

# Understanding the Performance Excellence Criteria through Best Practice Examples

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*Kay Kendall*

*October 29, 2008*

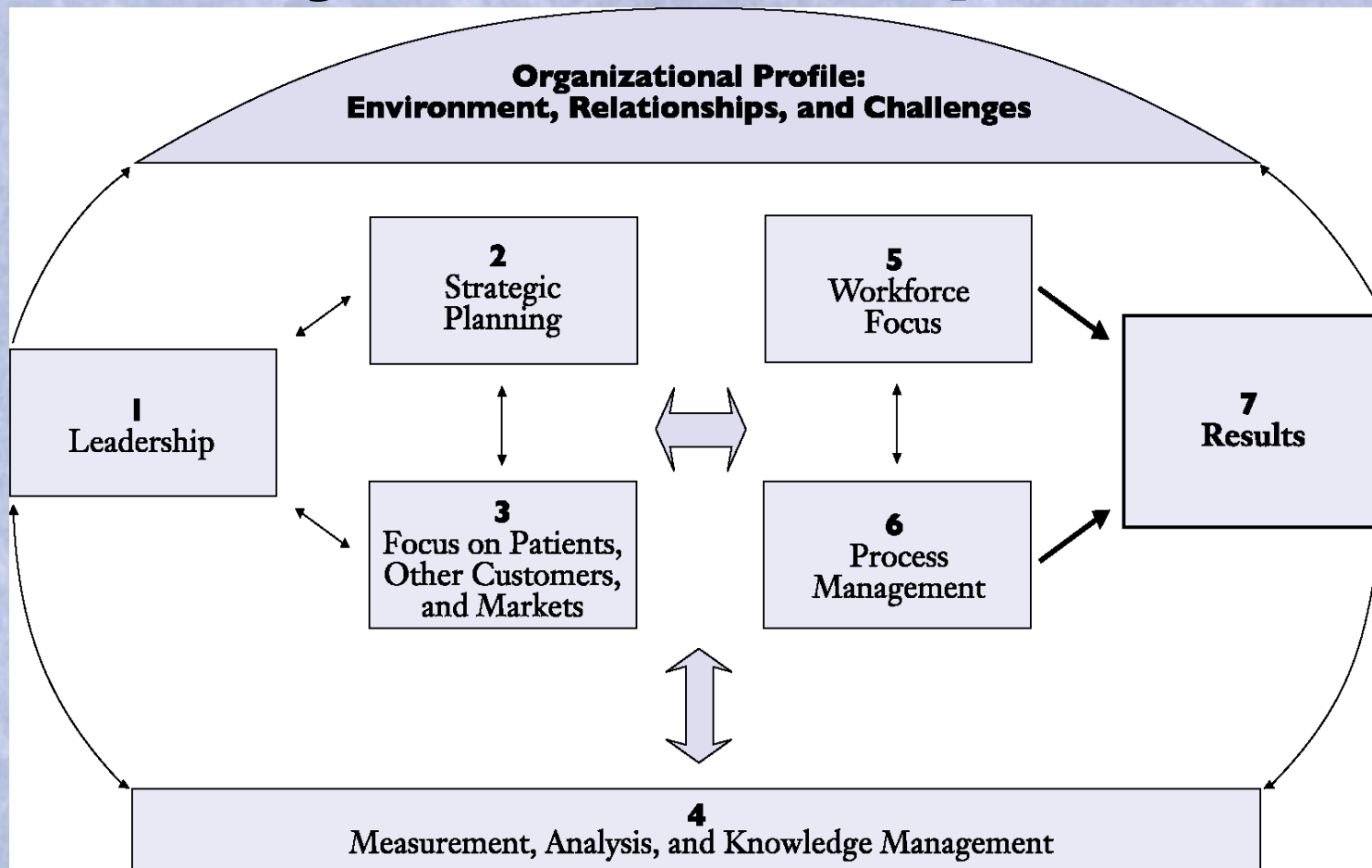
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# Objectives

- Help “demystify” the Criteria through best practices in Process and Results categories
- Provide examples of linkages throughout the Criteria and an organization (and an application!)
- Share tips in responding to the Criteria and evaluating an application



# Baldrige Health Care Criteria Framework: A Systems Perspective



# Category Point Values

1	Leadership	120
2	Strategic Planning	85
3	Focus on Patients, Other Customers, and Markets	85
4	Measurement, Analysis, and Knowledge Management	90
5	Workforce Focus	85
6	Process Management	85
7	Results	<u>450</u>
	<b>TOTAL POINTS</b>	<b>1,000</b>



# Organizational Profile

P.1 Organizational Description

P.2 Organizational Challenges

- It all starts here. It sets the expectations for the rest of the application.
- Tell your story.
- Challenge assumptions.
- Be real.

# The Linkages Abound! (or should) – some examples

- P.1a(1) Main health care services --> 6.1a Core competencies and 6.1b Work process design --> 7.1 Health care outcomes
- P1a(3) Workforce or staff groups and segments --> 5.1c Methods and measures differ across workforce groups and segments --> 7.4 Workforce-focused outcomes

[hint: don't forget your volunteers]



# More examples

- P.1b(2) Key patient and other customer groups and segments --> 3.1a(1) Identification of patient, other customers, customer groups, and health care market segments --> 7.2 Patient- and Other-Customer Focused Outcomes and 7.3(2) Indicators of health care marketplace performance
- P.2a(3) Sources of comparative and competitive data --> 4.1a(2) Selection and use of key comparative data --> Category 7 results

# And a few (obvious) ones

- P.2b Strategic advantages and challenges  
-->2.1a(1) Strategy development process  
and 2.1b Strategic objectives
- P.2c Performance improvement system –  
all Items that explicitly ask how processes  
are evaluated and kept current

[hint: really, all Process Items since  
improvement is one of the scoring  
dimensions]



# Key Excellence Indicators

- Leadership
- Strategic Planning
- Customer and Market Focus
- Measurement, Analysis, and Knowledge Management
- Workforce Focus
- Process Management
- Results

# Key Excellence Indicators: Leadership

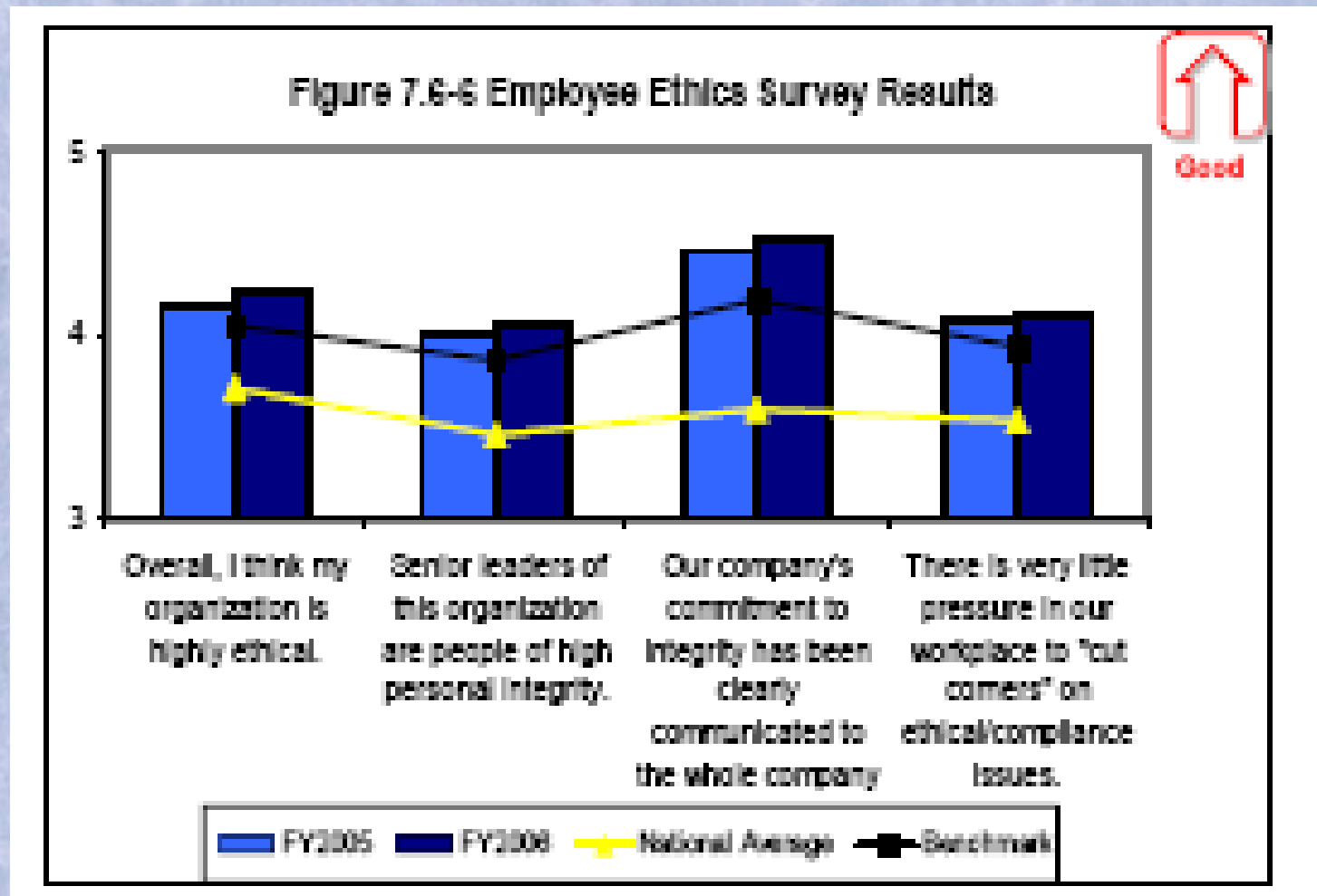
- Personal commitment to customers
- Effective setting and communication of organization's direction
- Personal involvement in developing future leaders



# Key Excellence Indicators: Leadership

- Communication of and role model for the organization's values
- Legal and ethical behavior
- Focus on learning at all levels of the organization
- Good citizenship

# Premier Inc.: Leadership





# Premier Inc.: Leadership

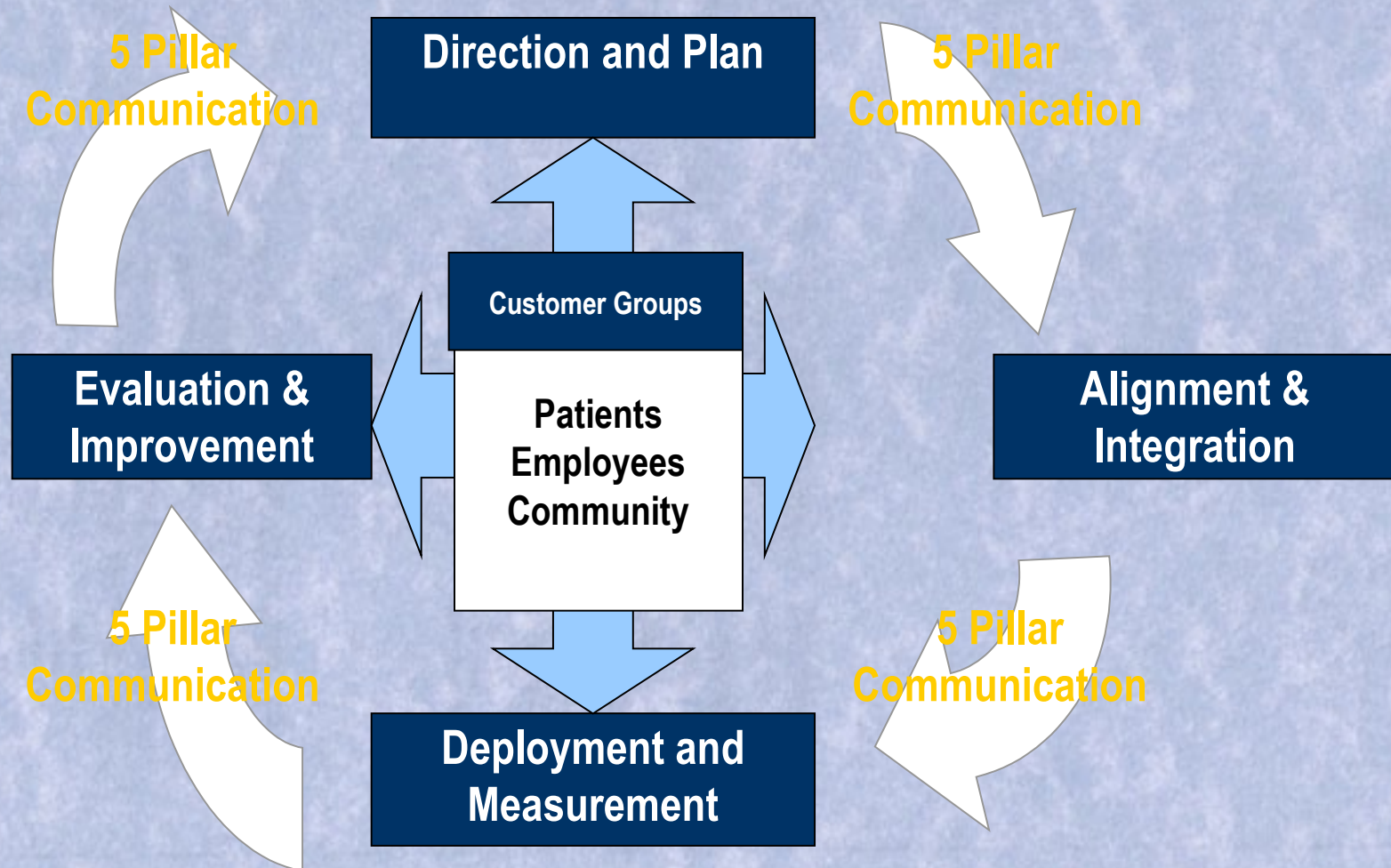
Figure 7.6-7 Premier ECO Reporting Potential Allegations

Years	Potential Ethics Allegations
1/04 – 12/04	12
1/05 – 12/05	3
1/06 – YTD	0

Figure 7.6-9 Key Compliance and Risk Processes Results Related to Figure 1.2-2

Key compliance processes	Goals/Measures	Results
Safe Harbor Compliance	100% Safe Harbor Owner reporting	100%
Sarbanes-Oxley Compliance	100% completion of implementation for all applicable sections	100%
Ethics and Compliance (2002-2006)	100% GPO HIGPA Code of Conduct compliant	100% compliance for all Ethics and Compliance Goals
	100% GPO HPGII compliant	
	100% Compliance to HIPAA regulations	
	100% Contracted suppliers provided Business Guidelines	
	100% employees signed COI	
	100% employees trained	
Key risk processes	Measures/Related results	Results
Internal Risk Assessment (2000 - 2006)	100% completion of internal audit plan	100% completion of audit plan
	100% action plan completion for internal audit findings	Completion of findings on track for 100% completion
Financial Audit (1996 - 2006)	100% annual unqualified opinion on financial statements (7.6-text)	100%

# Robert Wood Johnson: Leadership





# Key Excellence Indicators: Strategic Planning

- Balance of short- and long-term views
- Aggressive goal setting
- Strong work system alignment with strategy
- Systematic approach to addressing all sources of risk

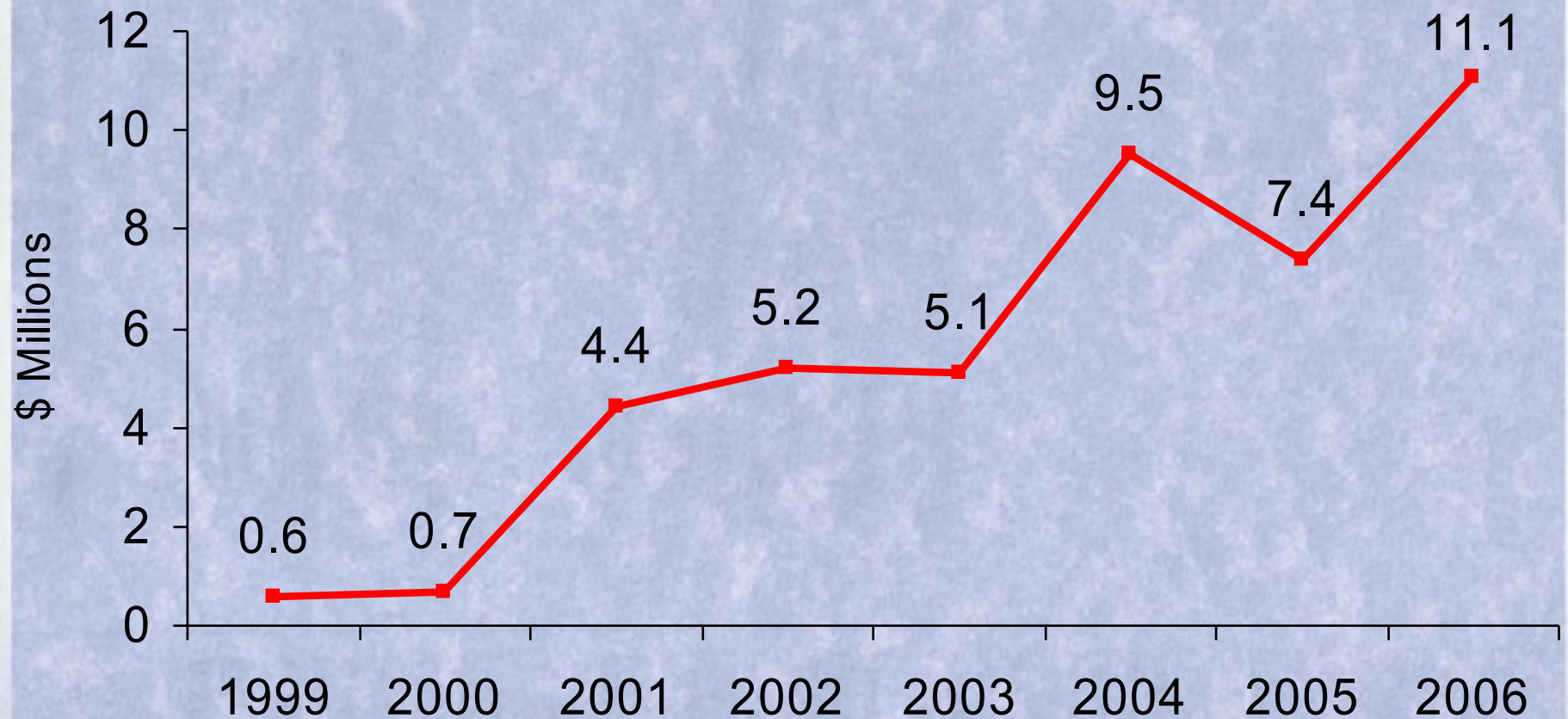
# Key Excellence Indicators: Strategic Planning

- Critical targets and goals based on customer requirements and market directions
- Strong involvement of key suppliers, partners, and customers
- A focus on plan execution and agility



# NMMC: Strategic Planning

*Care-Based Cost Management: Making the Business Case for Quality*





# Montfort: Strategic Planning



## Strategic Management Process





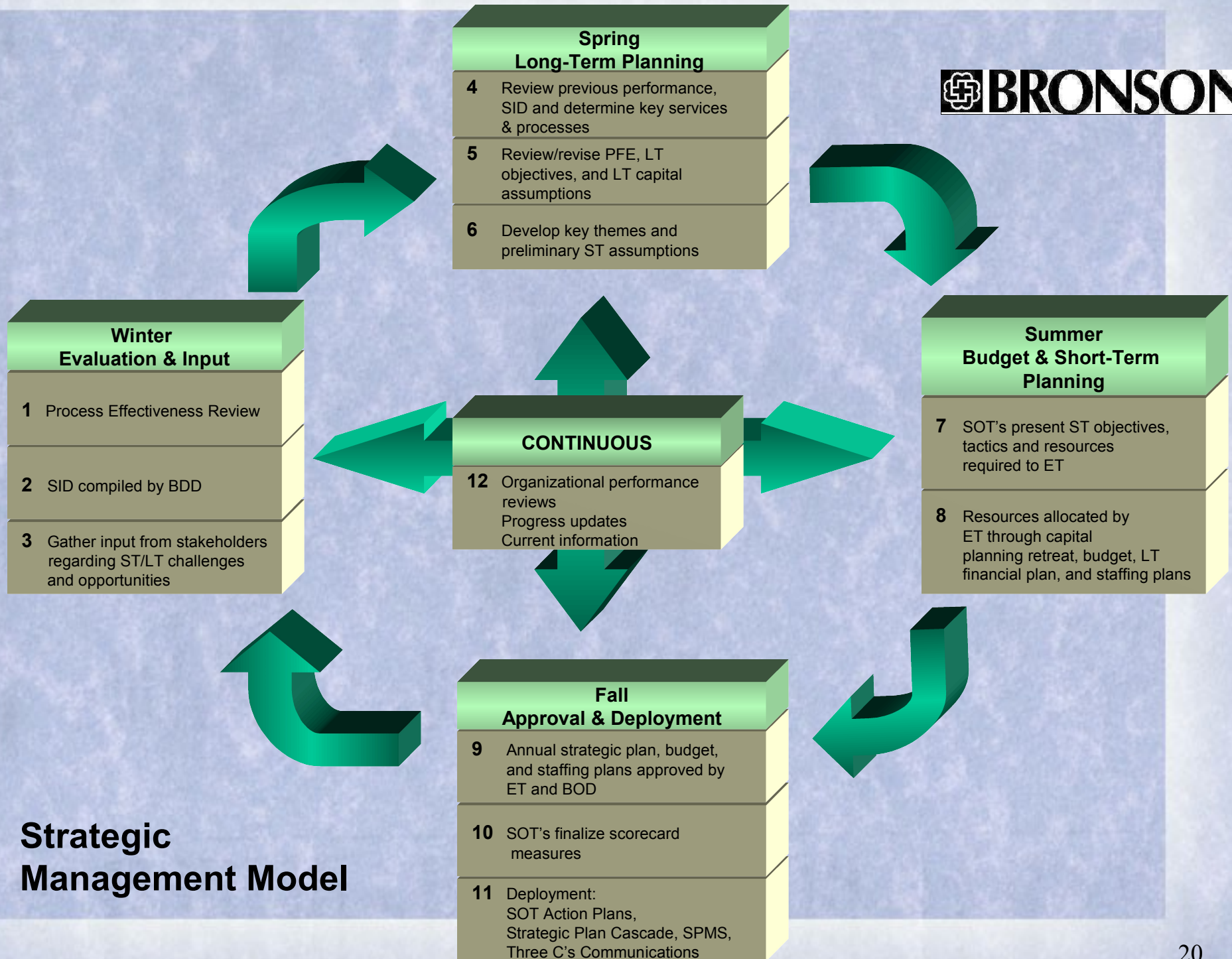
# Montfort: Strategic Planning



## Strategy Deployment

Strategic Objective	Action Plans	KPI Tracking Measures	HRM Assignments
1. Build a high-quality student population <b>L</b>	Finley Scholarships	High-quality entering freshmen	Recruited faculty volunteer to direct program
<b>L</b>	Improved high school contacts	High-quality entering freshmen	Dean/Admissions key partnership
<b>S</b>	MCB Listens	Student satisfaction and retention rates	Assigned tracking to assistant dean
<b>S</b>	Align curriculum to current trends	Student learning in business	ADMC and Curriculum Committee

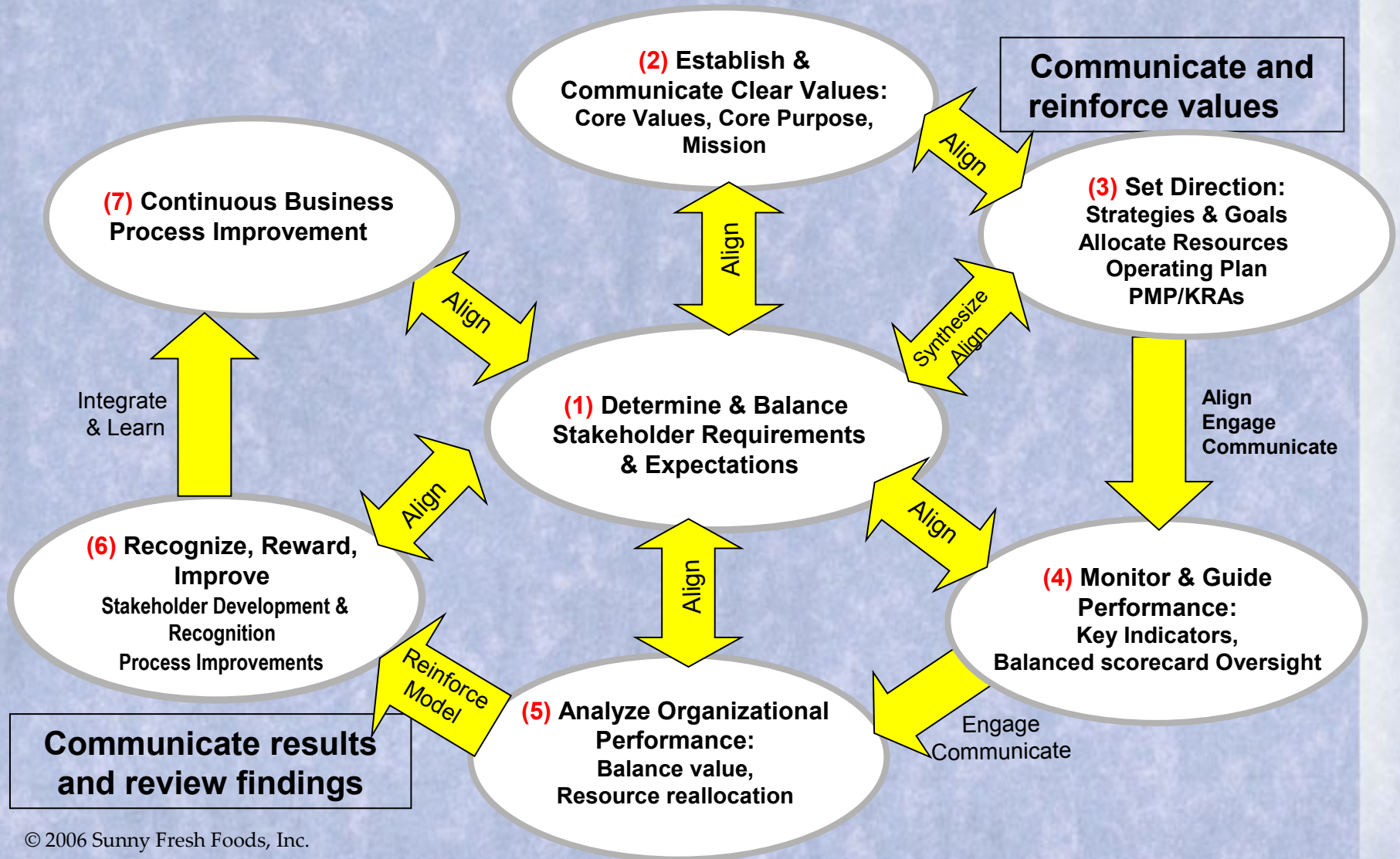
**L** = Long-term (in place)      **S** = Short-term (new)



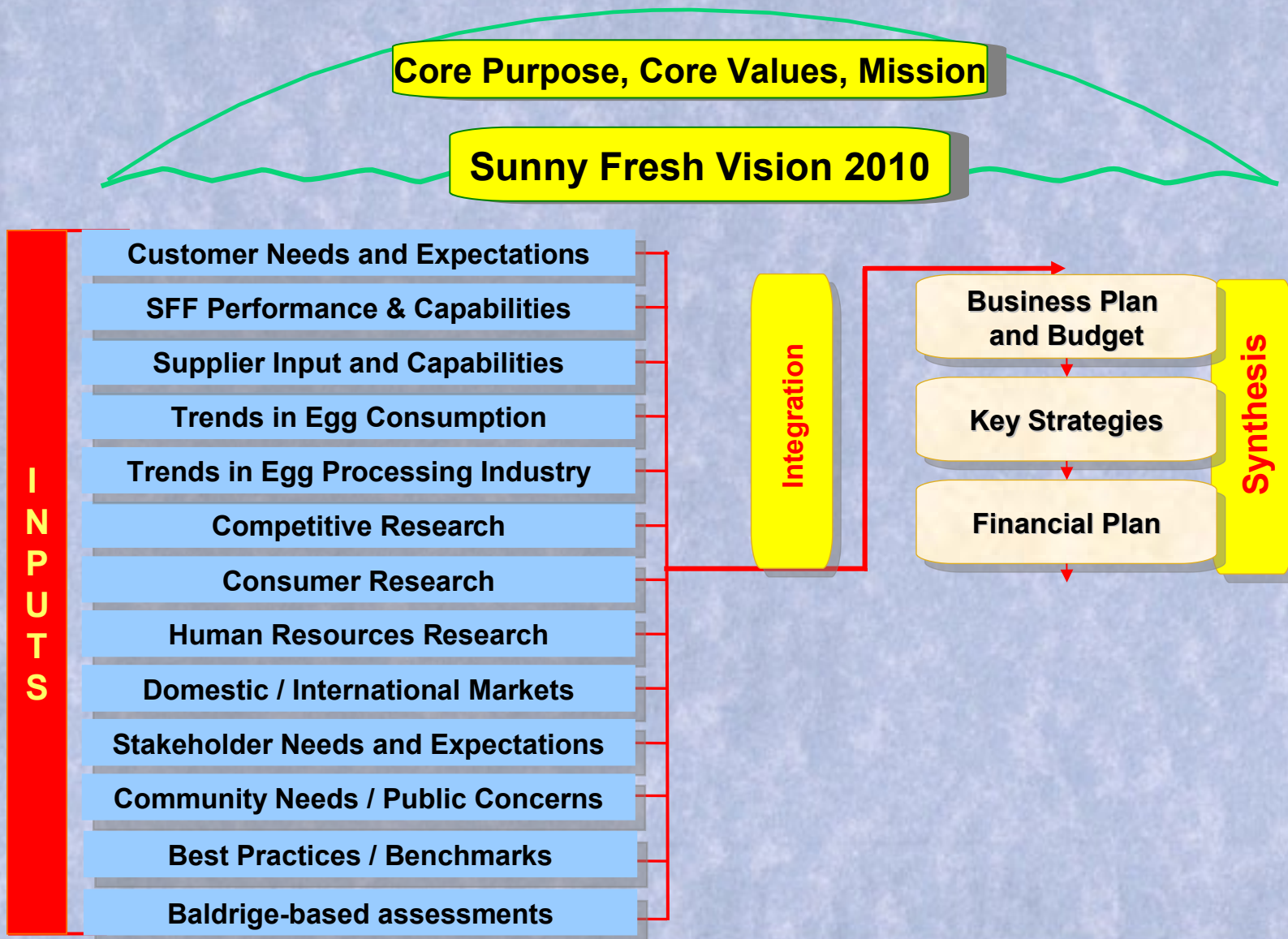
# Strategic Management Model



# Sunny Fresh Foods, Inc.: Strategic Planning



# Strategic Planning: Long-Term Planning

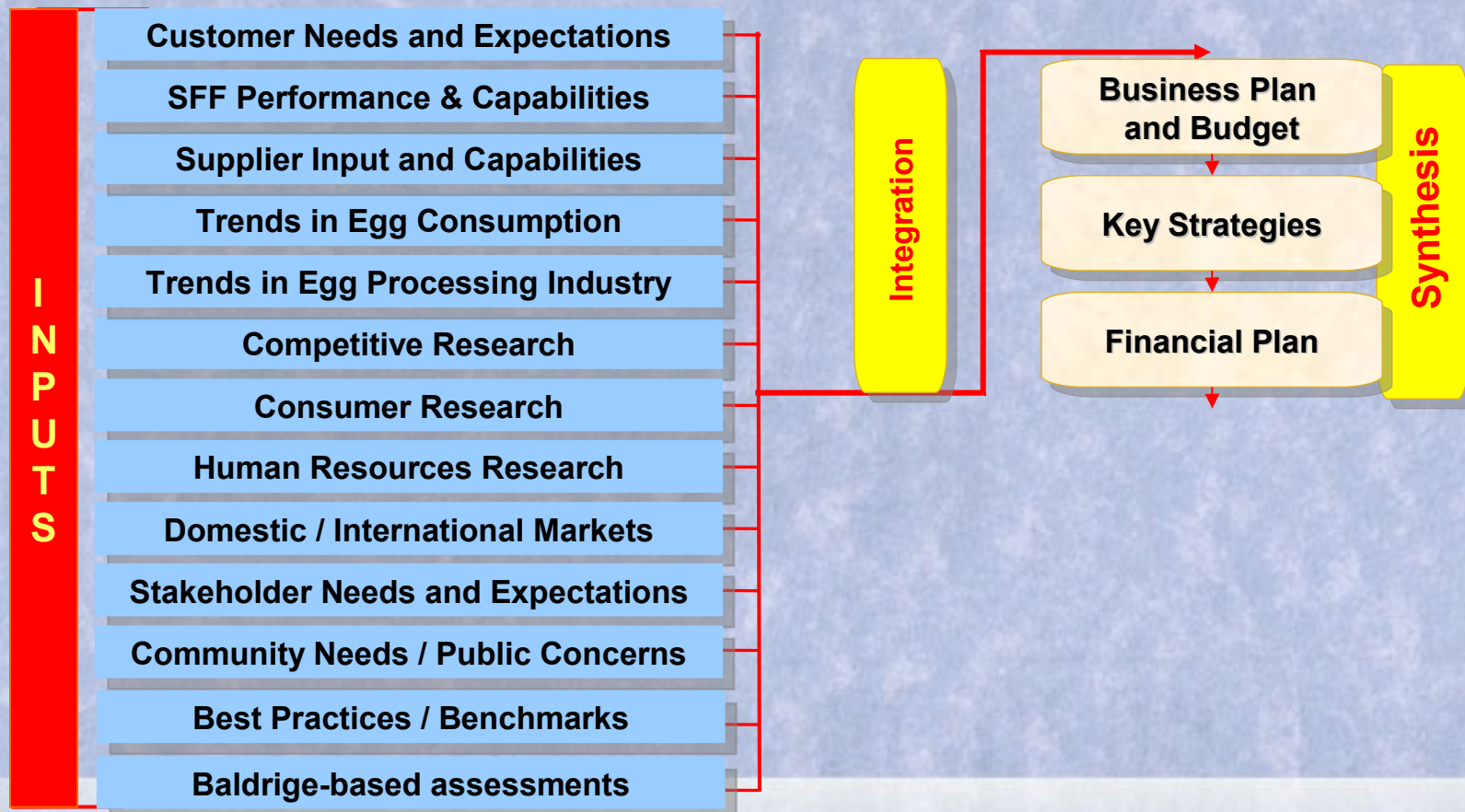




# Strategic Planning: Short-Term Planning

Core Purpose, Core Values, Mission

Sunny Fresh Vision 2010



# **Key Excellence Indicators: Customer and Market Focus**

- In-depth market knowledge and forecasts
- Consideration of needs of current and potential customers
- Proactive customer contact
- Multiple mechanisms to identify customer requirements



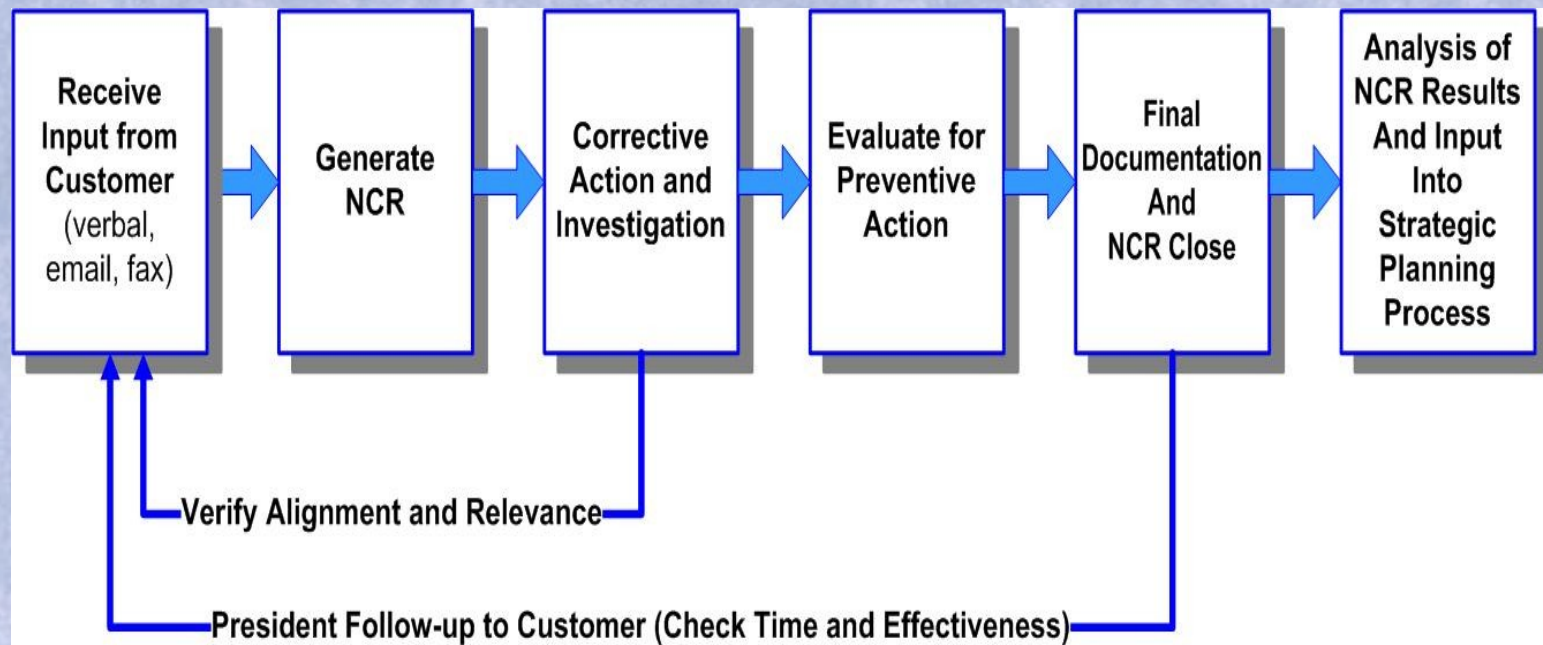
# **Key Excellence Indicators: Customer and Market Focus**

- Focus on enhancing customer relationships and loyalty
- Effective and prompt resolution of complaints
- High levels of customer satisfaction and repurchase

# MESA Products, Inc.:

## Customer and Market Focus

### Customer complaint process



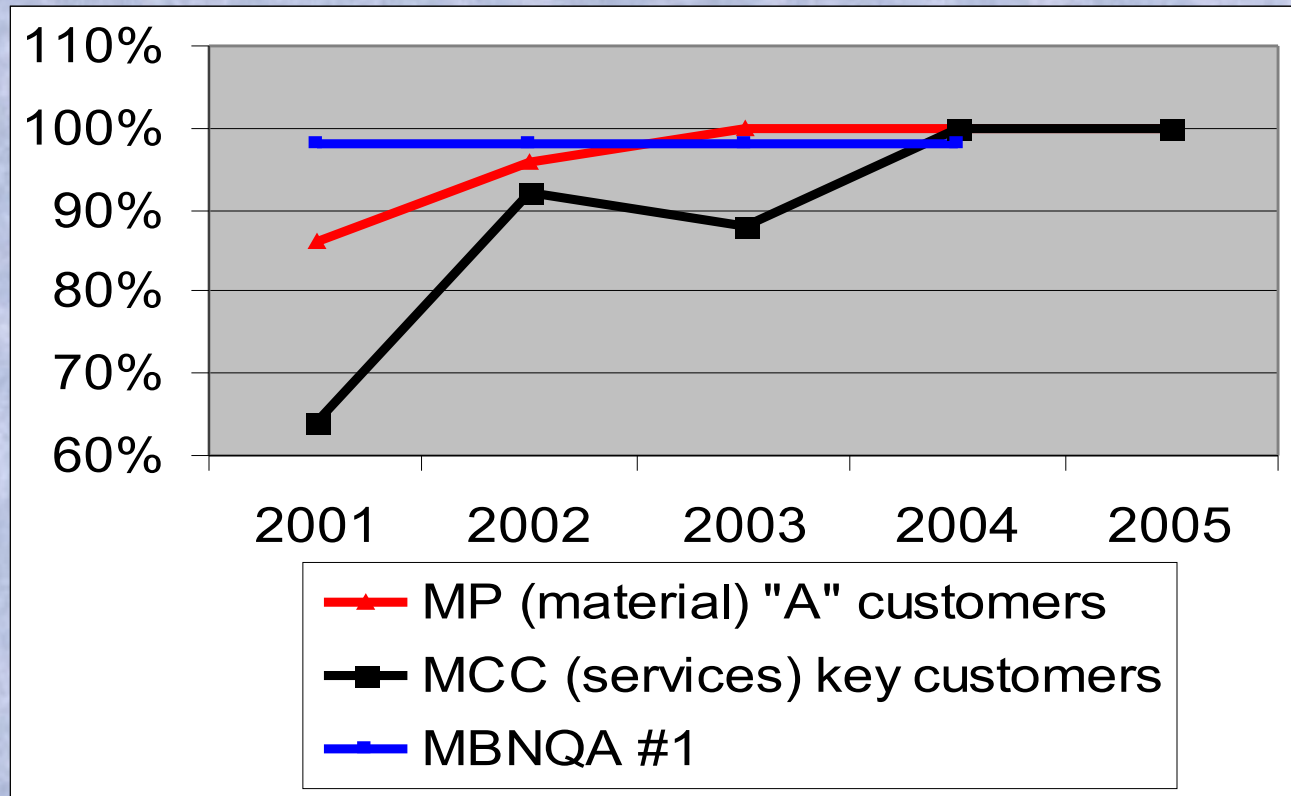
- **Internal/external**
- **Major/minor**
- **Tracked/segmented/analyzed**
- **Follow-up**



# MESA Products, Inc.:

## Customer and Market Focus

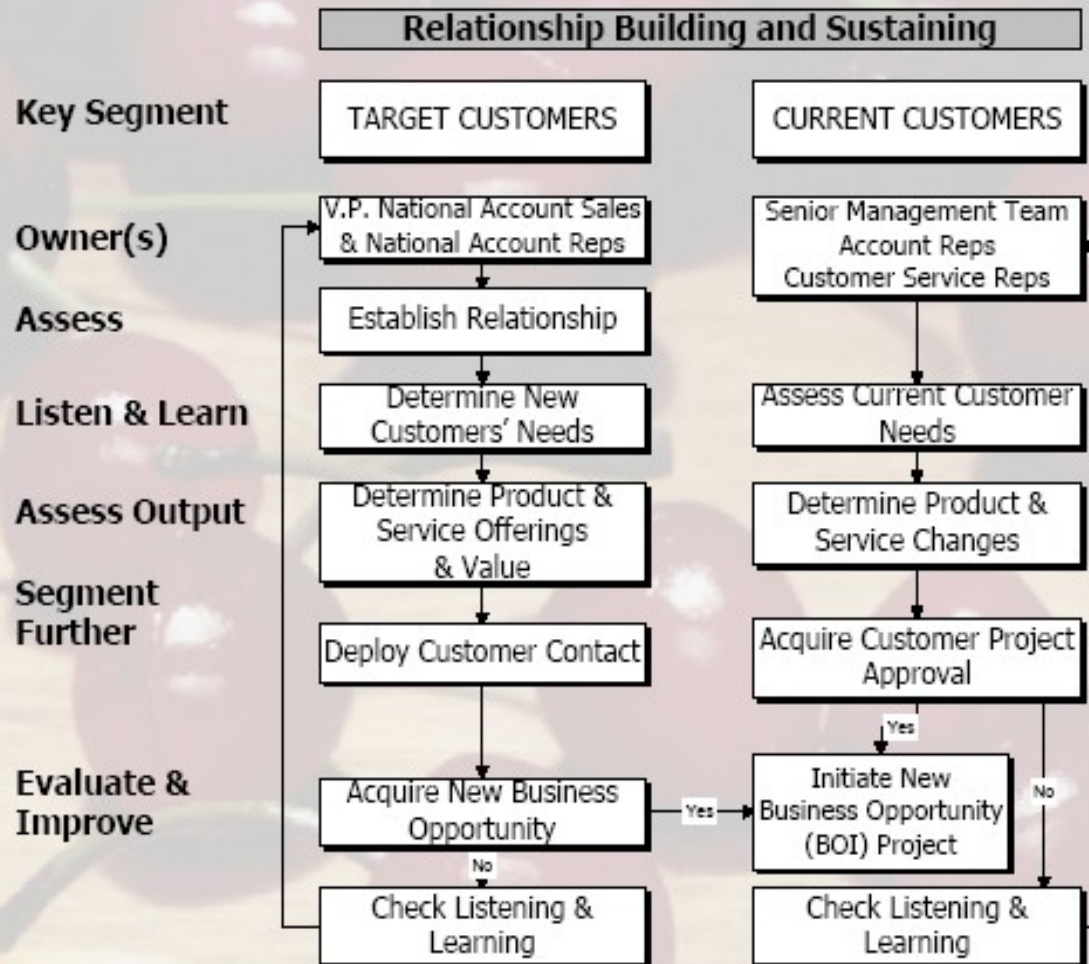
### Key Customer Retention



# Bama: Customer & Market Focus



## Listening & Learning Process





# RWJ: Customer & Market Focus

## Beyond Satisfaction.....

## Customer Loyalty

### Employees:

- Circles
- On-line benefits
- CHW discounts
- Bonus programs
- Employee Sat. Committee

### Patients:

- Greeters
- Free TV and phone
- Food on demand
- Integrative therapy
- Hearts Apart
- Comfort in clothing

### Community:

- CHW
- Family Giving
- Soup kitchen
- CAB
- Education
- Health Fairs

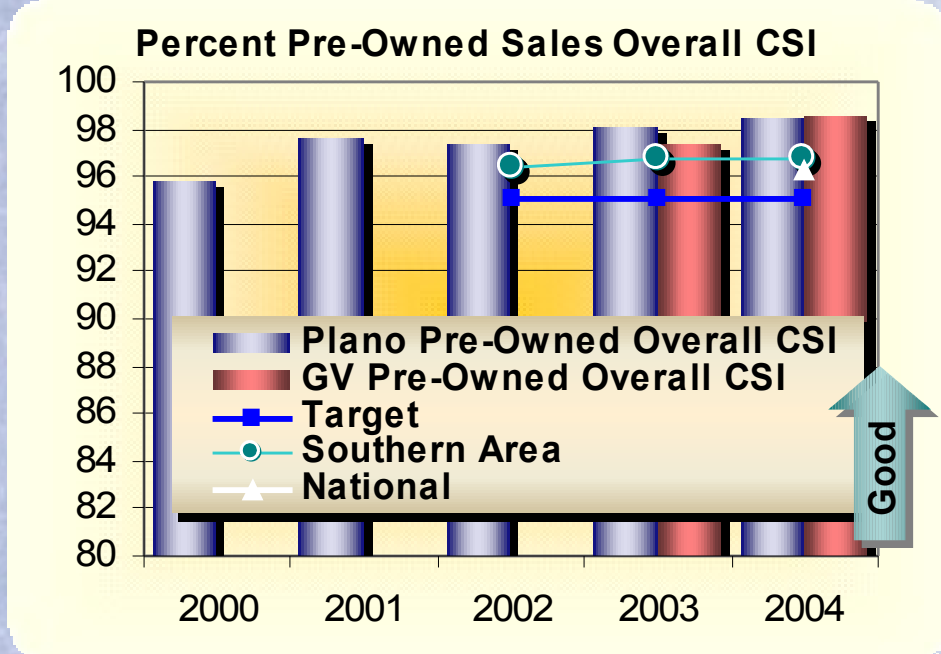
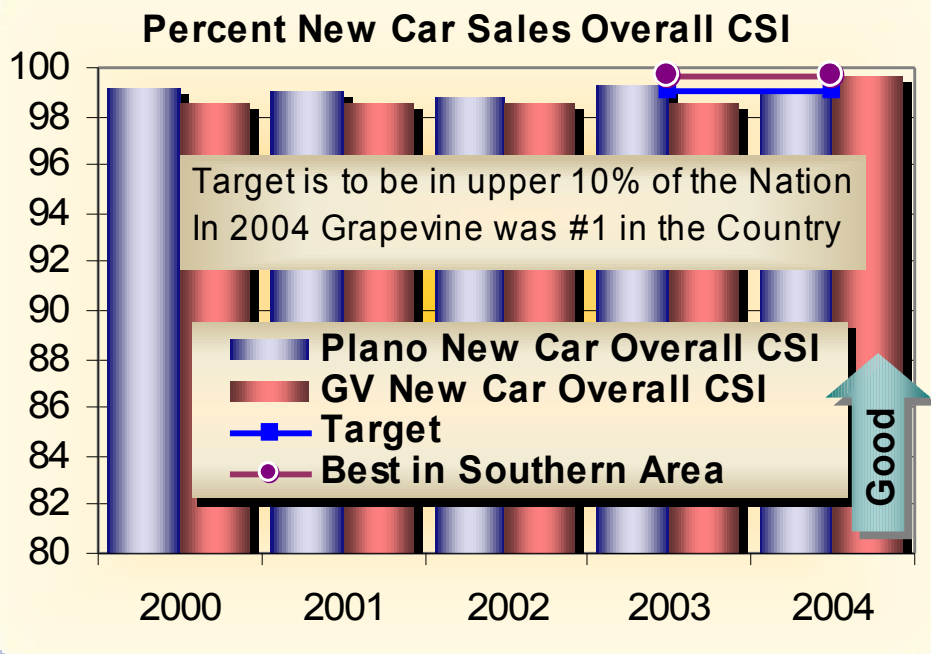
# Park Place Lexus: Customer and Market Focus

Service	Client Profile Summary	Key Client Requirements
<i>New Car Sales</i>	Median Age: 46 - 52 Income: \$111,300 to \$273,900 Gender: 61% to 78% male Marital Status: 78% to 88% married Education: 67% - 78% college graduates Occupation: Prof./tech., sr. mgr, retiree, self-employed, pres./CEO, Dr., homemaker	<ul style="list-style-type: none"> <li>- Sales Consultant (courteous, knowledgeable, respected time, honored commitments) – 32% impact</li> <li>- Finance Manager (discreet and efficient, recognized needs) – 21% impact</li> <li>- Vehicle Delivery (personalized to individual) – 20% impact</li> <li>- Impression at Arrival (range of vehicles, salespeople available, greeted promptly, comfortable) – 11% impact</li> </ul>
<i>Pre-Owned Sales</i>	Median Age: 45 Income: \$100,000 Gender: 57% male Marital Status: 75% married Education: 69% college educated	<ul style="list-style-type: none"> <li>- Sales Consultant (courteous, knowledgeable, respected time, honored commitments) – 32% impact</li> <li>- Finance Manager (discreet and efficient, recognized needs) – 21% impact</li> <li>- Vehicle Delivery (personalized to individual) – 20% impact</li> <li>- Impression at Arrival (range of vehicles, salespeople available, greeted promptly, comfortable) – 11% impact</li> </ul>
<i>Service &amp; Parts</i>	Clients who purchase a Lexus from PPL, or Clients who purchase a Lexus from another dealership, a broker, or an individual (and thus their profile is the same as above)	<ul style="list-style-type: none"> <li>- Quality of Service (courtesy, appropriate explanation, informed of additional work, review of service) – 36% impact</li> <li>- Ease of Doing Business With (provided time estimate, greeted promptly) – 20% impact</li> <li>- Service Communications (kept informed, documented service needs) – 18% impact</li> </ul>

Figure P.1D – Client Segments and Key Client Requirements



# Park Place Lexus: Customer Satisfaction New and Pre-Owned Vehicles



# DynMcDermott: Customer and Market Focus



## Customer & Market Focus

**Customer Focus**

- DM is structured to meet the needs of the contractual requirements
- DM functions are aligned with the DOE organizational structure

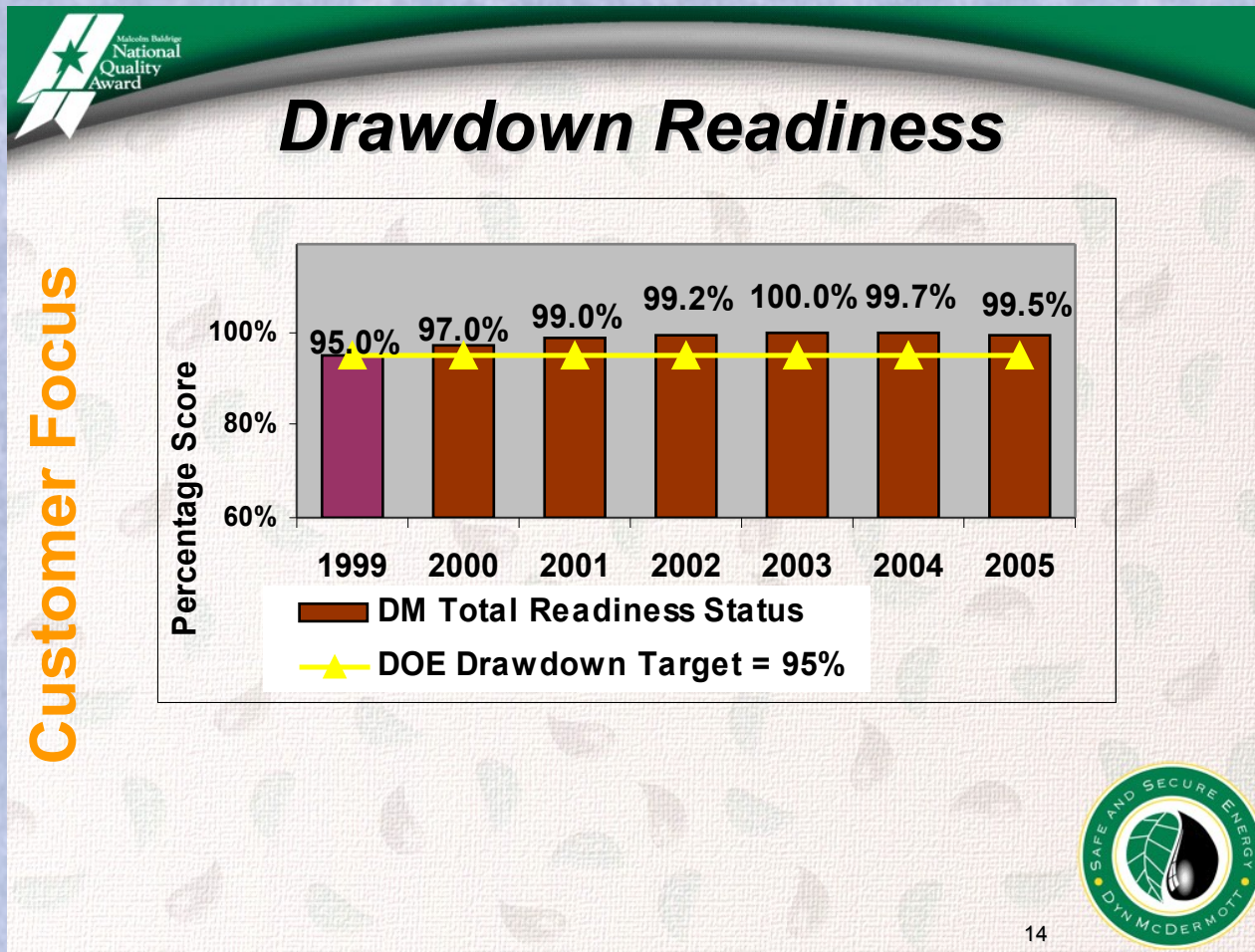


**Figure 3.1-2 DOE Requirements From the DOE Strategic & Performance Plans Linked to DM Strategic Plan**

<u>Key Requirements from DOE Strategic Plan</u>	<u>Key Performance Measures</u>	<u>1-Year Projection</u>	<u>5-Year Projection</u>
<u>DOE VALUE:</u> 1. Public Confidence <u>DOE Success Factor:</u> Oil Inventory Drawdown Readiness and Distribution	1. Oil Inventory	700,000,000 barrels	743,000,000+ barrels
	2. Drawdown Rate	4.39 MMB/D	4.42 MMB/D
	3. Days to Commence Oil Drawdown	13 Days	11 Days
	4. Distribution Capability	≥ 120% drawdown rate	≥ 120% drawdown rate
	5. Site Availability	95%	95 - 98%
	6. Maintenance Performance Appraisal Report	95%	98%
	7. Satisfactory Site Security Ratings	100%	100%
<u>DOE VALUE</u> 2. Responsible Stewardship <u>DOE Success Factor:</u> Fiscal Responsibility and Budgetary Control	8. Operating Cost per Barrel of Storage Capacity which includes DM and DOE cost. <i>Figure 2.1-3 is the DM Operating cost per barrel only</i>	< \$0.2184 Per Barrel for DM and DOE combined cost.	\$0.207 Per Barrel for DM and DOE combined cost
<u>DOE VALUE</u> 3. Social Responsibility and Citizenship <u>DOE Success Factor:</u> Environment, Safety and Health	9. # of Cited Environmental Violations	<u>Zero</u>	<u>Zero</u>
	10. Lost Workday Case Rate	≤ 1.1/200,000 hours	≤ 1.1/200,000 hours
	11. Hazardous Waste Volume	< 3,140 pounds/year	< 539 pounds/year
	12. OSHA VPP Star Status at Four Sites	Maintain Star Status	Maintain Star Status
	13. Spill Equipment Availability	≥ 95%	95 - 98%
<u>DOE Success Factor</u> Local Community Support	14. ISO 14001 Registration	Maintain Certification	Maintain Certification
	15. Public Outreach Plan Goals	95%	95%
<u>DOE VALUE</u> 4. Dynamic Teamwork <u>DOE Success Factor:</u> Continuous Improvement	16. ISO 9001 Registration	Maintain Certification	Maintain Certification



# DynMcDermott: Customer and Market Focus





# **Key Excellence Indicators: Measurement, Analysis, and Knowledge Management**

- Use of fact-based decision making
- Collection of actionable data
- Use of multiple aligned and interlinking measures (internal and external)
- Wide deployment and accessibility of data and information



# **Key Excellence Indicators: Measurement, Analysis, & Knowledge Management**

- Strong analysis capability
- Benchmarking of “best-in-class” processes and results
- Reliable, secure, and user-friendly systems
- Organizational knowledge captured and shared internally and with key partners and suppliers

# Texas Nameplate: Measurement, Analysis, & Knowledge Management

**Next Level Leadership**

## The New Hotrod

Strategic Plan
Dashboard
Look Back

### Real-Time Dashboard™

<p><b>On-Time Delivery</b></p> <p>summary jobs</p>	<p><b>Production Cycle Time</b></p> <p>summary jobs</p>	<p><b>Sales</b></p> <p>summary jobs</p>
<p><b>Shipped Invoices</b></p> <p>summary jobs</p>	<p><b>Non-Cut to Inventory</b></p> <p>summary jobs</p>	<p><b>Customer Complaints</b></p> <p>summary jobs</p>
<p><b>41 Data</b></p> <p>summary jobs</p>	<p><b>Cycle Response Time</b></p> <p>summary jobs</p>	<p><b>Inventory in Pipeline</b></p> <p>summary jobs</p>

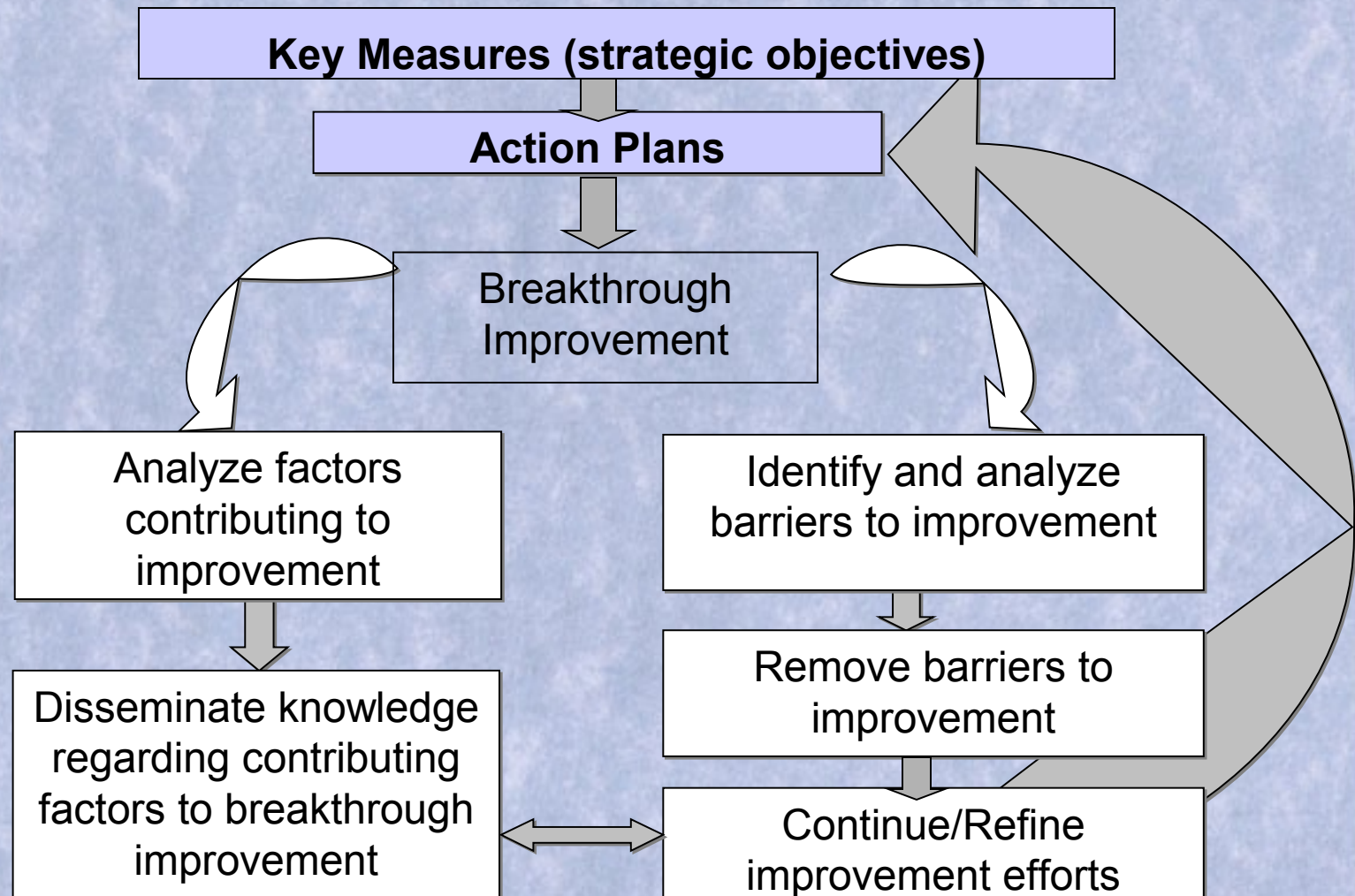
### Pipeline Dashboard™

<p><b>Pre-Prod</b></p> <p>summary jobs</p>	<p><b>Art</b></p> <p>summary jobs</p>	<p><b>Film</b></p> <p>summary jobs</p>	<p><b>1404 MP</b></p> <p>summary jobs</p>
<p><b>Metal Cut</b></p> <p>summary jobs</p>	<p><b>Screen</b></p> <p>summary jobs</p>	<p><b>Etch</b></p> <p>summary jobs</p>	<p><b>Paint</b></p> <p>summary jobs</p>
<p><b>Press</b></p> <p>summary jobs</p>			<p><b>Ship</b></p> <p>summary jobs</p>

[www.nameplate.com](http://www.nameplate.com)



# Jenks: Measurement, Analysis, and Knowledge Management



# Jenks: Measurement, Analysis, and Knowledge Management

## Cycle Refinements Resulting from Data Management

<b>Process</b>	<b>From</b>	<b>To</b>
Purchase Order Processing	3-4 days	1 day (2004)
Remote Desktop Assistance	1-3 days	Online (2000)
Financial Applications Upgrade to Microsoft.Net (Information Access)	1-2 days	5 seconds (2005)
Warehouse Ordering	5-7 days	Online (2003)
Turnaround on Print Shop Orders	5-7 days	3-4 days (2002)
Scanning Student IDs in the Lunch Line	20-25 seconds	1-3 seconds (2004)
Nutrition Department Ordering Process	4 hours daily	30 minutes weekly (1997)
Campus Police Response Time	10-20 minutes	1-5 minutes (2004)
Teacher Candidate Resumes	1-3 days	Online (2004)
JPSF Mini-grant Applications	1-3 days	Online (2002)
Professional Development Transcripts for Each Teacher	Once a year	Online (2004)
Bus Routing Program	1-2 days	Online (2006)
TMA Work Requests System	1-2 weeks	3 days (2003)
Reports Process-Police Department	2 days	4 hours (2005)
<b><i>Departments show cycle time reductions for increased efficiency.</i></b>		



# Key Excellence Indicators: Workforce Focus

- Recognition of your workforce as “internal customers”
- Strong commitment to workforce satisfaction, motivation, well-being, and morale
- Reward system related to key organizational challenges and organizational performance

# **Key Excellence Indicators: Workforce Focus**

- Commitment to training, education, and development
- Links between individual and organizational learning
- Empowered workforce members



# Premier Inc.: Workforce Focus

Figure 5.2-1 Education and Learning Planning Process

Step	Process
1	Understand organization's strategy, goals, and initiatives
2	Understand business goals and resource needs
3	Identify and assess skills and resources
4	Identify gaps and develop improvement/education plans
5	Align resources and programs
6	Measure
7	Improve





# Key Excellence Indicators: Process Management

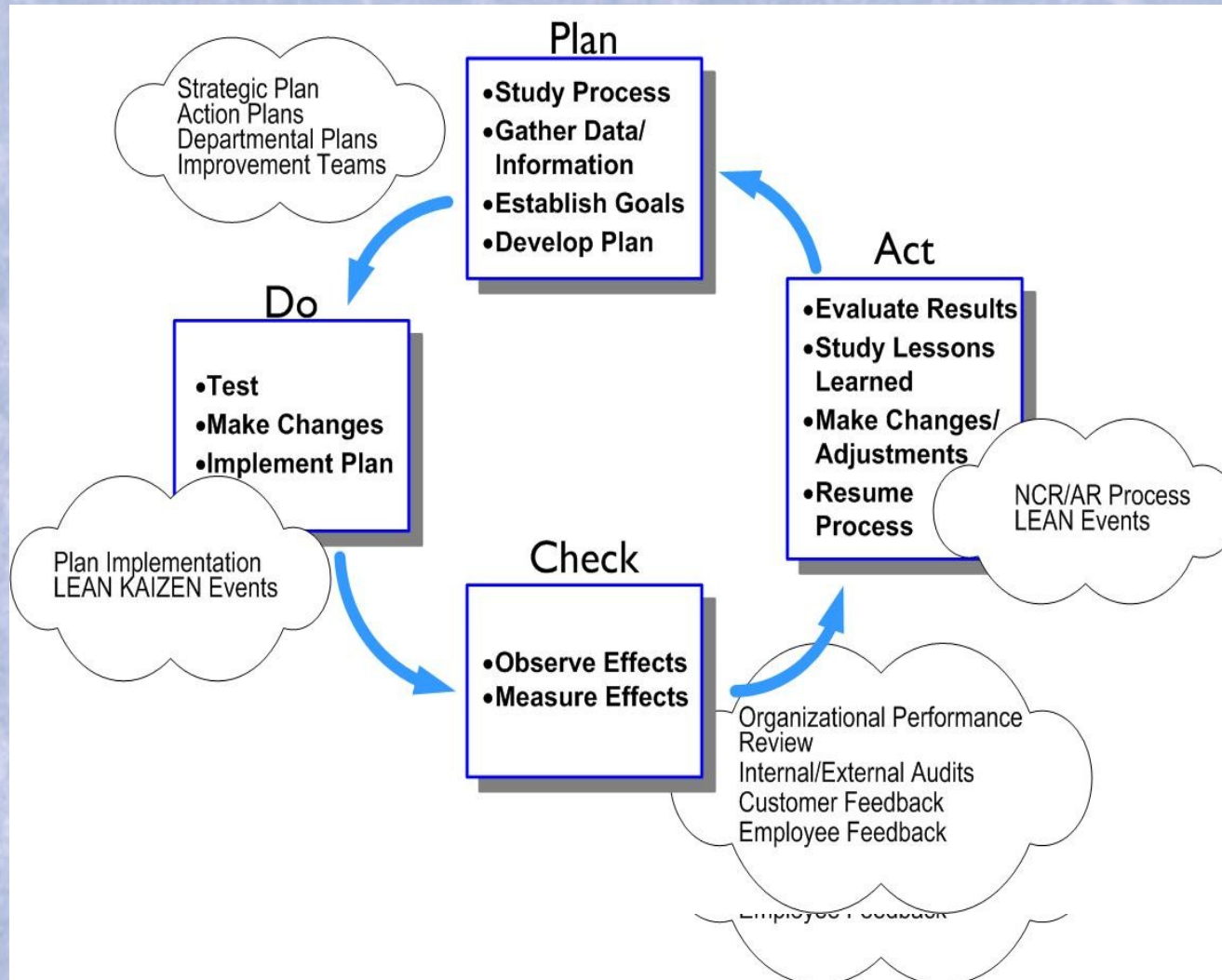
- Well-defined product/service, business, and support processes
- Focus on work systems and processes that create value for all key stakeholders
- Quality designed into products, services, and processes
- Focus on continuous improvement, cycle time reduction, innovation, and productivity

# Key Excellence Indicators: Process Management

- Strong integration of prevention, correction, and improvement into daily operations
- Partnering with suppliers and customers
- Financial and other resources committed to key processes
- Prevention-focused but prepared for emergencies

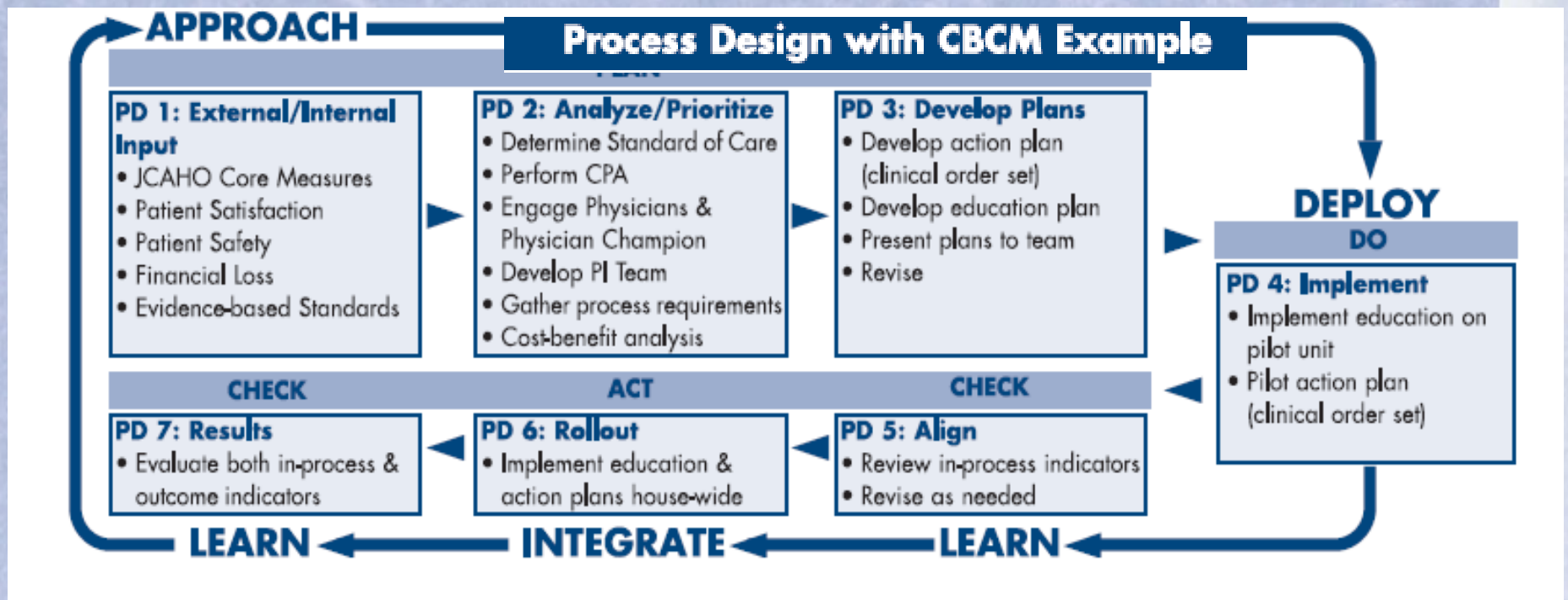


# MESA Products, Inc.: Process Management



## Process Improvement Process

# North Mississippi Medical Center: Process Management

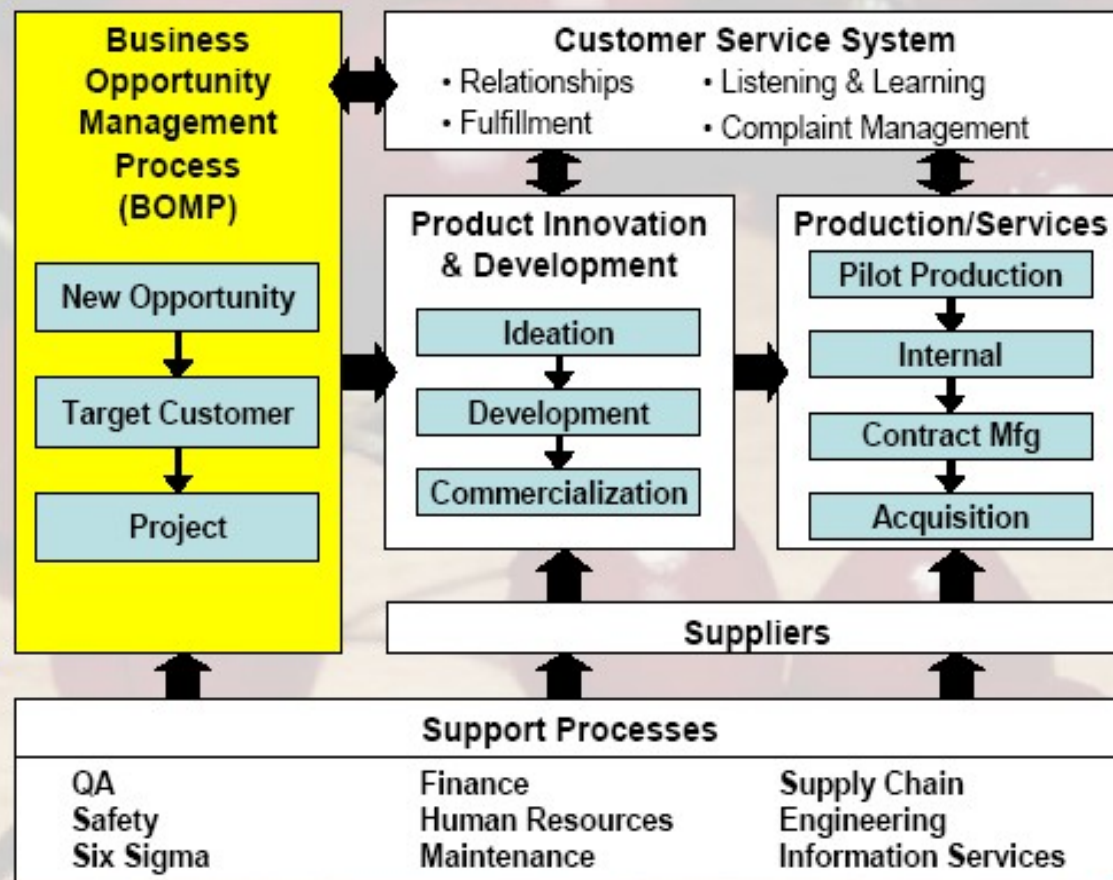




# Bama: Process Management



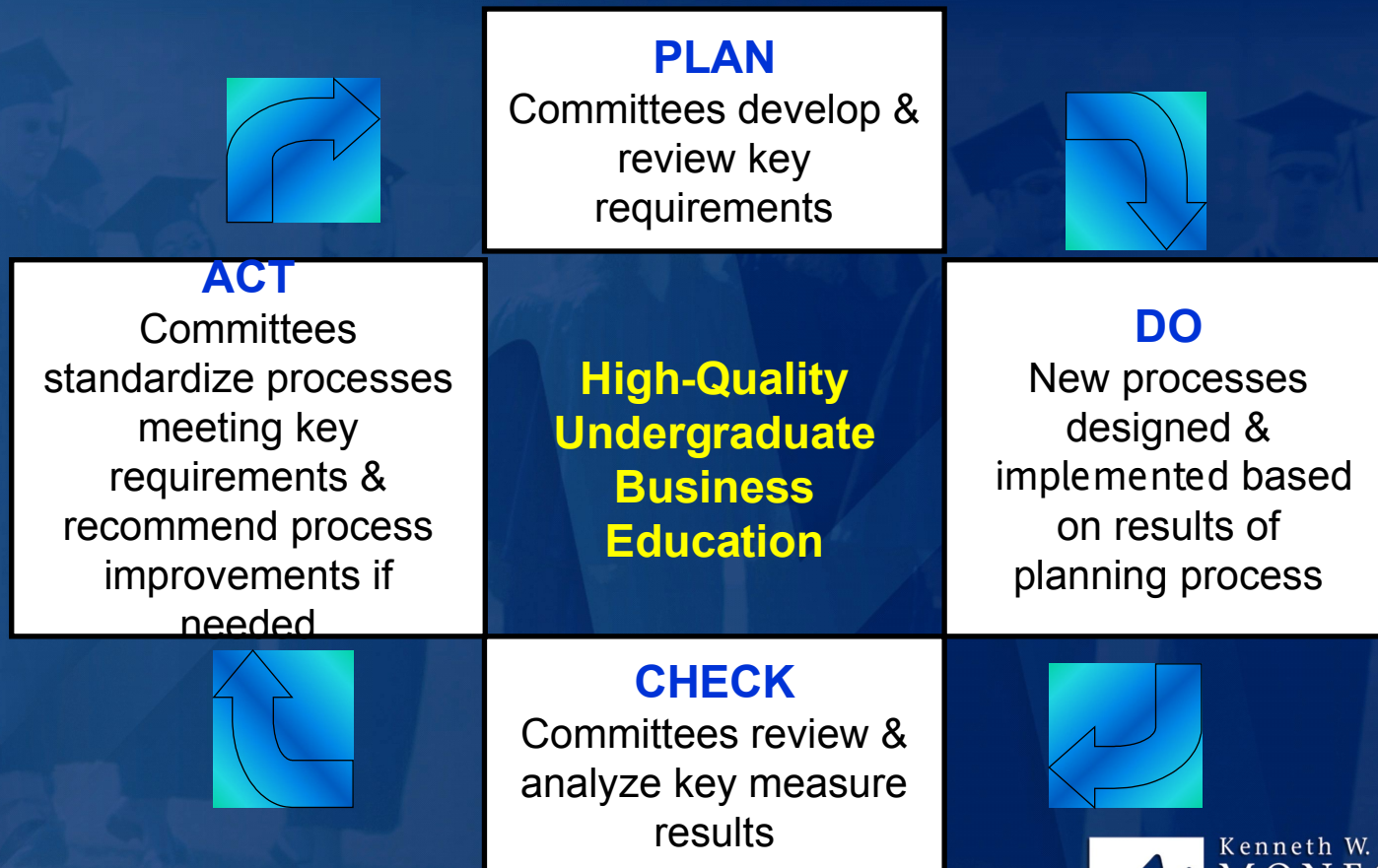
## Bama's Value Creation System



# Monfort College of Business: Process Management



## PDCA Cycle






# DynMcDermott: Process Management



## Key Value Creation Processes

**Process Management**

- Crude Oil Acquisition (Fill Process)
- Drawdown Process
- Vapor Pressure
- Crude Oil Quality
- Maintenance Process
- Cavern Integrity
- Emergency Preparedness Process
- ISO 14001 Process (Environmental)
- Security



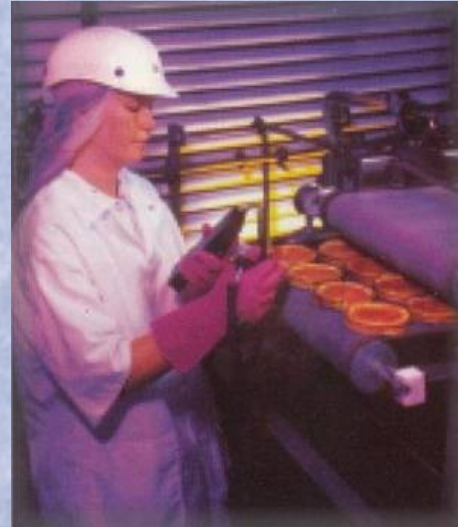
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# Sunny Fresh Foods, Inc.:

## Process Management

- Standardization across sites
- FDA and USDA regulated
- HACCP programs
- Key performance requirements
  - Documented
  - In-process monitoring and verification checks
- Test and Hold



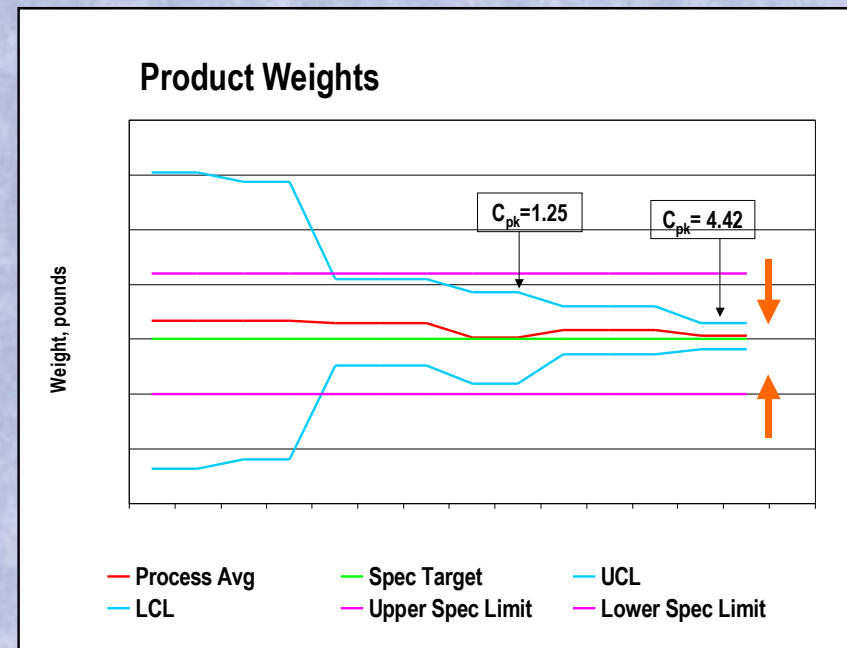


# Sunny Fresh Foods, Inc.:

## Process Management

(cont.)

- Standard operating procedures
- Specification and control limits
- Explicit corrective actions
- Process optimization



# Key Excellence Indicators: Results

Related to

- Customer requirements
- Key processes
- Product/service performance
- Strategy and action plans
- Workforce needs
- Financial and marketplace measures
- Governance and social responsibilities



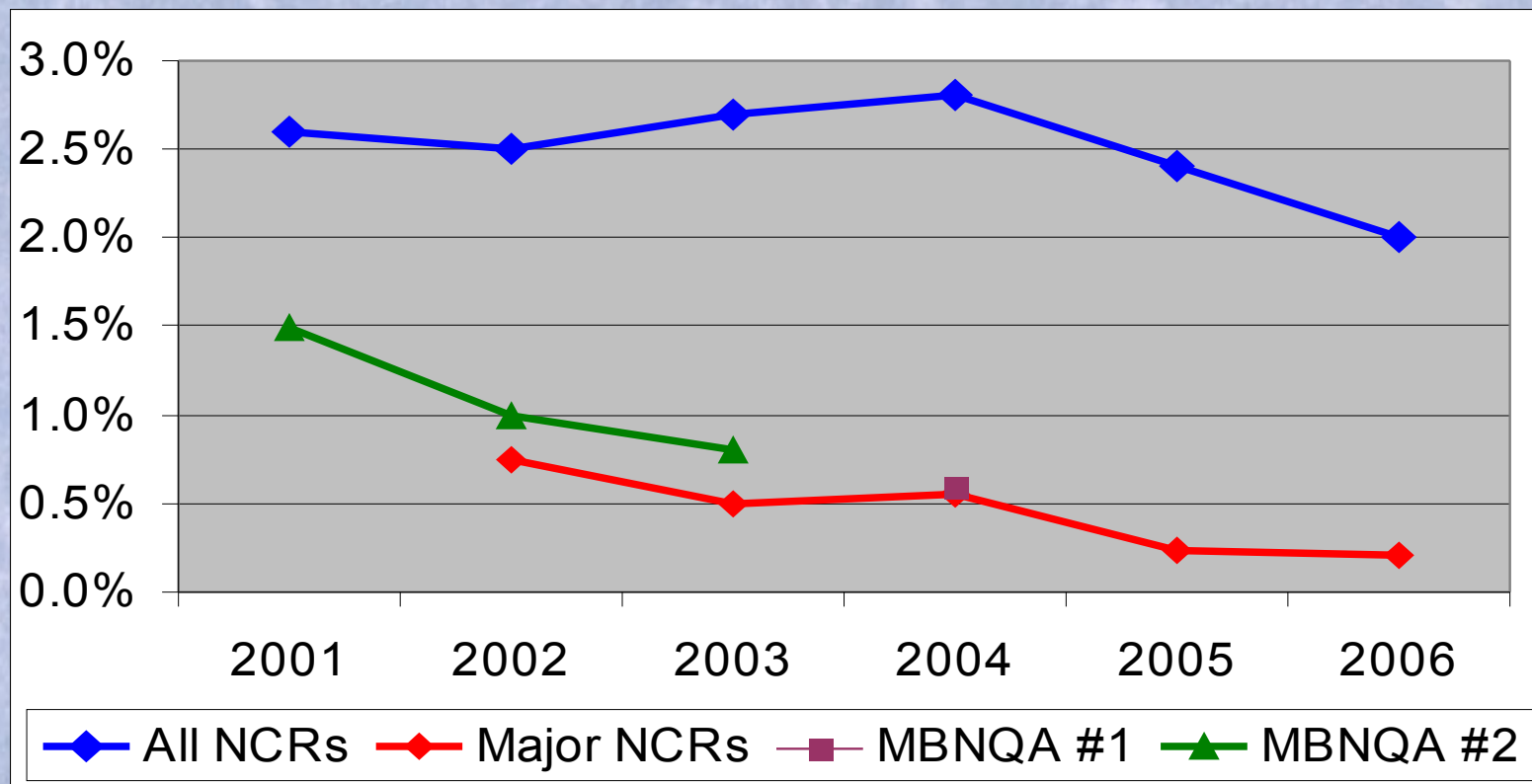
# Key Excellence Indicators: Results

- Tracking of levels and trends
- Linked to organization-level information and analyses
- Use of comparisons/benchmarks
- Appropriately segmented
- Actionable

# MESA Products, Inc.:

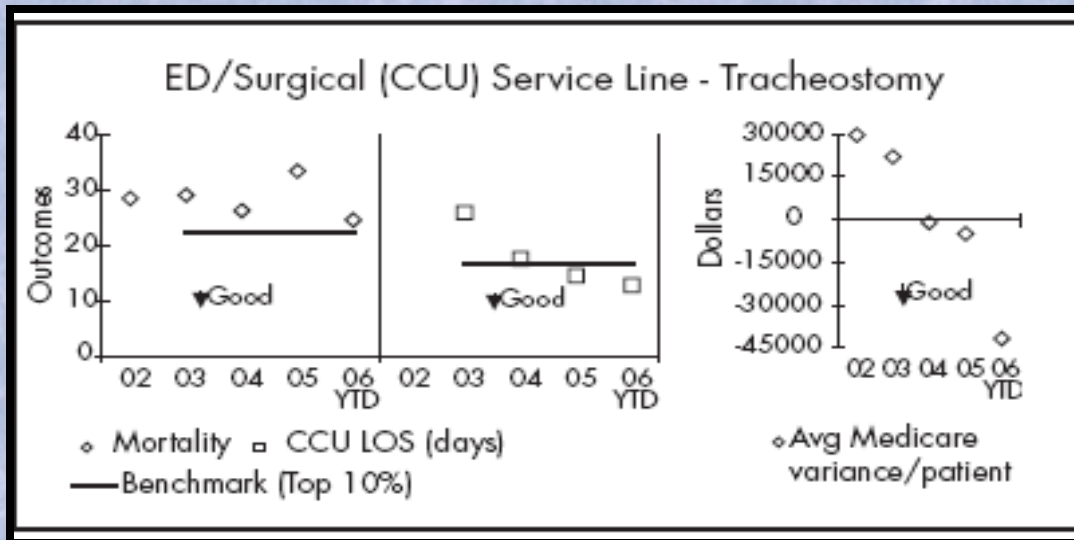
## Results

### Customer Complaints

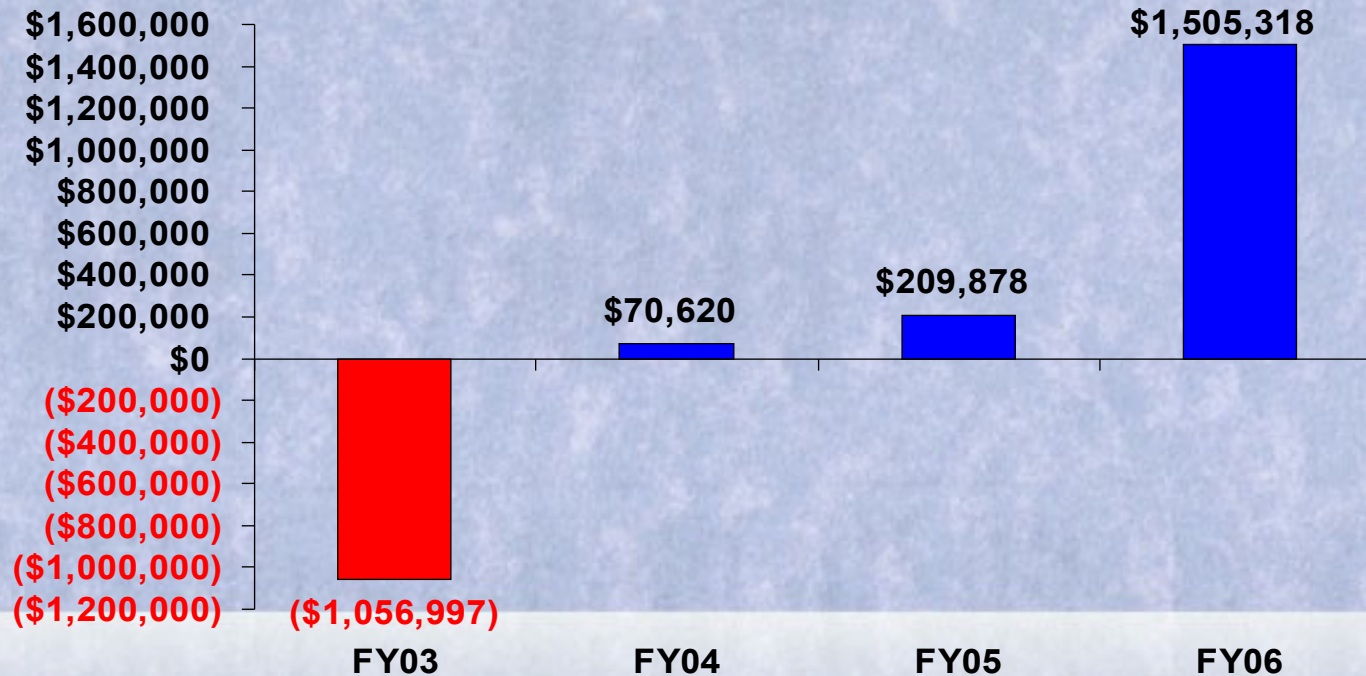




# NMMC: Results



*Tracheostomy with  
Chronic Ventilation*

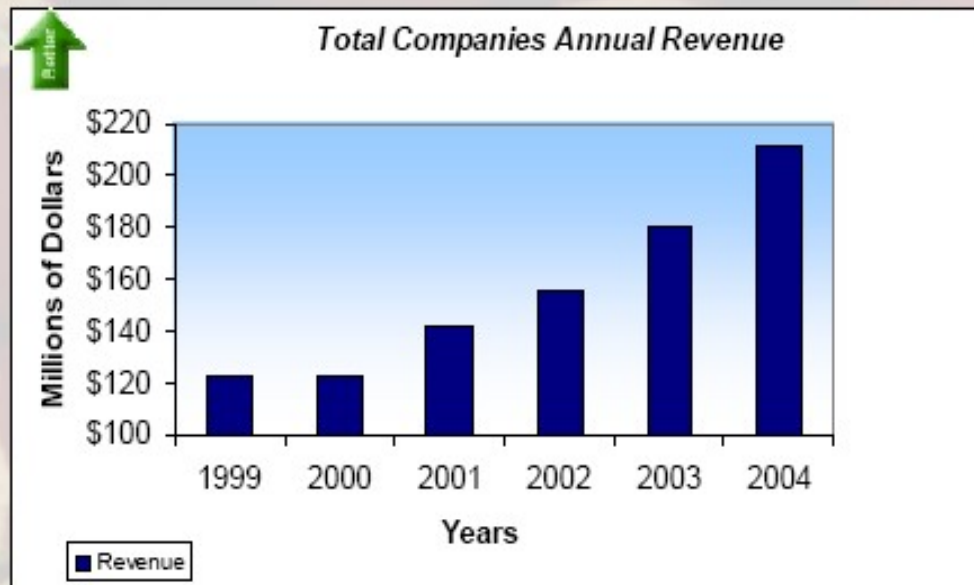


# Bama: Results



## Business Opportunity Management Process Results

- Revenue Increased over 70% from 1999



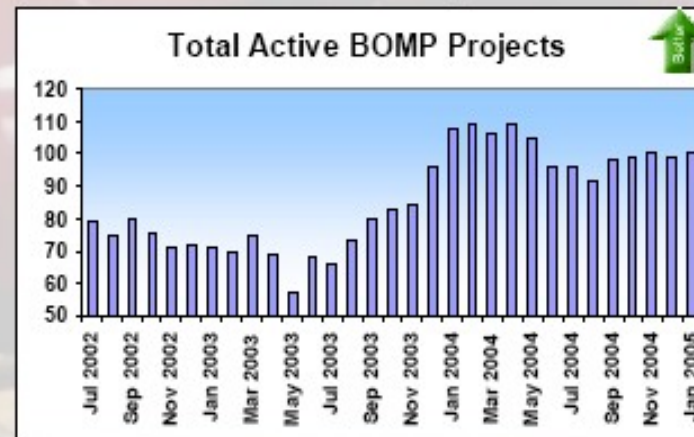


# Bama: Results



## Listening & Learning Results

- Over \$300MM Active New Revenue Opportunities
- 70% increase in New Target Customers Added





# Texas Nameplate: Results

Next Level Leadership



## MR DIOK (Data, Information, and Organizational Knowledge)

[Emergency!](#) [Who We Are](#) [Phone #s](#) [Email Addresses](#) [TNC Forms](#)  
[Employee Handbook](#) [Feedback](#) [Fun Translation](#) [Weather](#) [Take a Break](#)  
[Profile](#) [Leadership](#) [Strategic Planning](#) [Customers](#) [TNC Wisdom](#) [Human Resources](#) [Process Management](#) [Results](#)



At Texas Nameplate Company, Inc., we use Chemical Etching, Screen Printing, Photosensitive Anodized Plates, Metal Photo® and other selected processes ...to manufacture nameplates and other identification tags and labels on Stainless Steel, Aluminum, Brass, Vinyl, and other selected materials...for Oil Field Equipment; OEM; Valve Builders; Government Contractors; Military; Pressure Vessel; Electronics; Trailers; Trucks; and custom requirements...with In-house Art and Tool & Die services...and 5-10 day delivery. We are ISO 9001:2000 & ISO 14001:1996 Certified; a UL® (Underwriters Laboratories) Authorized Label Supplier; a Lockheed Martin Star Supplier; and the only nameplate manufacturer in the world that is a Malcolm Baldrige National Quality Award Recipient.

### Management Review of Data, Information, and Organizational Knowledge

Below you will find a [current summary](#) of our latest results and the next scheduled review date.

On a regular basis, we review the content of our Internet ( [www.nameplate.com](http://www.nameplate.com) ) and of our Intranet ( [The New Hotrod](#) ) pages.

### Current Summary of Management Review of Data, Information, and Organizational Knowledge

TNC Internet Website <a href="http://www.nameplate.com">www.nameplate.com</a>	Page Owner	Is the Page User Friendly?	Is the Data on Page Accessible?	Is Data on Page Accurate?	Is Data on Page Reliable?	Is Data on Page Secure?	Is Data on Page Confidential?	Is Data Integrity Evident?	Is Data Current and Timely?	Next Scheduled Review
<a href="http://192.168.100.12">http://192.168.100.12</a>										



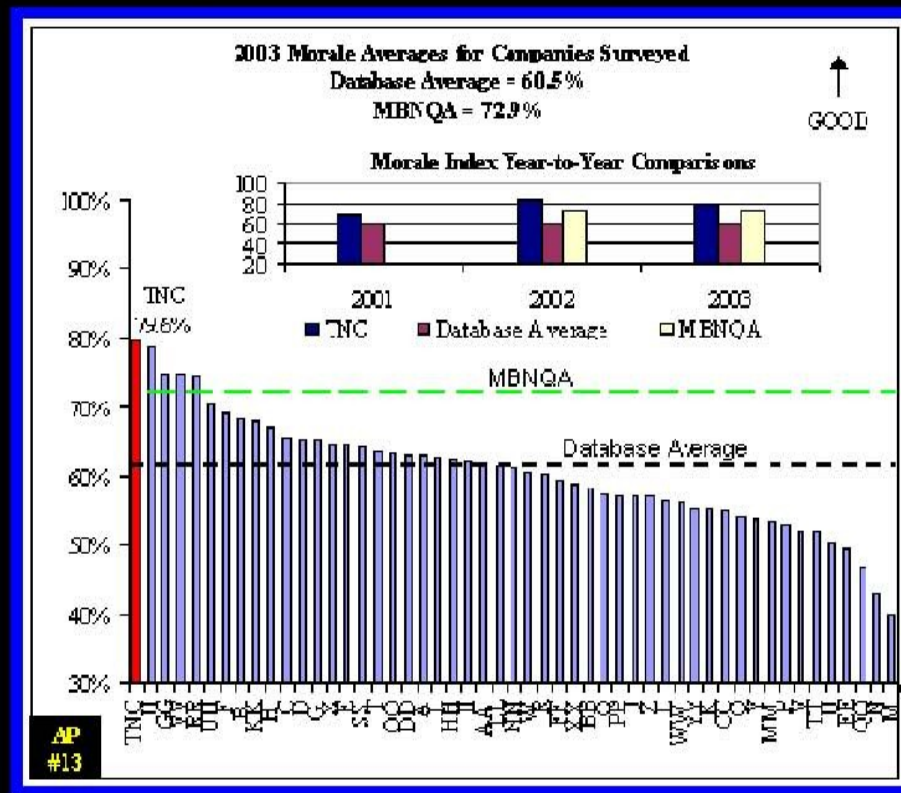


# Texas Nameplate: Results

Next Level Leadership



## Employee Survey Results

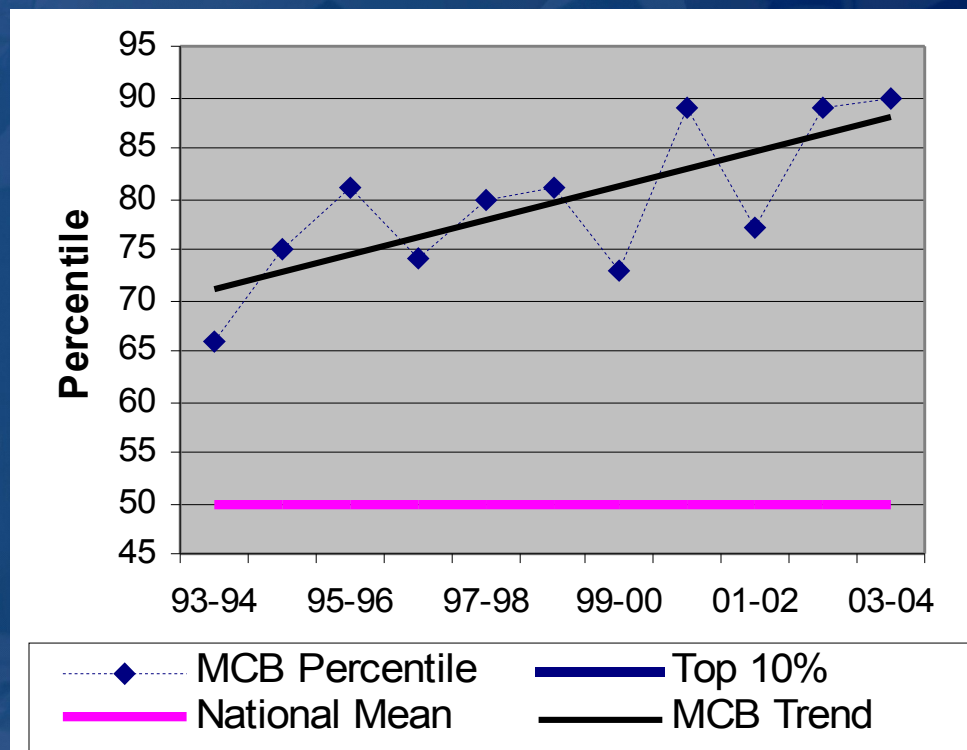


# Monfort College of Business: Results



## Ten Years of Improvement in Learning Performance

MCB ETS Overall Performance



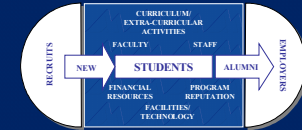
24 percentile  
increase in  
11 years



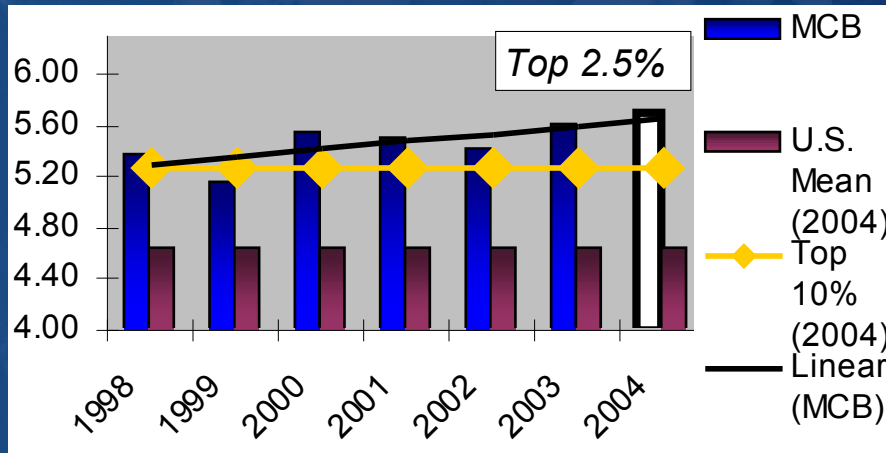
# Monfort College of Business: Results



## MCB as a Value Leader



Comparing Expense of Education Quality, Rate the *Value* of Investment Made in UG Business Degree

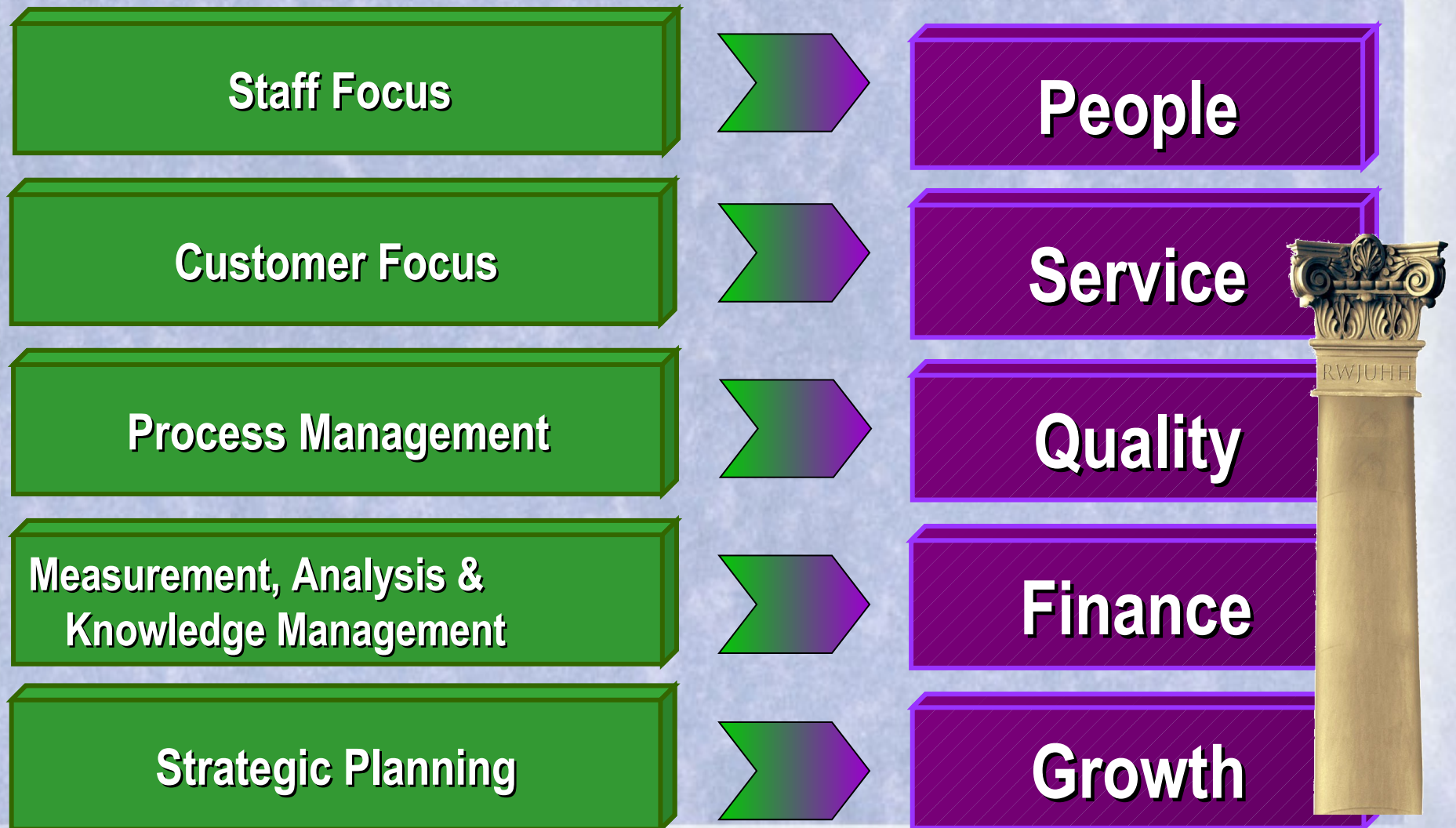


MCB Parent Survey (2004)

Question	Strongly Agree or Agree
As compared with other business programs in Colorado, MCB provides a good value in business education.	<b>94%</b>

# Robert Wood Johnson: Results

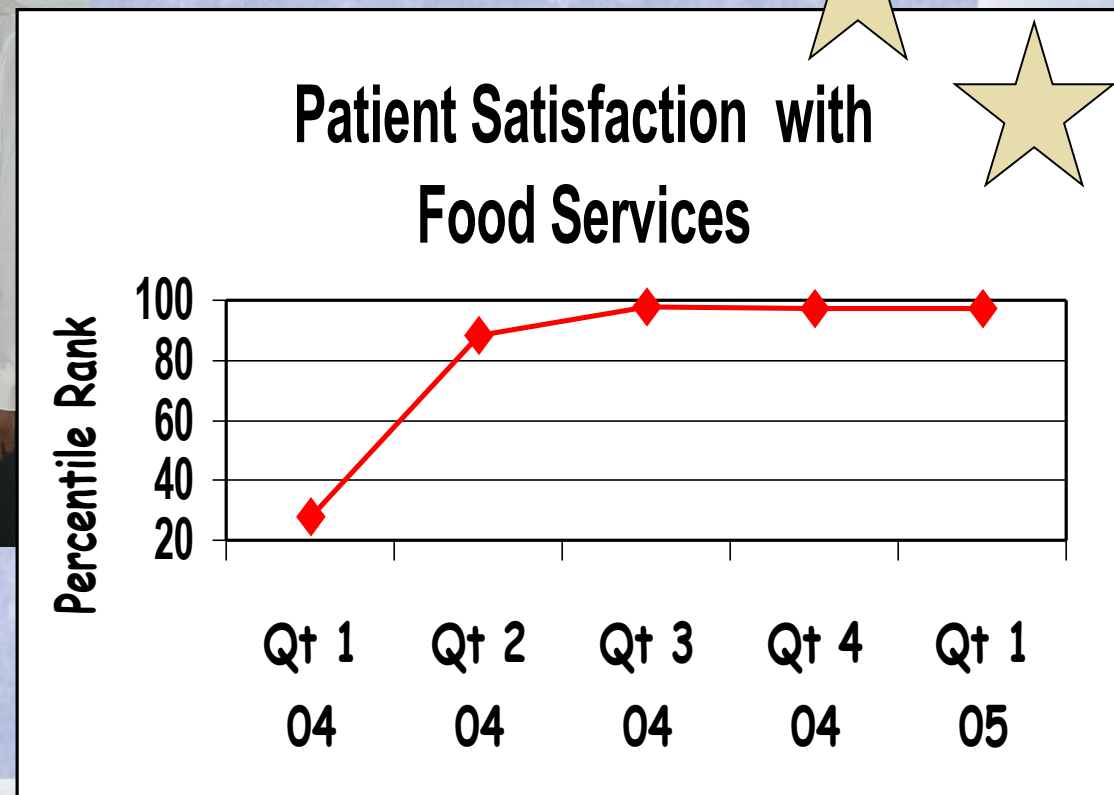
## Five Pillars of Excellence



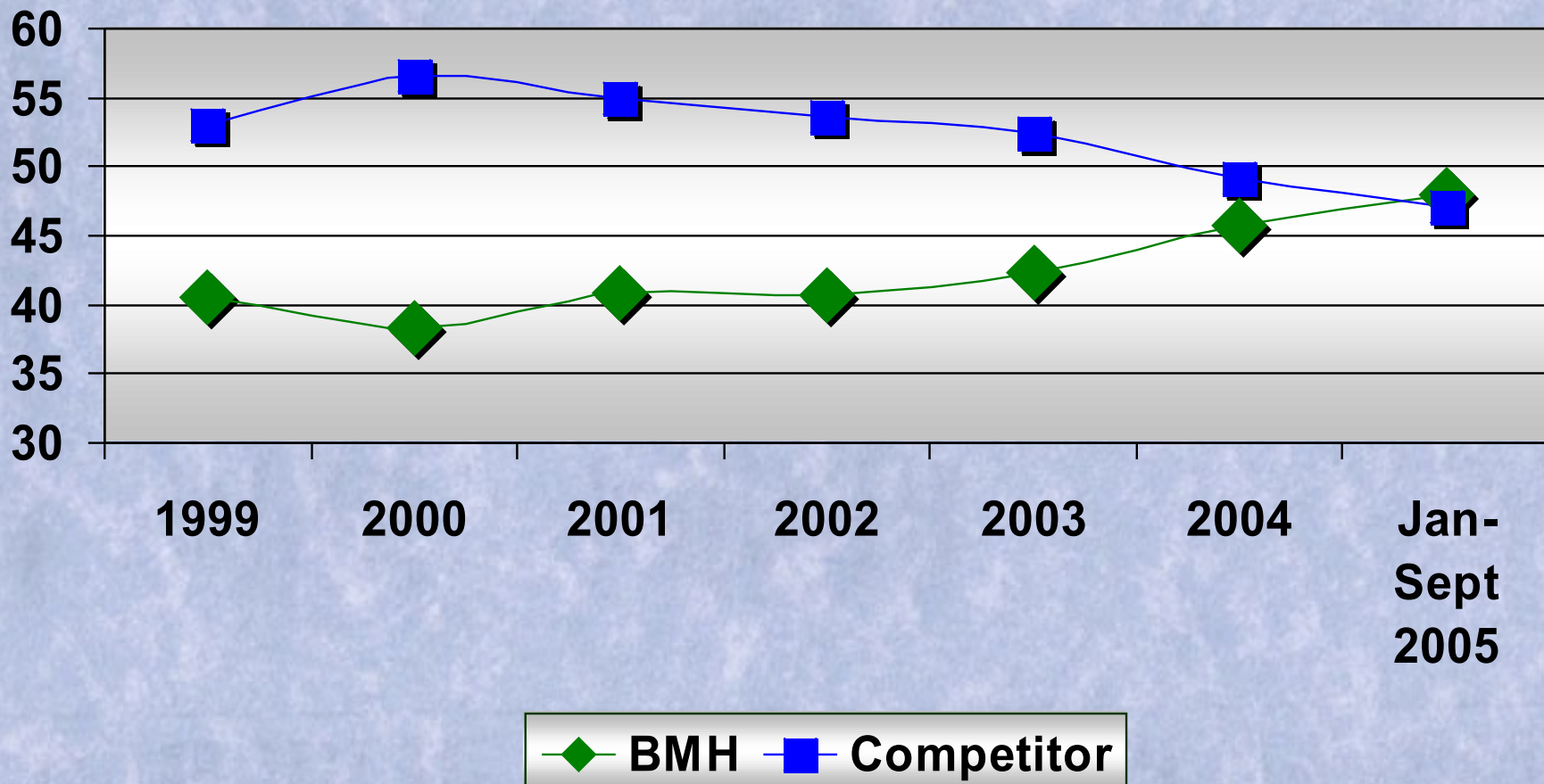


# Robert Wood Johnson: Results

## Patient Loyalty: Food on Demand

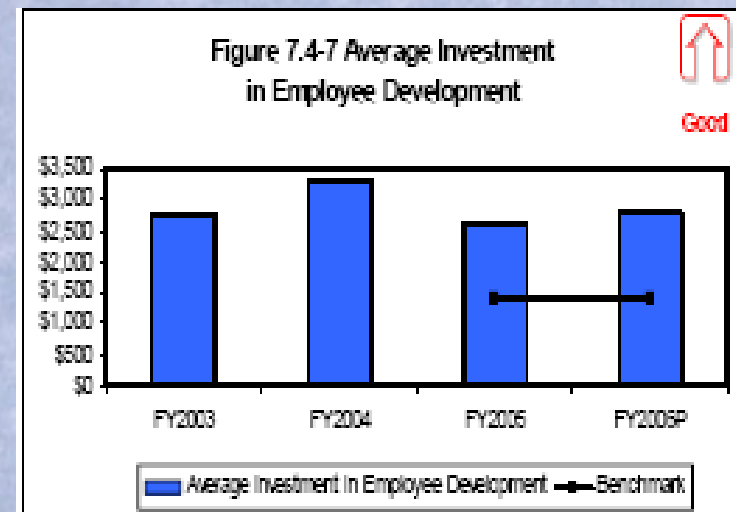
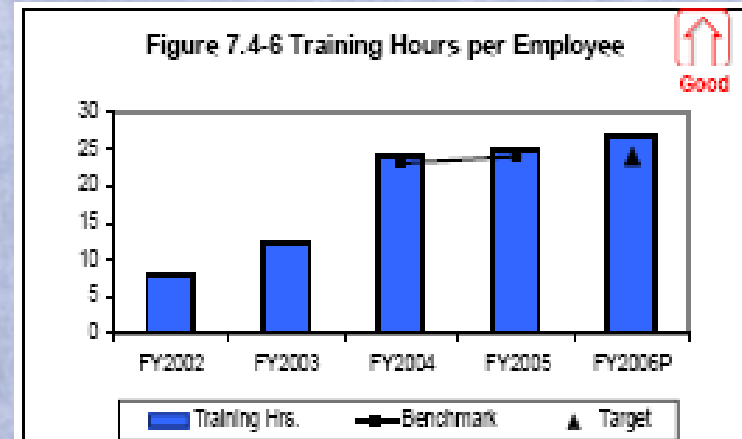
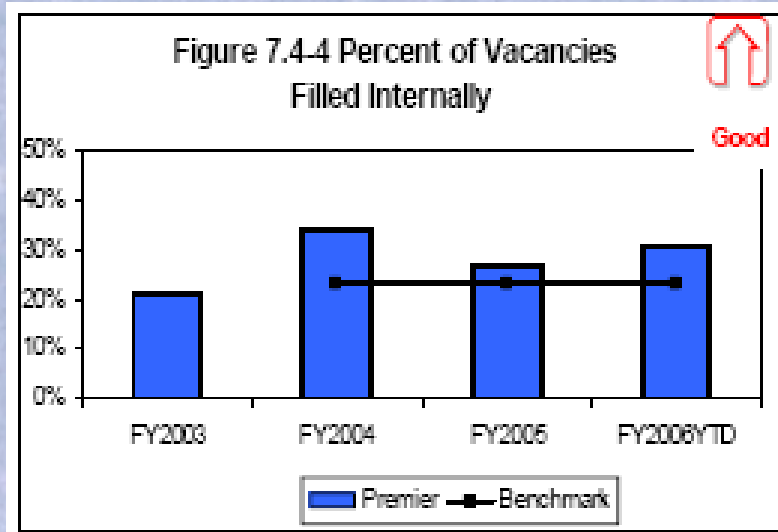


# Bronson Methodist Hospital: Cardiac Services % Market Share





# Premier Inc.: Results



# And a Few More Tips

- Some words are flags -- “regularly,” “frequently,” “often”
- The empty assertion
- Future tense doesn't get you credit
- Inconsistent references to parts of your organization, initiatives, and processes
- “Disappearing” lines of service, customer groups, workforce segments
- Space-filler results
- Too much white space



**Questions?**

**Thank you!**

Kay Kendall

keithjkayk@aol.com