

# Foreword

*by Rosabeth Moss Kanter*

The Malcolm Baldrige National Quality Award (as the Baldrige Program was first known) was developed in response to a crisis in U.S. competitiveness several decades ago, at the dawn of the global information era. American manufacturing was losing ground to Japanese companies which had adopted quality improvement systems taught to them, ironically, by an American, W. Edwards Deming, as part of the rebuilding effort after World War II. The Deming Prize was named in his honor in 1950 in Japan. By the mid-1980s, Japan was an economic powerhouse, and sluggish U.S. companies were under pressure to seek performance excellence and innovation or risk losing further ground. The rise of Japanese industry, from automotive manufacturing to electronics, could not be written off as due to low-cost labor; it was clearly seen as emanating from outstanding management systems, captured in the criteria for the Deming Prize.



In 1987, the U.S. government countered with its own prize, the Baldrige Award, to encourage American companies to examine their practices, benchmark against the best companies, and make necessary changes to become leaner, faster, and more customer-oriented, with fact-based decisions and responsiveness to multiple stakeholders, all in pursuit of zero defects and high performance. This quest for quality, backed by a prize awarded by the President of the United States, became a national movement, informing management practices well beyond the companies applying for the prize. The success of the Baldrige program in stimulating change led its leaders to apply it to other major sectors requiring transformation, notably health care and education. I was privileged to serve on the Board of Overseers for the Baldrige Program at this pivotal point in its history.

Now, in 2011, U.S. competitiveness is again at risk, with a new set of Asian challengers from China and emerging market countries. The early 21st century adds some new performance pressures on companies. Environmental impact and social responsibility have been added to the agenda. The rise of the Internet makes customers more knowledgeable and less forgiving, given their access to information about numerous choices; after all, global companies can source from anywhere in the world. Transparency makes it harder for companies to hide mistakes. Some of their mistakes have enormously disastrous consequences, such as the BP oil spill in the Gulf of Mexico. The era of information-driven globalization is characterized by frequent, rapid and sometimes unpredictable change, both done by leaders and done to them by events in the external world. Globalization increases the speed of change, as more competitors from more places produce surprises. System effects send ripples that spread to more places faster—innovations in one place proving disruptive in others, problems in one economy triggering problems in others.

This context makes the Baldrige Performance Criteria more necessary and appropriate than ever. Continuous improvement is not merely a good thing for a handful of companies but a survival strategy for every organization, as the only way to create organizations capable of rapid adjustment to rising standards and changing conditions. Indeed, the Baldrige Program has itself evolved to add more variables that have become critical to effectiveness in an intensely competitive global information economy. There is a high premium for innovation, the faster the better, as well as the ability to continuously upgrade products and processes.

The data and stories in this timely book make a convincing case that use of the Baldrige Criteria can help organizations assess and improve their performance, becoming more sophisticated about how to align all of their processes to achieve desired results. That is important not only to the success of manufacturing and service enterprises but also sectors such as health care and education which are vital to the future of the economy and the well-being of society. The Baldrige Award is given to only a few of the applicants because they meet the highest standards. But in a sense, every organization that uses the Baldrige Criteria for self-study and change can turn out to be a winner due to their increased ability to learn, adapt, innovate, and achieve excellence.

---

*Rosabeth Moss Kanter is the Ernest L. Arbuckle Professor of Business Administration at Harvard Business School and chair and director of the Harvard University Advanced Leadership Initiative. She is author or coauthor of 18 books. Her latest book is SuperCorp: How Vanguard Companies Create Innovation, Profits, Growth, and Social Good.*

# Foreword

by Gregory R. Page

Building a high-performance organization in a volatile world can at times seem fairly elusive for those who are leading large institutions. From the growth of technology and shifting customer expectations to the emergence of new markets and global competition, it is clear that what it takes to be successful today is different from what it took just a decade ago—and certainly different from what it was when the U.S. Congress passed the Malcolm Baldrige National Quality Improvement Act in 1987. The purpose of the Act and the awards program it spawned was to enhance U.S. competitiveness by encouraging organizations to focus on quality and performance excellence. It did this by establishing criteria for evaluating improvement efforts, identifying and recognizing role-model organizations, and disseminating and sharing best practices.



*Baldrige 20/20: An Executive's Guide to the Criteria for Performance Excellence* provides today's executives with practical examples and keen insights on how organizations can stay focused and excel. While the information shared here comes from Baldrige Award winners, this volume is neither a celebration of their accomplishments nor an arcane, overly complex view of every step taken in their journey. Instead, what you have here is a useful guide that substantively shares how others are successfully navigating the storms of change, achieving operational effectiveness and efficiency, improving financial results, enhancing customer service, and winning new markets through application of the Baldrige Criteria.

For those whose organizations have had the honor of receiving the Malcolm Baldrige National Quality Award, the real win comes not in a unit of a company or institution receiving the award but in what the efforts teach us about ourselves, our organizations, and what we can do to create a culture of performance excellence. At Cargill, our egg processing and corn milling businesses have both been recognized with Baldrige Awards. The businesses' collective efforts not only exposed improvements in operations, product quality, and food safety, but they have helped to fuel a business excellence ethic within the entire corporation where units in Asia, South America, Europe, and Africa, as well as North America, are now looking more closely at their processes and using Baldrige-type criteria to achieve continuous improvement and to give them an edge in the marketplace. In short, the Baldrige Criteria and methodology have been critical in helping us align our business strategy, engage our employees, and inspire our teams to constantly strive to improve every day.

At Cargill we are intent on building a balanced, diverse, and resilient organization. We aspire to be “the global leader in nourishing people.” None of that is possible without trust—trust between ourselves and our customers, trust between ourselves and other stakeholders, trust that we will adhere to ethical standards, and trust that we will deliver quality products and do what we say we will do. Underlying that notion of trust is making sure one has the methods and processes in place to sustainably deliver against ever-increasing expectations and our desire for continuous improvement. The Baldrige Criteria and methodology have been foundational for us in that journey. *Baldrige 20/20* will shed light on how you and your organization might benefit from this as well.

---

*Gregory R. Page is the chairman of the board and chief executive officer of Cargill, Incorporated. He joined Cargill in 1974 as a trainee and, over the years, has held a number of positions in the United States and overseas. He also serves as a member of the board of directors of Eaton Corporation and Carlson, and he is immediate past-chair of the board of Big Brothers Big Sisters of America.*