

# Baldrige Executive Overview and Award Attributes

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Leading the Way!

Caution: DO NOT use unless you want to be Number 1!

# Agenda for Today

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- Quality Texas Foundation Background
- Brief Baldrige Overview
- Why apply the Baldrige Framework
- Seven (7) Framework Categories
- Texas Award Application Levels
- Success Examples
- June's 25<sup>th</sup> Annual Conference



# QTF Organizational Chart



# CEO: Dr. Mac McGuire

- Dr. McGuire was a former Board Member and began as CEO of the Quality Texas Foundation in October 2014
- Dr. McGuire is a national Baldrige Alumni Examiner
- Dr. McGuire has been with Quality Texas since the program's inception
- Dr. McGuire was in the U. S. Army for over 30 years where he began as an enlisted soldier and rose to the rank of Lieutenant Colonel



# Quality Texas Foundation Key Facts

- President Reagan National concept 1987-1989
- Malcolm Baldrige National Quality Improvement Act of 1987 was named after the Secretary of Commerce who died in rodeo accident
- Texas Concept 1990; Started 1992; Endorsed by Gov. Ann Richards; accepted applications 1993
- Founded in 1994 as a 501(c)3 not-for-profit corp.
- Full-time staff of two people; around 300 state-wide active volunteers; over 1,600 on mailing list



# Quality Texas Foundation Key Facts

- Funded through
  - Memberships/Sponsorships,
  - Examiner Training,
  - Customized training workshops,
  - Application fees,
  - Annual Conference
- Recognized as the most effective state program, with more Baldrige recipients than any other state (20); 54 state winners



# QTF's Vision and Mission

## Vision:

The Quality Texas Foundation (QTF) will continue to be the preeminent state program assisting individuals, organizations, and communities with continuous improvement efforts.

## Mission:

QTF exists to assist individuals, organizations and communities in their continuous improvement efforts thereby positively impacting our communities, state, and nation.



# QTF's Values, CCs, and Motto

## Values:

- Systematic Perspective
- Delivering Value and Results
- Personal and Organizational Learning

## Core Competencies:

- Executing the Baldrige Framework
  - Engaging Volunteers

## Motto:

- Making a Difference Every Day!





# Why Organizations Apply and Use Baldrige Criteria/Framework



- \$820:\$1 ROI
- Outside evaluation of organizational performance
- Improve financials, customer/employee engagement
- Helps build a common, holistic, and systematic view of the organization for greater improvements
- Framework; common language; standardized method to examine processes and performance (Results); objective feedback
- Tracks progress - Get to the “next level” of performance
- Fosters benchmarking in and out of industry

# Baldrige Systems Perspectives

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1 Leadership

2 Strategy

3 Customers

4 Measurement, Analysis and Knowledge Management

New Cycles of Improvements

5 Workforce

6 Operations

7 Results

Decisions

Guide  
Improvements

Bringing  
Change



# Performance Improvement Criteria/Framework

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# Category 1 Leadership

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- 1.1 Senior Leadership
  - Communicate Vision and Values
  - Promoting/Communicating Legal and Ethical Behavior
  - Create a Successful Organization (Legacy)
  - Communication of Organizational Performance
  - Focus on Action
- 1.2 Governance and Societal Responsibilities
  - Governance System
  - Performance Evaluation
  - Legal and Ethical Compliance
  - Societal Responsibilities (Community Support)



# Category 2 Strategy

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- 2.1 Strategy Development
  - Strategic Planning Process
  - Innovation
  - Strategy Considerations
  - Work Systems and Core Competencies
  - Key Strategic Objectives and Considerations
- 2.2 Strategy Implementation
  - Action Plans and Implementation
  - Resource Allocation
  - Workforce Plans
  - Performance Measures and Projections
  - Action Plan Modification



# Category 3 Customers

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- 3.1 Voice of the Customer
  - Customer Listening - Current and Potential
  - Customer Satisfaction/Dissatisfaction/Engagement
  - Customer Satisfaction Relative to Others
- 3.2 Customer Engagement
  - Product Offerings
  - Customer Support and Segmentation
  - Customer Relationships
  - Complaint Management



# Category 4 Measurement, Analysis, and Knowledge Management

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- 4.1 Measurement, Analysis, and Improvement of Organizational Performance
  - Performance Measures
  - Comparative Data (Best Practices)
  - Customer Data (Improvement/Innovation)
  - Performance Analysis and Review
- 4.2 Knowledge Management, Information, and Information Technology
  - Organizational Knowledge - KM and Learning
  - Data, Information, and Information Technology
    - Quality, Security, Availability
    - Hardware/Software Properties
    - Emergency Availability



# Category 5 Workforce (WF)

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- 5.1 WF Environment
  - Capability/Capacity
  - New WF Members
  - Work Accomplishment
  - Change Management
  - WF Climate
  - WF Benefits/Policies
  - WF Health, Security, and Accessibility
- 5.2 WF Engagement
  - Organizational Culture
  - Drivers of Engagement (WF)
  - Assessment of Engagement
  - Performance Management
  - WF/Leader Development
  - Learning/Development System
  - Learning/Development Effectiveness
  - Career Progression





# Category 6 Operations

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- 6.1 Work Processes

- Product and Process Requirements
- Design Concepts
- Process Management/Implementation
- Support Processes
- Product/Process Innovation
- Innovation Management

- 6.2 Operational Effectiveness

- Process Efficiency/Effectiveness
- Supply-Chain Management
- Safety/Emergency Preparedness



# Category 7 Results

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- 7.1 Product/Process Results
  - Customer-Focused Product/Service
  - Work Process Effectiveness
  - Emergency Preparedness
  - Supply-Chain
- 7.2 Customer-Focused Results
  - Customer Satisfaction
  - Customer Engagement
- 7.3 WF Results
  - WF Capability/Capacity
  - WF Climate
  - WF Engagement
  - WF Development
- 7.4 Leadership and Governance Results
  - Leadership and Governance
  - Law and Regulation
  - Ethics
  - Society
  - Strategy Implementation
- 7.5 Financial and Market Results
  - Financial
  - Marketplace (vs. others)



# Meeting Break for Dinner

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# QTF Products/Services

- Organizational Assessment/Feedback
- Recognition/Awards at Annual Conference
- Internal Coach/Examiner Training
- Applicant Training (Training/Coaching)
  - writing seminars;
  - assessment techniques;
  - site visit training;
  - Leadership seminars/Strategic Planning events, and
  - Communities of Excellence (COE) Seminars
- Membership Opportunities with options/discounts

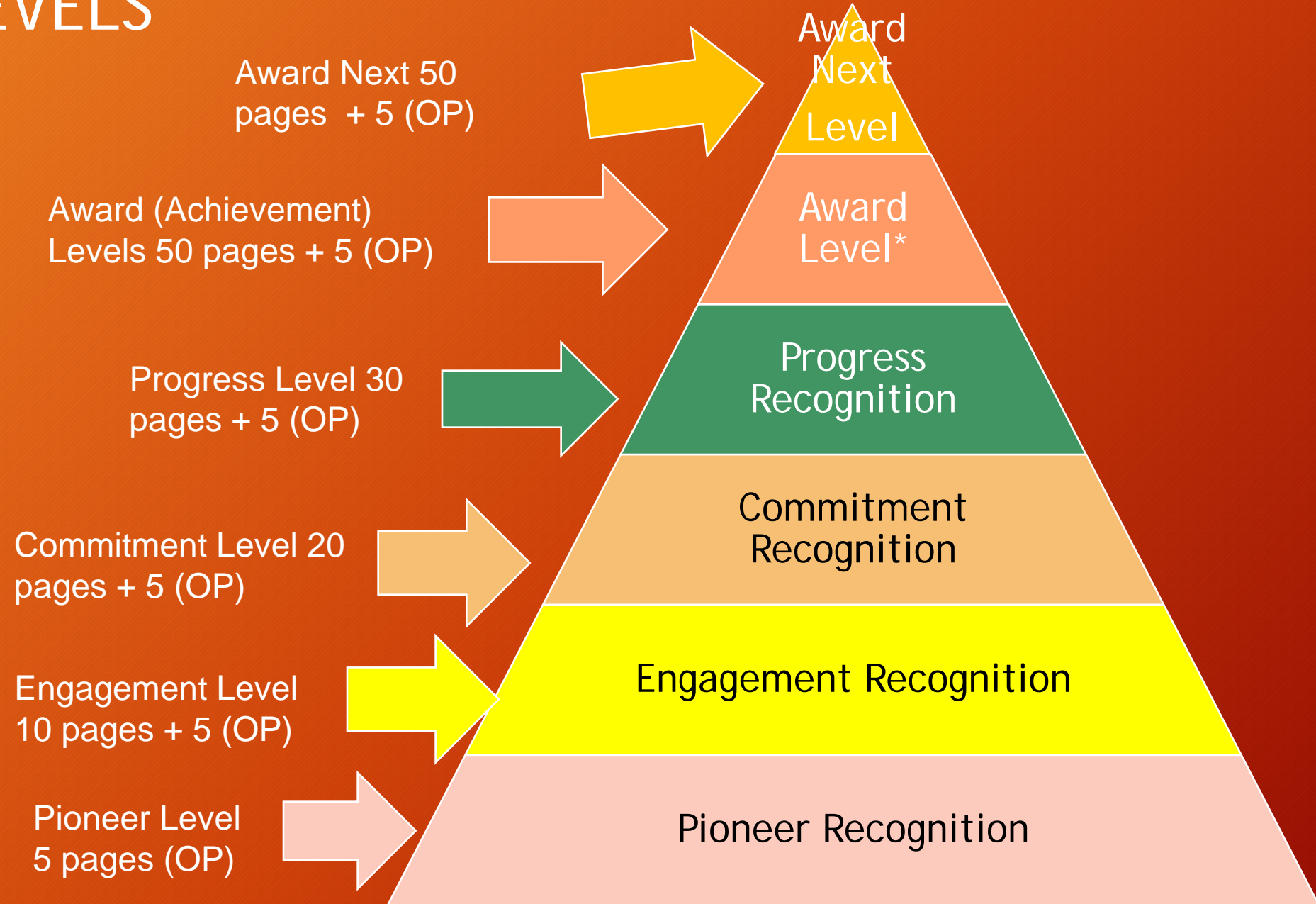




# Application Levels

QTF is there for YOU and YOUR organization with tailored products and services!

# QTF LEVELS





# Organizational Profile

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What do we really stand for now?

# Organizational Description

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## Organizational Environment

- (1) Main product/service offerings?
- (2) KEY characteristics of organizational culture? PURPOSE, VISION, VALUES, and MISSION? CORE COMPETENCIES?
- (3) WORKFORCE profile? WORKFORCE employee groups/SEGMENTS? What are their educational levels? What are KEY elements that engage them in accomplishing VISION/MISSION?
- (4) Major facilities, technologies, and equipment?
- (5) Regulatory environment?



# Organizational Description

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## Organizational Relationships

- (1) Organizational structure/GOVERNANCE system? Reporting relationships of GOVERNANCE board/SENIOR LEADERS?
- (2) KEY market SEGMENTS, customer groups, and STAKEHOLDER groups? KEY requirements and expectations?
- (3) KEY types of suppliers, PARTNERS, and COLLABORATORS and roles they play in the delivery of KEY PRODUCTS/SERVICES and customer and STAKEHOLDER support services?



# Organizational Situation

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## Competitive Environment

- (1) Competitive position? Relative size/growth in your sector or markets served? Numbers/types of competitors?
- (2) KEY changes taking place that may affect competitive situation, including opportunities for INNOVATION and collaboration?
- (3) KEY available sources of comparative/competitive data from within your sector? KEY available sources of comparative data from outside your sector?



# Organizational Situation

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## Strategic Context

- KEY STRATEGIC CHALLENGES and ADVANTAGES in the areas of business, operations, societal responsibilities, and workforce?

## PERFORMANCE Improvement System

- KEY elements of your PERFORMANCE improvement system, including your PROCESSES for evaluation and improvement of key organizational projects and PROCESSES?



# Baldrige and Small Businesses

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- Bristol Tennessee Essential Services, Bristol, TN (68) 2017
- Don Chalmers Ford, Rio Ranch, NM, 2016 (185)
- Midway USA, Columbia, MO, 2009, 2015 (350)
- Mesa Products, Tulsa, Oklahoma 2006, 2012 (139)
- Freese and Nichols, Ft. Worth, TX, 2010 (449)
- K & N Management, Austin, TX 2010, (450)
- Texas Nameplates, Lancaster, TX 1998, 2004 (39)



# Bristol Tennessee Essential Services 2017

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- Reliability is a key performance measure/key success factor for BTES. BTES continues to decrease outage minutes with a goal of less than 60 minutes per customer per year, which it has exceeded for the past three years. This benchmark far outperforms the industry, regional, and best-in-class averages (all 90-100 minutes). BTES saved its customers an additional 46 minutes per customer of outage time in 2016.
- Results for the Average Service Availability Index (ASAI), a key measure of BTES's preparedness, have outperformed all utility, region, and class comparisons, achieving a rate of 99.99 percent from 2014 through 2016.
- The company's employee retention rate has increased to 100 percent, while the industry benchmark is 91 percent; national industry average is 82 percent.

# Don Chalmers Ford 2016

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- DCF has received the highest national recognition for customer satisfaction/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.
- DCF'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%.
- 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." 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.

# Midway USA 2009, 2015

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- As a result of MidwayUSA's focus on their number one operational goal, customer satisfaction, and the integration of customer satisfaction data into MidwayUSA's Performance Improvement System, customer approval ratings have topped 90% since 2006; exceeded the performance of its primary Internet retailing competitor for the past two years.
- Since 2004, MidwayUSA has sustained a 43.8% average annual growth rate in net income and a 21.3% average annual growth rate in gross sales, making it one of the fastest-growing companies in its industry.
- MidwayUSA improved its employee satisfaction and engagement rate from 76% in 2004 to 83% in 2015.
- MidwayUSA is a community leader in waste recovery/resource management, recycling paper, plastic, cardboard, pallets, and metal. In 2008, the company replaced Styrofoam packing peanuts with inflatable air pillows made of recycled plastic. MidwayUSA is virtually paperless; most marketing and business transactions are done electronically and no "snail mail" orders are accepted.

# Mesa 2006, 2012

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- Since 2006, MESA more than doubled in size while transforming itself from a manufacturing company to a full-service provider of corrosion control and integrity solutions to the pipeline industry. MESA's growth rate during this period exceeded its closest competitor by almost 40%.
- MESA's senior leaders use a variety of communication vehicles to reinforce high performance. The communication plan includes weekly e-mail messages to the organization, local and remote town hall meetings, group meetings, and an open-door policy. Profit sharing and performance appraisal systems are part of a focused approach to reinforce high performance. Profit sharing has resulted in individual cash distributions of between 7-15% of annual compensation.
- Consistent with its "great-place-to-work" core competency, MESA has built a culture where the worker is secure and supported in developing current or different career paths. Workers are cross-trained and are readily moved to busy work areas. Employees frequently characterize their colleagues and workplace environment as "family."
- According to a third-party survey, MESA leads its competitors in customer satisfaction. In 2012, MESA led its closest competitor in 20 out of 20 performance attributes, resulting in an industry benchmark placement in the top 1%.



# Freese and Nichols 2010

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- For the past four years, Freese and Nichols has achieved revenue growth between 12% and 16% percent, exceeding the industry benchmark in 2009 by 10%.
- The company has never had any debt throughout its 116-year history, except for debt from notes payable to divesting stockholders and a long-term lease for company-wide infrastructure.
- Freese and Nichols has a strong ability to build long-term client relationships, retaining 42% of its key accounts for more than 30 years and 71% for more than 10 years.
- Honors for superior workforce satisfaction, professional development, and employee engagement include recognition as one of the top 25 “Best Companies to Work for in America” (2009) by the Society for Human Resource Management; the “2010 Top Workplace” among mid-size companies from *The Dallas Morning News*; and one of the *Civil Engineering News* “Top 40 Best Civil Engineering Firms to Work For” in multiple years.

# K & N Management (Rudy's/Mighty Fine)

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- In sales, K&N Management's restaurants significantly outperform local competitors/national chains.
- Guests rate their satisfaction with food quality, hospitality, cleanliness, speed of service, and value at least 4.7 on a 5-point scale, outperforming the best competitor. Overall guest satisfaction ratings are over 4.7 for both, also beating the best competitor.
- Over 95 percent of K&N Management team members report they are proud to work for the company. In 2010, the *Austin American-Statesman* named the firm "the best place to work in Austin."
- Since 2005, approximately 94 percent of strategic actions have been accomplished. Since the yearly focus strategic objective was deployed in 2001, 100 percent of the goals have been met.

# Texas Nameplates

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- From 2001 to 2004, repeat orders from TNC customers remained steady at approximately 78%.
- Seventy percent of the company's top customers have been with TNC for more than 10 years.
- TNC increased its profitability from 36% in 1998 to more than 40% in 2004.
- TNC has cross-trained more than 80% of its workforce to perform multiple jobs across departments.

# 25<sup>th</sup> Annual Quest for Excellence Conference

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- Sunday - June 24<sup>th</sup> to Tuesday - June 26<sup>th</sup>, 2018
- Sheraton Georgetown Hotel and Conference Center



# Why attend the Annual Conference?

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- Drive versus fly → Georgetown, Texas
- Meet Texas (State) and National Baldrige Award Winners
- Learn the criteria from “active” companies with results
- Network with Business Leaders that embrace Quality
- Benchmark methods to convert Quality successes to Dollars
  - Hard Savings: processes, products and services
  - Employee Retention
  - Customer Retention converted to revenue

# Seminars and Speakers

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- State Baldrige Participants and Examiners
- Texas (State) and National Baldrige Award Winners
- Steps to Develop a Continuous Improvement Culture
- Top Three Learnings from the Baldrige “Systems” Approach
- Interactive Seminars with Baldrige Award Winners
- Keynote Speaker: Texas Secretary of State: Rolando Pablos

QTF URL: [www.quality-texas.org](http://www.quality-texas.org)

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QUALITY TEXAS FOUNDATION

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ABOUT

APPLICANTS

RECIPIENTS

CONFERENCE

TRAINING & MORE

# Quality Texas Foundation

ENCOURAGING AND RECOGNIZING EXCELLENCE



# How to contact Quality Texas Foundation

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# Questions About the Baldrige and Importance

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Best Practice for Intentional, Deliberate, and  
Systematic Framework for Leading!