**Talking Points on Criteria Cost Recovery and Award Fees Increase**

Before the loss of all federal funding in FY2012, federal appropriations allowed the Baldrige Program to offer the Criteria for Performance Excellence free of charge and to heavily discount Baldrige Award application fees. Now, the Baldrige Program’s sustainability depends on recovering the costs of producing the Criteria, running the national award program, and covering other program expenses through fees and support from the Foundation for the Malcolm Baldrige National Quality Award. Therefore, the Baldrige Program will charge fees for the 2013–2014 Criteria, and Baldrige Award application fees will increase.

The following talking points explain the need to recover costs and put in perspective the much larger benefit of using the Criteria and participating in an award process. Baldrige-based programs are encouraged to use these talking points in communicating with customers and stakeholders.

*Please pass this information to other programs, to other consultants, and to everyone in the Baldrige community so that this can be a shared message.*

**2013–2014 Criteria for Performance Excellence**

* Criteria fees will recover the costs of developing and distributing the Criteria, which were previously funded by federal appropriations. The basic fee for an electronic download of the Criteria will be $10, and the basic fee for a printed copy will be $25. Volume discounts will be available.
* The Baldrige Program is working with Alliance for Performance Excellence representatives to arrange access to the Criteria for Baldrige-based programs. Plans include providing a fixed number of printed and electronic copies of the Criteria for free and offering additional copies at a discount. The other Baldrige Enterprise partners, ASQ and the Foundation, are also part of discussions on pricing and distribution arrangements to ensure that costs are recovered.
* Benefits for Criteria users are exponentially higher than the costs to users, direct and indirect. For example, a [Thomson Reuters study](http://www.nist.gov/baldrige/baldrige-102511.cfm) showed that health care organizations that use the Criteria outperform their peers. [Becker’s Hospital Review](http://www.beckershospitalreview.com/lists/100-great-hospitals.html) considers winning the Baldrige Award—given to organizations that have used the Criteria to achieve performance excellence—as one criterion for being among the 100 best hospitals in the nation, and the Made in the USA Foundation considers winning the Baldrige Award one criterion for achieving [Hall of Fame status](http://madeusafdn.org/hall-of-fame)—a recognition for those manufacturers that excel at job creation, U.S.A.-made products, and labor and environmental standards.

**2013 National Award Process**

* Previously, federal funding covered the management of the Baldrige Award process. Increased fees will recover costs associated with administering the award process and reduce the annual financial commitment needed from the Baldrige Foundation. Costs associated with running the award process include recruiting, selecting, and training examiners; administering the BOSS (online scorebook) system; offering technical support to teams; processing applications; and other administration and logistical support provided by ASQ; among others.
* The value of Baldrige greatly exceeds the cost, even with higher fees to fully recover costs. For example, in the words of Nancy Schlichting, CEO of Henry Ford Health System, a 2011 Baldrige Award recipient, “Baldrige [is] THE way for our very good health system to get even better. . . . For those considering the Baldrige framework, I want to testify to the magnitude of results you can achieve.” In addition, Larry Potterfield, CEO of MidwayUSA, a 2009 Baldrige Award recipient, has said, “MidwayUSA has benefitted tremendously from Baldrige . . . : Our sales are up over 20 percent per year over the last five years. Our profits are up over 40 percent per year for that same time. Customer satisfaction at 93 percent is at an all-time high. Employee satisfaction at 82 percent is at an all-time high also. All the winds are blowing in the right direction at MidwayUSA and it’s all because of our efforts in engaging the Baldrige Criteria.”