



2010 Award Recipient

MEDRAD

For more than 40 years, MEDRAD has been committed to improving patient outcomes by developing, marketing, and servicing innovative, cost-efficient devices for diagnosing and treating diseases. Sold worldwide to hospitals and medical imaging centers, MEDRAD's products include fluid injection systems for radiology and cardiology, endovascular devices for the treatment of cardiovascular disease, and equipment for visualization procedures such as computed tomography and magnetic resonance imaging. MEDRAD is a business of Bayer HealthCare.

This is the second Baldrige Award for MEDRAD. The company also was honored as a recipient in 2003.

MEDRAD's global headquarters are in Warrendale, Pennsylvania, with other U.S. offices in Indianola, Pennsylvania; Pittsburgh, Pennsylvania; Saxonburg, Pennsylvania; and Minneapolis, Minnesota. MEDRAD's international headquarters are in the Netherlands and Australia, supporting field sales and service centers in Brazil, Canada, China, Colombia, Denmark, Cyprus, France, Germany, Italy, Japan, Mexico, Norway, Singapore, Sweden, and the United Kingdom.

Revenues for the company were approximately \$625 million in 2009. MEDRAD has a workforce of more than 2,000 persons.

Market Leadership and Growing Revenues Worldwide

- MEDRAD's revenues grew steadily from about \$120 million in 1997 to approximately \$625 million in 2009.
- For most of its products, the company has sustained and, in many cases, grown its market in the United States and Europe.
- MEDRAD's operating income per employee has shown sustained performance levels for three of the past four years, exceeding benchmark group peers.

Customer Loyalty Levels Exceed Best-in-Class

- MEDRAD's overall Net Promoter (NP) scores (a loyalty metric defined by the level of repeat sales and referrals) were consistently 60 percent or higher from 2007 to 2010, compared to the 50 percent or higher marks for other organizations nationwide. In the area of service support, MEDRAD consistently scored 80 percent or higher compared to 50 percent for the best-in-class benchmark. MEDRAD's global customer satisfaction ratings using the NP system steadily increased from 50 percent in 2001 to 63 percent in 2010, surpassing the best-in-class benchmark of 50 percent.



Highlights

- This is the second Baldrige Award for MEDRAD. The company also was honored as a recipient in 2003.
- MEDRAD's operating income per employee has shown sustained performance levels for three of the past four years, exceeding benchmark group peers.
- MEDRAD's overall scores measuring repeat sales and referrals were consistently 60 percent or higher from 2007 to 2010, compared to the 50 percent or higher marks for other organizations nationwide.
- MEDRAD's Value Improvement Program puts employee improvement ideas into action. Value delivered from this program increased from \$23,000 per employee in 2005 to \$45,000 in 2009.



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- The company uses its systematic voice-of-the-customer approaches (the in-depth process of capturing a customer's expectations, preferences, and aversions) to better focus on customer needs. Customer information is collected from listening posts, trade associations, benchmarking, and other mechanisms deployed globally and tailored by region, business, and language, and then communicated to the appropriate sales team for analysis.
- The Customer Complaint Process focuses on timely response and successful resolution of customer issues. The process ensures that the organization determines root causes and completes corrective actions. Complaints are aggregated for monthly Customer Service Advisory Board meetings where critical and repetitive complaints are reviewed and "Corrective and Preventive Action Requests" are generated.

'VIP' Employees Ensure Success

- MEDRAD's Value Improvement Program (VIP) captures, measures, tracks, and recognizes employee improvement ideas. VIP participation increased 12-fold from 50 employees in 1999 to more than 600 in 2009. Value delivered from this program increased from \$23,000 per employee in 2005 to \$45,000 in 2009. This result dramatically surpassed *Industry Week* magazine's "Best Plant" benchmark level of \$10,000 per employee for similar improvement programs.
- MEDRAD consistently surpassed peer organization standards for employee satisfaction between 2003 and 2006. In 2007, the company began gauging its workforce satisfaction with a more demanding benchmark—the "100 Best Great Places to Work" survey. MEDRAD recently achieved an 80 percent employee satisfaction rating using this metric, a trend approaching the survey's best-in-class standard of 90 percent.

Strategic Planning Promotes a Flexible and Agile Organization

- MEDRAD has created an environment of distributed decision making in support of a culture of high performance. Decision making is done at the point of customer interaction, where the customer can be a client, an employee, or any other stakeholder of MEDRAD. This model allows the organization to respond with agility and speed to the needs of the business units, clients, and employees.
- MEDRAD deploys a systematic strategic planning process with three time horizons: a 10-year horizon that focuses on long-term vision and strategy; a five-year horizon that stresses portfolio planning and product life-cycle management; and an annual horizon for which applicable elements of long-term strategies are translated into an action plan for the coming year.
- Five Evergreen Scorecard Goals flow out of the strategic plan and link to the top 12 business objectives. This procedure addresses MEDRAD's strategic advantages and challenges (called "thrusts").

Leadership "waterfalls" (communicates) the plan to align departments, teams, and individuals. When changes to the plan are needed, MEDRAD's Executive Board approves deployment of new action plans or strategic action teams.

Making Caring Part of the Culture

- MEDRAD conducts an annual global Day of Caring event in which employees take a day to give back to their communities. Last year, MEDRAD coordinated 63 Day of Caring events worldwide.
- MEDRAD has established multiple programs to improve the company's environmental systems. For example, emissions accompanying sterilization procedures have decreased rapidly from roughly 55,000 pounds of hydrochlorofluorocarbon and ethylene oxide released in 2007 to approximately 27,000 pounds in 2009, with a planned goal to soon eliminate these emissions. The organization also has improved its recycling efforts, surpassing the best-in-class benchmark by sending less than 20 percent of its waste to landfills.

For more information:

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Baldrige Performance Excellence Program

The Baldrige Program educates organizations of all sizes and from all sectors in organizational performance management and improvement. We also administer the Malcolm Baldrige National Quality Award. Our key services are to identify and recognize role-model organizations, share best management practices, and help organizations achieve best-in-class performance levels. We are the only public-private partnership and Presidential award program dedicated to improving U.S. organizations.

For more information on Baldrige, visit www.nist.gov/baldrige, call (301) 975-2036, or e-mail us at baldrige@nist.gov.