate for the Baldrige Program. For the first time in its history, the Foundation achieved Platinum Status in GuideStar®, the world's largest source of information on nonprofit charitable organizations, and was again listed in the U.S. Government's Combined Federal Campaign (CFC) for eligible charities. Both organizations recognize the important work of the Foundation and its impact in all sectors of the economy. I was also invited to serve as the keynote for the CFC kick-off event at the U.S. Department of Commerce (DOC).



## PROMOTING PERFORMANCE EXCELLENCE



Foundation President and CEO Al Faber presents a commendation to Molly Baldrige, daughter of the late Secretary Malcolm Baldrige, for her work in support of the Baldrige Enterprise.

This was a wonderful opportunity to highlight to the NIST and DOC leadership and employees the important contributions the Baldrige Program makes in support of the department's mission.

We also took over the responsibility of Quest for Excellence® sponsorships in FY17, and scaled-up revenue by more than 300 percent over the previous five-year average. We developed major sponsorship opportunities like the Ford Motor Company's sponsorship of the 2016 MBNQA Ceremony, Cisco Systems sponsorship of the first Cybersecurity Workshop, Lilly USA, and others. We also grew new channel partnerships with Walden University, Beyond Feedback, The Synergy Organization, and Amazon Smiles.

This year, we developed a Planned Giving Program to attract legacy gifts and targeted giving opportunities like the Reimann Baldrige Scholarship Fund. We continue to cultivate major gifts and strengthen corporate and individual giving to include online donations as part of national campaigns like #GivingTuesday®.

An important part of the Foundation's mission is promoting performance excellence in the U.S. and throughout the world. Earlier in the year I was hosted by Tata Sons to serve as a keynote for their annual quality conference in Delhi, India, and along with fellow keynote, Molly Baldrige, witnessed first-hand how Baldrige can drive organizational performance across a mega-corporation and all its subsidiaries.

Lifetime Foundation Board Member David Spong and the California state program Board Chair, Denise Shields, invited me to speak at their annual California Leadership Symposium. This innovative program brings leaders together from all sectors of the economy to network and share their leadership experiences. The program was an excellent venue with many state and national award recipients attending. Everyone found it to be a very professional, enriching experience.

I had the opportunity, along with fellow Board Member Paul Worstell, to visit Larry Potterfield and his team at MidwayUSA, a two-time national Baldrige Award recipient and proud claimant of the title, "purest Baldrige colony on the planet." Paul and I were thoroughly impressed at the level of deployment MidwayUSA has achieved with all its employees and their long-term commitment to the Baldrige process. Our Board Chair, Dr. George Benson, and I met with Tom Donohue and his team at the U.S. Chamber of Commerce and discussed the many benefits of Baldrige and how the Chamber could help us promote the framework with U.S. businesses and assist us in advocacy on Capitol Hill.

The Foundation's social media presence continues to grow as part of our overall communication strategy.

Google awarded a \$120,000 grant to the Foundation to expand our online reach and audience, while IBM awarded a communication strategy services grant in the amount of \$68,000 to help build a comprehensive communications plan.

During this fiscal year we developed and implemented three new award categories to complement our existing awards. The E. David Spong Lifetime Achievement Award recognizes senior leaders who have made a sustained contribution to quality and Baldrige. Leadership Excellence Awards recognize leaders in all sectors of the economy that have demonstrated their support of the Foundation and its mission. The consultant

community, led by Lori Kirkland, has contributed to establish the Dr. Curt Reimann Baldrige Scholarship to inspire graduate students and provide recipients the opportunity to attend Baldrige Examiner Training. This is a worthwhile investment in our future leaders in honor of Curt's service and visionary leadership in helping to start the Baldrige program in 1987.

In summary, FY17 proved to be very successful for the Baldrige Program, Foundation, ASQ, and the Alliance programs. With a clear sense of purpose, mission, and strategy, we continue to grow fundraising operations and increase awareness through advocacy. The Foundation's operating costs remained under budget, demonstrating our responsible stewardship of the Foundation's endowment and commitment to sustainability.

On behalf of the Foundation's Board of Directors and staff, I wish to once again thank all of the dedicated men and women across America who volunteer and continue to support this great program that keeps our nation on the leading edge of validated management best practices, and competitive in the global economy, returning enormous benefit to all U.S. citizens.

After three decades, Baldrige continues to be *America's Best Investment!*

Sincerely,



Al Faber  
President and CEO



Baldrige Foundation President and CEO Al Faber delivers a keynote address to the Tata Sons enterprise-wide quality conference in Delhi, India.





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The Foundation would like thank the staff at the Baldrige Performance Excellence Program for their assistance in creating and curating much of the content of this collection. Thanks to the Alliance for Performance Excellence and Communities of Excellence 2026 for their important contributions to this work. We also want to acknowledge the fine photographic work of Mark Hamilton and Hamilton Studios who provided the bulk of the images used here. Thanks also to Rebecca McQuigg of Encompass Media Group for her great skill and vision that guided the design and layout of the Journal.



# A Baldrige Journey

by Dr. P. George Benson  
Chair, Baldrige Foundation Board of Directors

“The systems orientation of the Baldrige Framework makes it particularly useful as a guide and point of reference for those with the broadest, most far-reaching responsibilities and influence on the organization and its future: Its board of directors.”

The quality revolution in the United States, and particularly the development of what is now called the Baldrige Excellence Framework, has had a profound impact on business, health care, education, and nonprofit organizations, as well as on my own professional evolution. It is a unique and powerful tool that makes organizations across the economy more effective and efficient, ultimately benefiting patients, students, shareholders, and customers.

As a PhD student at the University of Florida’s Warrington College of Business in the early 1970s, I focused on decision theory, statistics, and economics. I began teaching statistics and decision theory at the Carlson School of Management at the University of Minnesota in 1977. It was shortly thereafter that the quality revolution began sweeping across the world’s manufacturing sectors, led largely by the work, writings, and presence of W. Edwards Deming. His influence changed my view of business, and this radically changed my approach to teaching introductory business statistics.

Like nearly all statisticians, I had been teaching a series of statistical methods across the semester supported by business examples. The methods were primarily aimed at making inferences about populations of interest (e.g., customers, employees, or products). With the new approaches to quality management inspired by Deming, Juran, Ishikawa, and others, I refocused my courses on both populations and processes. But shortly thereafter I completely reframed the course by first teaching process management and then showing how the various statistical methods support the information and inference needs of process management.

With the development and launching of the Baldrige Criteria in the late 1980s, systems thinking—with which many business faculty were already familiar—was introduced to the business world. I again reframed my business statistics course by introducing systems thinking to motivate the entire content of the course including process management. And I brought systems thinking to life and made it practical for the students by introducing them to the Baldrige Criteria, the world’s premiere guide to practical systems thinking, then and now. Today, I use the recently developed Baldrige Excellence Builder in class rather than the full Baldrige Criteria. It is simpler for beginning systems thinkers to understand and use.

As the Baldrige Criteria expanded beyond business to the education, health care, and nonprofit sectors of the economy, my course evolved from its initial focus on business to its focus today on organizations of all kinds.

In 1993, I became the Dean of Rutgers Business School at Rutgers University and for the first time began to apply the Baldrige Criteria as an organizational

leader. Success at Rutgers led to the deanship at the Terry College of Business at the University of Georgia (1998-2007) and from there to the Presidency of the College of Charleston (2007-2014). During those leadership years I was recruited to seven corporate boards and am still a member of the boards of directors of three publicly traded companies: AGCO Corporation, Crawford & Company, and Primerica, Inc.

The systems orientation of the Baldrige Framework makes it particularly useful as a guide and point of reference for those with the broadest, most far-reaching responsibilities and influence on the organization and its future: Its board of directors.

As a director, I use the Baldrige Criteria and the Baldrige Cybersecurity Excellence Builder in three ways:

1. I use the Organizational Profile to guide my study and understanding of the company and the organizations that the company deals with (e.g., customers, suppliers, competitors, and takeover targets).
2. In studying the board book before each board meeting, I use the questions in the relevant criteria categories to help frame the questions I will ask in discussing board meeting topics with management and my fellow directors, and in suggesting related metrics for management to consider using.
3. I use the chains of related questions that flow from the Organizational Profile to the first six categories to the Results Category to develop deeper systems-level questions for management. I might use the exact chain of questions from the Criteria, or more typically, use those questions to develop or suggest my own versions.

My personal Baldrige journey has also included becoming a member of the Judge's Panel for the Malcolm Baldrige National Quality Award (1987-1999), a member of and Chair of the Board of Overseers for the Baldrige Award (2005-2007), and then a member of the Board of the Foundation for the Malcolm Baldrige National Quality Award (2007-present), where I have been the Board Chair since 2013. It has been a rewarding journey, full of personal growth, and I am pleased and proud to have been a Baldrige volunteer for over two decades.





# 2016 Malcolm Baldrige National Quality Award Recipients

The 2016 Malcolm Baldrige National Quality Awards were presented on April 2, 2017, in Baltimore, Maryland, to four exemplar organizations. Since Congress established the Baldrige Award in 1988, the award cycle was completed for the 29th time in 2016. Through 2016, 113 Baldrige Awards were presented to 106 organizations (including seven repeat recipients).

Originally, Congress authorized the awards to be presented in three sectors, Manufacturing, Service, and Small Business. Eligibility for the award was expanded in 1998 to include education and health care, and again in 2007 to include nonprofit organizations. The manufacturing sector has the largest number of award recipients all time with over 27 percent of the awards, but since Congress added the new sectors in 1998, the Health Care category has dominated all recipients, with small business second.

There were four recipients in 2016 that continued that trend. Two of the Baldrige Award recipients in 2016 are from the Health Care sector and two are from the Small Business sector.

The 2016 recipients are:

- Don Chalmers Ford, Rio Rancho, New Mexico (small business)
- Momentum Group, Irvine, California (small business)

- Kindred Nursing and Rehabilitation Center – Mountain Valley, Kellogg, Idaho (health care)
- Memorial Hermann Sugar Land Hospital, Sugar Land, Texas (health care)

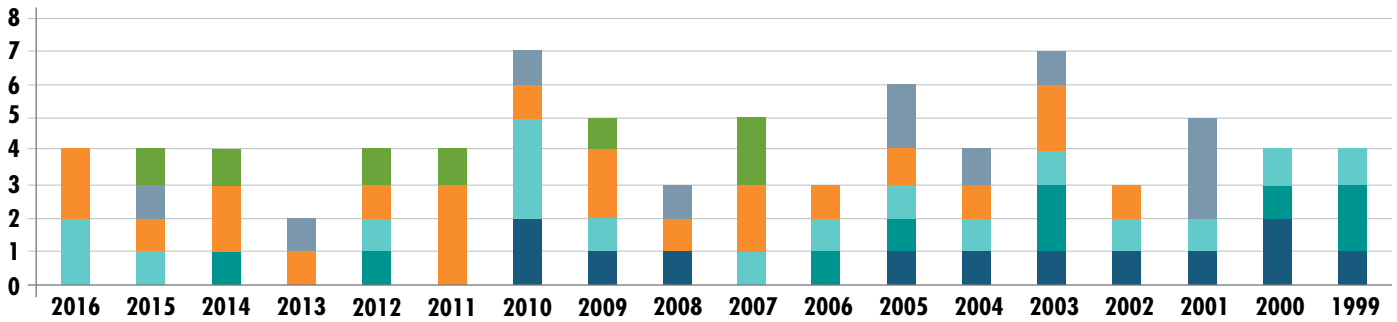
It was a wonderful night, with hundreds of people paying tribute to the great work and accomplishments of these fine organizations. Secretary of Commerce Wilbur Ross represented President Trump and presented

the awards, praising the award-recipient organizations as “the best of America’s business,” and saying that he and the President had “picked up the baton” and were committed to continuing to build on the work of Malcolm Baldrige.

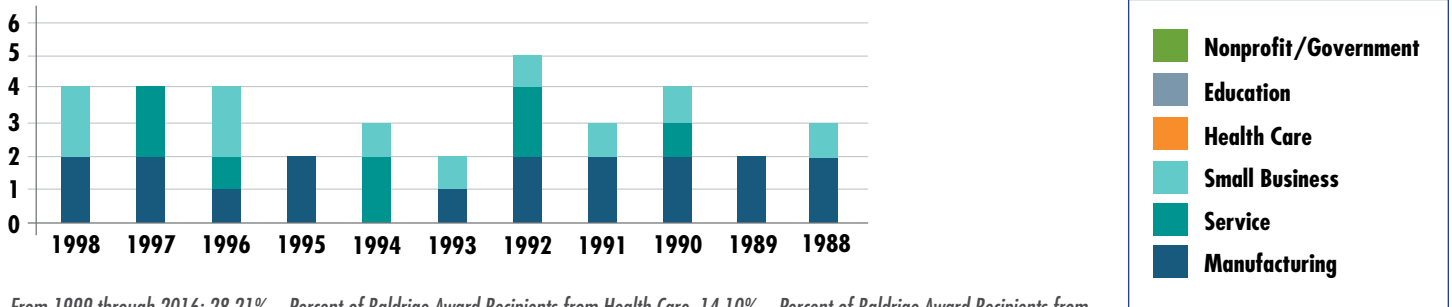


U.S. Commerce Secretary Wilbur Ross presenting the 2016 Malcolm Baldrige National Quality Awards.

## BALDRIGE NATIONAL QUALITY AWARD RECIPIENTS BY SECTOR



## CONGRESS AUTHORIZES THE HEALTH CARE AND EDUCATION SECTORS IN 1998, NONPROFIT/GOVERNMENT IN 2007



From 1999 through 2016: 28.21% – Percent of Baldrige Award Recipients from Health Care, 14.10% – Percent of Baldrige Award Recipients from Education, 16.67% – Percentage of Baldrige Award Recipients from Nonprofit/Government



Representatives of the four award-winning organizations on stage at the Baldrige Award ceremony, representing (from left) Don Chalmers Ford, The Momentum Group, Kindred Nursing and Rehabilitation, and Memorial Hermann Sugar Land Hospital.



# Don Chalmers Ford Rio Rancho, New Mexico

**D**on Chalmers Ford is an independent business franchised to represent the Ford Motor Company in vehicle sales and service in Rio Rancho, New Mexico, a city of 94,000 just outside Albuquerque. The company motto, “Real Value, Real People, Real Simple,” is brought to life by Don Chalmers Ford’s commitment to “customers, quality, and community.”

Providing customers with an innovative, non-traditional dealership experience is key; for example, visitors are always welcomed by a greeter when entering the showroom, which is designed to surround them with a relaxed, “art gallery” atmosphere.

Don Chalmers Ford is the only automobile dealership to receive the Quality New Mexico Zia Award for Performance Excellence, the state recognition based on the Baldrige Award. The company has a workforce of 182 employees and recorded \$126 million in gross sales in 2015.

- Don Chalmers Ford has received the highest national recognition for customer satisfaction and market share available to Ford dealerships 13 times over the last 17 years. This feat has only been accomplished by 4 percent of domestic Ford dealerships.
- Don Chalmers Ford’s total sales volume increased from \$109 million in 2012 to \$126 million in 2015. Total dealership gross profit increased by 13 percent during the same period, with the percentage of gross profit growth in 2015 exceeding Ford’s national benchmark level by 8.4 percent.
- New employees at Don Chalmers Ford are mentored by senior leaders and work with the general manager using the firm’s “How I Connect” guide that aligns each individual’s role to the company’s core values and to delivering the “DCF Experience.” This has helped increase the retention rate of sales consultants from 56.3 percent in 2011 to 71.4 percent in 2015, significantly higher than the national average of 26 percent for non-luxury brand dealerships.

- Process performance is analyzed on a daily, weekly, and monthly basis. In-process and end-process measures are used to control and identify opportunities for improvement of work processes. Of the current 20 in-process measures reported for support processes, 75 percent are currently at or above benchmark levels.



2016 Baldrige Award Winner: Don Chalmers Ford. From left-to-right: Acting U.S. Under Secretary of Commerce for Standards and Technology and Acting NIST Director Kent Rochford, Chairman of Foundation for the Malcolm Baldrige National Quality Award Dr. P. George Benson, Chalmers Ford General Manager and Dealer Principal Gary Housley, Chalmers Ford Director of Performance Excellence Lee Butler and U.S. Secretary of Commerce Wilbur Ross.



Chalmers Ford General Manager and Dealer Principal Gary Housley accepts the 2016 Baldrige Award.

# Momentum Group

## Irvine, California

**M**omentum Group, headquartered in Irvine, California, started in 1994 as one of the smallest contract textile distributors in the United States. Today, the company is a recognized leader in the commercial interiors industry, creating exclusive, design-focused fabrics for customers that include architectural and design firms, and commercial furniture manufacturers.

Momentum Group set the foundation for its Quality Process Improvement System through initiatives such as forming a quality leadership team, developing problem solving groups, providing all employees with quality training, and benchmarking and implementing a best-in-class recognition program.

Momentum Group employs a workforce of 150 at its corporate offices in Irvine, design center and warehouse in North Carolina, warehouses in Michigan and California, showrooms in Illinois, New York, and Texas, and individual sales and remote employee offices across the nation.

- In support of its core value of “bettering the world around us,” Momentum Group was the first in its industry to offer a full textile product line of reduced environmental impact fabrics.
- In just over two decades, Momentum Group’s sales have grown more than 400 percent and outperformed the industry for 19 years out of the 22 that the firm has been in business.
- Momentum Group has invested in process upgrades that have reduced sample production time by 50 percent and improved sample yield per yard by 20 percent.
- High levels of leadership trust and respect support a “no-blame” philosophy that allows employees at all levels to take supported intelligent risks. Strong communications and transparency drive the mission, vision, and values, as well as a focus on action throughout the organization.



2016 Baldrige Award Winners: Momentum Group. From left-to-right: Acting U.S. Under Secretary of Commerce for Standards and Technology and Acting NIST Director Kent Rochford, Chairman of Foundation for the Malcolm Baldrige National Quality Award George Benson, Momentum Group Director of Strategic Process and Improvement Patricia Dominguez, Momentum Group CEO and President Roger Arciniega and U.S. Secretary of Commerce Wilbur Ross.



Momentum Group CEO and President Roger Arciniega accepts the 2016 Baldrige Award.



# Kindred Nursing and Rehabilitation Center – Mountain Valley Kellogg, Idaho

**P**roviding hope and promoting healing and recovery: that is the mission of Kindred Nursing and Rehabilitation – Mountain Valley, a 68-bed skilled nursing center in Kellogg, Idaho, a rural community set in the foothills of the Rocky Mountains. Kindred – Mountain Valley is operated by Kindred Healthcare Inc., a for-profit corporation with approximately 90 centers across the nation.

Kindred – Mountain Valley provides skilled nursing and rehabilitation services for patients who require short-term (six months or less) and long-term (longer than six months) care. The center has 92 employees on staff and reports a total net revenue of \$6.4 million.

- For seven consecutive years, Kindred – Mountain Valley has achieved a five-star quality rating—the highest possible—from the Centers for Medicare and Medicaid Services. Less than 1 percent of 15,600 skilled nursing facilities nationwide achieved the five-star rating over that period of time.
- One-hundred percent of Kindred – Mountain Valley residents and family members surveyed have expressed either “very” or “extreme” overall satisfaction levels since 2013, which is above the national industry average by 20 percent for residents and by 10 percent for families.
- Kindred – Mountain Valley maintains a 90 percent employee retention rate, which is more than 20 percent above the national industry average.
- Kindred – Mountain Valley’s occupancy rate of 89 to 90 percent has exceeded national and state benchmarks from 2010 to 2016.
- Kindred – Mountain Valley was listed in 2016 by U.S. News and World Report as one of the “Best Nursing Homes” in the United States. The center received five-star scores—the highest possible—in all three rating categories: health inspections, nurse staffing, and quality measures.
- In 2016, Kindred – Mountain Valley received a “deficiency-free survey” from the Idaho Department



2016 Baldrige Award Winner: Kindred Nursing and Rehabilitation. From left-to-right: Acting U.S. Under Secretary of Commerce for Standards and Technology and Acting NIST Director Kent Rochford, Chairman of Foundation for the Malcolm Baldrige National Quality Award George Benson, Executive Director Maryruth Butler, Activity Director Emilee Kulin, and U.S. Secretary of Commerce Wilbur Ross.



Kindred Nursing and Rehabilitation’s Executive Director Maryruth Butler accepts the 2016 Baldrige Award.

of Health, which requires each nursing and rehabilitation facility in the state to be thoroughly inspected and evaluated in areas such as safety, quality of care, patient rights, food service, nursing care, and administration.

- Kindred – Mountain Valley earned the 2011 Gold – Excellence in Quality Award from the American Health Care Association/National Center for Assisted Living. The national honor is based on the Baldrige Award.



# Memorial Hermann Sugar Land Hospital

## Sugar Land, Texas

Memorial Hermann Sugar Land Hospital is part of the Memorial Hermann Health System, the largest not-for-profit health system in Southeast Texas. Memorial Hermann Sugar Land is a 149-bed, full-service acute care community hospital located in Sugar Land, Texas, and serves Fort Bend County, a populous region of nearly 700,000 just southwest of Houston. The organization excels by “bringing together quality, safety, and a family-caring-for-family approach” that “sets the pace for the hospital of tomorrow.”

Memorial Hermann Sugar Land also is the anchor for more than 20 associated care centers in the Sugar Land area that provide primary and specialty care services in cardiology, diagnostics, emergency care, imaging, occupational therapy, oncology, physical therapy, rehabilitation, sleep disorders, speech therapy, sports medicine, surgery, and urgent care.

Staffed by 641 employees, Memorial Hermann Sugar Land operates with a revenue of \$135 million.

- Memorial Hermann Sugar Land ranks among the top 10 percent nationally for a number of performance metrics, including emergency center arrival-to-discharge time, compliance with regulations to reduce medication errors, bed turnaround times, radiology and laboratory result turnaround times, and the use of computerized physician order entry.
- Retention results for fiscal year 2016 are at 90 percent for employee partners, 100 percent for physician partners, and 90 percent for volunteer partners, all comparable to or exceeding national benchmarks. Additionally, the first-year retention rate for all partners is nearly 75 percent, exceeding the national level.
- Patients said they were “likely to recommend” several service lines and departments—including day surgery, emergency care, gynecology, orthopedics, and women’s health—at levels that put Memorial Hermann Sugar Land in the Press Ganey Associates 90th percentile for this measure.

- Since 2011, Memorial Hermann Sugar Land’s focus on patient safety has led to zero “never events” (medical errors that should never occur) related to pressure ulcers, ventilator-associated pneumonia, transfusion reactions, and deaths from normally low mortality conditions.
- Readmission rates at Memorial Hermann Sugar Land for acute myocardial infarction, congestive heart failure, and pneumonia are lower than those recorded by hospitals nationwide for this measure, according to the Centers for Medicare and Medicaid Services.
- Compliance rates for hand-hygiene regulations—recognized as the most important method for reducing the spread of pathogens in a health care facility—have matched or exceeded the national benchmark set by the Centers for Disease Control and Prevention for top 10 percent performance.



Memorial Hermann Senior Vice President and CEO Greg Haralson accepts the 2016 Baldrige Award.



2016 Baldrige Award Winner: Memorial Hermann. From left-to-right: Acting U.S. Under Secretary of Commerce for Standards and Technology and Acting NIST Director Kent Rochford, Chairman of Foundation for the Malcolm Baldrige National Quality Award George Benson, Memorial Hermann Vice President of Operations Malisha Patel, Memorial Hermann Senior Vice President and CEO Greg Haralson, and U.S. Secretary of Commerce Wilbur Ross



# The Baldrige Impact in Education

by Dr. Kathryn K. Eggleston  
Vice Chair, Baldrige Foundation Board of Directors

“Baldrige provides a framework for educational organizations to move beyond the conventional posture of compliance to one that advances an integrated systems perspective aligning vision, mission, strategic priorities, and processes to achieve high-quality performance results.”

As a nation, we aspire to the highest quality education for our children and communities. Our future economic prosperity and community vitality are closely tied to the success of our educational system. Greater student success results in more students earning high school diplomas and performing at college-ready levels, earning college and university degrees, certifications, and professional advanced degrees, and securing well-paying jobs and careers.

Upward economic opportunity and mobility are directly linked to educational attainment, particularly for large numbers of first-generation-college-going students. For all students to achieve to their fullest potential, regardless of geographic location, socio-economic status, or ethnicity, requires consistently exceptional educational opportunities, guided pathways, and quality performance standards. Baldrige provides a proven road map for visionary leaders to attain performance results that can elevate communities through high quality education while growing competitive business success through a strong, well-trained workforce.

Baldrige provides a framework for educational organizations to move beyond the conventional posture of compliance to one that advances an integrated systems perspective aligning vision, mission, strategic priorities, and processes to achieve high-quality performance results. The Baldrige Framework helps schools be intentional in achieving key efficiencies and effectiveness outcomes, continuously improving those outcomes over time. The Baldrige ethos, in which role-model organizations share best practices, inspires and encourages other schools to become part of the Baldrige success story.

My personal journey with Baldrige began some 20 years ago, attending my first Texas Quality Examiner training as a member of the Richland College Senior Leadership Team. We became students of Baldrige and saw our organization’s performance results improve over time. Our Baldrige discipline resulted in Richland College becoming the first community college recipient of the Malcolm Baldrige National Quality Award in 2005. Thirteen years later, I continue to be impressed again and again with the power of the Baldrige Framework to transform organizations. Richland College continues to embrace the Framework to inform our strategic planning, scanning the environment and benchmarking high performing organizations both inside and outside of the education sector. We adapt best practices and innovative thinking. Richland College also uses Baldrige discipline to inform its national Achieving the Dream Leader College initiatives in promoting equity, access, and success in higher education.

The Baldrige framework also asks organizations to reflect on their impact on societal well-being and encourages innovation in delivering results



*Dr. Kathryn Eggleston (center) speaks with Jane Benson (right) and Dr. Mark Wayda, the Baldrige Foundation's Vice President of Marketing.*

for key communities. Its non-prescriptive approaches help educational organizations integrate innovative practices and initiatives in achieving student-centered excellence.

In the public school sector, for example, one school district in Colorado used the Baldrige Framework to improve student outcomes to equal or higher levels than larger, wealthier school districts with more resources. Through systematic, measured improvements, a Wisconsin school district increased its college-going rates to top percentage levels over five years. An independent academic intervention program in San Diego used the Baldrige Excellence Framework for Education, in partnership with other community entities, to provide focused help to an at-risk population. They have been able to achieve significant improvements in graduation rates, college enrollment, and student satisfaction that have transformed thousands of lives.

One important benefit of Baldrige is the Baldrige network of organizations, across all sectors and worldwide, that continuously pursues performance excellence. This Baldrige community helps Richland College and the entire education sector adapt such important concepts as organizational sustainability, competitive environment and position, and organizational strategy. As a local community begins to see the difference Baldrige makes in the lives of its students, its workforce, its patients, and its residents, quality becomes less a hope and more an expectation to be realized.



# 6 Steps (+ 4 Tips) to Improve Cybersecurity with a Baldrige Tool

by Christine Schaefer, Baldrige Performance Excellence Program,  
National Institute of Standards and Technology



When the Baldrige Program last year published the Baldrige Cybersecurity Excellence Builder ([www.nist.gov/baldrige/products-services/baldrige-cybersecurity-initiative#bceb](http://www.nist.gov/baldrige/products-services/baldrige-cybersecurity-initiative#bceb))—a self-assessment resource focused on cybersecurity—Steffani Webb was eager to adopt and share it with members of her team. As vice chancellor for administration at the University of Kansas Medical Center (KUMC), Webb had already been using the more comprehensive Baldrige Excellence Framework ([www.nist.gov/baldrige/publications/baldrige-excellence-framework](http://www.nist.gov/baldrige/publications/baldrige-excellence-framework)) with her department’s staff to improve administrative operations since she assumed her position in 2011.

Webb and her KUMC colleague Tom Field, associate vice chancellor for organizational improvement, had established staff training to facilitate use of the Baldrige framework. Favorable results ([www.nist.gov/blogs/blogrige/boosting-workforce-engagement-bottom](http://www.nist.gov/blogs/blogrige/boosting-workforce-engagement-bottom)) included higher engagement and morale among the KUMC support staff—and improved service

to their internal customers on campus (as shared in a 2014 blog).

Webb’s learning experiences as a Baldrige Executive Fellow—and her and Field’s work as volunteer Baldrige examiners in recent years—heightened their appreciation for the systems perspective of the Baldrige framework and the self-assessment questions that make up its Criteria for Performance Excellence. Their familiarity with the Baldrige assessment approach made using the Baldrige Cybersecurity Excellence Builder (BCEB) relatively easy.

The BCEB integrates the core concepts and categories of the Baldrige Criteria with the concepts and principles of the National Institute of Standards and Technology’s Cybersecurity Framework ([www.nist.gov/programs-projects/cybersecurity-framework](http://www.nist.gov/programs-projects/cybersecurity-framework)). So in using the BCEB today, KUMC staff members are applying the same self-assessment approach of the Baldrige Excellence Framework to cybersecurity. “Our overarching purpose is to develop an action plan

for cybersecurity using the BCEB,” said Webb of her Information Security Team’s work using the BCEB.

*“The BCEB helps not just with the “how,” but with the “who,” by calling out specific relationships with suppliers, etc. This helps us organize on paper who are all the stakeholders we’re dealing with and how to get them involved, especially since information security should be an all-organization function.”*

### **Step 1. Establishing an Information Security Office**

In the early stages of this work last year, Webb initiated key changes in the organization of KUMC’s information technology (IT) and information security (IS) functions to separate them and elevate the position of the information security director. John Godfrey, who had held the position, used to report to KUMC’s chief information officer (CIO), Webb explained. But with his input, she created the position of chief information security officer (CISO) and moved the director of information security position to report to the CISO. With separate departments today, the CIO and CISO both report to Webb, and the IS director reports to the CISO. “Conflicts of both interest and resource allocation can occur with the historical approach of having the information security officer report to the CIO,” said Godfrey, who was promoted to the CISO position in the restructuring.

The Information Security Team that is using the BCEB at KUMC now includes the CISO (Godfrey); the new IS director (Jeremy Pennington); a program manager within the CISO office (Daniel Cox); and four information security analysts (Joseph Nimoh, Alexeo Smith, Jason Sells, and Katie Bratman). Webb and Field have joined the team to facilitate regular discussions on the BCEB.

In addition to the BCEB, Godfrey explained, KUMC continues to use the NIST Cybersecurity Framework (or CSF, as he calls it). Describing the complementary value of the two NIST resources on cybersecurity, Godfrey said, “The BCEB addresses the process and delivery ‘side of the house’ throughout the

organization, whereas the CSF is more technical and controls-focused. This is the key difference.”

Added Pennington, “The big difference I see here is that the BCEB allows us to bridge the gap and implement what is listed as necessary in the NIST Cybersecurity Framework.”

### **Step 2. Delineating Roles and Responsibilities**

“A focus on the customer is inherent in [the process and delivery referenced by Godfrey],” Webb pointed out. “This team is really good at that.”

In a group interview, Pennington, Cox, Bratman, Sells, Nimoh, and Smith described how their use of the BCEB has helped them better understand their own role and to engage their customers (i.e., other employees within the medical center and key partners) in protecting the organization and helping to achieve the mission of the information security office.

“We have the concept that information security isn’t just done by our group here. It’s done by the whole organization,” said Cox. “[The BCEB] helps not just with the ‘how’ but with the ‘who,’ ... by calling out specific relationships with suppliers, etc. This helps us organize on paper who [are] all the [stakeholders] we’re dealing with and how to get them involved, especially since information security should be an all-organization function.”

Nimoh, who is a newer team member, explained that before coming to KUMC, he found that being an IS staff member meant frequently “saying no” to other employees in order to protect information. However, “Information security [in this environment] is not just saying ‘no’ but, rather, explaining why,” he said. Godfrey agreed, adding, “Our focus has changed from primarily operating as a team that ‘tells’ others what to do, to one that ‘asks’ for their help in achieving our mission. This approach has helped the team to achieve deeper levels of trust, cooperation, understanding, and overall effectiveness.”

“Security starts with everyone,” said Smith. “This framework is helping us, and it’s important to get all the other departments to see that because it takes all the other departments [to make this effective].” According to Godfrey, many security professionals today are being pushed to use the language of the

business more and technical language less. So he found the way the BCEB is written to be helpful.

“One thing I found striking about the BCEB is that most of the content is written in the language of business, which then connects back to the language of technology and security,” he said. “There were instances where language in the BCEB caused us to reflect on what was meant because things can mean different things to different functions.”

*“One thing I found striking about the BCEB is that most of the content is written in the language of business, which then connects back to the language of technology and security.”*

### **Step 3. Completing an Organizational Profile**

“We’re a small group that receives a large and continuously growing volume of requests,” Webb said of the IS staff at KUMC. “This very customer-oriented group often felt underappreciated because customers were asking why things were taking so long.”

However, she said they gained new insights as they were responding to the self-assessment questions in the Organizational Profile, the prefatory section of the BCEB. “They realized they were doing things that they didn’t need to be doing and that they needed to develop a systematic approach to the intake of requests,” she said. “Thus, they improved their intake process.”

Cox added, “When we talk about the services we listed out [in the Organizational Profile] and our key initiatives, we’ve found new ways to relate to our customers.”

“As part of the process of going through this,” said Webb, “something that’s been helpful is the growing awareness of how they fit within the context of the broader organization.” She further explained, “They used to see all the burden of preventing cyber disasters as falling on them. Now they understand that it is a shared responsibility, including senior leadership. Now, when they see a need to make recommendations to the senior leadership to support risk management throughout the organization, they are empowered to do so. This team understands that they are not the ‘no people’ or the ‘yes people.’”

Webb attributes this new insight to the work not only of developing the Organizational Profile but also to using the BCEB questions in the six process categories, “all of which helped the IS staff better understand the roles, relationships, and leadership structures throughout the organization,” she said. “[The IS staff] now has a more holistic view of things.”

Sells agreed by describing his experience as a new team member: “When we started [using the BCEB] in May, one of the first things we talked about was the difference between being a reactive team and being an aligned and proactive team,” he said. “We’re still in the state operationally where we have to be able to do everything (due to our staff’s small size), but the BCEB has been helpful by showing us how we can delineate the different functional roles on the team.”

Bratman, too, affirmed that “in our discussion of roles and responsibilities on our team ... as we sorted it out, it was really helpful.”

### **Step 4. Responding to the BCEB Assessment Questions**

Webb explained that the group started responding to BCEB self-assessment questions in the last category (Results) first. “We started with category 7 so we could know our results and prioritize areas for improvement,” she said, “then we worked our way through the process categories.”

As an example of insights gained in considering the assessment questions, Webb described how, in relation to category 1 (Leadership), “the Information Security Team talked about the importance of building trust” in order to be effective in their work of supporting and educating other KUMC employees about cybersecurity risks.

### **Step 5. Educating the Whole Organization**

Given that the Information Security Team wants to be accountable for its work, said Webb, but doesn’t have the power to control all risks, educating the rest of the workforce is critical to their success.

“We have a process now so that when [an employee] wants to do something that the IS staff considers too risky based on analysis, they have to sign off on a documented statement affirming they understand the specific risks and are choosing to go forward anyway due to business reasons,” said Webb. “This

has made a huge difference in showing others [in the organization] how they are accountable for information security, too.”

She pointed out that the BCEB states that cybersecurity is a whole-organization responsibility. “When we have tools like this, we can take a difficult situation, apply what we’ve learned, and develop a new way forward,” she added.

The BCEB has further helped the team in regard to their communications and cybersecurity awareness activities. According to Godfrey, the IS staff has been using fish-shaped candies in its cybersecurity educational efforts, “handing them out to KUMC employees, to help educate them because phishing attempts through email currently are the number-one cybersecurity risk on campus.”

Pennington even dressed up as a fisherman last Halloween as part of his office’s campus-wide cybersecurity awareness efforts.

*“The BCEB states that cybersecurity is a whole-organization responsibility. When we have tools like this, we can take a difficult situation, apply what we have learned, and develop a new way forward.”*

### **Step 6. Measuring and Improving Results**

Refining measures related to the BCEB continues to be a work in progress, said Webb, particularly figuring out which results data are the most important for the organization to track.

According to Pennington, among two primary metrics for IS staff, the first are compliance-driven (a starting point), whereas impact metrics (including data on how the culture has changed to support cybersecurity) come with organizational maturity.

An impact measure related to behavioral change might be the number of compromised Internet accounts and the trend in those numbers, he said. Another impact measure might be the number of people proactively handling spam emails (i.e., forwarding them to IS staff before they are asked to do so because they recognize the risk).

“That’s also sort of an engagement measure, too,” said Webb. She suggested another measure of success is that the IS staff evidently looks forward to the group’s regular meetings about the BCEB despite its workload concerns.

As more examples of the positive impact of the IS staff’s work, Godfrey shared how a busy leader takes the time to flag suspicious emails and another leader sought guidance on how to craft internal communications so that they would not look like phishing attempts.

Godfrey further shared that KUMC has contributed to benchmark measures for use with the NIST Cybersecurity Framework. “We’ve done a self-assessment against the CSF. Since there aren’t common benchmarks for these, we worked with other health care organizations and aggregated data ... so we can benchmark our maturity. We’ve helped to create benchmark data for our vertical and the region for the CSF.”

“The feeling is that we’re moving in a direction that is extremely positive and has the potential to be very successful,” said Cox. “You notice that in who’s talking about cybersecurity. ... and the time that [non-IS staff members] have put into this. ... not because something bad is happening but because we want to be successful. This framework has allowed us to open the door to a lot more people for this conversation.”

### **KUMC’S TIPS ON USING THE BCEB**

Start by identifying staff members’ primary responsibilities and activities in a spreadsheet/table. Complete the Organizational Profile to ensure a shared understanding of the scope of the information security function.

Begin answering BCEB assessment questions in category 7 (to begin with the end in mind, which helps you understand what parts of your organization need more focus in the process categories); then proceed to categories 1 through 6.

Make sure your organization’s leaders approach the BCEB process with open minds (particularly recommendations that may result from discussions). Create sufficient time and regular meetings for completing a full BCEB assessment (weekly until you can get through it).



# PHOTOS FROM THE 29<sup>TH</sup> ANNUAL QUEST FOR EXCELLENCE® CONFERENCE







# The Baldrige Community Celebrates the 29<sup>th</sup> Annual Quest for Excellence®

Baltimore, Maryland | April 2-5, 2017

Nearly a thousand senior leaders, quality professionals, friends and supporters of the Baldrige Enterprise gathered here April 2-5, 2017, for the 29<sup>th</sup> Annual Baldrige Quest for Excellence® Conference. Each year, Quest for Excellence is an opportunity for the Baldrige community to come together, to share best practices, and to learn from one another. The highlight was the presentation of the Malcolm Baldrige National Quality Award to the 2016 Recipients by new Secretary of Commerce, Wilbur Ross.

“This year we are especially pleased that the new Secretary of Commerce presented the National Quality Awards,” said Al Faber, President and CEO of the Baldrige Foundation, the primary funding arm of the Baldrige Program. “Wilbur Ross is one of the nation’s most respected businessmen, and we are honored to have him with us to usher in this new era for Baldrige.”



Secretary of Commerce Wilbur Ross (left) takes the podium at the 29th Annual Malcolm Baldrige National Quality Awards presentation ceremony, April 2, 2017. With him are Acting NIST Director/Acting Under Secretary of Commerce for Standards and Technology, Kent Rochford (center) and ceremony emcee Dr. George Benson, Chair of the Board of Directors of the Baldrige Foundation.

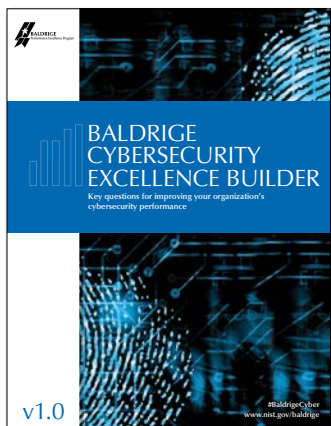


Those familiar with Baldrige have long understood its value. An independent study conducted in 2011 demonstrated a return on investment of 820:1 (showing for each dollar spent on the Baldrige Program, an economic impact of \$820 was realized back into the economy). "From the beginning, in 1988, the Baldrige Criteria and the Baldrige Awards were designed to trigger transformational chain reactions that would yield a stronger, more competitive economy and a better quality of life for the people of this country," said Foundation Board Chair and former President of the College of Charleston, Dr. George Benson.

Secretary Ross was certainly in agreement with Dr. Benson, saying in his official remarks, "The Malcolm Baldrige National Quality Award is the only award for excellence granted by the President of the United States, and it is only fitting that he do so because this public-private partnership generates \$1 billion per year in economic impact."

During the event, emceed by Dr. Benson, Secretary Ross presented four organizations with the Baldrige Award. The 2016 honorees are:

- Don Chalmers Ford, Rio Rancho, New Mexico (small business)
- Momentum Group, Irvine, Calif. (small business)
- Kindred Nursing and Rehabilitation Center - Mountain Valley, Kellogg, Idaho (health care)
- Memorial Hermann Sugar Land Hospital, Sugar Land, Texas (health care)



## BALDRIGE EXPANDS INTO CYBERSECURITY

This year the Quest Conference began with the Cybersecurity Pre-Conference Workshop sponsored by Cisco Systems, and the release of the Baldrige Cybersecurity Excellence Builder, a 32-page self-assessment guide that

organizations can use to better assess and manage cybersecurity risks. The guide is based on the popular, NIST Cybersecurity Framework, widely used in the both the public and private sectors, and on the Baldrige Excellence Framework.



Baldrige Performance Excellence Program Director Bob Fangmeyer leads a panel discussion on best practices with representatives of the four Baldrige Award Recipients.

"From its inception in 1987," said Faber, "it has been understood that the Baldrige process applies to virtually any sector of the economy and any type of organization. Cybersecurity is the latest application of Baldrige principles to deal with a new set of challenges in the information age."

Congress originally authorized awards in the Manufacturing, Service and Small Business sectors. As Baldrige was adopted by other organizations, Congress added the health care and education sectors in 1998, and a government and nonprofit sectors in 2005.

"Baldrige can be adapted and scaled to meet virtually any organizational model," Faber said, "and is on the forefront of dealing with one of the greatest challenges of the modern era, threats to cybersecurity. The Baldrige Cybersecurity Excellence Builder is the first of what we hope will be a broader arsenal of Baldrige-based tools to help secure our nation's critical cyber infrastructure."

## PARTNERS, SPONSORS AND SUPPORTERS

The Baldrige Foundation has been spending a great deal of time and energy building relationships in America's boardrooms. "Our primary goal," says Faber, "is to rebuild the Foundation's endowment to ensure the continuing and long-term viability of the Baldrige Program. We are also working on public funding in the form of a federal appropriation to give us time to accomplish that, but ultimately, it is forming relationships with the right people in the private sector and partnering with them that will secure the future of the Baldrige Enterprise."

The Foundation took center stage Monday and Tuesday to celebrate several organizations that have already stood-up and demonstrated their support for Baldrige.

“We were very happy to announce that the Ford Motor Company, one of America’s iconic businesses, became a major supporter of the Baldrige Foundation in 2017,” said Faber, “along with the continued and growing support of the American Hospital Association, the College of Healthcare Information Management Executives, Cisco Systems, the American College of Healthcare Executives, and a host of others.”

The Foundation also announced a new strategic corporate partnership with Walden University. “We have been honored to partner with the Synergy Organization and Beyond Feedback for the past

several years,” said Faber. “This partnership with Walden is another way for us to provide a real service to thousands of examiners, judges and volunteers that are central to the Baldrige process.”

“Through our alliance with Walden, the Baldrige community will have the opportunity to gain relevant knowledge that can be applied immediately in their careers and roles to directly affect solutions to critical societal problems,” said Dr. Freda Turner, Dean of the School of Management at Walden University. “We look forward to joining forces with Baldrige to offer educational opportunities that focus on real-world challenges and inspire positive social change.”

The Baldrige family also continues to serve as engaged ambassadors for the Baldrige Foundation and Program. Molly Baldrige, daughter of Secretary Baldrige, was the keynote speaker at the Foundation’s Annual Dinner in 2016, and she returned to Quest in 2017 to continue to show her personal support, as well as that of her family.

“Molly’s presence truly invigorates this community,” Faber said. “It is not just the love for her father that she shows so clearly, but her continued commitment to the quality movement that bears his name and which connects us all.”

As Molly Baldrige said during her comments at the Examiner recognition event, “There is no better effort to make for our country than to strengthen its organizations by making them more efficient and competitive, and it’s been proven that Baldrige does that across all sectors of the economy.”

Molly and her family, mother Midge and sister Megan, are taking action to back up those words. Together, they have made the largest single gift to the Foundation in its nearly 30-year history, and they have challenged others to join them. “We sincerely hope,” Molly Baldrige said, “that companies and organizations will join the Baldrige family in support of such a worthy cause.”

## EXAMINER RECOGNITION CEREMONY

Each year more than 400 professionals from across all sectors of the economy serve the National Baldrige Performance Excellence Program as examiners. It is considered an honor to be chosen by the program, which receives examiner applications from around



The Foundation presented these beautiful crystals to ten organizations in recognition of their support of the Foundation’s efforts to grow the Baldrige Enterprise.



Molly Baldrige, daughter of Secretary Malcolm Baldrige, at the 29th annual Quest for Excellence Conference in Baltimore. The Baldrige family made the largest single donation in the history of the Foundation. Here, Molly challenges others to support the Foundation and the ongoing effort to preserve the Baldrige Enterprise.



Bob Fangmeyer, Director of the Baldrige Performance Excellence Program, kicks off the Examiner Recognition Ceremony at the 29th Quest for Excellence Conference.

the country. Examiners were privileged to have Molly Baldrige on stage with them as they received their certificate of appreciation from Bob Fangmeyer, the Program's Director, as well as from Rulon Stacey, Chair of the Board of Overseers, and George Benson, Chair of the Baldrige Foundation.

Examiners in attendance expressed great appreciation for this opportunity. "Each year that I serve, I feel that I learn as much as I give back," said Suki Wright, a 10-year examiner. "This year, having Molly present me with my certificate was an especially proud moment. Knowing that Malcolm Baldrige's daughter recognizes and appreciates my work means a lot to me both personally and professionally." The ceremony is held each year as a part of the Quest for Excellence conference.

Mr. Fangmeyer addressed the Board of Examiners, thanking them and recognizing the amount of time and energy it takes to be part of the Board. He also made a special point to recognize those who were serving for the first time, telling them that their contributions were just as important as those who had served for a decade or more, and that the number of hours given by examiner volunteers were the equivalent of more than \$5 million in services, with state-level examiners giving an additional \$30 million worth of services back into the economy in their respective state-based programs.

The Baldrige Program trains volunteers to become experts in the Baldrige Framework and then how to examine an organization's application through that lens.



Mary Searcy Bixby led the Charter School of San Diego to the Malcolm Baldrige National Quality Award in 2015 and here receives the Foundation's Harry S. Hertz Leadership Award for 2017.



Dr. E. David Spong and Debbie Collard signing copies of their book, *The Making of a World-Class Organization*, after the Foundation Dinner. Here, Dr. Spong greets Deborah J. Bowen, President and CEO of the American College of Healthcare Executives.



“Each year, we are grateful for, and amazed at the dedication, passion, and commitment these volunteer examiners show in helping organizations on their journeys to performance excellence,” said Dr. George Benson. Prior to training, each examiner prepares pre-work following the review of a case study, and then attends a week-long training session at the Baldrige Performance Excellence Program offices in Gaithersburg, MD. Following training, examiners are placed on teams and review an application that has been submitted to the program. All applicant

organizations must be recognized at the highest level by their state program (or received a waiver of that requirement) prior to being eligible for review at the national level.

“In total, examiners spend well over 100 hours performing their duties,” says Fangmeyer. “Those that examine organizations that move on to a site visit, can spend an additional 100 hours. That kind of commitment to help others is commendable, and we are so pleased that Molly was able to meet each examiner to thank them personally.”

### BALDRIGE PERFORMANCE EXCELLENCE PROGRAM

Established in 1988, the Baldrige Performance Excellence Program is a public-private partnership managed by the National Institute of Standards and Technology (NIST), an agency of the U.S. Department of Commerce. Its private-sector partners are the volunteer Board of Examiners for the Malcolm Baldrige National Quality Award, the volunteer Board of Overseers, the Baldrige Foundation, and the Alliance for Performance Excellence, as well as ASQ, which supports the Baldrige Program under a contract with NIST. The Baldrige mission is to define, recognize, and foster organizational excellence in every sector to enhance our national competitiveness.

The Baldrige Program authors and updates the Baldrige Excellence Framework, which includes the Criteria for Performance Excellence, a continuously evolving performance management framework. It also authors the Baldrige Cybersecurity Excellence Builder and the Baldrige Excellence Builder, a more entry-level version of the framework. It offers organizational assessments, training, and self-assessment tools based on the Baldrige framework to help U.S. organizations improve their performance and competitiveness, including tools and programs in areas of national need, such as cybersecurity and community improvement. The Baldrige Program also represents the United States on the Global Excellence Model (GEM) Council, which consists of organizations that are recognized globally as the guardians of premier excellence models and award programs in their geographic regions.

In addition, the program oversees the Baldrige Award, the nation’s only Presidential award for performance



Foundation President and CEO Al Faber (center) and Chair of the Foundation’s Board of Directors, Dr. George Benson (left), congratulate Dr. E. David Spong, inaugural recipient of the lifetime achievement award that will bear his name.



California is well represented at the 29th Quest conference with Hertz award winner Mary Searcy Bixby (from left), Spong award winner E. David Spong, and Denise Shields, Chair of the Board of the California Council for Excellence.



The BPEP staff at the 29th Quest for Excellence Conference. From left, front row, Ellen Garshick, Mary Eastman, Darren Lowe, Christine Schaefer, Rebecca Bayless, Scott Kurtz, LouAnn Scott, Jacqueline DesChamps. Back row, Barbara Fischer, Jacqueline Calhoun, Gail Lantion, Jamie Ambrosi, Bob Fangmeyer, Suzanne Sullivan, Elif Karakas, Dawn Bailey

excellence, and manages more than 300 volunteer Baldrige examiners from all sectors of the economy. As an act of service to the United States, these examiners each contribute more than 120 hours annually to improving U.S. organizations. Since 2010, the Baldrige Program has been recognized nationally for its leadership and executive education programs, including Baldrige Examiner Training and the Baldrige Executive Fellow Program.

As part of its mission, the Baldrige Program provides the Baldrige framework, training materials, and technical assistance to the Alliance, a network of more than 30 state and regional Baldrige-based programs. These programs are engines of growth for the many local and regional organizations with which they engage. It provides similar access to these products and services to international award programs, federal agencies, private companies, and



Barb Fischer (from right), Business Specialist at the Baldrige Performance Excellence Program (BPEP), Liz Menzer, Chair of the Board, Alliance for Performance Excellence, and Scott Kurtz, Outreach Specialist at BPEP, at the 28th Quest conference.



Baldrige Foundation Board of Directors following the presentation of the Malcolm Baldrige National Quality Awards at the 29th annual Quest for Excellence conference (Not pictured: Tony Scott and Scott McIntyre).

associations that operate Baldrige-based assessment programs aimed at improving performance in their sectors.

The Baldrige Program is primarily responsible for organizing the annual Quest for Excellence® conference and Baldrige Award ceremony, as well as preconference workshops. It coordinates the various plenary sessions and breakouts; liaises with Baldrige Award recipients, speakers, partner organizations, and special guests; and ensures that Quest exceeds expectations every year.

## FOUNDATION DINNER

During the Quest Conference, the Baldrige Foundation hosted a dinner to provide an opportunity for people to socialize in a more relaxed environment and to share their thoughts and experiences with the Baldrige process. The dinner also featured a keynote speaker with insights into Baldrige, the larger quality

movement, and the strategic environment in which these organizations function.

This year's keynote speaker was Maryjane Wurth, Executive Vice President of the American Hospital Association and President and CEO of AHA's Health Forum.

"Maryjane Wurth and AHA are critical supporters of the Baldrige Enterprise," Faber said. "AHA was lead sponsor of the 2015-2016 Baldrige Excellence Framework for Health Care, and again stepped up to be lead sponsor of the 2017-2018 Framework for Health Care. That framework is helping thousands of health care organizations in the United States and around the world provide improved clinical outcomes, patient safety, and innovative new services."

Wurth's keynote was a fascinating overview of the Washington, D.C. legislative climate regarding the health care sector, as well as an important analysis of the quality movement, and Baldrige in



particular. As Wurth said earlier in the day, "In our current environment of uncertainty, and with so many challenges facing health care providers, the performance excellence and quality improvement that you help to facilitate is really essential to providing increased access for every individual and every community throughout this great nation to high-quality, safe care."

The dinner also provided an opportunity for attendees to congratulate E. David Spong on the establishment of the Lifetime Achievement Award in his name. Each dinner attendee received a complimentary copy of *The Making of a World-class Organization*, the 2008 book written by David and long-time business partner, Foundation Board member, and Past Chair, Debbie Collard. After the dinner, David and Debbie graciously signed the books for all attendees.

"Looking back on the Conference as a whole," Faber concluded, "I am reminded of the words Maryjane Wurth said to us on Tuesday afternoon. She said that she had learned from her association with Baldrige to stop looking in the rear-view mirror, and to look out the window in front of us to see where we are going."

"This is a critical time for the entire Baldrige Enterprise," Dr. Benson said. "We need Congress to step-up and provide support while we rebuild the



endowment. Things are once again moving in the right direction, but we need time."

The Baldrige Community is confident that a new administration, relying heavily on the business acumen of the President himself, and his advisers like Secretary Ross, the new Commerce Secretary, will be more supportive and recognize the importance of Baldrige, and provide that time of which Dr. Benson spoke.

As the Secretary said, "Having now picked up the baton, the President and I are hard at work building on, and emulating the accomplishments of, Secretary Baldrige."

## ABOUT THE FOUNDATION FOR THE MALCOLM BALDRIGE NATIONAL QUALITY AWARD

The Baldrige Foundation is the private-sector partner of the Baldrige Performance Excellence Program (BPEP) in the National Institute of Standards and Technology within the Department of Commerce. Its mission is to ensure the long-term financial viability of BPEP and to support organizational performance excellence. To learn more please contact Al Faber at (202) 559-9195 or [afaber@baldrigefoundation.org](mailto:afaber@baldrigefoundation.org).

The Baldrige Foundation is recognized as a 501(c)(3) tax exempt organization. Your contributions are tax deductible.



Maryjane Wurth, Executive Vice President of the American Hospital Association and President and CEO of the Health Forum, being recognized by the Chair of the Foundation's Board of Directors, Dr. George Benson, and Foundation President and CEO Al Faber after her keynote remarks at the Foundation's Annual Dinner, April 4, 2017.



# Baldrige: From Small Business to A Way of Life

by Paul Worstell

Secretary, Baldrige Foundation Board of Directors

“ I would encourage organizational leaders in every sector to learn more about the Malcolm Baldrige National Quality Award through your state program or the national Baldrige Performance Excellence Program.”

The Baldrige Excellence Framework and its Criteria for Performance Excellence provide a framework for achieving extraordinary results through sustained repeatable organizational management. I have personal experience with the Baldrige framework in manufacturing, consulting services, and health care. In each sector the focus on key stakeholders and their requirements brings clarity and focus to those processes required to achieve high levels of satisfaction with all stakeholders.

I was first introduced to Baldrige in 2001 when we began using the Criteria to improve performance at Pro-Tec Coating Company, a joint venture steel company located in Leipsic, Ohio. Our state-level Baldrige program, now known as The Partnership for Excellence, supported us with application writing seminars, benchmarking and best practice learning, examiner opportunities, and valuable feedback reports. Annual Baldrige applications with cycles of process improvement, assessment, and feedback supported our culture of continuous improvement.

In 2004 Pro-Tec received Ohio's highest level of recognition, the Governor's award, and in 2007, the 20th anniversary of the program, Pro-Tec Coating Company received the Malcolm Baldrige National Quality Award. While the recognition was an enormous source of pride shared by all 235 Pro-Tec associates, it was the realization that through this rigorous process we had achieved a measurable level of sustained excellence. It also created a mission- and values-driven organization that focused on continuous improvement.

While using Baldrige principles Pro-Tec achieved extraordinary results in the areas of profitability, product quality, innovation, workplace safety, and employee satisfaction. Pro-Tec remained profitable throughout its Baldrige journey, including the very challenging 2008 economic downturn. The focus on process was key to maintaining a first-to-market strategy providing innovative products to North American automakers. The Baldrige-driven performance excellence culture resulted in world-class safety performance, recognized by OSHA with VPP STAR designation and high levels of employee satisfaction highlighted by a .8 percent turnover rate.

After retiring from Pro-Tec in 2010 the Baldrige Enterprise has given me the opportunity to stay involved in this meaningful work. Serving as chair of The Partnership for Excellence and serving as a trustee on the board of the Baldrige Foundation allows me to work with the best of the best. In addition



*Foundation Board Vice Chair Kathryn Eggleston with Board Secretary Paul Worstell*

to the Enterprise, the larger Baldrige community includes the state and local Baldrige programs and many Baldrige professionals, volunteers, coaches, award recipients, and applicants. Collectively, they guide organizations throughout America to achieve extraordinary levels of excellence.

Pro-Tec was an applicant in the Small Business sector. However, in retirement I have the privilege to serve on the board of directors of a health system that began a Baldrige journey in 2012. I have personally learned so much about health care through our health systems application and feedback reports. Because health care is so complicated, I believe the Baldrige framework is a perfect management system to address quality and safety challenges. The Baldrige focus on process, data analytics, patient satisfaction, and measurable results has produced many benchmark health systems who actively share best practices.

I would encourage organizational leaders in every sector to learn more about the Malcolm Baldrige National Quality Award through your state program or the national Baldrige Performance Excellence Program.





# The Baldrige Cybersecurity Initiative

In early 2016 the Baldrige Performance Excellence Program (BPEP) began work on a new cyber self-assessment tool aligned with the Cybersecurity Framework developed by the National Institute of Standards and Technology (NIST). The new document is called the Baldrige Cybersecurity Excellence Builder.

Former Deputy Secretary of Commerce Bruce Andrews announced the release of the draft document during his remarks at the Internet Security Alliance's 15th Anniversary Conference in Washington, D.C.

The Baldrige Foundation and the Baldrige Program coordinated a brainstorming session, a culmination of the private-public sector planning for the new document, at the Eisenhower Executive Office

Building on the White House campus, with private sector health care and IT leaders.

"The planning phase has included Federal Chief Information Officer Tony Scott from the White House, numerous private sector organizations like PricewaterhouseCoopers Public Sector Practice, Boeing, and the College of Healthcare Information Management Executives, NIST's Applied Cybersecurity Division and the Baldrige Program and Foundation," said Baldrige Foundation President and CEO Al Faber. "The new cyber initiative will be private-sector driven, and we are actively engaging leaders across the cyber community for their support."

The goal, according to Dr. Willie May, then Under Secretary of Commerce for Standards and Technology



CIO of the United States Tony Scott (standing, center) with Deputy Secretary of Commerce Bruce Andrews (seated, left) and Dr. Willie E. May, Under Secretary of Commerce for Standards and Technology and Director of the National Institute for Standards and Technology (seated, right) hosting private sector leaders to discuss the Baldrige Cybersecurity Excellence Builder at the Eisenhower Executive Office Building, September 2016.

and the Director of NIST, “is to help organizations get even greater value from the Cybersecurity Framework by providing a way to assess and guide their cybersecurity risk management.”

The approach ties the Baldrige Criteria, with nearly 30 years of empirical data supporting their capacity to deliver organizational excellence, with NIST’s Cybersecurity Framework to address one of the key challenges of the digital age.

“The Baldrige Cybersecurity Excellence Builder answers a call from many organizations to provide a way for them to measure how effectively they are using the Cybersecurity Framework,” Andrews said. “The Builder will strengthen the already powerful Cybersecurity Framework so that organizations can better manage their cybersecurity risks.”

Using the Builder, organizations of all sizes and types can:

- determine cybersecurity-related activities that are important to business strategy and the delivery of critical services;
- prioritize investments in managing cybersecurity risk;
- assess the effectiveness and efficiency in using cybersecurity standards, guidelines and practices;
- assess their cybersecurity results; and
- identify priorities for improvement.

The Cybersecurity Framework, first released in February 2014, was developed by NIST through a collaborative process involving industry, academia and government agencies. NIST was directed by an executive order (link is external) to create the framework specifically for managing cybersecurity risks related to critical infrastructure, but a broad array of public and private sector organizations now use it. The framework provides a risk-based approach for cybersecurity through five core functions—identify, protect, detect, respond and recovery.

According to a report by the information technology research company Gartner, the framework is currently used by 30 percent of U.S. organizations, a number expected to rise to 50 percent by 2020.

The Cybersecurity Framework gives order and structure to today’s multiple approaches for cybersecurity management by assembling standards,



Russell Branzell (from left), CEO and President of the College of Healthcare Information Executives, with Al Faber, President and CEO of the Baldrige Foundation, and Bob Fangmeyer, Director of the Baldrige Performance Excellence Program, in the Eisenhower Executive Office Building following a brainstorming session on the Baldrige Cybersecurity Excellence Builder.

guidelines and practices that are working effectively in many organizations. Applying Baldrige principles enables organizations to maximize the framework’s value and manage all areas affected by cybersecurity as a unified whole.

Like the Cybersecurity Framework and the Baldrige Framework, the Baldrige Cybersecurity Excellence Builder is not a “one-size-fits-all” tool for dealing with cybersecurity risks. It is adaptable to meet an organization’s specific needs, goals, capabilities and environments.

The Builder guides users through a process that details their organization’s distinctive characteristics and strategic situations related to cybersecurity. Then,



View of the White House campus from the Eisenhower Executive Office Building, Washington, DC.

a series of questions helps define the organization's current approaches to cybersecurity in the areas of leadership, strategy, customers, measurement/analysis, workforce, and operations, as well as the results achieved with them.

Finally, an assessment rubric lets users determine their organization's cybersecurity maturity level—classified as "reactive," "early," "mature," "developing," leading," or "exemplary." The completed evaluation can then lead to an action plan to upgrade cybersecurity practices and management, implement those improvements, and measure the progress and effectiveness of the process. Designed to be a key part of an organization's continuous improvement efforts, the Builder should be used periodically to maintain the highest possible level of cybersecurity readiness.

"Voluntary cybersecurity assessments using a Baldrige approach will stimulate improvement, begin to pool talent, and share solutions to the security challenges and problems facing organizations today," said Tony Scott.

There is significant data showing that health care organizations have become the primary target of cyber criminals and hackers. Access to patient health and other personal data, and the specter of holding

critical treatment information hostage, highlight some of the specific threats in the health care sector.

Despite its adaptability and broad applicability, there is some movement towards creating a BCEB specifically designed for health care organizations. The Cybersecurity Act of 2015 called for the establishment of the Health Care Industry Cybersecurity Task Force, which reported to Congress in June 2017.

Among the recommendations of the Task Force was the expansion of the BCEB:

"Recommendation 4.4: The NIST Baldrige Cybersecurity Excellence Builder, should be further developed: 1) specific to health care, and 2) specific to the types of health care operations that are widely deployed across the industry and have limited access to cybersecurity resources (e.g., small hospitals or practices, rural locations with limited access to security resources)."

The Task Force identified how such an approach could change the culture of cybersecurity in the health care sector for the better. "For the cybersecurity specialists, this self-assessment will help them articulate cybersecurity's impact on the company's operations and finances. Business executives or clinicians will begin to understand how cybersecurity affects the processes and business of health care. Tailoring this tool to the health care industry would also assist the industry in shifting the security perspective from one focused on compliance to one that emphasizes risk management."

Going forward, the Foundation continues work to establish a Cyber Council, consisting of representatives of leading corporate organizations in the IT space, to aid in the further development and deployment of a Baldrige-based cybersecurity approach.

# The Challenge of Information Analytics

by Harry Hertz, Baldrige Performance Excellence Program,  
National Institute of Standards and Technology



The catch words in many research papers and business briefs today are *big data*, *data analytics*, and *digital integration*. Whatever it is called and no matter how large or small an enterprise, analysis of data is becoming more important for “business” success, customer engagement, and long-term organizational survival.

In 2001, Mark Laney of META Group (now Gartner) identified the three big challenges of big data (<https://blogs.gartner.com/doug-laney/files/2012/01/ad949-3D-Data-Management-Controlling-Data-Volume-Velocity-and-Variety.pdf>) as volume, velocity, and variety.

Tim McGuire of McKinsey has subsequently defined the three challenges of big data analytics as deciding which data to use, handling analytics, and using the insights you have gained to transform operations.

While all these challenges are very real, they do not fully describe the big data challenge, which in my opinion is *choosing, synthesizing, analyzing, interpreting, and acting operationally and strategically*. A significant part of the challenge is that data are mono-dimensional (e.g. pie charts, social media commentary, customer feedback) or two-dimensional (x-axis, y-axis) comparing two important

measurement dimensions (e.g., productivity, profitability, ROI, customer satisfaction characteristics and their relative importance), while our needs are three-dimensional and four-dimensional.

For operational improvement, we generally want “relatively simple” analysis of two-dimensional data, to which we want to add a third dimension, such as time or segmentation by some groupings (e.g. customer segments). There are software packages that will handle these analyses, if we ask the right questions or even ask for software help in defining the questions.

The real challenge is the strategic domain. In this domain we want analytics to give us a three-dimensional full-color operational image, with a fourth dimension of current state and desired or predicted future states of organizational performance, technologies, people and markets served. From those data-based, fact-based pictures we then want to develop strategy or strategic scenarios. Therein, I believe, lies the real challenge and potential of big data and what I would prefer to call *information analytics*. It requires not just data, but knowledge, insight, and a mindset for intelligent risk taking and innovation.

I hope to explore information analytics further and look at implications for future Baldrige Excellence Framework (<https://www.nist.gov/baldrige/publications/baldrige-excellence-framework>) and Criteria considerations. I also hope you will help me explore the combination of information analytics with trends such as strategic ecosystems, the partnering of several enterprises to accomplish something new or unachievable by any of the partners acting alone. The latter is a certainty for the future and will further challenge our information analytics capabilities.

While I ponder these thoughts, I invite your commentary and input!



# Baldrige Excellence Framework

by Frank W. Fusco

Treasurer, Baldrige Foundation Board of Directors

“The Baldrige Framework is also used to recognize excellent performance at the state and national levels through the award process, but it is in the journey, and in the shared knowledge that is a part of the Baldrige process, that organizations find the greatest return on their investment. This truly is the path to keeping our nation competitive and our businesses sustainable.”

I spent nearly 40 years in public service in the government sector. As I look back on that career, it seems I spent the first 20 years searching for accountability and the last 20 years understanding much more clearly what it takes, how to define it and how to achieve levels of excellence. The turning point was when I was introduced to the Baldrige Excellence Framework.

In the early years of my career, I served as a grant financial compliance auditor, a performance auditor (GAO methods) and as committee staffer for state legislative budget committees. I was involved with efforts such as Planning-Programming and Budgeting (PPB), Management by Objectives (MBO), Zero-Based Budgeting (ZBB), and Total Quality Management (TQM).

When I became the staff director for the House Ways and Means Committee, I was searching for how to make government more accountable. I met with the head of an agency that I thought had the best performance in our state and asked him for advice on how to improve the accountability of all agencies of government. He handed me the Baldrige Criteria and said read this and let me know what you think.

Initially, I was underwhelmed. I had asked for answers, and he gave me instead a list of questions.

Those questions kept haunting me, though, and eventually I realized that my mentor had given me the guidance that would change my career. Within the year my top staffer and I went to a 3-day Baldrige examiner training session in Nashville, Tennessee. We never saw Nashville or the outside of the training center. We had drunk from the firehose of Baldrige-ese. We had been to the top of the mountain and could see the possibilities.

We returned to South Carolina and began a program to provide training for our staff and specialized training for legislators. We visited such places as the Milliken Company, one of the first Baldrige Award recipients, to learn first-hand how that list of questions, when properly understood and embraced, can fundamentally change an organization.

I became an agency head in the executive branch and for nine years encouraged and taught other leaders about the benefits of the Baldrige system. I continued my learning as a multi-year state examiner and through other training opportunities.

While things we learn from GAO, PPB, MBO, ZBB, TQM and other methods can be useful, the Baldrige system provides what leaders need to know: What drives overall organizational success. It does not hinge on a few processes,



initiatives, or methods, but on an understanding of the interrelatedness of the components and categories of the Baldrige Framework and the changing environment that all organizations experience. The questions are a guide to understanding the depth and quality of an organization's current level of performance, and, more importantly, it provides a roadmap to performance excellence. Simply put, it is an assessment tool that points you toward the highest levels of performance.

The Baldrige Framework is also used to recognize excellent performance at the state and national levels through the award process, but it is in the journey, and in the shared knowledge that is a part of the Baldrige process, that organizations find the greatest return on their investment. This truly is the path to keeping our nation competitive and our businesses sustainable.

I retired from the state of South Carolina public sector in 2011 and continue to be involved in assisting organizations that desire to be on the path of performance excellence and quality service. I encourage you, in whatever role you serve, to begin or continue learning the Baldrige way, and to support it for the benefit of all of us and for future generations. We are all someone's customer, and we should all appreciate and expect excellent service, in every sector of the economy.



*Foundation Board Member Frank Fusco (right) with Julie Eddy from South Carolina Greenville Technical College, Gold-level recipient of the South Carolina Governor's Quality Award.*

# communities of excellence<sup>2026</sup>



Meeting with the first cohort of the Learning Collaborative, from left to right: First row: Lowell Kruse (COE 2026 Chair), Elena Quintanar (San Diego South Region, CA), Valerie Brew (San Diego South Region, CA), Brenda Grant (Kanawha County, WV) Margaret Sotham (West Kendall, FL), Jason Bell (West Kendall, FL), Ximena Lopez (West Kendall, FL), Darrell Gardner (Brookfield/Marceline, MO), Bob Fangmeyer (Baldrige Program Director). Second row: Manuel Castaneda (San Diego South Region, CA), Judy Crabtree (Kanawha County, WV), Michelle Mejia (West Kendall, FL), Karen Vassell (West Kendall, FL), Rosalina Butao (West Kendall, FL), Donell Robidoux (Maryville, MO), Josh McKim (Maryville, MO), Al Faber (Baldrige Foundation President and CEO). Third row: Liz Menzer (Alliance for Performance Excellence), Stephanie Norling (COE 2026 Director)

## Communities of Excellence 2026 Expands

by Stephanie Norling, Executive Director, Communities of Excellence 2026

**C**ommunities of Excellence 2026 is an effort to apply the Baldrige Excellence Framework to communities. It conceives of the community as the organization, and adapts the principles of the Baldrige Framework to the community structure and processes.

Beginning in 2010 as an idea among two former health care CEOs whose organizations received the Malcolm Baldrige National Quality Award, and continuing through 2016, our work focused on creating a draft of the Baldrige-based Communities of Excellence Framework and the necessary tools and education to support its adoption in communities. In 2015 we partnered with two communities to help us test the framework. Based on their experiences the COE 2026 Board decided in last October to significantly expand the number of communities we would work with and test a new approach for engaging with communities—The National Learning Collaborative. This past year has focused on creating

an exceptional experience for our ten Learning Collaborative communities.

2017 has been a significant year of growth. On May 2, 2017, we held the first session of the National Learning Collaborative—A Systematic Approach to Excellence: Using a Baldrige-based Framework to Lead Transformation. From May to September, five communities agreed to work with us to test an online collaborative learning model prior to the full year-long launch of online training sessions planned for October 2017. The five communities took part in twice-monthly online sessions and assignments designed to build their collaborative leadership teams' knowledge of community performance excellence and to help create their Community Profiles. This first cohort of five communities represents a diverse cross-section of American communities from large urban regions to small rural areas, and each has brought something unique to the Collaborative.

The Kanawha Coalition for Community Health Improvement (KCCHI) in Kanawha County, West Virginia, formed over 20 years ago. With its long history of collaboration comes many years of accomplishments and a role-model example of sustainable leadership. In addition, KCCHI has conducted a Community Health Needs Assessment every three years since its inception. Aspects of this strategic planning process have already been adopted by other Learning Collaborative communities as they work on their Baldrige-based Community Strategic Plans.

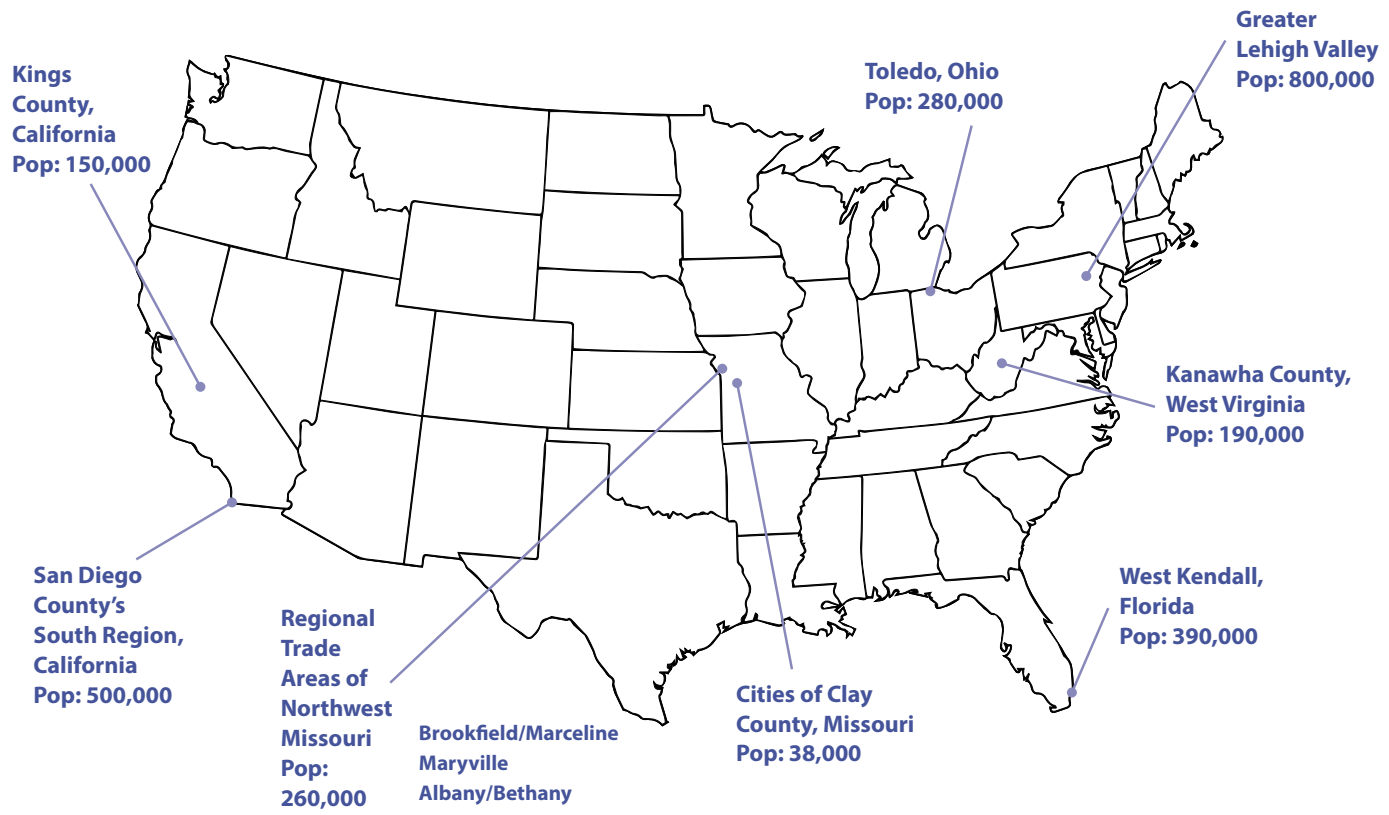
In northwest Missouri, two regional trade areas joined the Learning Collaborative cohort as part of a broader Regional Vitality Initiative with the goal of incorporating all six regional trade areas. One of these trade areas, the cities of Brookfield and Marceline, have come together to jointly adopt the COE Framework. The collaboration between these two cities reflects their broader recognition that in order to be competitive

nationally they need to plan for their future as a region. From turning a high school football rivalry into an opportunity for collaboration, to their partnership to build a regional airport, they are forging a future of working together to achieve their goals.

The second regional trade area in northwest Missouri, Maryville, is the only community in the group that created a community leadership team as part of its journey. This represented an opportunity to initiate a journey using the COE 2026 Core Values as the foundation and to engage both formal and grassroots leaders from the beginning. Maryville has a long tradition of quality and performance improvement. Many organizations within Maryville use Baldrige, and their involvement will be a strong driver in their community's success.

The Communities of Excellence journey in West Kendall, Florida, a suburban area south of Miami is led by West Kendall Baptist Hospital. The hospital-led

# communities of excellence 2026





Healthy West Kendall Coalition is made up of a diverse group of organizations, including many local business partners. They have a strong focus on the Voice of the Resident and brought a unique best practice to the group: an innovation committee that meets to identify innovation opportunities to better the community and serve residents.

San Diego County's South Region in California was the first community to adopt the COE Framework. The region's formal collaborative leadership team began in 2005 from the Chula Vista Healthy Eating Active Living Coalition with the goal of reducing childhood obesity. Today, through the vision and direction of the County's Health and Human Services Agency, the Live Well San Diego South Region Leadership Team is composed of over 30 partner organizations and 150 collaborators, and is open to all residents. By being one of the first communities to adopt the Framework it developed the first ever Community Profile and is already working as a community on a shared Community Strategic Plan using Baldrige and Communities of Excellence principles.

*"We believe that helping communities improve their performance is the best way to improve America."*

Also in the last year, COE 2026 finalized its assessment and recognition program for communities. In partnership with the Baldrige Performance Excellence Program and with the help of the Alliance for Performance Excellence, we developed three levels of recognition. The first level of the Communities of Excellence Recognition Program, Commitment to Community Excellence, was announced in Spring of 2017. At this level, communities respond to the Community Profile section of the COE Framework, describing their mission, vision, and the key factors that lead to success. They also give an example of an improvement to a key initiative or process and describe the key results they will track related to the health, educational attainment, and economic vitality of the



At the 28th Quest Conference, from left, Anne Warner, Executive Director of the Granite State Quality Council and Northern New England Alliance for Excellence, Molly Baldrige, Stephanie Norling, Executive Director of Communities of Excellence 2026, and members of the Board of Directors of COE2026, Joann Sternke, former Superintendent of the Pewaukee School District, and Brian Lassiter, President of the Performance Excellence Network.

community. All five of our first cohorts of communities applied and all five received both formal recognition and a feedback report from volunteer examiners that included highlights and considerations to help accelerate their communities of excellence journeys.

Building off their momentum we added five new communities to the Learning Collaborative in September. The five communities in this second cohort are Albany/Bethany, Missouri (A regional trade area of northwest Missouri); the cities of Excelsior Springs, Gladstone and Smithville in Clay County, Missouri; The Greater Lehigh Valley of Pennsylvania/New Jersey; Kings County, California; and Toledo, Ohio. Over the next year both cohorts of communities will collaborate on their Communities of Excellence journeys.

The sessions are led by three volunteer faculty and supported by our Board and guest presenters. By next September each of our communities will develop a Baldrige-based Community Profile and use it to identify the next steps towards the community of excellence journey; identify desired community outcomes;

develop a Community Strategic Plan focused on these outcomes; and establish a diverse, values-driven leadership team comprised of residents from the community's key sectors, generations, and social and economic groups. To kick off their year we held the first ever in-person COE 2026 meeting in coordination with the Baldrige Fall Conference in Tempe, Arizona. Forty-three attendees met for the first time in Tempe, for a full two days of learning, networking, and inspiring discussion.

We believe that helping communities improve their performance is the best way to improve America. We appreciate the willingness of these first ten communities to pave the way for others who will be involved in this important work in the years ahead. Communities of Excellence 2026 would not succeed without the support of many, including those in the Baldrige Performance Excellence Program, the Baldrige Foundation, the Alliance for Performance Excellence, and the greater Baldrige community.

The next few years will be vital to our success. We will perfect our framework for use by any community across the nation who chooses to pursue excellence and eventually pursue Congressional approval to add communities as the seventh sector of Baldrige. We will share the insights and best practices of those communities as we work along the way with the vision that pursuing community performance excellence becomes the norm across our country.



Communities of Excellence 2026 Executive Director Stephanie Norling (left) talks with Jennifer Majewski, Senior Search Consultant, Healthcare Executive Recruiting at The Synergy Organization, during the 29th annual Quest conference.



# Thoughts on Baldrige

by Debbie Collard

Immediate Past President, Baldrige Foundation Board of Directors

“Baldrige is simply the best tool to understand and improve an organization, regardless of the type, size, or focus of the organization. The return on investment is significantly positive for all stakeholders. Baldrige has had a profound effect on the way I approach quality and my expectations of quality in every aspect of my life. I use Baldrige in every organization I am a part of and to anyone who has not yet been exposed to Baldrige and its benefits I say, ‘Go out there and get started!’”

The name Baldrige was first mentioned to me mid-1991, when I returned to work from what was then called “maternity leave.” My department needed someone to be a representative for the McDonnell Douglas Corporation’s total quality initiative and directed I go to the training. John McDonnell, son of the founder, had mandated that the entire company use the Malcolm Baldrige National Quality Award Criteria as an internal assessment tool for our businesses. My response at the time was, “What is Baldrige?”

I am very thankful that I wasn’t given an option. I went to the training and have been involved with Baldrige ever since, at the state and national levels, as an examiner, practitioner, award recipient, Baldrige Foundation board member, and zealot. Being exposed to and learning about Baldrige has benefited both the organizations I worked for and me personally.

It seems that there are still many, many people who don’t know what Baldrige is, or what it can do for them or their organization. Without the impetus that I was lucky enough to have, and unless they have had a similarly compelling reason to learn about Baldrige, they are probably missing out on an incredible tool for organizational improvement without even knowing it!

Baldrige has been around for 30 years. It started in the late 1980s as a movement to increase manufacturing quality in the United States. Baldrige has changed and grown over the years, staying current and relevant. It is now used globally and is applicable in every conceivable type of organization. Having experienced the benefits of using the Baldrige Criteria for Performance Excellence in different organizations, including both manufacturing and service, I can attest that Baldrige can have transformational effects on an organization. There is every reason to use it and no reason not to.

Use of Baldrige is compatible with and complementary to multiple other improvement approaches, providing a framework with which to align the organization and understand where to focus resources and apply improvement approaches. Some organizations get stuck in only using one improvement approach (the old adage that if you only have a hammer everything looks like a nail) which limits the capability of the organization to improve holistically. Other organizations use multiple unaligned or unintegrated improvement approaches, which disperses the focus and reduces effectiveness. Baldrige provides a framework to integrate and align organizational activities.

Two organizations I worked for received the Baldrige Award; Boeing Airlift and Tanker (A&T) Programs for manufacturing in 1998, and Boeing Aerospace Support (AS) for service in 2003. Each of these organizations benefited from using Baldrige as a business model and outperformed similar organizations



*Foundation Board Member Debbie Collard with Jane Benson (right) at the 29th Quest for Excellence conference.*

who were not using Baldrige. Boeing A&T was an organizational turnaround success story, from the brink of cancellation and the loss of 10,000 jobs to a national role model! Boeing AS was an organization performing at average levels that in a three-year time period ended up tripling revenues with double-digit margins and exceeding performance challenges. Both organizations significantly improved the culture through using Baldrige as a business model, to the benefit of the customers, the employees, and all other stakeholder groups.

Baldrige is simply the best tool to understand and improve an organization, regardless of the type, size, or focus of the organization. The return on investment is significantly positive for all stakeholders. Baldrige has had a profound effect on the way I approach quality and my expectations of quality in every aspect of my life. I use Baldrige in every organization I am a part of and to anyone who has not yet been exposed to Baldrige and its benefits I say, "Go out there and get started!"



# Automobiles, Blind Spots, and Organizational Strategy

by Harry Hertz, Baldrige Performance Excellence Program,  
National Institute of Standards and Technology



**H**ow does an organization identify its potential blind spots? This is one of the most common questions I hear from people conducting strategic planning processes.

To begin answering the question, I have a simple analogy that can be used as a springboard to organizational strategy. That is, today's cars are equipped with three rearview mirrors and often a backup camera. The mirrors and camera let you visualize what is behind you, a place you have already been. They identify "competitors" from within your clear line of sight, but they do not tell you much about them. They are your "in-industry" competitors. Some cars have an embedded *blind spot* mirror in the outside mirrors. The *blind spot* mirrors allow a view of those close to you, potentially ready to overtake you. This is an important piece of trend data that puts you on the alert and identifies competitors from within your industry who might be ready to speed ahead and overtake your leadership position. However, what you really want to know is what lies ahead!

You can look out your front windshield and see the road immediately ahead or use GPS to see the road a few miles or even hours ahead (the short-term horizon). This is all helpful information, but you really want to be able to look a year or two ahead and know what road you should be on and what the traffic (competition) will look like. Will you be on the same old roads or a new road (new products and services)? As a driver today, you want to know if you will be driving a car or using another mode of transportation entirely (deriving from new industry competitors or new travel modes within your industry). Will your competition be driverless cars or a hyperloop? Can you predict those new competitors today and plan accordingly? Can you even identify those non-industry competitors? These are the real blind spots you want to know as part of strategic planning, not the extrapolated data from a "rearview mirror."

At each stage of this blind spot analogy, you were broadening your view, eventually redefining your industry from personally driven automobiles to people moving. This could lead your organization to a major shift in "product line" and services, if you want to sustain the organization and its competitive position.

The 2017-2018 Baldrige Excellence Framework ([www.nist.gov/baldrige/publications/baldrige-excellence-framework](http://www.nist.gov/baldrige/publications/baldrige-excellence-framework)) describes blind spots as arising from incorrect, incomplete, obsolete, or biased assumptions or conclusions that cause gaps, vulnerabilities, risks, or weaknesses in your understanding of the competitive environment and strategic challenges your organization faces. Blind spots may arise from new or replacement offerings or business models coming from inside or outside your industry (as you currently define it). To conclude the analogy, competition could come from driverless cars or driverless car services that take you from chosen point to point (a new business model) or



from outside your industry (significant changes in mass transport or hyperloops, for example).

Where do we find the wisdom to recognize that our industry is people moving, not automobile manufacturing? How do we find what Donald Rumsfeld, the former Secretary of Defense, called the “unknown unknowns”? Kodak invented the digital camera but believed it was in the film industry/printing business, not the business to create memories that could best be shared online, digitally. It even realized that a “Kodak moment” was worth sharing but did not see far enough ahead to predict the business model for future sharing (<https://hbr.org/2016/07/kodaks-downfall-wasnt-about-technology>).

In the remainder of this column, I will explore common traps that lead to blind spots, then explore some don't do's, and finally, how to look for blind spots.

## BLIND SPOT TRAPS

I have identified seven common traps that lead to blind spots. Many of the traps arise from the work of Professor Bettina Büchel at IMD ([www.imd.org/publications/articles/from-blind-spots-to-strategic-intelligence](http://www.imd.org/publications/articles/from-blind-spots-to-strategic-intelligence)).

**1. Seeing what we expect to see:** This is the theory of incongruence. We don't see what is incongruent with our current beliefs and frame of reference. I remember seeing a video in which we were asked to count the number of times a basketball was passed ([www.youtube.com/watch?v=vJG698U2Mvo](http://www.youtube.com/watch?v=vJG698U2Mvo)); none of us noticed that a gorilla was walking among the players because we were so focused on basketball. We pay selective attention to our area of focus.

**2. Misjudging industry boundaries:** We narrowly define our industry based on our current products or services and how they are used today.

**3. Failing to identify emerging competition:** We don't see emerging competition because they do not do things exactly as we do. They are tackling a different problem from our “blinders-on” perspective.

**4. Falling out of touch with customers:** We think we know what our customers need and want. We have been serving them for many years and believe in their

loyalty. We do not seek their input on changing needs or unmet desires.

## 5. Overemphasizing competitors' visible

**competence:** We focus on our competitors' current offerings and assume they will continue unchanged. We do not think about the research and development they may be doing on a disruptive product, service, or business model.

## 6. Allowing organizational taboos or

**prohibitions to limit our thoughts:** Our practices or policies can limit our thinking. We fail to question practices and policies that may be outdated or incongruent with current technology or regulation.

**7. Relying on history:** This is the way we have always done things. We let our historical patterns guide our future.

In essence, we fall into rigidity traps, rather than questioning the status quo.

## BLIND SPOT “DON'T DO'S”

Before discussing what you should do to identify blind spots, let's look at some “don't do's” that organizations engage in.

**1. Don't be a slave to strategy:** In a world where technology, business models, economics, and global political environments are in a constant state of evolution, organizations need to be agile. Slavishly adhering to a strategy created several years ago can take an organization down a path toward obsolescence. An organization can devote years to an outdated strategy, achieve it, and fail as an organization. And if the organization does not fail, achieving an outdated strategy could lead to the conclusion that developing strategy is useless. Today, strategic plans need to be regularly reviewed and modified as conditions and opportunities warrant. The approach should be toward strategic thinking, not strategic planning as a periodic event.

**2. Don't focus on fear:** While a healthy respect for all sources of competition is important, fear should be turned into opportunity. Fear can stifle breakthrough thinking. Confront organizational challenges and seek to capitalize on them through disruptive ideas and

new solutions, not extensions of old ideas. Explore new capabilities needed to pursue opportunities. As suggested by Clark in an HBR blog (<https://hbr.org/2017/10/simple-ways-to-spot-unknown-unknowns>), war-game your potential failures. Perform a pre-mortem. Assume the idea will fail and look for options to avoid the failure.

**3. Don't trust:** Don't rely on sources that we tend to give undue weight. Don't trust the wisdom of the crowd. Group-think can lead to consenting on a safe path, rather than expressing bold ideas. Brainstorm with all opinions valued. Don't trust instincts, seek data and careful analysis of implications. Perceptions can be clouded by personal biases. Don't trust minimizers. It is easy to deny problems and assume things will get better. It is also easy to assume things are better than they appear. Don't trust individual experts. Experts can get it wrong and different experts have different opinions and ideas. Seek the thoughts of multiple experts.

## BLIND SPOT IDENTIFICATION

Finally, let's explore the processes you should use to seek and identify potential blind spots.

**1. Explore upcoming technologies:** Are any emerging technologies capable of being exploited for your next generation products or services? Are there emerging technologies that could create new industries that challenge yours? Are there new technologies that could generate add-ons to your existing offerings? If yes, would it be an intelligent risk for you to invest early and capitalize on your brand recognition to be a first entrant.

**2. Assess global trends:** Investigate global changes in demographics, political environments, regulation, production and purchasing capabilities, and markets. Are there any major shifts likely that could impact your marketplace positively or negatively?

**3. Get out of your comfort zone:** Break tradition. Shake up the norm. Try to identify and test your implicit assumptions. Take your leadership team to totally different surroundings. Get you news from a different source that has a different focus than your normal channel. Talk to people that you wouldn't normally interact with. For example, if you are a physicist, talk to an economist or social scientist or industrial engineer.

Ask probing questions. Try to talk to someone new on a regular basis.

**4. Seek employee input broadly:** Discuss potential game-changing ideas with employees at all levels of the organization. Solicit and listen to their reactions. Solicit other ideas from them. Bring people together from different parts of the organization and different job functions to brainstorm together and to share what they are hearing or reading outside the confines of their workplace.

**5. Talk to your customers:** Ask your customers about their unmet needs and desires. Talk to your customers' customers to gain additional insight. Observe your customers in action to understand their behaviors and frustrations. Look for creative solutions.

**6. Broaden your field of view:** Don't assume companies or organizations will remain in current industry boundaries. Look at adjacent industries and benchmark what they are doing. Ask yourself what business are you really in (e.g. automobile manufacturing or people moving)? What is the ultimate goal or impact of your product or service for the user? Given global and technology trends is there a new business model you should pursue?

## FINAL THOUGHTS

To find blind spots you need to look broadly and not be constrained by current biases and boundaries. You need to trust instincts less because they harbor your current biases. You need to seek new and different sources of information and synthesize what you learn. Verify your conclusions. Plan a specific course of action. Continue monitoring trends and your progress. Stay agile. Look not just straight ahead, but around corners.

For additional reading on blind spots, I suggest articles by Davia Temin ([www.forbes.com/sites/daviatemin/2017/01/18/10-leadership-blind-spots-that-can-trigger-business-crises-in-2017/#3e69cf9a4e7a](http://www.forbes.com/sites/daviatemin/2017/01/18/10-leadership-blind-spots-that-can-trigger-business-crises-in-2017/#3e69cf9a4e7a)), James Kerr ([www.management-issues.com/opinion/6541/business-blind-spots](http://www.management-issues.com/opinion/6541/business-blind-spots)), and Scott Anthony (<https://hbr.org/2016/07/kodaks-downfall-wasnt-about-technology>).

## RESOURCES

Archived Columns ([www.nist.gov/baldrige/baldrige-materials-archive#insights](http://www.nist.gov/baldrige/baldrige-materials-archive#insights))



## Baldrige in Long-Term Care

by Dr. David Gifford

“In today’s market, with the onslaught of regulatory and payment changes, centers must have a comprehensive understanding of performance systems to realize meaningful improvement. The Baldrige Criteria is our member’s pathway for success in this market.”

As a geriatrician, caring for the elderly has always been my passion. In my career, I have had the opportunity to serve in many facets of health care, including as medical director in several nursing homes, director of a quality improvement organization, director of a state health department, and now as the Senior VP of Quality at AHCA/NCAL, the largest long-term care association in the country.

Throughout my career, I have seen a wide range in the quality of care delivered. I began to notice some common themes in the high-performing health care organizations, for example, a positive organizational culture, strong leadership, effective performance monitoring, and a strong and engaged workforce. I also realized that passion and skilled staff alone does not always translate to quality care. A passionate and skilled staff cannot compensate for the ineffective or poorly designed systems that are often in place across an organization. I realized that to see results, leadership must work with staff to evaluate these systems and identify opportunities for performance improvement.

When I came to AHCA/NCAL in 2012, I was not familiar with the Baldrige Criteria. In fact, I have to admit that I had a notion that the Baldrige-based program run by AHCA/NCAL was just another industry program that recognized facilities using some loose criteria. However, I quickly realized how wrong I was. The application and evaluation processes are rigorous and the program staff is extremely serious about maintaining the high standards set by the Criteria. As I started to learn about the framework, I realized that it embodies the effective practices you see in high-performing facilities. The Criteria require strong processes, effective leadership, the effective monitoring of performance and ongoing learning for continuous improvement. I also realized how passionate our members truly are about adopting this criterion. The AHCA/NCAL National Quality Award program is the largest Baldrige-based program in the nation, receiving well over 1,000 applications per year and over 13,000 since the program’s inception in 1996.

I also pushed my staff to measure quality. We began comparing our top-level recipients (Silver and Gold) to the national average, and were amazed by the results. Our Silver and Gold recipients consistently outperform their peers in nearly every metric, including hospital readmissions rates, off-label antipsychotic use rates, five-star ratings as well as financial performance. What is really rewarding is hearing members who are on the Baldrige journey who did not receive the award, say that they are a better facility for applying and will apply again next year.

In today’s market, with the onslaught of regulatory and payment changes, centers must have a comprehensive understanding of performance systems to realize meaningful improvement. The Baldrige Criteria is our member’s pathway for success in this market.

# Baldrige Advocacy

The Baldrige Program began in 1987 on the strength of Ronald Reagan's relationships with the CEOs of the largest corporations in America—we all know the story of the infamous West Wing lunch meeting in which President Reagan told some 45 of the top corporate CEOs in the country that he expected them all to write a check for \$150,000 to support the Baldrige Award program, later the Baldrige Performance Excellence Program (BPEP).

From the beginning, the mission of the Baldrige Foundation has been to support the continued operation of BPEP, building the endowment begun by President Reagan and the CEOs.

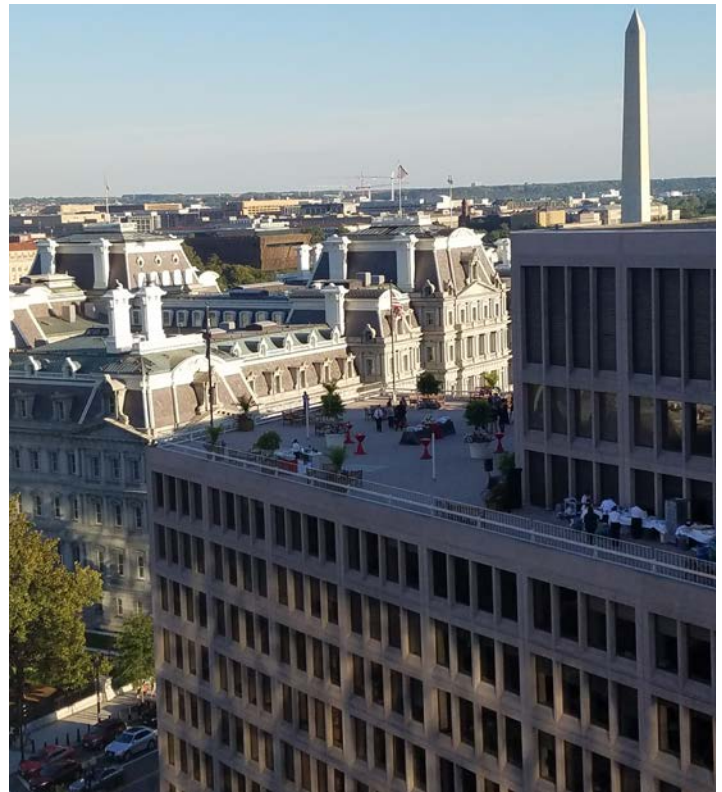
As the popularity of the program grew, and as the broad-based benefits of adoption of the Baldrige Framework became more apparent, Congress added sectors and began to support the program with a federal appropriation. The Foundation's role was in supplementing those funds and continuing to grow the endowment.

In 2011, with the advent of budgetary sequestration, that federal support ended and the Foundation once again assumed primary responsibility for providing the cash that allows BPEP to operate.

In part the Foundation achieves this mission through fundraising, currying large- and small-dollar donors to keep cash flowing into BPEP. That is a longer-term proposition, however, essential for the sustainability of the enterprise, but it is difficult to drive multi-million-dollar outcomes in the period of several months or a year.

Because of the immediate needs of the Enterprise, the Foundation has been pursuing a second tract of advocacy with Congress and the Administration. The Foundation is advocating to have a federal appropriation for BPEP re-instated in the federal budget.

The effort is two-fold. First, the Foundation is working to educate cabinet directors on the benefits of Baldrige. It should be particularly attractive to them that there is



a product of the U.S. government that can help all the agencies run more effectively and efficiently.

Foundation President and CEO Al Faber has met with Cabinet-level directors and other leaders at Housing and Urban Development, the Department of Veterans Affairs, Department of Agriculture, Department of Commerce, the Small Business Administration and others over the past 18 months, and there is some real interest in what Baldrige can accomplish for them. The plan is to use those relationships to support efforts to have BPEP funding included in the President's annual budget submission.

In addition, we are working with members of Congress, and particularly with the Commerce, Justice and Science (CJS) Appropriations Subcommittees (which have jurisdiction over the Department of Commerce budget) to have line item inserted to provide funding for BPEP.

Like with fundraising, these advocacy activities depend on building relationships and educating the Members of Congress and their staffs, as well as the committee professional staff, who exercise a great deal of influence over what makes it into an appropriations bill and what does not.

Over the past 18 months Al Faber and some of the Foundation Board members have been in dozens of meetings on Capitol Hill, talking about the benefits of Baldrige generally, how it impacts specific states, and why Congress should want to support the enterprise, giving some breathing room for the Foundation to begin to rebuild the endowment.

The Foundation is not doing this alone. There has been tremendous grass roots support from the Baldrige community. The Advocacy page of the Foundation's web site is far and away the most visited page on its site as people seek information on how to identify and contact their Members of Congress.

At the Alliance level, through state-level award recipients, there are many personal relationships with members of Congressional delegations already in place, and the Foundation has used those, and parlayed the political clout of its partner organizations, into enhanced access to critical members of Congress.

In 2015, for example, Dave Ramsey, President and CEO of Baldrige Award winner Charleston Area Medical Center (CAMC), invited West Virginia Senator Shelley Moore Capito to attend the award presentation ceremony and help CAMC celebrate their award. Capito is a member of the CJS subcommittee, and an important relationship going forward.

Following an intense year of work, the Foundation was able to secure support for \$2.2 million for BPEP in the Senate version of the CJS bill for Fiscal Year 2018.

"While that is very good news," said Faber, "it is only a first step. We need the House to agree to keep the funding in Conference Committee and send the measure to the President for signature."

Regardless of what happens with the 2018 bill, the 2019 appropriations cycle has already begun, and the Foundation continues its efforts to ensure federal funding for BPEP.



Senator Shelley Moore Capito of West Virginia (second from left) with Baldrige Foundation Board Chair George Benson (left), Dave Ramsey, CEO of the Charleston Area Medical Center Health Systems (CAMC), Dr. Glenn Crotty, Jr., Executive Vice President and COO of CMAC, and Al Faber, President and CEO of the Baldrige Foundation, with CAMC's 2015 Malcolm Baldrige National Quality Award.



Congressman Sam Graves (MO-06)

# Testimony of the Honorable Sam Graves

Testimony of Congressman Sam Graves (MO-06) Before the House Commerce, Justice, Science and Related Agencies Subcommittee on Appropriations Fiscal Year 2018 Budget Hearing

TUESDAY, FEBRUARY 28, 2017

Chairman Culberson and Ranking Member Serrano, thank you for the opportunity to provide testimony on a rather important issue, not just for my district in Missouri, but nationwide. I am proud to testify on behalf of a federal program that produces broad-based benefit across all 50 states and all segments of the economy. It generates significant return on investment. It is supported by private industry. It performs a function that cannot be effectively accomplished by private industry. And it improves our nation's economic strength and security and helps address critical national needs, like cybersecurity. The Baldrige Performance Excellence Program, which is located within the Department of Commerce's National Institute of Standards and Technology (NIST), is arguably the most effective public-private partnership ever established, and I am requesting that the subcommittee provide \$7.5 million in the Fiscal Year 2018 Commerce, Justice and Science Appropriations bill for the Baldrige Performance Excellence Program in order to restore funds that have been withheld since fiscal year 2012.

Over the next few minutes I intend to make it clear why funding this Program is not only an appropriate use of taxpayer dollars, but a smart investment that benefits our nation in a multitude of ways, and something every member of Congress should support.

Established nearly 30 years ago under President Reagan, this small program was tasked with a great big purpose: improving the quality and performance of businesses in the U.S. so as to improve our national competitiveness and our economy as a

whole. To accomplish this, the program was given a three-pronged mission:

- 1) Establish an objective and impartial standard of quality and performance by convening experts from industry,
- 2) Perform assessments by utilizing highly qualified industry experts to identify role model organizations deserving of presidential recognition.
- 3) Foster the use of the standards and share the best practices of the role models, reaching as many organizations as possible throughout the U.S.

It is important to say again that Baldrige has always been, and continues to be, a public-private partnership. This is a small program with limited staffing that leverages the private sector for the financial, intellectual, and human resources necessary to accomplish its mission. The vast majority of the work is performed by volunteers from all sectors of the economy and nearly every state. Let me reiterate that: this program selects, trains, and utilizes nearly four hundred volunteers every year. There is so much interest that they have to turn away nearly half of all the first-time volunteers who apply. These volunteers participate out of a sense of patriotism and civic duty to help strengthen America's competitiveness in the world. This in-kind support is equivalent to nearly \$8 million per year.

In concert with its mission, as with all standards developed at NIST, the Baldrige Program convenes industry representatives and gathers broad input to

develop and update the impartial and widely accepted Baldrige Excellence Framework. Recognized and emulated across the nation and around the globe, it is used by thousands of organizations as a trusted standard of proven leadership, management, and organizational improvement practices; it is also the basis for the presidential Baldrige Award and the more than 30 independent state, local, and regional award and recognition programs that nearly every state (including Texas, Mr. Chairman, and my own state of Missouri); it is the basis for sector-specific programs such as those serving the long-term care industry and the United States Army; and it is adopted or adapted by numerous certification and accreditation programs that serve small business development centers, business school accreditation, and hospital accreditation programs.

To date, there have been over 1,600 Baldrige award applicants, 113 Baldrige Awards presented, and thousands of organizations applying for assessment and recognition at the state level. Award winners represent role models in all sectors of the economy, manufacturing, service, small business, health care, education, nonprofit, and government. The Baldrige Award is not given out lightly. These organizations must demonstrate to private-sector examiners that they have mature, effective processes that are continuously evaluated and improved to produce outstanding results in support of their organization's mission, vision, strategic objectives, and the needs and expectations of their key stakeholders. The Baldrige Program ensures the evaluation process is objective, unbiased, and free from inappropriate influence and conflicts of interest, unlike most industry- or organization-managed recognitions. And this is why they trust the Federal Government with their proprietary informational and intellectual capital contained in their submissions. These role models also agree to share their best practices with others to help them improve. These recipients have given approximately 55,000 presentations, reaching hundreds of thousands of other organizations. Mr. Chairman, 13 organizations from Texas have earned this prestigious award, including outstanding manufacturers, service businesses, health care organizations, small businesses, and educational institutions. This is the most from any state, but Missouri is close behind with 11. During this year's Baldrige national conference in April, one of this year's recipients, Memorial

Hermann Sugar Land Hospital, from Houston, Texas will be sharing how they achieved stellar results with extraordinary processes which, when replicated across hospitals throughout the United States, will increase the efficiency and effectiveness of hundreds of health care organizations nationally, and save lives.

*“Baldrige has always been, and continues to be, a public-private partnership. This is a small program with limited staffing that leverages the private sector for the financial, intellectual, and human resources necessary to accomplish its mission.”*

Although originally focused on addressing the quality crisis of the 1970s and 1980s by improving the quality, performance, and global competitiveness of businesses in the U.S., it wasn't long before other sectors saw the impact of the Baldrige model and pushed for official inclusion in the Program. Congress, recognizing the benefit to the nation and our economy of having better educated and healthier citizens, expanded the Program to include health care, education, and nonprofits. From the very beginning, the Baldrige Excellence Framework and its Criteria for Performance Excellence have been put through a regular cycle of evaluation and improvement based on broad private-sector inputs to ensure that it remains a relevant and valuable standard that enhances efficiency, effectiveness, competitiveness, and sustainability through promoting organization-wide excellence.

Mr. Chairman, the Baldrige Program creates approximately \$1 billion, yes, that is billion, in economic benefit each year through the establishment and maintenance of this globally recognized and emulated standard of excellence and through the provision of assessments for award applicants, each of whom gets a comprehensive feedback report to improve their organization. In 2011, the year before funding was eliminated, an economic impact study by two independent economists determined that the Baldrige Program had created over \$24 billion in economic benefit for the nation, or stated another way, the Program demonstrated an 820:1 benefit-to-cost ratio. Additionally, you should keep in mind that this study, as impressive as it was, only considered the impact based on the relatively few applicants for

the Baldrige Award. This study did not consider the extended impact of the program based on the tens of thousands of organizations who use the Baldrige Excellence Framework as a management guide and a self-assessment tool; who are served by the more than 30 independent state or regional programs; whose accreditation or certification program is based on the Baldrige framework; or who attended a presentation by a Baldrige award recipient and took away and implemented their best practices. Considering all that was not included in their study, 820:1 is most likely a drastic underestimate.

*“The Baldrige Program creates approximately \$1 billion in economic benefit each year through the establishment and maintenance of this globally recognized and emulated standard of excellence.”*

Mr. Chairman, let me also be specific about some of the impacts of this program. Businesses that have adopted the Baldrige framework demonstrate improved financial results, as well as customer satisfaction, workforce engagement, product and service quality results. Publicly traded, whole company, Baldrige award recipients outperformed the S&P 500 by more than 6:1. Many Baldrige organizations demonstrated a median 92 percent revenue growth between awards and 63 percent median job growth compared to a 3.5 percent growth for matched industries and time frames. Health care organizations achieve higher patient satisfaction, improved patient outcomes, and lower mortality rates at lower costs than their peers. Educational institutions that use Baldrige demonstrate lower drop-out rates, higher graduation and college attendance rates, better standardized testing and student achievement results, and greater success in closing the student achievement gap between minorities and non-minorities. Nonprofits and government agencies demonstrate improved customer and constituent satisfaction and engagement, improved efficiency and lower costs, workforce satisfaction and engagement, and innovation.

The Baldrige Program is important to me because the State of Missouri and the Sixth District have benefited greatly from it. In my district, the Park Hill School District of Kansas City is a two-time award recipient

at the state level. Park Hill provides world-class K-12 education to students in the southern Platte County area. Golden Valley Memorial Healthcare (GVMH), a two-time top state award recipient, has been recognized as a top performing home health agency in the United States for four years in a row. It has also been named one of the “150 Greatest Places to Work in Healthcare” with over 90 percent of the staff saying they were satisfied or very satisfied with GVMH and willing to recommend it to others.

In Missouri, Baldrige Award recipients who share their best practices for the good of the state and the nation include two-time recipient MidwayUSA, an Internet retailer offering “Just About Everything” for shooting, hunting, and the outdoors, and a world leader in its market sector; Nestlé Purina PetCare Co., which ranked first in market share for pet care products in North America; Mid-America Transplant, a groundbreaking innovator in organ recovery and transplant; SSM Health and Mosaic Life Care, two role-model health care providers; and many others.

Over the past two years, applicants from Missouri represent 4,916 jobs, 61 work locations, more than \$1.3 billion in revenues/budgets, and more than 16 million customers served. During that time, Missourians volunteering with the Baldrige program donated approximately \$389,000 worth of services to the Baldrige program.

Mr. Chairman, these are only a few instances of the benefits my district and the State of Missouri have received from the Baldrige Program. However, there are many stories of success across the nation as a result of the Baldrige Program. Its nationwide presence is improving competitiveness in all fifty states and the quality of life of citizens nationwide. All Members of the Committee have constituents who have benefited from Baldrige and will continue to do so if we can restore the public funding to this very successful public-private partnership.

It was the success of the Baldrige Program’s assessment, recognition, and best-practice sharing model that brought it to the attention of Tony Scott, the recently departed Federal Chief Information Officer within the Office of Management and Budget. As a part of his responsibilities for improving federal cybersecurity and the cybersecurity of our nation’s critical infrastructure,



Mr. Scott advocated for a Baldrige-based cybersecurity excellence program. That has led to the Baldrige Program working with the NIST staff, responsible for the Cybersecurity Framework, and a broad set of industry representatives and cybersecurity experts to explore this opportunity. To date, they have developed the Baldrige Cybersecurity Excellence Builder, a self-assessment tool that leverages the leadership, strategy, process improvement, and results focus of the Baldrige Excellence Framework and NIST's Cybersecurity Framework in order to help organizations assess the effectiveness of their efforts to protect themselves and their customers from cyberattacks. This tool does not replace or duplicate either existing framework, it leverages the key characteristics of both to permit a unique and robust assessment, sensitive to organizational needs, capabilities, and constraints. However, in order to truly make a difference, the Program will need to expand their efforts to produce a comprehensive Baldrige cybersecurity excellence framework, offer voluntary assessments, recognition, and best-practice sharing, leveraging private sector expert volunteers and the existing processes and systems of the Baldrige Framework. I should note, Mr. Chairman, that this program will be developed with heavy private sector input from industry-leading organizations and professionals. These companies will share their best practices with NIST because they can trust NIST to be fair and confidential with their information and release standards that do not favor one organization or technology over another for political or monetary purposes.

*“There are many stories of success across the nation as a result of the Baldrige Program. Its nationwide presence is improving competitiveness in all fifty states and the quality of life of citizens nationwide.”*

Despite being arguably the most effective—and cost-effective—public-private partnership ever established, funding was cut for the Baldrige Program in 2012. Instead of shutting the doors on what has been called an American treasure, the Baldrige Program embarked on a major transformation, streamlining operations, reducing labor and other costs, and developing revenue streams to replace the loss of funding. The Program has

reduced expenses by more than 60 percent and has nearly tripled its operating revenues, extending its ability to continue providing products, services, and its public benefit. However, this would not have been possible without the financial support of the Baldrige Foundation, a private nonprofit established to help support the Program.

Since Fiscal Year 2012, the private Baldrige Foundation has paid salaries and expenses for employees and program operations at the Baldrige Program office in NIST from its own foundation assets. To date, the Baldrige Foundation has provided almost \$22 million in private funds for salaries and expenses of public employees at NIST.

Mr. Chairman, the private Baldrige Foundation's endowment has been drained of all of its funds. After this year, can no longer afford to pay for the federal operations at NIST, which should be the federal government's responsibility. If public funding is not restored, the Baldrige Performance Excellence Program, and the extensive benefit derived from it, will end. Mr. Chairman, this is not a new program start or an earmark. This is an existing program that was authorized in 1987 by Public Law 100-107, and was funded every year by the federal government until Fiscal Year 2012. Mr. Chairman, I am all for being a good steward of taxpayer funds and eliminating programs that do not work for the American public. However, the Baldrige Program is not one of those programs.

Some may say, this is important work, but the private sector can do it. Mr. Chairman, our U.S. companies are competitive with each other, as they should be. They don't want to use standards created by a competitor or an organization with some vested interest in a particular approach for financial gain. The public-private partnership managed by the Baldrige Program and Baldrige Foundation is a place where organizations know they are getting objective, valid standards developed in consensus with the private sector and a bias-free, conflict-of-interest-free assessment by peer volunteers. For just a small investment, we can ensure that the Baldrige Excellence Program will continue to help U.S. organizations raise the standards of excellence in health care, business, and education, while also working to enhance our nation's cybersecurity. Thank you Mr. Chairman.



# Adapting Baldrige from Health Care to Healthy Communities

by Lowell Kruse

“To the extent Baldrige succeeds at the community level anywhere close to how it performs in individual organizations, our country will be much stronger as we enter the next 250 years of our existence. To that successful end, Malcolm Baldrige will have reached into the very core of our society and ultimately left us all a very fitting legacy.”

In the summer of 1984, we moved our family from Rochester, New York, to St. Joseph, Missouri, when I became CEO of Heartland Health, a new health care organization created by the merger of Methodist Medical Center and St. Joseph Hospital. While the two hospitals had been long time competitors, the Boards of the two organizations realized that because of the changes going on in health care, the challenging educational, health, and economic demographics in St. Joseph and the larger regional service area, the needs of the hospitals and the region would be better served if the two hospitals came together.

While the legal, organizational and other related issues moved along on a reasonable course for a merger of this kind, the output of the new organization did not. After several years of experiencing clinical, financial, customer satisfaction, and other measures ranked in the bottom quartile of similar organizations, we knew we needed to make dramatic changes in the way we governed, led, and managed the organization. While we had introduced a variety of quality improvement strategies during those early years, none generated the results we needed.

In the early 1990s, the leader of our Organizational Development function approached me with the idea of asking the Excellence in Missouri Foundation, Missouri’s state-level Baldrige organization, to help with our overall quality improvement efforts. I was familiar with the work Baldrige was doing in the manufacturing sector because a friend of mine in Rochester worked for Xerox and had told me about the struggles Xerox and other similar organizations were facing with global competition from a quality, cost, and service perspective. I knew Xerox had invested a tremendous amount of time, energy, and resources to improve their quality and overall performance. It paid off handsomely as evidenced by Xerox’s recognition as a Malcolm Baldrige National Quality Award recipient in 1989 and its return to global competitiveness.

While Baldrige did not include health care as a specific sector at that time, I thought we might learn a good deal from the work being done in manufacturing. The good news was that hospitals were not that distinct from manufacturing when it came to process improvement, and Baldrige added health care as a specific sector in 1998. After a couple years of intense training and introducing the Baldrige Framework to our 2,500-plus leaders, employees, and medical staff members, we began to experience a rather significant improvement in performance in virtually all our key measures.

Those improvements led to state quality awards in 2000 and 2005, followed by the Malcolm Baldrige National Quality Award In 2009. During that same time, our overall performance improved from bottom quartile to top decile and Heartland Health became recognized as a quality focused, high-performing organization.

I retired at the end of 2009, after 25 years as CEO of Heartland Health, with the knowledge and belief that any organization that adopts and implements fully the Baldrige Framework as its management model will ultimately rise to levels of performance excellence, exceeding all their expectations.

The follow up story is that while I was exceedingly proud of Heartland Health, our employees, doctors, and others because of their remarkable journey to performance excellence, I along with other health care leaders, leaders from business, policy makers, and others were becoming more and more concerned about the overall performance of the health care sector in our country. The high cost of care, the poor health status of our citizens, and the continuing decline in all key measures of a healthy, productive society were becoming a major impediment to our country's overall competitiveness. Those of us leading health care organizations know there is a significant difference between the quality of care one receives in a hospital and the overall health of the population our hospitals serve.

While the use of quality tools of various kinds improves care inside a hospital the only way to improve the health of a population is to improve educational attainment, the quality of jobs, affluence, housing, safety, and other factors, all of which are community-based issues. To that end, in early 2010 Rick Norling, who during his tenure as CEO led Premier, Inc., to receive the Baldrige Award in 2006, and I began discussing the possibility of adapting the Baldrige Framework for use by communities. In any community, individual organizational performance is extremely important, but educating children, creating jobs, and improving health are all driven by the community itself. The question then became, could we use an adapted Baldrige Framework to help communities do what high-performing organizations have done to improve their overall performance?

From that early 2010 discussion, with the help of many similarly-minded, passionate people, an effort known as Communities of Excellence 2026 was created and is now working with communities to test and improve a Baldrige Framework, specifically adapted for communities, to see if we can create the same kind of dramatic improvements experienced in organizations that adopted Baldrige as their management model in all other sectors of our economy.

That story has yet to be written, but to the extent Baldrige succeeds at the community level anywhere close to how it performs in individual organizations, our country will be much stronger as we enter the next 250 years of our existence. To that successful end, Malcolm Baldrige will have reached into the very core of our society and ultimately left us all a very fitting legacy.



*Lowell Kruse (from right) with Baldrige Performance Excellence Program Director Bob Fangmeyer, Performance Excellence Network President Brian Lassiter, and Dr. Joann Sternke, former Superintendent of the Pewaukee School District, winner of the Baldrige National Quality Award in 2013.*



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Thirty years of experience with Baldrige has generated substantial data to show that Baldrige-based manufacturers make fewer faulty products. Baldrige hospitals provide better care to more people and are saving lives. In Baldrige schools our students perform better, stay in school longer, and teachers are happier. Baldrige offers the ability to mend our broken communities and protect our critical cyber infrastructure. The evidence also shows that Baldrige organizations achieve these outcomes at lower cost.

We give our most heartfelt thanks to these Quest sponsors who are helping the Baldrige Enterprise change our world. – Al Faber, President and CEO, Baldrige Foundation.





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# Thoughts on Baldrige

by Terry May

“I believe in Baldrige and the results we’ve experienced at MESA demonstrate the value. I believe Baldrige can improve any organization in any sector. But as a small businessperson, applying the Baldrige Criteria consistently is the best recipe I know for growth and sustainability.”

I first became aware of the Baldrige Program in early 2002 when I received a copy of the Baldrige Criteria through a mass mailing. Although I may have heard or read about Baldrige prior to that time, I didn’t have any idea what Baldrige was about. As I read through the Criteria booklet, I experienced what I would describe as a revelation. At that time, I had read many books on management and leadership. Each of these provided me with knowledge that helped improve my business, but none gave me the magic formula. The Criteria encapsulated virtually everything I had come to believe was important in building and growing a successful business. And it did it in an organized manner that made sense to me.

The really powerful appeal to Baldrige is that it works for organizations of any size and any sector. So whether you’re a small business or a global business or a nonprofit or education or health care, Baldrige can improve performance to world-class levels.

But here’s the rub. The concepts are simple, but the application is hard. It takes time and perseverance for an organization to adopt the Baldrige Criteria and put them into practice. Although the results are time-tested and proven, many organizations don’t have the patience or the will to get the maximum benefits. This approach isn’t a quick fix.

In our early experience with Baldrige, I often wondered why so few organizations were involved in the program. I understood that preparing an application is challenging and requires extensive effort, but that didn’t explain to me why fewer than 100 applications were submitted each year.

As we went through several application cycles, I often wished the information and the process could be simplified. As an example, the language and terms used in the Criteria are not part of a normal vocabulary or at least what I consider normal. Applying the Criteria within our organization required us to interpret the language into words we understand and can communicate. As I have become more involved with the Baldrige Program, I’ve come to better understand how the Criteria developed and the dedicated professionals who built the program. But as I’ve gained that understanding, I tend to forget how it appears to outsiders and why others can’t see the value I see.

In one sense, the Program has evolved much like an organization applying Baldrige principles. It has become much more sophisticated and complex over time. We now have a Baldrige Enterprise consisting of multiple organizations and individuals with differing opinions and approaches. Applying Baldrige is hard and it always has been hard. But maybe we make it harder than it needs to be. I’ve often thought that Baldrige has a marketing problem. This is a good product, but we don’t seem to be able to build the market. How can we make it more appealing? Should we make it simpler





*Terry May talking with Foundation President and CEO Al Faber.*

and easier? Can we come up with a more dynamic name like Lean or Six Sigma? These questions tend to get pushed aside when the urgent and immediate challenge is survival and sustainability of the Program.

I believe in Baldrige and the results we've experienced at MESA demonstrate the value. I believe Baldrige can improve any organization in any sector. But as a small businessperson, applying the Baldrige Criteria consistently is the best recipe I know for growth and sustainability.





# The Alliance for Performance Excellence

The Alliance for Performance Excellence is a nonprofit national network that aims to enhance the success and sustainability of 33-plus state, local and sector Baldrige-based programs. Alliance members all use the Criteria for Performance Excellence and cover all 50 states. Most are independent 501(c)3 nonprofit organizations, but some are coordinated by state governments and university systems. All have a Baldrige-based award program as their central mission.

More than 2,200 examiners, 1,400 applicants and approximately 40 paid staff serve Baldrige-based state and regional programs. These programs

help many local organizations start and continue their performance excellence journeys. Most Malcolm Baldrige National Quality Award recipients began their performance excellence journeys with their state quality award programs.

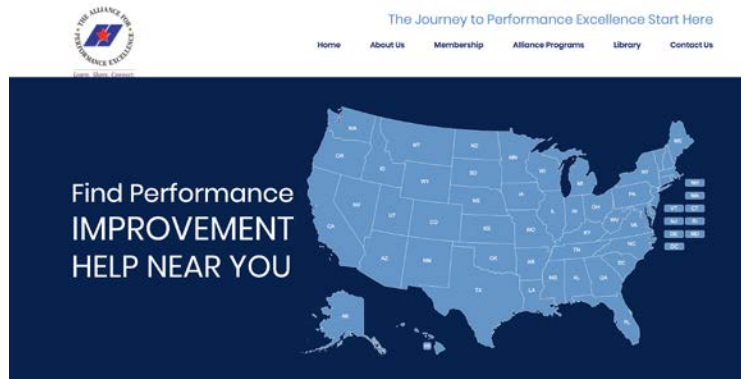
In addition, the Alliance successfully collaborated with the Baldrige Program and the Baldrige Foundation to host the Baldrige Fall Conference. Rebranded from Baldrige Regional Conference, it was the first time BPEP subcontracted a major product to the Alliance. The conference was hosted and executed by the Southwest Alliance for Excellence in partnership with the Performance Excellence Network.



Alliance leadership at the 29th annual Quest conference, Alliance Chair Liz Menzer (from left) and Vice Chair Brian Lassiter speaking with Foundation Board Member Debbie Collard at the Foundation's Quest dinner.



Over two hundred Baldrige leaders attended the annual Baldrige Fall Conference in Tempe, Arizona.



The Alliance for Performance Excellence has launched an exciting new website featuring a clean, modern design and retaining its iconic clickable map to locate performance excellence in your area. The new URL is <https://www.baldrigealliance.org/>

**BALDRIGE FOUNDATION  
AWARDS**



**APRIL 4, 2017**

# The E. David Spong Lifetime Achievement Award

New in 2017, the Baldrige Foundation expanded its leadership awards program with the establishment of the E. David Spong Lifetime Achievement Award.

"This new award recognizes an individual who has performed truly extraordinary service and created a legacy which will inspire future generations of leaders," said Foundation President and CEO Al Faber. "That is why we are proud to present the inaugural lifetime achievement award to the man who inspired it and will serve as the award's namesake, E. David Spong."

Dr. Spong has been a Baldrige practitioner and advocate throughout his career.

"I am thrilled to lend my name to this award, but the Baldrige Enterprise is the real champion," said Dr. Spong. "Baldrige recipients serve as role-model organizations for everyone else to emulate. Through Baldrige, 'best practice' becomes documented, data-driven, evidence-based examples of performance excellence. These examples reach every sector of the economy; manufacturing, small business, service, health care, education, the nonprofit sector and government, and beginning last year, cybersecurity. Baldrige is a recipe for first-class performance."



Foundation President and CEO Al Faber with Dr. David Spong and the E. David Spong Lifetime Achievement Award.

"David's career spans over five decades and encompasses many, varied leadership roles," continued Faber. "At every step David has been a champion of the Baldrige Framework and the Baldrige Enterprise. The Baldrige Foundation is honored to present this award to him, and future leaders who embody his lifetime commitment to quality."

David Spong has demonstrated an unwavering commitment to the Baldrige principles since he was introduced to them many years ago, and his unbridled enthusiasm and support for the Baldrige Enterprise has continued into his retirement.

## DRIVING PERFORMANCE EXCELLENCE

David has a natural inclination towards systems thinking, which he has carried into his leadership roles. He has used the Baldrige Criteria as a framework around which to align the organizational management system to drive holistic thinking and action.

As a leader, David has always exhibited the highest of ethics in his personal behavior, and he required the same high standards of everyone in his organization. He established a dedicated ombudsman on his leadership teams, ensuring an independent review of ethical responsibilities and behaviors throughout the organization.

He has always focused his organizations on customer satisfaction, recognizing it as a competitive advantage. He has built the customer focus into the culture of his organizations. He lists the customer both as the first stakeholder and as a value at the center of his leadership system, aligning the strategic focus to ensure meeting customer requirements and changing market needs.

One cannot argue with his results. David is the only person to lead organizations to the Malcolm Baldrige National Quality Award in two categories. In 1998, he led Boeing's Airlift and Tanker Programs to receive the award in the Manufacturing category, and in 2003, he led Boeing Aerospace Support to

the award in the Service category. David has led organizations to a total of seven state and three national quality awards; he received the Australia Business Excellence Award in addition to the two Baldrige Awards.

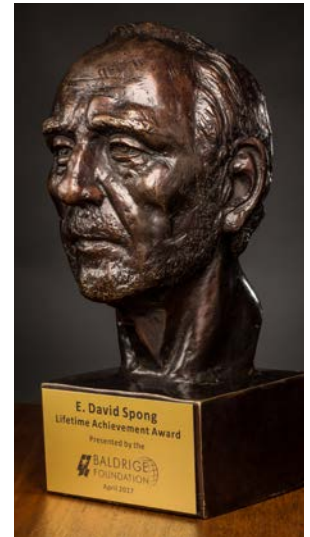
## A LEGACY OF ADVOCACY AND SUPPORT OF THE BALDRIGE ENTERPRISE

David has not only used Baldrige principles for many years during his career, but equally important, he has dedicated his efforts to ensuring that the Baldrige Enterprise remains a viable entity, available to future generations of leaders. He has served on the Board of the California Council for Excellence for more than a decade, has been President of the American Society for Quality, and is a lifetime member and former Chair of the Foundation for the Malcolm Baldrige National Quality Award.

Many of the critical debates about the evolution of the quality community and the Baldrige Enterprise have been shaped by David in the many leadership and advocacy roles, including turning around an at-risk state quality award program, and helping to evolve the Foundation Board's focus to enable the perpetuity of the Baldrige Program.

In March of 2011, David testified to Congress, advocating for continuation of the federal appropriation for the Baldrige Performance Excellence Program. His testimony speaks volumes about the critical role played by Baldrige in our national life:

“While the history of management theory in the United States is littered with outmoded fads, most of these fads were tools that had a short shelf life. By contrast, the Baldrige Program reflects a nonprescriptive and dynamic systems approach to performance excellence. It is a system of assessments that does not prescribe the tools an organization should use, leaving those decisions to the organization itself. While specific tools go in and out of fashion, the Baldrige Criteria, which define what constitutes performance excellence, have remained and continue to evolve.”



# The Harry S. Hertz Leadership Award

The Baldrige Foundation named Mary Searcy Bixby, Founder, President, and CEO of The Charter School of San Diego (CSSD), recipient of the 2017 Harry S. Hertz Leadership Award. CSSD was a recipient of the Malcolm Baldrige National Quality Award in 2015.

“Mary is a true leader in the education field in California and throughout the country,” said Al Faber, President and CEO of the Baldrige Foundation. “She and her team have built a world-class education organization which is transforming the lives of thousands of at-risk students.”

“It is humbling to receive an honor that is so much a result of our team’s work. Serving students in the manner they deserve is the result of lots of people striving for high quality performance each and every day,” Bixby said. “CSSD began their Baldrige journey in 2004,” said Faber, “leading to phenomenal results with some of the most at-risk students in San Diego. CSSD has maintained overall student and parent satisfaction levels of close to 100 percent from 2010 to 2015.”

“The Baldrige journey has allowed us to better serve our students, their families and the community at large. The individuals who make up our organization are deeply invested in offering a superior educational experience. Using the Baldrige approach to improvement has proven to be an excellent means of offering personalized instruction within a setting focused on excellence,” Bixby said.

## VISIONARY LEADERSHIP

Through long-term strategic planning and identification of promising practices nationwide, Mary has created replicable, scalable, and innovative models. The models introduce technology rich resource centers and specially-trained teachers to premier neighborhood shopping centers. This design represents the merger of traditional education with a creative, change-oriented systems approach. The incorporation of the Baldrige Framework and strategic planning oriented to sustainability has resulted in the successful redirection of more than 44,000 at-risk students.



2017 Hertz Leadership Award recipient Mary Searcy Bixby (center) with the person whose life work inspired the award, Harry S. Hertz (left) and Ken Cohen, President and CEO of the Synergy Organization, Founding Sponsor of the Hertz Award.

The Harry S. Hertz Leadership Award, presented each April to a role-model leader who has inspired, encouraged, challenged, and empowered others to achieve performance excellence.

Mary is a true, visionary leader in the education field in California and throughout the country. She and her team have built a world-class education organization, which is transforming the lives of thousands of at-risk students.

## **ETHICS, TRANSPARENCY, AND LEADING BY EXAMPLE**

To promote an organizational environment that requires a commitment to legal and ethical behavior, Mary has helped design processes for promoting ethical and legal behavior that are systematic, mature, and well-deployed.

Mary sets and models high standards for legal and ethical behavior for all employees across the organizations. Mary participates in ethics trainings alongside all members of the workforce.

The process begins during interviews and continues throughout employment at CSSD. All employees are required to receive a low-risk grade on the Work Styles Behavior Survey and an initial clearance and real-time maintenance of a clear criminal background check. Each employee receives an Employee Handbook upon hire that clearly outlines acceptable behavior for CSSD workforce members. As models for students and parents, all employees are held to a high standard of professionalism through their dress, speech, and conduct.

CSSD retains legal counsel, and the Board of Directors serves as a check and balance to ensure legal compliance. At least twice a year, an external auditor reviews school-wide operational, legal, and financial compliance. To ensure ethics and transparency are promoted throughout the organization, Mary has promoted a system that allows senior leaders to monitor and respond to all breaches of ethical behavior reported through the annual Ethics Survey or the Complaint Process.

## **CUSTOMER-FOCUSED EXCELLENCE AND RESULTS**

From CSSD's inception in 1993, Mary has built and maintained a culture that puts kids first. CSSD listens to, interacts with, and observes students and parents to obtain actionable information by using multiple



2017 Hertz Leadership Award recipient Mary Searcy Bixby share her Baldrige experiences with the attendees after being presented with the award.

listening approaches. CSSD deploys varying methods to listen to targeted customer groups and segments and disaggregates data based on grade level, length of enrollment and significant subgroups to obtain valuable feedback about its educational program and customer experience. Students are surveyed throughout their length of enrollment to help teachers, the Leadership Team, and Mary gauge student engagement and academic progress through the strategic planning process.

That customer focus has led to extraordinary results. Many students come to CSSD one or more semesters behind in credits and not on track to graduate. Despite these deficiencies, over the past five years, CSSD has graduated over 3,000 students. The most recent schoolwide dropout rate compares favorably to the San Diego County dropout rate and the state dropout rate while serving a largely at-risk student population. Student overall satisfaction results remains at about 98 percent. Parent overall satisfaction has been consistently 98 percent for the past five years.

# One Data Breach Each Day in 2016—Another Reason Experts Say Focus on Cyber Risk Now

by Dawn Bailey, Baldrige Performance Excellence Program,  
National Institute of Standards and Technology



The year 2016 averaged one health care data breach per day, affecting more than 27 million patient records, according to Protenus, Inc., which recently collaborated with DataBreaches.net on the “Breach Barometer Report: Year in Review.”

Additional findings from analysis ([www.beckershospitalreview.com/healthcare-information-technology/2016-averaged-1-healthcare-data-breach-per-day.html](http://www.beckershospitalreview.com/healthcare-information-technology/2016-averaged-1-healthcare-data-breach-per-day.html)) of that report, which pertains to health care, follow:

- There were 450 total breach incidents in 2016.
- Insiders caused 43 percent of the data breach incidents.
- Hacking and ransomware were responsible for 26.8 percent of the breaches.
- It took the average entity 607 days to discover breaches caused by insider wrongdoing.
- Breach incidents affected 47 states.

“There’s no such thing as total security anymore. You must make every effort to strengthen security as



much as possible,” said Michael Dowling, president and CEO of Northwell Health, in a recent article in *Becker’s Hospital Review* ([www.beckershospitalreview.com/hospital-management-administration/michael-dowling-the-ceo-s-role-in-tech-and-cybersecurity.html](http://www.beckershospitalreview.com/hospital-management-administration/michael-dowling-the-ceo-s-role-in-tech-and-cybersecurity.html)).

“Hacking and data breaches are realistic and stubborn dangers we face each day. No [leader] has the luxury of dismissing these threats or viewing the work to prevent them as optional.”

Of course, breaches related to cybersecurity are not reserved for the health care industry.

Jon Boyens of the National Institute for Standards and Technology (NIST), in a paper titled “Integrating Cybersecurity into Supply Chain Risk Management ([www.rsaconference.com/writable/presentations/file\\_upload/grc-w03\\_integrating\\_cybersecurity\\_into\\_supply\\_chain\\_risk\\_management.pdf](http://www.rsaconference.com/writable/presentations/file_upload/grc-w03_integrating_cybersecurity_into_supply_chain_risk_management.pdf)),” pointed out that trends, including the Internet of Things (where everything is smart and interconnected), IT-enabled supply chain management, and 3-D printing, present cyber risks that can result in the delivery of poor quality, compromised or counterfeit products that diminish brand reputation, loss of intellectual property, and compromised customer information and operational control systems.

Paul Myerson, professor of practice in supply chain management at Lehigh University, highlights in a recent *Industry Week* article ([www.industryweek.com/supply-chain/can-t-turn-back-time-cybersecurity-must-be-dealt](http://www.industryweek.com/supply-chain/can-t-turn-back-time-cybersecurity-must-be-dealt)) incidents such as hackers gaining access to owner data on 600 million Samsung Galaxy phones and poor information security by service suppliers leading to recent data breaches at Target, Home Depot, Goodwill, and many other companies and organizations.

In light of the increasing volume and sophistication of cyber threats, organizations need a systems approach to improve their cybersecurity performance. The Baldrige Program has been working hard, in collaboration with the Applied Cybersecurity Division at NIST and industry experts, to develop the *Baldrige Cybersecurity Excellence Builder* ([www.nist.gov/baldrige/products-services/baldrige-cybersecurity-](http://www.nist.gov/baldrige/products-services/baldrige-cybersecurity-)

initiative), a voluntary self-assessment tool that enables organizations to better understand and improve the effectiveness of their cybersecurity risk management efforts. It helps leaders of organizations to identify opportunities for improvement based on their cybersecurity risks, needs, and objectives, as well as their larger organizational environment, relationships, and outcomes.

*“There’s no such thing as total security anymore. You must make every effort to strengthen security as much as possible’ said Michael Dowling, president and CEO of Northwell Health.”*

To help organizations use this tool and improve their cybersecurity performance, the Baldrige Program hosts a Baldrige Cybersecurity Excellence Builder Workshop and panel session in conjunction with the annual Quest for Excellence Conference (<https://www.nist.gov/baldrige/qe/about>).

The program invites you and anyone concerned with and responsible for mission-driven, cybersecurity-related policy and operations in your organization to attend this interactive workshop. Attendees learn how to use the Baldrige Cybersecurity Excellence Builder to better understand where their cybersecurity efforts are today and what they can look like in the future, as well as how to conduct a self-assessment of their cybersecurity programs.

Baldrige Director Bob Fangmeyer has written, “In our increasingly connected data-driven world, protecting data, information, and systems has become a basic necessity for organizations of all kinds and a critical national priority.” The Baldrige Cybersecurity Excellence Builder and workshop are designed to help organizations of all kinds start assessing their cyber risk now.



# Baldrige in the Public Sector

by Scott McIntyre

“The framework helps you link your strategy, your human capital process, your leadership development process, and all your core operations together and help them focus on what your clients really want. The discipline forces you first and foremost to really learn and know what your customers and clients really value, and it forces you to drive your processes around adding value rather than adding layers of bureaucracy.”

In 2005, PwC Public Sector, an employer of over 1,100 people, set out to be innovative, competitive, and distinctive in bringing our commercial management consulting capabilities to the government space.

The market for providing consulting services to public sector clients is crowded, often undifferentiated and typically price-sensitive. Recognizing this, PwC Public Sector decided to embark on a journey of quality that would differentiate us from our competitors and would deliver the same value to the public sector that we deliver to our commercial clients in all industries around the world.

This journey began with an explicit strategy to be different from our competitors. Different with respect to the types of opportunities we would seek. Different in terms of the value proposition that we would bring to our clients. And different in terms of recruiting and cultivating talent to address the most complex challenges our public-sector clients face.

We wanted to build a business that served the public sector in a distinctive way, and one of the things that we thought would help us achieve that was to be highly customer oriented, very agile, and very flexible. We knew that adopting the Baldrige Framework and building our business and our operations around those principles would enable us to do that.

The framework helps you link your strategy, your human capital process, your leadership development process, and all your core operations together and help them focus on what your clients really want. The discipline forces you first and foremost to really learn and know what your customers and clients really value, and it forces you to drive your processes around adding value rather than adding layers of bureaucracy.

Winning the Malcolm Baldrige National Quality Award in 2014 was an important validation of our efforts, but as I had heard so many Baldrige leaders say before and since then, the journey was the reward. Pursuing the Baldrige Award provided our business and leadership team with three easily identifiable benefits.

First, it gave us a flexible framework to guide the development of a sustainable quality plan. This roadmap proved essential in aligning our efforts, gauging our progress and addressing interdependencies among different parts of the operation.

Second, it gave us a touchstone to rally our efforts around and galvanize our commitment around real improvement opportunities with real ownership behind each one.



*Scott McIntyre (right) with Bob Fangmeyer, Director of the Baldrige Performance Excellence Program*

Third, it helped facilitate trade-off analyses between initiatives that had real impact to our customers and our bottom line and those that would be nice to do, but are less tangible in their impact or return on investment.

Baldrige continues to evolve, most recently with the adaptation of NIST's Cybersecurity Framework to the Baldrige principles, resulting in the publication of the Baldrige Cybersecurity Excellence Builder (BCEB). Subsequent to fully deploying the Baldrige framework, we at PwC Public Sector began to use the BCEB, enabling an internal audit and organizational maturity framework to build upon.

As I said before, the journey was the reward. While we expected to learn lessons and identify opportunities for improvement, what we did not imagine was that there would be such a transformation across our business impacting every area that touches our clients. We also could not have anticipated the undeniable increase in revenue growth during each of the years that we were pursuing the Baldrige Award, capped off by an even greater acceleration of sales in the wake of winning the award.

In 2016 I joined the Foundation's Board of Directors, and I hope through my efforts to help continue and grow Baldrige, to ensure this valuable resource remains available for organizations across all sectors of the economy to achieve excellence in the future.



# Foundation Awards for Leadership Excellence

**B**aldrige Foundation Board Chair, Dr. P. George Benson, recently noted that in 2013, the Foundation Board began to showcase “active rock stars within the Baldrige universe.” That was the year that the first Harry S. Hertz Leadership Award was presented to Harry Hertz, in recognition of his role-model behavior in executing, promoting, and inspiring others to adopt the Baldrige leadership principles.

The Hertz Award criteria focus on individuals who remain actively involved in organizations that are on a Baldrige journey, currently using the Baldrige Framework to assess and define their culture, structure, and processes. That is why the criteria reward so highly empirical results derived in the previous five-to-ten years.

Four years after establishing the Hertz Award, the Foundation Board authorized the E. David Spong Lifetime Achievement Award. The Spong Award is open to individuals who may or may not still be leading Baldrige organizations, but who have demonstrated decades of leadership excellence and who have had a far-ranging impact on the Baldrige Enterprise. David Spong was the first recipient of the award in April 2017.

At the same time, the Foundation Board established awards to recognize outstanding leaders in all Baldrige Award sectors: Business (Manufacturing, Service, Small Business), Nonprofit, Government, Health Care, Education, and Cybersecurity, who provide exceptional support to Baldrige and the mission of the Foundation.

In April 2018, the inaugural winners of the Foundation Awards for Leadership Excellence will be recognized.

“There are so many people doing such important work promoting the Baldrige Framework,” Foundation President and CEO Al Faber said. “Through their efforts to grow the Baldrige community, they help thousands of organizations across the country to improve their performance. Baldrige makes health care safer and more accessible, education more effective, businesses more efficient and customer-focused, cyber systems more secure, governments more streamlined, and nonprofits more responsive across the spectrum,” said



Recipients of the Baldrige Foundation Award for Leadership Excellence will receive a sector-specific medal that is suspended on a color silk moiré ribbon that is two inches long and 1-3/8 inches wide. The medal also comes with a sash, lapel pin, and framed certificate.



Foundation President and CEO Al Faber with the 2017 Harry S. Hertz Award recipient, Mary Searcy Bixby, inaugural E. David Spong Lifetime Achievement Award recipient, E. David Spong, and Foundation Board Chair P. George Benson, after the Foundation Leadership Awards ceremony.

Faber. “These great leaders are helping to ensure the sustainability of Baldrige into the future.”

Unlike the Hertz and Spong Awards, which are presented to one recipient each year, there can be multiple winners of the Foundation Award for Leadership Excellence, determined by sector.

Like the Hertz and Spong Award winners, however, Leadership Excellence Award recipients will be recognized annually at the Baldrige Quest for Excellence® Conference.

# On Innovation, Intelligent Risks, and Leaking Sinks

by Harry Hertz, Baldrige Performance Excellence Program,  
National Institute of Standards and Technology

**T**he Baldrige Excellence Framework encourages organizations to create an environment for innovation through pursuing intelligent risks. How do you know whether a new idea is an intelligent risk, and therefore worth pursuing? How do you know if the resulting change is an innovation? An experience from my early days as a bench chemist—which involved a creative solution to a leaking sink—shows that not all out-of-the-box ideas are intelligent risks leading to innovation.

In those early days, I had the opportunity to spend considerable time in the Prince William Sound of Alaska conducting environmental sampling to measure how pristine the environment was before the Trans Alaska Oil Pipeline (link is external) went into operation. The work was challenging because we were developing chemical analysis methods to measure “close to zero” pollution levels. Our base of operations was the town of Valdez, which at that time had no paved runway and no hotels. We rented a rundown, two-story house that was barely fit for habitation and therefore available to visiting scientists!

On one of our trips, the drain in the second-floor bathroom sink was leaking and constantly creating a puddle on the floor. The pipes were old and likely to break if they were manipulated. Nevertheless, repair was needed, so we notified the owner of the house. He came and inspected the leak, then ran back and forth between the bathroom and the kitchen on the first floor. He finished his inspection, said he needed some tools and would return shortly. He came back with an electric drill and drilled a hole in the middle of the puddle. The water drained and went into the kitchen sink, which was right below the puddle. Clearly, a novel solution to the problem, but was it an innovation to be replicated in other houses and did it represent an intelligent risk?

Baldrige defines innovation as, “Making meaningful change to improve products, processes, or

organizational effectiveness and create new value for stakeholders.... Innovation benefits from a supportive environment... and a willingness to pursue intelligent risks.” Intelligent risks are “opportunities for which the potential gain outweighs the potential harm...”

Now let’s return to the leaky sink. Was the new bath and kitchen design an innovation? Baldrige would say “no” on two counts. The new product was a house that traded a wet floor for wet unsanitary hands, wet wood in the ceiling, and potentially contaminated dishes, silverware, and glasses. The change was not a meaningful change that improved the product and it certainly did not create any new value for the renters. If anything, we were grossed out by the brown water that came down through a ceiling with rafters that had been in place for many decades.

And was it an intelligent risk? Certainly not, because the potential gain (a dry floor) did not outweigh the potential harm to us nor to the owner as he drilled through a puddle of water with an old electric drill, potentially creating both an electrical shock and a blown circuit.

Significant change alone is not innovation. It must yield stakeholder value. And risk alone is not always intelligent risk. The potential gain must outweigh the potential harm. The key word in this last sentence is potential. We cannot guarantee that an intelligent risk will yield a beneficial outcome, but the potential must be there. Taking an intelligent risk may result in failure, but failure that was worth the risk and therefore should be recognized as a positive activity from which we learn.

Do your organization’s innovation process and intelligent risks match up to the Baldrige approach? Or are you making meaningless change? Are you draining the puddle and “infecting” key stakeholders?



# Baldrige and Cybersecurity

by Tony Scott

“Baldrige helped transform many industries, and the practices and processes that were developed and institutionalized are now the norm across many industries.”

In my role as the Federal Chief Information Officer for the U.S. Government during the last two years of the Obama Administration, I became acutely aware of the risks associated with poor cybersecurity practices in many federal government agencies. For example, after only a few weeks on the job, I learned of the massive data breach at the Office of Personnel Management (OPM), which at the time was one of the largest incidents in history. The investigation of, and the subsequent response to, this breach became a major focus for me and my team in the ensuing months.

Among the many things that we learned from our work on the OPM incident and our examination of broader government-wide practices was that in many cases, agencies lacked the proper funding to do the required work, didn't have the right people with the right skills to do the work, and often didn't have the right information at their fingertips to help guide them along a path to success.

In reflecting on the broader issues we were seeing, I was reminded of an earlier era—the 1970s and the 1980s—when manufacturing quality in the United States was inferior to other global competitors (Japan in particular). It was in response to that quality crisis that Congress created the Malcom Baldrige National Quality Award, and over the ensuing years it has become a widely respected global symbol of excellence. Baldrige helped transform many industries, and the practices and processes that were developed and institutionalized are now the norm across many industries.

It struck me that many of the issues I was seeing in cybersecurity were, in fact, very similar to many of the manufacturing quality issues of earlier years. These included process defects, poor measurement and detection tooling, lack of understanding of the root cause of cybersecurity defects, etc. And, while the National Institute of Standards and Technology (NIST) had produced an excellent Cybersecurity Framework (CSF), I felt more was needed, and I came to believe that Baldrige-based approaches were a potential solution to some of the problems I was seeing.

I was delighted to learn that others felt the same way, and, in particular, that the Baldrige Performance Excellence Program had begun work on a tool called the Baldrige Cybersecurity Excellence Builder (BCEB). Its introduction has been well received, and BCEB and the CSF are now the go-to tools in many institutions.

There is good reason for that. The BCEB brings together the systems perspective, measurement, and results focus of the Baldrige Excellence Framework and the cybersecurity outcomes identified by the Cybersecurity Framework, to provide a unique tool for organizations across the economy to prioritize and execute cybersecurity enhancements. By involving boards and C-Suites, it breaks down the stovepipes that can lead to technological solutions that fail to protect critical cyber infrastructure. It makes



*Tony Scott (from right) with Al Faber, President and CEO of the Baldrige Foundation, and Russell Branzell, CEO and President of the College of Healthcare Information Management Executives.*

organizations safer by enabling them to better understand the effectiveness of cybersecurity risk management efforts in the context of their overall organizational needs, objectives, and outcomes.

After leaving government, I was asked to join the Baldrige Foundation Board, and I accepted enthusiastically. Through the Foundation's work, I know we will see a heightened focus on cybersecurity as part of an overall effort to grow and promote Baldrige thinking and institutional performance excellence in participating organizations.



# Using Baldrige to Support Our Military, Veterans

by Dawn Bailey, Baldrige Performance Excellence Program, National Institute of Standards and Technology

Support of the U.S. military and our Veterans has always been a core value for Americans.

And for the nonpartisan Baldrige Performance Excellence Program, when nonprofit organizations became eligible for the Baldrige Award in 2007, military bases, centers, agencies, and other units could receive feedback from trained Baldrige examiners on considerations to continuously improve their services. (VA and other military health care organizations were already eligible through the health care category.) In addition, Baldrige resources have supported the military and Veterans through Baldrige-based programs that have existed at various times at the five armed services branches, such as the Army Communities of Excellence ([www.tioh.hqda.pentagon.mil/Catalog/Heraldry.aspx?HeraldryId=5065&CategoryId=2882&grp=2&menu=Uniformed%20Services](http://www.tioh.hqda.pentagon.mil/Catalog/Heraldry.aspx?HeraldryId=5065&CategoryId=2882&grp=2&menu=Uniformed%20Services)), and within state Baldrige-based programs (the Alliance for Performance Excellence ([www.baldrigepe.org/alliance](http://www.baldrigepe.org/alliance))), as well as by the use of nonprescriptive and customizable Baldrige resources by any person or organization. Following are just some examples of how Baldrige has supported our military and Veterans through such endeavors.



Veteran support demonstrated at the Veterans Affairs Cooperative Studies Program Clinical Research Pharmacy Coordinating Center

Baldrige Award recipient the Veterans Affairs Cooperative Studies Program Clinical Research Pharmacy Coordinating Center ([http://patapsco.nist.gov/Award\\_Recipients/PDF\\_Files/VACSP\\_Profile.pdf](http://patapsco.nist.gov/Award_Recipients/PDF_Files/VACSP_Profile.pdf)) is a federal government organization that supports multicenter clinical trials targeting current health issues for America's veterans. The Center manufactures,

packages, stores, labels, distributes, and tracks clinical trial materials (drugs and devices), and monitors patient safety.



Lab work at the Center

According to Dr. Robert Ringer, assistant center director for pharmaceutical management and research, the Center's work aims to benefit Veterans through clinical research, with the goal of improving health care outcomes that are particularly prevalent in the Veteran population.

"Rigorous clinical trials help us better understand and treat diseases and conditions that disproportionately affect those who served this great nation," he said. "The culture of our Center is such that we believe we owe it to our Veterans to deliver the highest quality products and services to the research sites we serve. We believe the Baldrige Criteria has the strongest record of measuring and achieving performance excellence. The [Baldrige] model helps us more intensely scrutinize our operations and measure ourselves against organizations that are best in class to keep us focused on performing at the highest level."

The Center uses the Baldrige Excellence Framework ([www.nist.gov/baldrige/publications/baldrige-excellence-framework](http://www.nist.gov/baldrige/publications/baldrige-excellence-framework)), which includes the Criteria, to help it better understand its own systems and processes, and how to improve linkage and alignment across the organization, said Dr. Ringer; adding, "We observed a significant improvement in customer satisfaction and productivity, as well as higher employee engagement—all of which made



the Center more capable of achieving our mission of improving health care outcomes.”

By receiving the Baldrige Award, the Veterans’ program at the Center demonstrated that performance excellence can be achieved in a federal organization. Also, Dr. Ringer said, by measurably improving its systems and processes, the Center was able to demonstrate real value to both Veterans and tax payers. Many improvements were achieved by learning from feedback, which was received after applying at Baldrige-based state, sector, and national levels, as well as participating in Baldrige site visits.

“We carefully reviewed each and every [opportunity for improvement] OFI generated by site visits from examiners from Baldrige, Quality New Mexico ([www.qualitynewmexico.org](http://www.qualitynewmexico.org)), and [The Secretary of Veterans Affairs’ Robert W. Carey Performance Excellence Award ([www.va.gov/oei](http://www.va.gov/oei))]. There are far too many OFIs to list here, but it is safe to say nearly every systematic process was improved in some way by implementing changes based on the OFI report,” he said.

Added Dr. Ringer, “For us, Baldrige principles and performance excellence have become part of our ‘standard procedures.’ We are a leaner, more productive organization—and continually look for ways to improve. [Baldrige] ties directly into our core mission, vision, and values. We believe we have one of the most noble jobs in America—to serve and care for those that served our country.”

Brenda Lopez, program manager for the Army Communities of Excellence (ACOE) who works with the Texas Army National Guard, said during her tenure she has led cross-functional teams in developing and implementing key business processes, leading strategic planning sessions, and establishing a culture for continuous process improvements using the Baldrige framework. “As a military leader and service member for over 16 years, . . . I learned several important key core values such as loyalty, duty, respect, selfless service, honor, integrity, and personal courage, and . . . have a special interest in quality and improvement for both personal and professional settings,” said Lopez. Being a lead writer and examiner for the annual

Baldrige-based ACOE performance assessment has allowed me to provide feedback for improvement to other National Guard states, she added.

“Throughout this [Baldrige] journey, I have acquired specific knowledge and comprehension in business operations and organizational excellence. My objective is to continue helping improve business operations through effective and systematic processes, and assisting [organizations to] become top-performing and professional models for all,” she said. Lopez says she hopes to become a national Baldrige examiner to expand her analytical skills and knowledge about the different industries using the Baldrige model. “Additionally, becoming a Baldrige examiner will allow me to share best practices within my organization and improve the overall business operations for the Texas Army National Guard,” she added. To read more about how Baldrige resources support the U.S. military and Veterans, here’s another story about Baldrige Award recipient U.S. Army Armament Research, Development and Engineering Center. There are also several stories about improved, streamlined performance being demonstrated by ACOE award winners, for example in Ohio ([www.nationalguard.mil/News/Article-View/Article/587508/ohio-is-overall-winner-in-this-years-army-national-guard-army-communities-of-ex/](http://www.nationalguard.mil/News/Article-View/Article/587508/ohio-is-overall-winner-in-this-years-army-national-guard-army-communities-of-ex/)) and Wisconsin ([www.army.mil/article/168746/Wisconsin\\_takes\\_top\\_honors\\_in\\_this\\_year\\_s\\_Army\\_National\\_Guard\\_Army\\_Communities\\_of\\_Excellence\\_awards](http://www.army.mil/article/168746/Wisconsin_takes_top_honors_in_this_year_s_Army_National_Guard_Army_Communities_of_Excellence_awards)).



Fort Campbell (Kentucky/Tennessee) received a 2016 Gold Award in the Army Communities of Excellence competition for supporting soldiers, families, and surrounding communities.

# Baldrige Economic Impact: #BaldrigeForGrowth

Many times it has been repeated that the Malcolm Baldrige National Quality Award was born of the quality crisis in American manufacturing in the 1970s and the 1980s. Many of America's competitors had developed quality award systems and prizes, like the Deming Prize in Japan, and their manufacturers were outperforming their American counterparts.

It is important to remember that, because it shows clearly the magnitude of the challenge facing American industry, and it sets the stage for an understanding of how powerful was the tool developed by Dr. Curt Reimann and his staff at the National Bureau of Standards, now called the National Institute of Standards and Technology.

The Malcolm Baldrige National Quality Award was supposed to be the prize that would motivate companies to undertake the Baldrige challenge. Yet it has become apparent over nearly 30 years of experience with the Baldrige Excellence Framework, that the true payoff comes from the journey. The leaders of virtually every Baldrige Award recipient organization say that very same thing, that it is the improvement in performance from undertaking the Baldrige journey that is the real prize.

“The Baldrige Criteria challenged us to become leaders by any measure, and we succeeded—seeing productivity, customer loyalty, employee engagement, and financial returns. This award sets the standard for U.S. organizations, driving innovation and economic competitiveness.” – Sam Liang, CEO and President, MEDRAD, Inc.

From the perspective of assessing the economic impact of the Baldrige Performance Excellence Program over 30 years, that means that assessing the improvements in profits, reductions in costs, enhancement of customer and employee satisfaction, higher levels of employment, and other benefits achieved by the Baldrige Award recipients will yield only a small percentage of the total value generated for the



“The economic environment is difficult for Cargill Corn Milling, as it is difficult for many manufacturing companies today. But the reality is that by utilizing the processes and tools that we've learned from Baldrige, we're able to not only meet these challenges but actually excel in them. The Baldrige Criteria teach us how to put processes in place that allow us to actualize the things that are most important in driving our business success.” – Alan Willits, President, Cargill Corn Milling

American economy. Such an assessment will miss the gains achieved by the hundreds of organizations on the journey that have not yet, or may never, win a Baldrige Award or one of the state-level Baldrige-based awards.

The total value generated by the Baldrige Enterprise derives from three distinct sources. The first and most obvious is the actual process and performance changes of the organizations employing the Baldrige Framework. Over the years, BPEP has collected data from Baldrige Award recipient organizations, and their gains are impressive. The Bureau of Economic Analysis and Labor Statistics report that organizations that have twice won the Baldrige Award demonstrate a stunning 92.6 percent increase in median revenue growth in the period between winning their awards; job growth at 2.5 percent, nearly 20 times greater than matched industries; and growth in the number of business sites of 84 percent.

The second source of value is the performance excellence multiplier of the Baldrige Award. One of the commitments made by Baldrige Award recipient organizations is that they will share their best practices and serve as role models for other organizations. George Benson, Chair of the Baldrige Foundation Board of Directors, explained that impact in his introduction to the Baldrige Award ceremony in 2016.

“The purpose of the awards we present today is not just to reward these top-performing organizations. From the beginning, the Baldrige Criteria and the Baldrige Awards were designed to trigger transformational chain reactions that would yield a stronger, more competitive economy and a better quality of life for the people of this country.”

“In simple terms, these organizations used the Baldrige Criteria to assess repeatedly their performance and deploy improvements, assess their performance and deploy improvements, until they achieved role-model status. Then we, in our own organizations, learn from them and repeatedly assess and improve our performance. That, in turn, motivates our competitors, our collaborators, our suppliers, and our customers to improve their performances, and so forth.”

“A very crucial step in that chain reaction is the identification of role models, living and breathing organizations that we can relate to, can communicate with, and therefore can learn from.”

“We’ve always had a passion for customer satisfaction, continuous improvement, our industry, and our way of life. But Baldrige helps us serve customers better than we ever imagined. We are truly thankful for this gift of Baldrige to America.” – Matt Fleming, President, MidwayUSA

The third source of value is the vast army of highly-trained volunteers that donate thousands of hours of consulting and teaching to organizations on the Baldrige journey. These are largely examiners and judges for the Baldrige Performance Excellence Program at the national level, and for the state and local Baldrige-based programs. The 2013 estimate of the cash-value for equivalent management consulting was more than \$37 million.

There have been some efforts to quantify the total economic impact of the Baldrige Enterprise. U.S. Secretary of Commerce Wilber Ross said in April 2017, that the Baldrige public-private partnership generates \$1 billion each year in economic impact. In 2011, economists Albert Link of the University of North Carolina at Greensboro and John Scott at Dartmouth College, calculated that the benefit to cost ratio of the Baldrige Performance Excellence Program was 820 to one. And remember, those assessments are only looking at part of the picture.

“I cannot think of a better way to verify the sustainability of a business model than using the [Malcolm Baldrige National Quality Award] process to confirm that your founding business principles continue to be the foundation upon which you grow.”  
– Michael Luker, President, Cargill Kitchen Solutions (formerly Sunny Fresh Foods, Inc.)

Some of the specific company-level improvements driven by Baldrige include the following:

- Lockheed Martin Missiles and Fire Control realized cost savings of \$225 million annually through process and performance improvement programs driven by their Baldrige assessment, and attained a leading market share and sustained growth in the four years leading to its receipt of the Baldrige Award in 2012.
- MEDRAD, a business of Bayer HealthCare, achieved revenue increases from \$120 million in 1997 to \$625 million in 2009.
- Since 1999, Sunny Fresh Foods (Now Cargill Kitchen Solutions) experienced rapid growth: three plants grew to five, revenue increased 93 percent, and Sunny Fresh became a net exporter of talent to its parent company.
- At Honeywell Federal Manufacturing & Technologies, customer satisfaction exceeded 95 percent, and customer product quality and reliability reached 99.9 percent for traditional customers, and 99 percent for non-traditional customers.
- The Bama Companies, Inc., increased sales by 72 percent and grew revenue from \$123 to \$211 from 1999 to 2004.

The evidence proves that Baldrige is America’s best investment. #BaldrigeForGrowth.



“ I have indeed been fortunate to be part of the Baldrige Foundation, serving the cause of this pathbreaking initiative that has positively changed the United States and benefited people and organizations in many corners of the world.”

## Baldrige Framework – A Silent Force! ... A Race without a Finish Line

by Sunil Sinha

I have been fortunate to play a significant role in the business excellence journey of the Tata group, an organization composed of over 100 companies operating in over 100 countries with a revenue of over \$100 billion. The group is celebrating its 150th year in 2018.

The association of Baldrige to Tata began in 1990, when the Baldrige Framework was adopted by Tata Steel, and continued when the Tata group adapted and adopted the Framework in 1994, christening it the Tata Business Excellence Model (TBEM). The objectives of TBEM were to establish milestones for the achievement of performance excellence by companies that would vie for the coveted JRD QV Award, celebrating the memory of JRD Tata, the late Chairman of the Tata group, and establish standards for performance across Tata companies to sustain the Tata brand.

The timing could not have been better: the Indian economy was undergoing remarkable transformation and liberalization, and TBEM was considered an important component of the transformation that Tata companies needed to survive and thrive.

The group leadership had an appetite for change and the courage to execute its vision linking the TBEM journey to the Tata brand, changing the trajectory of the Tata group forever. Ratan N. Tata put the spotlight on TBEM as a process of performance excellence and not as an award program, by continually referring to it as “Our Journey to Excellence.” He said, “...the true objective of setting these criteria, however, was never meant to use them as an assessment for an award, but more importantly, to utilize them for an institutionalized approach to drive performance and attain higher levels of efficiency in everything that a corporate entity does.”

I had the privilege of leading Tata Quality Management Services (TQMS) which was entrusted with the responsibility of implementing TBEM in all Tata companies across the world. The challenge was to implement a system that would deliver consistent training and assessment across all 100 Tata companies which had varying degrees of process centricity, maturity, and commitment to the adoption of the model. TQMS presented myriad opportunities for engaging the different Tata companies in the TBEM movement.

Fortunately, the advantage of the Baldrige/TBEM Criteria was that they were generic enough and industry agnostic, which was important for the Tata group whose companies operate across multiple industries. The Criteria helped us to challenge senior leaders and managers by asking fundamental questions about their business, spurred planning and the implementation of meaningful changes, and created a cycle of assessment and improvement.

At TQMS, I focused on the reinforcement of the process of assessments that supported the JRDQV award program, and our companies continued to progress in their excellence journeys. Senior leaders of our companies served as mentors for the assessments, and the assessors (examiners), drawn from across the group, were trained with great rigor. The TBEM assessment process provided them with unparalleled exposure to the scale and diversity in the Tata group, and provided a unique opportunity for professional development. Involvement in this process also instilled in the assessors a strong sense of ownership and pride at a group level, beyond what they experienced for their own companies.



*Baldrige Foundation Board members Sunil Sinha (left) and David Spong.*

The TBEM assessment process prompts CEOs and their senior leaders to respond to questions about their thinking on the long-term sustainability of their companies and holistic management. My focus was on building the commitment of the companies that were part and parcel of the Tata group for decades, as well as of newly acquired entities like the Corus group and Jaguar Land Rover in Europe.

The Baldrige criteria and its adaptation in TBEM to suit the Tata context played a very important role in the Tata group's transformation over the last two decades. It is gratifying to see the Baldrige Program recognizing the Tata group as an example of institutionalizing excellence. It is not a surprise that the Baldrige Framework has been able to keep itself relevant by continuously improving and adapting itself over time. Continuing that process will be important as changes in customer tastes and technologies create new opportunities and challenges for organizations.

My exposure to the TBEM helped me crystallize some key learning points that have helped me throughout my career.

1. Visible engagement of top leadership to lead and recognize the excellence movement is the pre-requisite.
2. Organizations need an overarching framework such as Baldrige, complemented with other initiatives such as Cost Reduction, Six Sigma, Lean, ISO Certifications etc., to drive performance excellence.
3. Focus should be on the process of promoting excellence and not on an award.

These lessons were reinforced when I visited many Baldrige Award winning companies in later years.

I have indeed been fortunate to be part of the Baldrige Foundation, serving the cause of this pathbreaking initiative that has positively changed the United States and benefited people and organizations in many corners of the world.



# The Jobs of the Future: How Can We Help?

by Dawn Bailey, Baldrige Performance Excellence Program,  
National Institute of Standards and Technology



**T**he Baldrige Program was created to help manufacturers be more competitive, and it has endorsed Manufacturing Day for years, doing what it can to help connect Baldrige community members, especially schools, with manufacturers and to promote open houses and other events. Most recently, the program has sought feedback on a draft tool called the Baldrige Cybersecurity Excellence Builder (<https://www.nist.gov/baldrige/products-services/baldrige-cybersecurity-initiative>) to help all organizations assess and prioritize improvements for their risk management programs.

In thinking about the Baldrige mission to help U.S. organizations improve, I recently came across an interesting article about manufacturing and the jobs of the future. Without choosing a political side, the author puts forward an opinion on how to bring manufacturing jobs back to the United States—or,

more accurately, what those jobs might look like. This has me thinking about how the Baldrige Program can reasonably help.

“We can bring manufacturing home, but we cannot sustain the repetitive, manual jobs that powered American factories in the 1950s,” writes Joe Blair in an online article called “Can Robotics Spark A Renaissance In American Manufacturing?” ([www.fastcoexist.com/3063883/can-robotics-spark-a-renaissance-in-american-manufacturing](http://www.fastcoexist.com/3063883/can-robotics-spark-a-renaissance-in-american-manufacturing)) “That is a price of innovation. The industrial revolution made tanners, blacksmiths, and weavers obsolete. The digital revolution may soon replace cashiers, drivers, and stock traders with computers. . . . Under our current paradigm of manufacturing, yes, most jobs will stay in Asia and Mexico. However, if the U.S. was to fully embrace next-generation robotics and automation, it could create high-paying industrial

jobs on a massive scale—just not the same jobs we had in the 1950s.”

The large Baldrige community, including many from the manufacturing sector, likely has the expertise to respond more specifically on how the Baldrige Excellence Framework ([www.nist.gov/baldrige/publications/baldrige-excellence-framework](http://www.nist.gov/baldrige/publications/baldrige-excellence-framework)) and its Criteria could support advanced manufacturing organizations in implementing use of robotics or other innovations in their work processes. The Baldrige Program can certainly continue to support such organizations pursuing the innovations of the future. For example, by

- helping all organizations assess and improve their cybersecurity risk management programs;
- offering considerations as a roadmap to focusing on the future and being prepared to innovate quickly;
- providing an outside, objective criteria for organizations to evaluate themselves against and determine how well they’re doing, both within and outside their industries, with world-class goals and benchmarks; (According to Mike Garvey of M7 Technologies in a recent blog (<http://nistbaldrige.blogs.govdelivery.com/2015/06/16/for-manufacturers-baldrige-could-be-the-cure-for-focusing-on-the-future>), “I didn’t know the real value of [the Baldrige Criteria] until 2008–2011. We were looking for a cure to help sustain stronger financial security and job security . . . because of what happened to us in the recession. . . . [We realized that the Baldrige Framework] has to be our cure to raise us to higher performance and make the competition irrelevant.”)
- providing a systems focus on aligning and running the entire company, so that gains are not short lived; (According to Bill Baker of the Association for Manufacturing Excellence in “That Dog Won’t Hunt . . . for Long!” ([www.ame.org/target/articles/2016/dog-wont-huntfor-long](http://www.ame.org/target/articles/2016/dog-wont-huntfor-long)), “My big concern is that a continuous improvement/lean strategy is way more complex than a set of tools to reduce manufacturing labor and material costs. It is the mantra of how to run the entire company. We need to be looking at the market, the customers, and the future customers focusing on how the company needs to change in this rapidly changing world!”)
- accelerating a common culture and core values, especially after mergers and acquisitions; (Said

Robert “Rusty” Patterson of the National Council for Advanced Manufacturing in a recent blog (<http://nistbaldrige.blogs.govdelivery.com/2015/08/25/envisioning-the-future-for-long-term-sustainability-how-baldrige-examiners-can-help>), “It’s not just about how well you execute what you’re doing. It’s about how you create the culture that continues to execute no matter the process. And it’s everything from the CEO to the janitor who understands how to approach issues and problems, understands how to approach their work, and has appreciation for each other’s roles.”)

- sending feedback from trained Baldrige examiners on product and process efficiency and productivity; (Said Patterson in the same blog, “What I tell people is you ought to use the Baldrige Criteria to turn a mirror on yourself. You don’t have to win a Baldrige Award. . . . The real key is that you can put that mirror on yourself and get some examiners to come in and evaluate what you’re doing because sometimes it’s hard for you to do this. It’s an excellent criteria [framework that helps you say] you’re doing a lot of the right things, but here are some areas where you can improve.”)
- helping organizations to integrate the approaches they use (e.g., ISO 9000, Lean, and Six Sigma), improve productivity and effectiveness, and pursue performance excellence; and
- helping organizations conduct strategic planning and focus on the customers of the future, including building their satisfaction, engagement, and loyalty.

In a recent white paper, “The Value of Using the Baldrige Performance Excellence Framework in Manufacturing Organizations,” authors Prabir Kumar Bandyopadhyay and Denis Leonard also offer some conclusions on what needs to be done to interest manufacturers in what Baldrige resources have to offer. They posit a stronger partnership between the program and manufacturers to “create a version of the criteria specifically focused on manufacturing and its particular needs and issues . . . Furthermore, identifying advocates, aligned stakeholders including peer groups, and regulatory authorities could stimulate interest among manufacturing organizations.”

*What do you think are ways that Baldrige resources can support the jobs of the future for U.S. organizations?*



# Baldrige Impact in Health Care: #BaldrigeSavesLives



“Using the Baldrige Criteria really got us to concentrate on three basic things: a focus, a framework, and discipline. As the Baldrige Criteria were implemented, a series of stunning performance improvements ensued.” – Sr. Mary Jean Ryan, Chair of the Board, SSM Health Care

In 1998, Congress expanded the scope of the Malcolm Baldrige National Quality Award, authorizing the health care and the education sectors. The Baldrige Performance Excellence Program then adapted the Criteria for Performance Excellence (now called the Baldrige Excellence Framework), developing a health care-specific version of the Framework. The American Hospital

Association has supported the effort as the lead sponsor of the Health Care Framework for both the 2015-2016 revision, and the 2017-2018 revision.

As of 2016, a total of 22 health care organizations had received the national quality award, with two more named for 2017. Hundreds more have been recognized for their role-model performance in their



respective state-based programs and nationwide through a number of Baldrige-based health care quality award programs.

Baldrige is adaptable and applicable in many different settings, including across the health care spectrum. Each hospital and hospital system has its own unique set of needs and goals, determined in part by location, demographics, and a variety of other factors. Whether an organization is involved in ambulatory service, health maintenance, long-term care, or another health care service, the Baldrige Excellence Framework is a valuable tool for measuring performance and leading organizations of all sizes and levels of complexity in an uncertain environment.

The Baldrige Framework is such a powerful tool for leading health care organizations that the President's Council of Advisors on Science and Technology recommended that the Department of Commerce and the Department of Health and Human Services build on the Baldrige Award to help bring down the cost and improve the quality of health care across the United States.

We now have more than 15 years of experience with Baldrige in the health care sector, and there is overwhelming evidence that Baldrige makes a significant, positive impact on the provision of quality health care.

The improvements reported by the individual award-winning organizations are impressive, spanning patient morbidity and mortality outcomes to cost and process efficiencies to medical and support staff and patient and family satisfaction. Some of the life-saving improvements in clinical outcomes include the following:

- Advocate Good Samaritan Hospital's risk-adjusted mortality decreased from 0.73 in 2004 to 0.25 in 2010.
- Memorial Hermann Sugar Land ranks among the top 10 percent of hospitals nationally for its performance on measures of emergency center arrival-to-discharge time, compliance with regulations to reduce medication errors, bed turnaround times, radiology and laboratory result turnaround times, and the use of computerized physician order entry. The hospital's readmission

rates for patients treated for acute myocardial infarction, congestive heart failure, and pneumonia were lower than those of hospitals nationwide, according to data from the Centers for Medicare and Medicaid Services.

- According to the Institute for Healthcare Improvement, Henry Ford Health System's evidence-based global harm campaign is a national best practice. From 2008 through 2011, the campaign led to a 31 percent reduction in harm events.
- Schneck Medical Center has maintained rates of hospital-acquired infections at or below 1 percent since 2008, and no patient has acquired ventilator-associated pneumonia since 2009.
- Atlanticare Regional Medical Center achieved Centers for Medicare and Medicaid Services top 10 percent performance in 2008 for patient care measures related to congestive heart failure, acute myocardial infarction, and pneumonia.

More than the year-over-year performance improvement of health care organizations as they

"I retired at the end of 2009, after 25 years as CEO of Heartland Health, with the knowledge and belief that any organization that adopts and implements fully the Baldrige Framework as its management model will ultimately rise to levels of performance excellence exceeding all their expectations." – Lowell Kruse, Former CEO, Heartland Health





pursue their Baldrige journey, broader studies comparing Baldrige-based health care organizations with peer organizations that have not adopted the Baldrige Framework, show that Baldrige organizations significantly outperform their non-Baldrige peers.

According to Thomson Reuters, hospitals using the Baldrige Criteria were 6 times more likely to be in the top 100 hospitals and outperformed non-Baldrige hospitals in the following:

- Risk-adjusted mortality index
- Risk-adjusted complications index
- Patient safety index
- CMS core measures score
- Severity-adjusted average length of stay
- Adjusted operating profit margin

A study by Ronald Schulingkamp and John Latham compared Baldrige Award winning hospitals with non-Baldrige hospitals across 39 process of care, patient satisfaction, and outcomes of care metrics, and concluded that, “Although not all measures were statistically significant, Baldrige Award recipient hospitals had higher mean values representing higher performance than non-Baldrige Award recipient hospitals in 37 of the 39 (95 percent) study measures.

Substantial data from case studies and comparative analyses shows that health care organizations improve their performance by adopting the Baldrige Excellence Framework for Health Care, and that they become significantly better performers than peer organizations that have not adopted Baldrige. The data proves that #BaldrigeSavesLives.

“In my heart I believe that because we applied the Baldrige Criteria, there are people alive today who would not have been had we not been so committed to the Baldrige process.” – Rulon Stacey, Former CEO, Poudre Valley Health System

“The Charleston Area Medical Center Health System is a better organization today because we made the choice to use the Baldrige Criteria as a guiding framework for quality improvement. This performance improvement framework helps us to achieve our mission of ‘striving to provide the best health care to every patient every day.’” – Dr. Glenn Crotty, Jr., Executive Vice President and Chief Operating Officer, Charleston Area Medical Center

“The health care industry has increasingly relied on the Baldrige Criteria as a key means to improve patient care and organizational performance. As we navigate health care’s changing landscape the Baldrige framework will continue to be a vital resource.” – Deborah J. Bowen, President and CEO, American College of Healthcare Executives



# A Time to Think

by Harry Hertz, Baldrige Performance Excellence Program,  
National Institute of Standards and Technology

Three of the questions in the *Senior Leadership item* in the Baldrige Excellence Builder ([www.nist.gov/baldrige/products-services/baldrige-excellence-builder](http://www.nist.gov/baldrige/products-services/baldrige-excellence-builder)) are: 1. How do senior leaders set your organization's vision?; 2. How do senior leaders create a focus on action that will achieve the organization's mission?; and 3. How do senior leaders create an environment for success now and in the future? The last question includes considerations of organizational and personal learning and innovation.

I do not believe any leader can do justice to these important questions without devoting time to reflection, contemplative thinking, and challenging basic organizational and personal assumptions. The time many leaders spend in reactive thinking, firefighting, and solving problems does not substitute for reflection and "future" thought. Frequently fires and problems can and should be delegated to those with direct responsibility. And frequently, those issues become an excuse for having no time for the more important strategic thinking.

It is well known among Baldrige Performance Excellence Program staff that as Director I used my grass mowing time each week (a four-hour riding mower experience) as my time to reflect and do "future-thinking." There was a running joke where I would be asked on Monday mornings if I had mowed over the weekend and then people would wait for my new ideas,

hair-brained or otherwise. The first thoughts about a Baldrige Executive Fellows Program ([www.nist.gov/baldrige/products-services/baldrige-executive-fellows-program](http://www.nist.gov/baldrige/products-services/baldrige-executive-fellows-program)) was a result of mowing and contemplating how we could attract senior leaders who don't know about Baldrige to the opportunities the Baldrige Framework and community can offer their organization's journey to excellence. The idea started with blowing up the boundary condition that our education mission was restricted to training examiners and sharing best practices through writing and conferences.

According to Reeves, Torres, and Hassan in a recent HBR blog (<https://hbr.org/2017/09/how-to-regain-the-lost-art-of-reflection>), Albert Einstein came up with his theory of relativity while riding his bicycle and Warren Buffett reads for six hours a day to inform himself. They state that, "reflective thinking (slow and deliberate) and reactive thinking (fast and instinctual) effectively exist at opposite ends of a switch." Only one process can be on at any given time. As with others who have written on the topic, they conclude that a leader needs to schedule unstructured thinking time. Yana Kakar, Global Managing Partner of Dalberg reserves 3 two-hour blocks of time each week for reflective thinking. She states, "Thinking is the only thing you can't outsource as a leader."

Scott Eblin in a recent Government Executive blog ([www.govexec.com/excellence/executive-coach/2017/](http://www.govexec.com/excellence/executive-coach/2017/)

[10/five-ways-create-space-think/141745](https://www.govexec.com/excellence/executive-coach/2017/10/five-ways-create-space-think/141745)) states that there are five steps to creating time for reflective thinking:

1. Commit to a topic
2. Block some time
3. Go somewhere else
4. Immerse yourself
5. Take notes to document your thoughts and add to them as ideas occur

Here is my approach to reflective thinking that has helped me over the years:

1. Define the problem or opportunity you want to explore
2. Ask 5 why's ([https://en.wikipedia.org/wiki/5\\_Whys](https://en.wikipedia.org/wiki/5_Whys)) to make sure you are addressing the problem or opportunity at its root.
3. Define existing boundary conditions that might be limiting or defining current approaches or that might be framing your current thinking
4. Blow up those boundary conditions and consider new approaches; think outside the domain of current norms, industry sector, customers....
5. Accumulate random ideas
6. Sort and prioritize, if appropriate/needed
7. Let it rest for a day
8. Revisit the ideas with "refreshed eyes"
9. Share the idea and let colleagues build on it

Do you make time for reflective thinking? How do you avoid distractions? What is your process for reflective thinking? Please share your thoughts!

# Baldrige Impact in Education: #BaldrigeChangesLives

Just as in the health care sector, Congressional action to establish the Malcolm Baldrige National Quality Award in the Education sector in 1998 resulted in the Baldrige Performance Excellence Program (BPEP) developing an education-specific version of the Baldrige Excellence Framework. Beyond Feedback, a Foundation partner organization that offers Baldrige-based customer and employee feedback assessments, is the lead sponsor of the 2017-2018 revision.

The adaptability of the Baldrige Framework is evident in the education sector as a wide variety of organizations have used Baldrige to achieve success. Through 2016, a total of eleven education organizations have received the National Quality Award. Of those, eight are K-12 school systems and three are in higher education, demonstrating that Baldrige can be scaled to many different-sized organizations. The school systems are from all parts of the country and are of different sizes with widely varying student demographics.

“It is a privilege to accept the Baldrige Award on behalf of Monfort College’s faculty, staff, students, alumni, and friends. We are here because of their continued commitment to performance excellence and investment in the approach of viewing yesterday’s performance as an opportunity for a better tomorrow.” – Joe F. Alexander, Dean, Kenneth W. Monfort College of Business

Baldrige works in all of these varied circumstances. The true power of Baldrige for education is its focus on the systems level. Jeffrey Lucas, former Deputy Director of BPEP, makes the argument that many of the performance measurement systems used in education focus on student achievement data to the exclusion of measuring things that could truly innovate education to the betterment of students. “While the improvement of student learning must remain at the core of what education systems are about, achievement data alone are not sufficient to drive the types of performance improvements required and do not acknowledge that schools and districts are in fact complex systems.”

“America’s economic future—the health of our children and our grandchildren, the defense of those American values that we support—is dependent upon all kids in every neighborhood, urban or rural. We are committed to that, and Baldrige has helped us on our journey.” – Mary Searcy Bixby, Founder, President, and CEO, Charter School of San Diego

The importance of this thinking becomes apparent when one examines the experience of Baldrige Award winning school systems. Schools, administrators, and teachers are balancing multiple, often competing factors, that leave schools with inadequate resources, teachers with not enough time, and students with difficulty focusing on learning. As a systems-level tool, Baldrige can help school systems align their processes and smooth over many of those seeming conflicting factors.

With its focus on the student, teachers, staff, and families as the customers, Baldrige also helps school systems recognize where frustrations may rise and satisfaction be diminished. Baldrige helps schools spend their limited resources and time on the things that really make a difference, which is why the data show that Baldrige schools improve education and change the lives of their students and families, often without any increase in budgets.

“I believe the Baldrige Criteria for Performance Excellence can strategically position colleges and universities to be the very best in educating students to lead world-class innovation and advancement in science, engineering, and mathematics.” – Dr. Kathryn Eggleston, President, Richland College

- Charter School of San Diego (CSSD) serves an at-risk student population with students on average 2-3 grade levels behind their peers in language arts and 3-4 grade levels in math achievement. Yet CSSD’s dropout rate of 2.4 percent outperformed the county-wide rate of 2.7 percent in 2013 and 3.1 percent in 2014.

- CSSD maintained overall student and parent satisfaction levels of close to 100 percent for 2010-2015.
- Despite having one of the most rigorous graduation requirements in the state, Pewaukee School District achieved a 97.4 percent graduation rate in 2013 and had a higher rate in 2009-2012 than any other county district.
- Montgomery County Public Schools (MCPS) achieved the highest graduation rate of any large school district in the nation in 2008 and 2009.
- MCPS narrowed the achievement gap between Caucasian and African American students by 13 percentage points from 2006 to 2010.
- Iredell-Statesville Schools improved its academic composite ranking from 55th to 9th in North Carolina; increased its graduation rate from 61 percent to 81 percent (11th in the state); achieved higher average SAT scores than the average score in peer districts, the state as a whole, and for the nation; while remaining 107th out of 115 school districts in North Carolina in expenditures per pupil.
- The dropout rate for Jenks Public Schools dropped from 6.3 percent in 1994 to 1.2 percent in 2004.

“We have dedicated ourselves to being systematic in the use of the Baldrige continuous improvement process, and we have seen student achievement go up in ways that we never thought imaginable. We’ve become more efficient and more effective. And these successes aren’t just figures and statistics; they do change lives. And in the process, we’ve become an innovative force in education.” – Joann Sternke, Superintendent, Pewaukee School District

In higher education:

- The number of students completing the core curriculum at Richland College, preparing them to transfer to a four-year institution, more than tripled from 2002 to 2005.
- Student performance on nationally-administered exit exams at Kenneth W. Monfort School of Business exceeded the national average and reached the top 10 percent in 2003-2004.
- From 1996 to 2001, the job placement rate for graduates of the University of Wisconsin-Stout was at or above 98 percent.

All of these colleges, schools, and school districts achieved these dramatic improvements while managing stagnant budgets and cuts in education funding. This is clear evidence that #BaldrigeChangesLives.

## Potterfield Foundation Pledges \$1 Million for Baldrige-Winning Missouri School District

Baldrige Foundation President and CEO Al Faber likes to say that Larry Potterfield runs the most Baldrige organization in America. His adoption and execution of the Baldrige Framework as a leadership and management tool has paid great dividends. Over the past 11 years, the company has been one of the fastest growing in its industry, sustaining a 43.8 percent average annual growth rate in net income and a 21.3 percent average annual growth rate in gross sales. These dramatically exceed the national benchmarks of 4 percent and 6.9 percent, respectively.

It has also resulted in MidwayUSA receiving the Malcolm Baldrige National Quality Award for the Small Business sector in 2009 and 2015.

Larry Potterfield not only adopted the Baldrige Framework in his own organization, he is a vocal advocate for Baldrige in all organizations and all sectors of the economy. So sure is he of the great value of Baldrige, he and his wife, Brenda, through the Potterfield Foundation, have donated \$1 million to be given to the first Missouri school district to receive the Baldrige National Quality Award.



*Larry Potterfield, Founder and CEO of MidwayUSA, shown here accepting his company's second Baldrige Award, April 2016.*

# Building Employee Trust: Tips Validated by the Baldrige Excellence Framework

by Christine Schaefer, Baldrige Performance Excellence Program,  
National Institute of Standards and Technology



In an online *Harvard Business Review* article (<https://hbr.org/2017/01/if-employees-dont-trust-you-its-up-to-you-to-fix-it/>) this month, Sue Bingham, an expert on creating high-performing workplaces, addresses a growing concern among business leaders today that employees don't trust their organizations. She then describes four practices to build employee trust.

Those who have already read the latest edition (2017–2018) of the Baldrige Excellence Framework ([www.nist.gov/baldrige/publications/baldrige-excellence-framework](http://www.nist.gov/baldrige/publications/baldrige-excellence-framework)) will see that Bingham's four tips align with the Baldrige Criteria for Performance Excellence (part of the framework). Following are examples of the connections.

## 1. "Hire for Trust."

In elaborating on this guidance, Bingham cautions, "Don't assume that technical skills and knowledge trump character."

The workforce-focused section of the Baldrige Criteria (known as category 5) begins with this assessment question as a basic requirement: *How do you build an effective and supportive workforce environment?* An organization being evaluated against the Baldrige Criteria is expected to describe systematic processes in response to that question and to the more specific question *How do you recruit, hire, place, and retain new workforce members?* Baldrige evaluation factors include whether (and the degree to which) an organization's process is deployed, improved, and integrated. In regard to hiring practices, organizations scoring high in this area of a Baldrige assessment often describe hiring processes that use behavioral-based and team interview practices, among others (though the Criteria do not prescribe particular approaches), as means to aligning hiring outcomes with the organization's identified values and related organizational culture.

In her HBR article, Bingham makes clear that in high-performing organizations, trust is a key part of the

culture. Also emphasizing the importance of the values that define the organizational culture, the leadership section (category 1) of the Baldrige Criteria begins with questions that ask leaders how they set and deploy the organization's vision and values.

## **2. "Make Positive Assumptions about People."**

Bingham points out that negative assumptions by leaders about employees lead to micromanaging, which conveys distrust. She counsels leaders to "give challenging assignments with the clear and confident belief that your expectations will be met" and also recommends that they "promote transparency."

In the "Workforce Engagement" section (item 5.2), the Criteria ask about fostering an organizational culture characterized by open communication. The Criteria also ask, *How do you empower your workforce?*, stressing that leaders should give people the authority and responsibility to make decisions and take actions. When this happens, decisions are made closest to the front line, by people who have knowledge and understanding related to the work to be done.

At a more fundamental level, the 11 core values and concepts of the Baldrige framework (and Criteria) include *visionary leadership*, *valuing people*, and *ethics and transparency*. In describing the valuing people concept, the Baldrige Excellence Framework booklet states (on page 41 of the 2017–2018 edition), "Valuing the people in your workforce means committing to their engagement, development, and well-being."

In addition, in describing visionary leadership, the Baldrige Excellence Framework booklet states (on page 40 in the 2017–2018 edition), "Senior leaders should serve as role models through their ethical behavior and their personal involvement in planning, providing a supportive environment for innovation, communicating, coaching and motivating the workforce, developing future leaders, reviewing organizational performance, and recognizing workforce members."

## **3. "Treat Employees Fairly, Not Equally."**

According to Bingham, a disciplinary policy that treats everyone the same "strips people of their individuality and unique abilities to contribute." She advocates that leaders instead have supportive discussions with

individual employees when there are concerns about performance, given that being treated with respect and support can make people feel safe enough to accept responsibility and motivate them to determine solutions to effectively address their problems.

Again, in describing the *valuing people* concept, the Baldrige Excellence Framework booklet states (on page 41 of the 2017–2018 edition), "Valuing the people in your workforce means committing to their engagement, development, and well-being. Increasingly, this may involve offering flexible work practices that are tailored to varying workplace and life needs. Major challenges in valuing your workforce members include demonstrating your leaders' commitment to their success, providing motivation and recognition that go beyond the regular compensation system ..."

## **4. "Create a Zero-Tolerance Policy for Deceitfulness."**

Bingham states, "High-performance companies value trust so much that they implement and enforce zero-tolerance policies for betraying it." Of course, to build trust leaders must be held accountable to the same values and policies.

The Baldrige Criteria requirements in the leadership section (category 1) emphasize leaders' personal actions reflecting the organization's values and legal and ethical behavior. In the "Senior Leadership" section (item 1.1), Criteria questions include these: *How do senior leaders' personal actions reflect a commitment to [the organization's] values? How do senior leaders' actions demonstrate their commitment to legal and ethical behavior? What's more, the Baldrige framework booklet's description of visionary leadership states, "As role models, [senior leaders] can reinforce ethics, values, and expectations while building leadership, commitment, and initiative throughout your organization."*

I've drawn out but a few of the ways the Baldrige framework aligns with Bingham's expert guidance on building trust with employees. But from this sampling of material, I hope it's clear that using the Baldrige framework to lead and manage an organization will put one on the right track to cultivating employee trust and high performance.



# The Baldrige Criteria for Performance Excellence

by Dr. E. David Spong

“Baldrige provides a framework for “leading.” By answering challenging, probing questions about how they are leading their organizations, leaders receive feedback from the Baldrige process on what they are doing well and what they could do better. These questions are based on analyses of high performing organizations that have been collected over the past 30 years and updated regularly every two years. These questions also help leaders understand what motivates their employees and inspires loyalty, a critical challenge for many organizations these days.”

What is it that causes any one of us to step across the line and commit to a significant undertaking or a new way of doing things? To say, “Yes, we’re going to do this!” In all successful organizations, it takes leadership conviction to set the course. That requires a leap of faith, but it’s a leap made easier by confidence in the capabilities of the organization. And it takes one more thing: knowing with certainty you have a solid framework for action. The management framework I used to achieve world-class results in not one but two businesses was the Baldrige Criteria for Performance Excellence.

It has been said that a leader has the loneliest job. Today’s businesses and organizations are beset by a multitude of problems and issues, many without easy or obvious solutions which the leader must solve. Most of us “lonely” leaders draw on our experience and the capabilities of our staff to solve the problems. We fight our day-to-day fires. We hope our strategic planning will help us steer our organizations toward a healthy, sustainable future. But we never are quite sure if our plans are up to our challenges or how to convert plans to integrated organizational action.

We know what keeps us up at night, the things that can wound or even kill our businesses, like demands for higher productivity, and skyrocketing energy and health care costs. And we have some tools to fight them, but what we don’t know are our blind spots and they can also kill us. The blind spots are equivalent to the plaque that is about to clog our arteries, but we don’t know about it because we have not had a recent medical check-up.

Fortunately, there is an organizational health guide that has been available since 1988: the Baldrige Criteria.

Baldrige provides a framework for “leading.” By answering challenging, probing questions about how they are leading their organizations, leaders receive feedback from the Baldrige process on what they are doing well and what they could do better. These questions are based on analyses of high performing organizations that have been collected over the past 30 years and updated regularly every two years. These questions also help leaders understand what motivates their employees and inspires loyalty, a critical challenge for many organizations these days.

That guide is very different today than it was in its inception. In 1988, Baldrige addressed largely manufacturing process improvement and customer satisfaction; the tools we needed to become more competitive with Japanese product quality and process efficiency. Today it addresses that and a lot more: everything we need to be competitive in a very different



global economy. It is a systems approach. It accommodates tools we use like Six Sigma and Lean, but it goes well beyond that to an overall management framework that includes governance, ethics, strategic planning, and knowledge management, all focused on delivering business results.

The real appeal of the Baldrige framework is its ability to create a meaningful balance between managing our business while simultaneously improving our business. As a result, evolving improvement methodologies no longer need to be viewed as competing initiatives but deliberate steps in our journey toward organizational excellence.

Simplistically, the success of any organization depends entirely on the leadership and the workforce! This leads to the debate as to which is the most critical. I would contend it is Leadership since they have the power to set the course and to recruit, develop, and motivate the workforce. Most leaders are never formally trained in Leadership. To paraphrase an old adage they are either born leaders or learn from the school of hard knocks.

I have had the privilege of leading one healthy business and the challenge of bringing a second one out of crisis to become a healthy business. The former was a service business; the latter a manufacturing business where a crisis situation was turned to opportunity. Both businesses achieved world-class results, including double-digit margins and double-digit growth in the service business. It was done with dedicated people, a strong process orientation, and a commitment to quality. Both businesses won awards—the Malcolm Baldrige National Quality Award presented by the President of the United States. But more important than winning the award, when I moved to my next opportunity, I left behind two healthy businesses with great cultures.

In my experience, most leaders “fly by the seat of their pants.” Some are very good, the “born” leaders, who have an innate sense of where to lead their organization. For those that do not have this innate skill, the use of the Baldrige Criteria can help guide them to greatness!



# How the Baldrige Framework Is Helping Rural U.S. Communities

by Christine Schaefer, Baldrige Performance Excellence Program, National Institute of Standards and Technology



In preparing to share how the Baldrige Excellence Framework ([www.nist.gov/baldrige/publications/baldrige-excellence-framework/businessnonprofit](http://www.nist.gov/baldrige/publications/baldrige-excellence-framework/businessnonprofit)) is being used to support community vitality in a rural region of Missouri, I've been thinking of how quintessentially *American* the Communities of Excellence 2026 (<http://nistbaldrige.blogs.govdelivery.com/2016/03/31/update-on-communities-of-excellence-2026>) (COE 2026) initiative is.

In particular, it strikes me that what's happening in northwest Missouri exemplifies an idealistic, innovation-minded spirit that has been present in

American communities for centuries—likely re-energized by the continual infusion of immigrants seeking a better life than what they experienced in their countries of origin. Consider the prescient words of John Winthrop, the 17th-century founder of the Massachusetts Bay Colony, to his Pilgrim community: “We must consider that we shall be a City upon a Hill, the eyes of all people upon us.”

With a similarly optimistic vision and drive to build a new kind of structure to advance residents' quality of life, leaders of the northwest Missouri pilot group supported by COE 2026 are cultivating what they call “Regional Vitality.” They are using

a community-adapted version of the Baldrige Criteria for Performance Excellence (see the draft framework on the COE 2026 website: [www.communitiesofexcellence2026.org/framework](http://www.communitiesofexcellence2026.org/framework)) as a basis for cross-sector, collaborative planning. The collective aim is to boost business investment and development in their region while simultaneously improving the health and education outcomes that are often connected to a robust economy.

I can't help expressing here how deeply this Communities of Excellence 2026 initiative resonates with me. Perhaps this is because I spent most of my youth enjoying the benefits of living in a beautiful planned community outside Washington, D.C. That community, Reston, Virginia, was founded in the early 1960s by the late Robert E. Simon, Jr. It was known in my childhood for the muscular preservation by its community association of natural habitats, reflecting a core value of its planners. The lush, serene woods surrounding the community's vast network of walking trails encouraged outdoor recreation by residents, promoting wellness.

I'm still optimistic about how American communities can improve the quality of life for residents when representatives of local organizations across sectors come together to define or reaffirm a shared vision and set of values—and, through joint planning, pursue common goals for economic, educational, health, and other indicators of a good life. When I consider the potential of COE 2026 pilot sites to deliver on their promise, I also imagine the levels of excellence that the "city on a hill" in which I was raised could have reached (and might still) by embracing the Baldrige framework as a strong organizational foundation.

In a recent blog on the COE 2026 website ([www.communitiesofexcellence2026.org/two-communities-take-the-first-steps-towards-regional-vitality](http://www.communitiesofexcellence2026.org/two-communities-take-the-first-steps-towards-regional-vitality)), Steve Wenger and Stephanie Norling share highlights of an early August meeting in Brookfield, Missouri, that drew together leaders and other stakeholders involved in the regional COE effort. As Wenger and Norling state in their update, during the meeting, Max Summers, chair of the Regional Vitality Committee of the Community Foundation of Northwest Missouri, described the plan to "build a baseline of data to

understand the trade region and to identify best opportunities to grow traded activity from within the community."

Also at the Brookfield meeting, Pat Curry of the University of Missouri Extension's ExCEED program presented characteristics of and research-based recommendations for promoting "resilient communities" and reviewed local economic data and challenges. For example, Missouri ranked 27th in the Measure of America 2015 Opportunity Index, which Curry described as "secondary data indicators for economy, education, and community."

*"In particular, it strikes me that what's happening in northwest Missouri exemplifies an idealistic, innovation-minded spirit that has been present in American communities for centuries—likely re-energized by the continual infusion of immigrants seeking a better life than what they experienced in their countries of origin. Consider the prescient words of John Winthrop, the 17th-century founder of the Massachusetts Bay Colony, to his Pilgrim community: 'We must consider that we shall be a City upon a Hill, the eyes of all people upon us.'"*

Impressed with the COE collaborative effort, Terry Maglich, a business development manager in Missouri's Department of Economic Development, stated that it "could be a template to solve some of the rural problems that we all are encountering, not only in our state but others as well." "Lots of things have been looked at, but this is the first that appears to be sustainable," said Maglich. "It's not going to happen overnight, but this is the right way to go about creating opportunity for our rural communities."



“ The Baldrige expansion in the Cybersecurity sector is another great example of how health care benefits from Baldrige. After all, health care is personal, and protecting the sensitive information that includes someone’s Electronic Health Record is a crucial part of what health care organizations need to protect.”

# Baldrige in the Health Care Sector

by Todd McQueston

Every day I wake up thankful that Baldrige is an engrained part of the U.S. health care landscape.

Today, when I think of what’s best for health care, the answers abound. Most people see health care as a very personal issue—after all, the root of the industry is tied to an individual person, the care giver, working with another individual person, the patient or resident.

Yet the positive affect from using the Baldrige Excellence Framework on a health system at an organizational level has become the best practice for how an institution can properly build its foundation to support those one-to-one interactions.

Since my career started, there has been a dramatic shift in how health systems and institutions are managed, especially in the acute care setting. The industry has moved to a business model, with outcomes tracking and a focus on reporting that includes tracking clinical outcomes as a measure for success, not just as a payment method.

Over the last three years, the Baldrige community has accepted me with open arms. I have seen first-hand how Baldrige positively affects businesses, government agencies, educational institutions, and small business owners alike.

Interestingly, almost 30 percent of the Malcolm Baldrige National Quality Award recipients since Congress made health care a separate sector in 1999, have come from health care, even though the Baldrige Program is not industry specific and in fact started as a manufacturing and processing business program.

Leaders in health care are enthusiastic in their support for what Baldrige has achieved in their sector. Maryjane Wurth, Executive Vice President and Chief Operating Officer of the American Hospital Association (AHA) and President and CEO of the Health Forum, said, “Performance improvement is a top priority for the American Hospital Association (AHA) and we continue to look for ways to improve the work that hospitals do. Through this partnership with the Baldrige Foundation, the AHA can continue to work with hospitals and other providers with tools and resources as they continue to improve quality and reduce costs.” Deborah Bowen, President and CEO of the American College of Healthcare Executives, recently said, “The health care industry has increasingly relied on the Baldrige criteria as a key means to improve patient care and organizational performance. As we navigate health care’s changing landscape the Baldrige framework will continue to be a vital resource.”

The best part is that the Baldrige program is growing in health care. According to data obtained from Burning Glass Technologies, the leading software vendor providing real-time labor market analytics, there were 10,116 job postings that

referenced Baldrige in 2017, up from 8,625 in 2015.

The Joint Commission identifies both the Baldrige Excellence Framework and the ANCC Magnet program as complimentary quality systems to the Joint Commission standards. In 2013, the Joint Commission stated, “Organizations that use all three—the Joint Commission standards, Baldrige criteria, and Magnet components—may actually have the most robust approaches to organization improvement.”

Currently, the nation has a severe cybersecurity talent gap, and the National Institute of Standards and Technology (NIST) has attacked the issue on multiple fronts. Housed within the U.S. Department of Commerce, NIST is supporting the Baldrige Cyber Program and supporting the National Initiative for Cybersecurity Education (NICE) CyberSeek.org project, which houses both a career path tool and an interactive heat map of cybersecurity demand.

The Baldrige expansion in the Cybersecurity sector is another great example of how health care benefits from Baldrige. After all, health care is personal, and protecting the sensitive information that includes someone’s Electronic Health Record is a crucial part of what health care organizations need to protect.

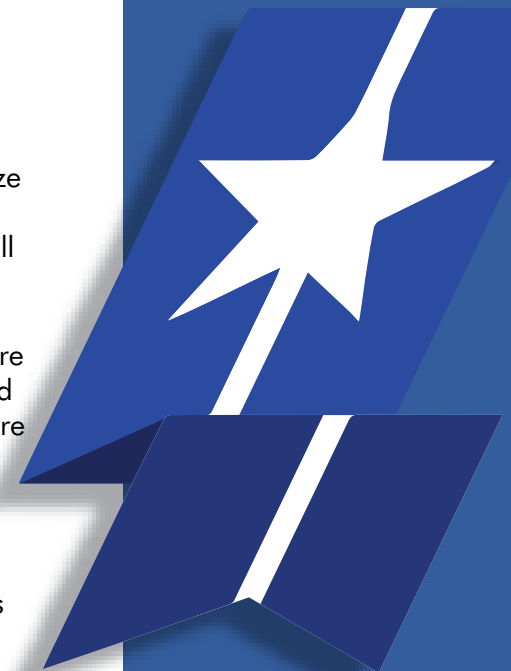
Cybersecurity analysts almost universally agree that health care is the industry most frequently targeted by cyber attacks. Many leaders from the health care/IT sector met with Baldrige Foundation and Baldrige Program personnel in an event hosted on the White House campus by then-CIO of the United States and now Foundation Board member, Tony Scott, to preview the Baldrige Cybersecurity Excellence Builder (BCEB). The BCEB maps NIST’s Cybersecurity Framework to the Baldrige Framework to provide a systems-level tool to analyze and evaluate cybersecurity efforts within any organization. By all accounts thus far, the BCEB is an effective cybersecurity tool for organizations of any size in all sectors of the economy.

I spent a great part of my professional life serving as a vendor to the health care market. I’ve been part of both the administrative side and the clinical side, and worked through regulations and issues such as HIPAA, Y2K, the Affordable Care Act, and more.

Through it all, sustainable improvement has been the goal. The Baldrige Excellence Framework improves an organization’s chance to keep improving over time, and supporting the Baldrige Foundation to maintain the great works that Baldrige performs is critical to continued business quality improvement.



*From right, Todd McQuestion with Foundation Board Chair George Benson, John R. Heer, Jr., recipient of the 2016 Harry S. Hertz Leadership Award, and Harry S. Hertz, former Director of the Baldrige Performance Excellence Program.*





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## Thanks to the Baldrige Family, Molly, Margaret, and Midge

One of the most important occurrences of the past several years is the re-emergence of the Baldrige family as vocal advocates for the Baldrige Enterprise. Molly's presence truly invigorates this community. It is not just the love for her father that she shows so clearly, but her reverence for the quality movement that bears his name. That connects. We choose not to disclose the amount of the gift out of respect for the

donor's privacy, but I can tell you that the Baldrige family has made the largest single gift to the Foundation in its nearly 30-year history. And they have challenged others to join them. We at the Foundation are inspired by the efforts of the Baldrige family, and we are truly appreciative of their continued support.







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