

The Value of Baldrige in Today's Environment

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Tonight's Agenda

- The GSQC
- Quality and Performance Excellence in the “new” economy
- An overview of Baldrige
- Examples of how it has added value
- Ask Questions (we like dialogue)
- Dinner!

The Granite State Quality Council is a nonprofit organization with the mission to *inspire and assist New Hampshire organizations in the achievement of Performance Excellence. We offer training and coaching, and administer the state's Baldrige-based Awards and Recognition Program.*

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Make **Performance Excellence**



Your Competitive Advantage

The Value of Baldrige in Today's Environment

*“As we look to the future, the role of the quality professional and organizational performance excellence criteria is to help organizations face reality, think strategically, and implement efficiently and effectively, with the customer and other key stakeholders in mind. Success will not be defined by financial data alone. **Success will be driven by how well we accept and address challenges of innovation, customer and employee engagement, globalization, and societal responsibility.**”*

(Harry Hertz, Director, Baldrige National Quality Program)

(we repeat....)

Success (and sustainability) will be driven by how well we accept and address challenges of

- innovation*
- customer engagement*
- employee engagement*
- Globalization*
- societal responsibility*



Four Priority Areas for the Future of Quality and Performance Excellence*

- Emphasize strategic relevance and contribution to long-term sustainability
- Connect with innovation
- Increase public awareness and brand value
- Use information technology and the movement toward engagement technology and tools

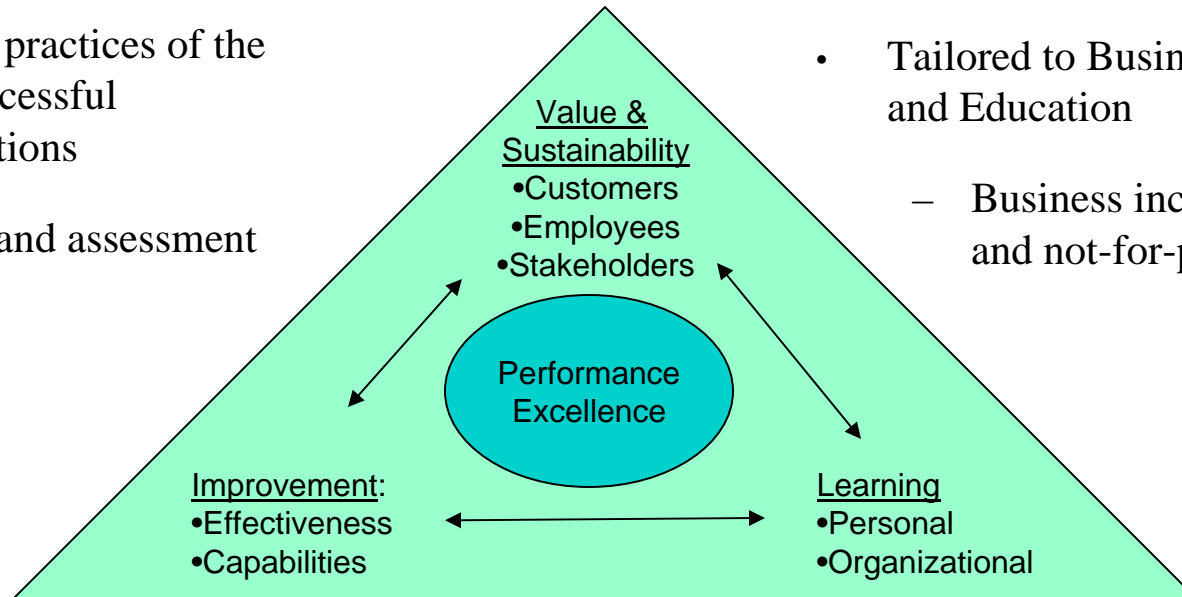
*Identified in day-long ASQ-Baldrige National Quality Program Future of Quality Dialogue – June 2009



The Criteria for Performance Excellence:

Defines a comprehensive, integrated management system

- The best practices of the most successful organizations
- A guide and assessment tool



- Tailored to Business, Health Care and Education
 - Business includes for profit and not-for-profit

- A non-prescriptive, scalable framework that **ANY** organization can use to improve overall performance and grow its own level of excellence
- Performance Excellence leads to Organizational Sustainability

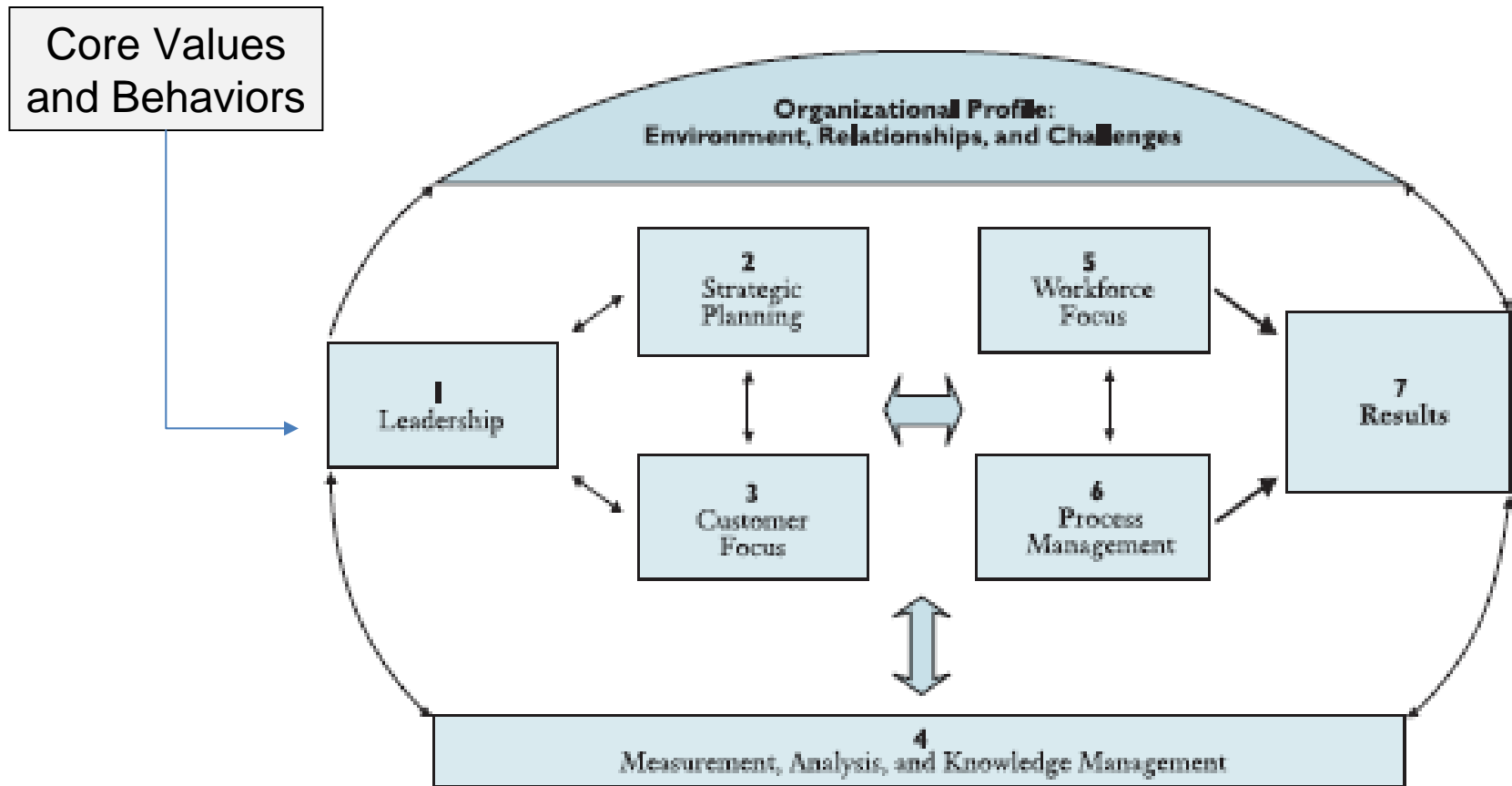


It Starts with Baldrige Core Values

High-Performing Organizations exhibit these behaviors

- Visionary Leadership
- Customer-Driven Excellence
- Organizational and personal learning
- Valuing workforce members and partners
- Agility
- Focus on the Future
- Managing for Innovation
- Management by Fact
- Societal Responsibility
 - Impact of products/ operations
 - Contribution to environmental, social, and economic systems
- Focus on Results and Creating Value
- Systems Perspective

It comes to life with the Questions asked by the Criteria



What is Important: Organizational Profile

Develop a common perspective of key things that influence your organization's operations and the key challenges it faces



- Description

- Environment

- Product offerings
 - Culture, mission, vision, values
 - Core competencies and relationship to mission
 - **Workforce**: profile, groups, factors of engagement
 - Major facilities, technologies, and equipment
 - Regulatory environment

- Relationships

- Governance structure
 - **Key customer/stakeholder groups** and market segments
 - Key suppliers, partners, and collaborators



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Building Relationships



ecolechocolat



DANTA CHOCOLATE



NEDD Organizational Profile

Northeast Delta Dental

- Dental insurance company.
- We design, market, underwrite, and administer dental programs to businesses of all sizes, and we have an individual product.
- Network of 39 independent organizations conducting business in 50 states, District of Columbia and Puerto Rico
- Member of Delta Dental Plans Association
- Not-for-profit organization – 501(c) (4)
- Our territory: Maine, New Hampshire and Vermont.
- Corporate headquarters: Concord, New Hampshire
- 184 employees
- Sales offices: Saco, Maine and Burlington, Vermont.
- Close to 700,000 covered lives.

Organizational Profile

(continued)

- Situation
 - Competitive Environment
 - Position, relative size/growth, competitors
 - Factors of success vs. competitors
 - Available sources of comparative data
 - Strategic Context
 - Business, operational, and human resource strategic challenges and advantages (associated with **organizational sustainability**)
 - Performance Improvement System
 - Processes for evaluation, organizational learning, and **innovation**



Baldrige as Business Plan

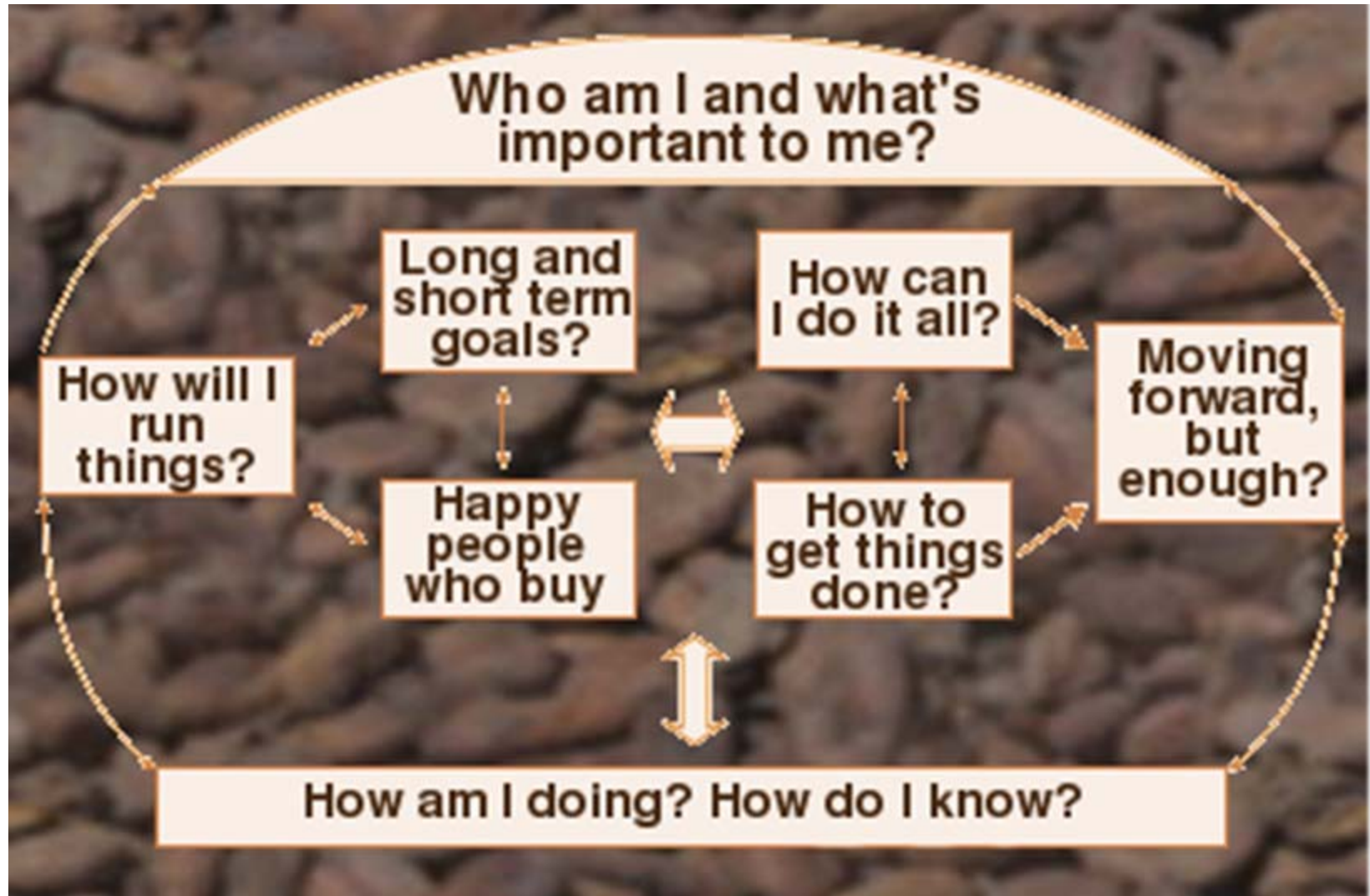


*Plans are
worthless, but
planning is
everything.*

Dwight D. Eisenhower



Baldrige as Business Plan



Leadership



Focuses on Senior Leaders' personal actions to guide and sustain the organization as well as the organization's governance and legal, ethical, and societal responsibilities.

- Setting and deploying the Vision and Values throughout the organization & to **stakeholders**
- Promoting an environment of legal and ethical behavior
- Creating a **sustainable organization** and using performance measures for continuous improvement
- Communication with, and engagement of the **entire workforce**
- Accountable and transparent governance
- **Consideration of Societal Responsibilities in strategy and daily operations**
- Active support and strengthening of key communities

Northeast Delta Dental's Key Steps

1. Start with a Vision
2. Information System to boost accuracy, speed, productivity
3. Continue focus on mission and vision
4. Guarantee of Service Excellence
5. Build employee involvement and satisfaction/training
6. Demonstrate commitment to dental health mission
7. Use assessments to guide improvement plans
8. Communications Plan



**We are committed to:
Healthy Food,
Healthy People,
Healthy Planet,
and Healthy Business**

Healthy Food: We will craft and offer the most delicious and nourishing organic yogurts and dairy products.

Healthy People: We will enhance the health and well-being of our consumers and colleagues.

Healthy Planet: We will help protect and restore the planet, and promote the viability of family farms.

Healthy Business: We will prove that healthy profits and a healthy planet are not in conflict, and that in fact dedication to health and sustainability enhances shareholder value. We believe that business must lead the way to a more sustainable future.



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Social Responsibility





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Social Responsibility



Strategic Planning



Focus on development of, deployment of, and any needed change to strategic objectives and action plans as well as measurement of progress.

- Use of a planning process that incorporates all internal and external (key) factors impacting the organization
 - Core competencies, strategic challenges and advantages, SWOT
 - **Customer**, market, technology, competitive, and regulatory input/foresight (as appropriate)
 - Capability and capacity to execute
- Development of key objectives and resulting goals
 - Address key factors from above – including core competencies
 - Balance a long- and short-term focus
 - Address opportunities for **innovation**
 - Balance the needs of all stakeholders
- Develop, **Deploy**, and Modify Action Plans (including key partners and suppliers)
- Develop and use key measures that track effectiveness and achievement of action plans



SWOT?

STRENGTHS



WEAKNESSES



OPPORTUNITIES



THREATS

Customer Focus



Engage customers for **long-term success** through a customer-focused culture and using the voice of the customer to improve and **innovate**

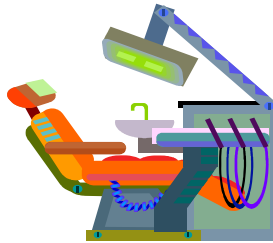
- Identify and innovate product offerings that meet requirements and exceed expectations
- Define and implement mechanisms that make it easy for customers to do business with you
- Build and reinforce a culture that creates a positive customer experience and builds relationships
- Solicit actionable information from customers on
 - Products and support
 - Satisfaction, dissatisfaction, and engagement
- Use customer information to improve, **innovate**, and plan

What do you do to keep your customers on top?



Who Is Your Customer?

- Subscribers
- Dentists and the office staff
- Producers
- Employers
- Vendors
- Employees



What's Important to the Customer?

Vision: To be the premier dental benefits provider.

Values

Teamwork

Quality

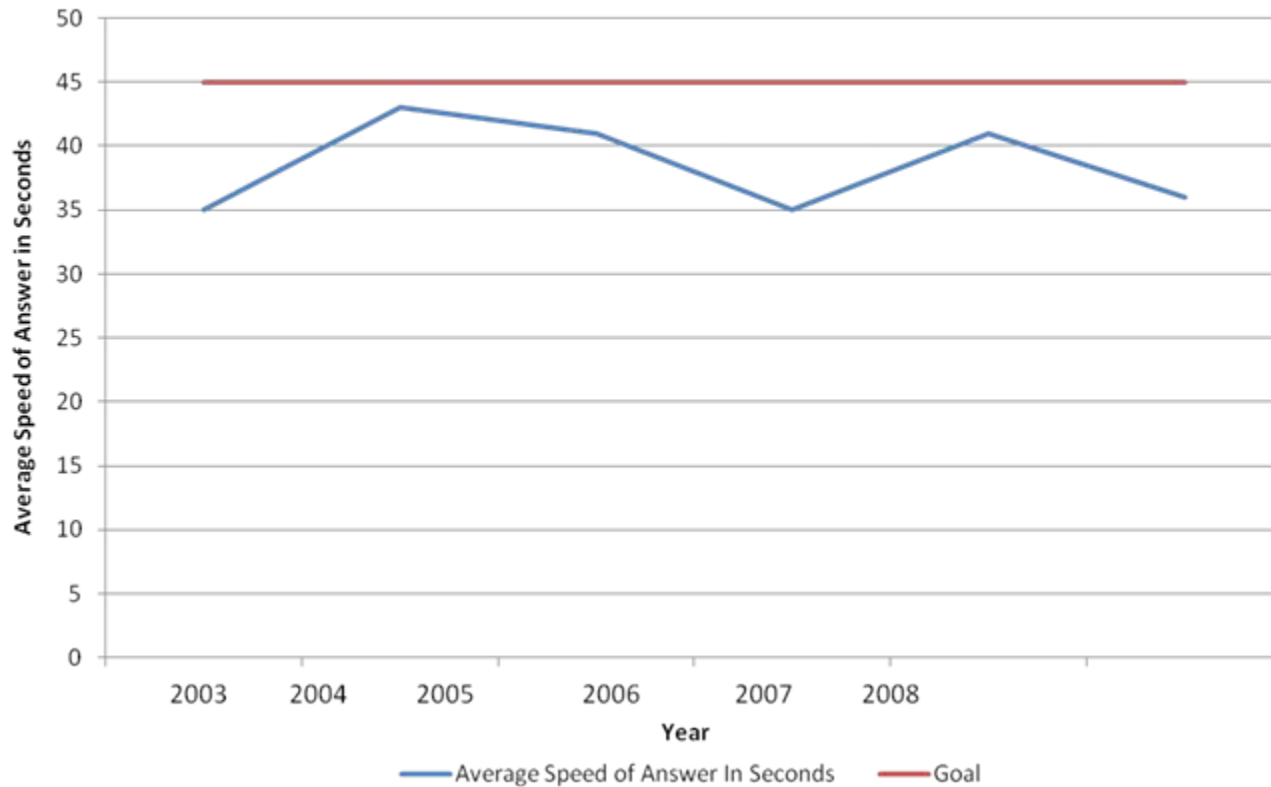
Integrity

Communication



What's Important to the Customer?

I have a question.
I know you can help!

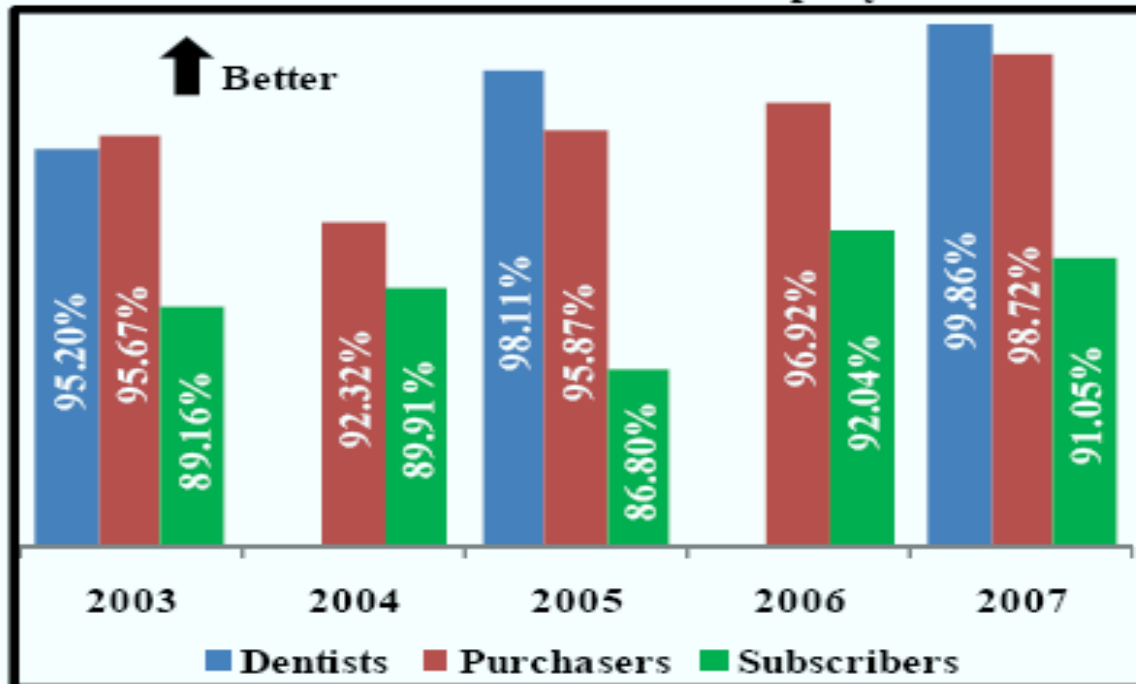


How do you know your customers love you?

Great Job!
Thank you!



Figure 7.2-11 Participating Dentists and Staff Comparing NEDD to the Best Other Insurance Company Known



It Shows in
Your
Numbers

Measurement, Analysis, and Knowledge Management

Select, gather, analyze, manage, and improve data, information, and knowledge to review and improve performance



- Select, collect, align, and integrate data and information for analysis, review, and improvement of performance at all levels
 - Daily and overall performance
 - Strategic objectives and action plans
- Utilize comparative data for decision making and **innovation**
- Share organizational knowledge as appropriate
 - Strategic planning; best practices
- Ensure information and technology security, reliability, **usability**
 - Information and knowledge
 - Technology and systems



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Facts Lead to Results



TANSTAAFL

Workforce Focus



Build a high performance workforce with the capability and capacity to achieve the mission, strategy, and action plans

- Foster a culture of open communication; encourage diverse ideas and thinking
- Ensure that the performance management system supports high performance work and workforce engagement
- Develop the workforce to achieve their goals and the organization's strategic objectives (improvement & innovation)
- Recruit, hire, place, and retain a diverse workforce that capitalizes on culture and core competencies
- Create a workforce climate that is healthy, safe, and secure

Importance of Employees



Engaged Employees



Figure 7.4-2 Communication: Employees who “agree that they get sufficient information to do their jobs effectively.”

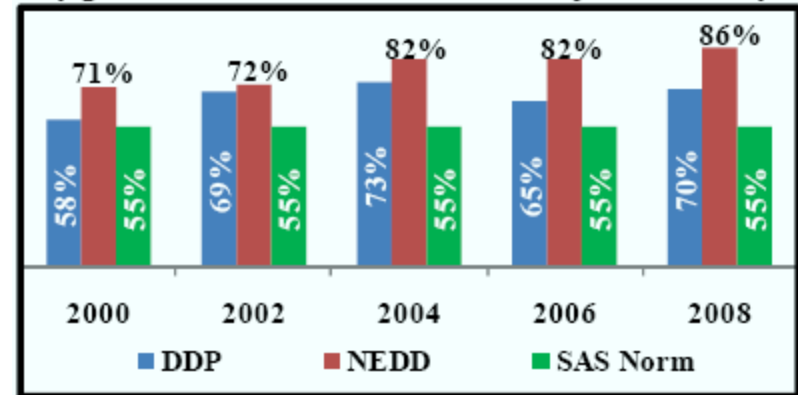
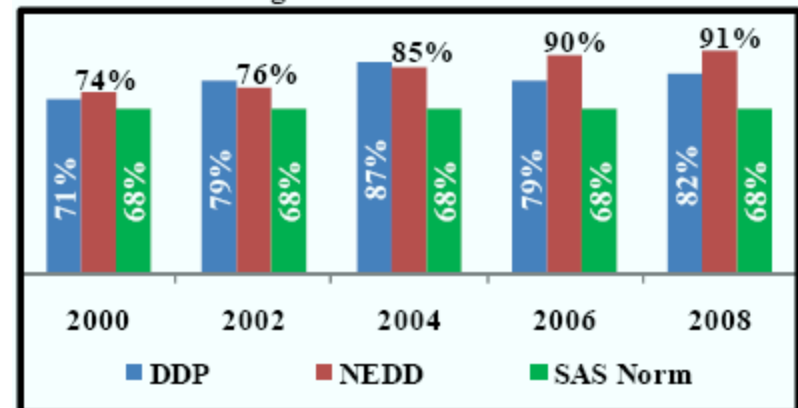


Figure 7.4-3 Teamwork: Employees who “agree that their work unit works together as a team.”



Process Management



Design and manage work systems and key processes to deliver customer value and achieve sustained organization success

- Build and **innovate** work systems and key processes to capitalize on core competencies
- Design and manage key work processes to deliver **customer value** and short/long-term **organizational success**
 - Meet key requirements, increase efficiency, reduce costs
 - Use measures to control and improve
 - Share best practices and lessons learned

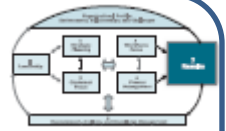


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Being More Than Just Me



How well are we doing: Results



Examine outputs and outcomes in all key areas to understand areas of strength and target key improvements

- Understand key levels, trends, and comparisons in the following areas:
 - Products
 - Customer-Focus
 - Financial and Market
 - Workforce-Focus
 - Process Effectiveness
 - Leadership



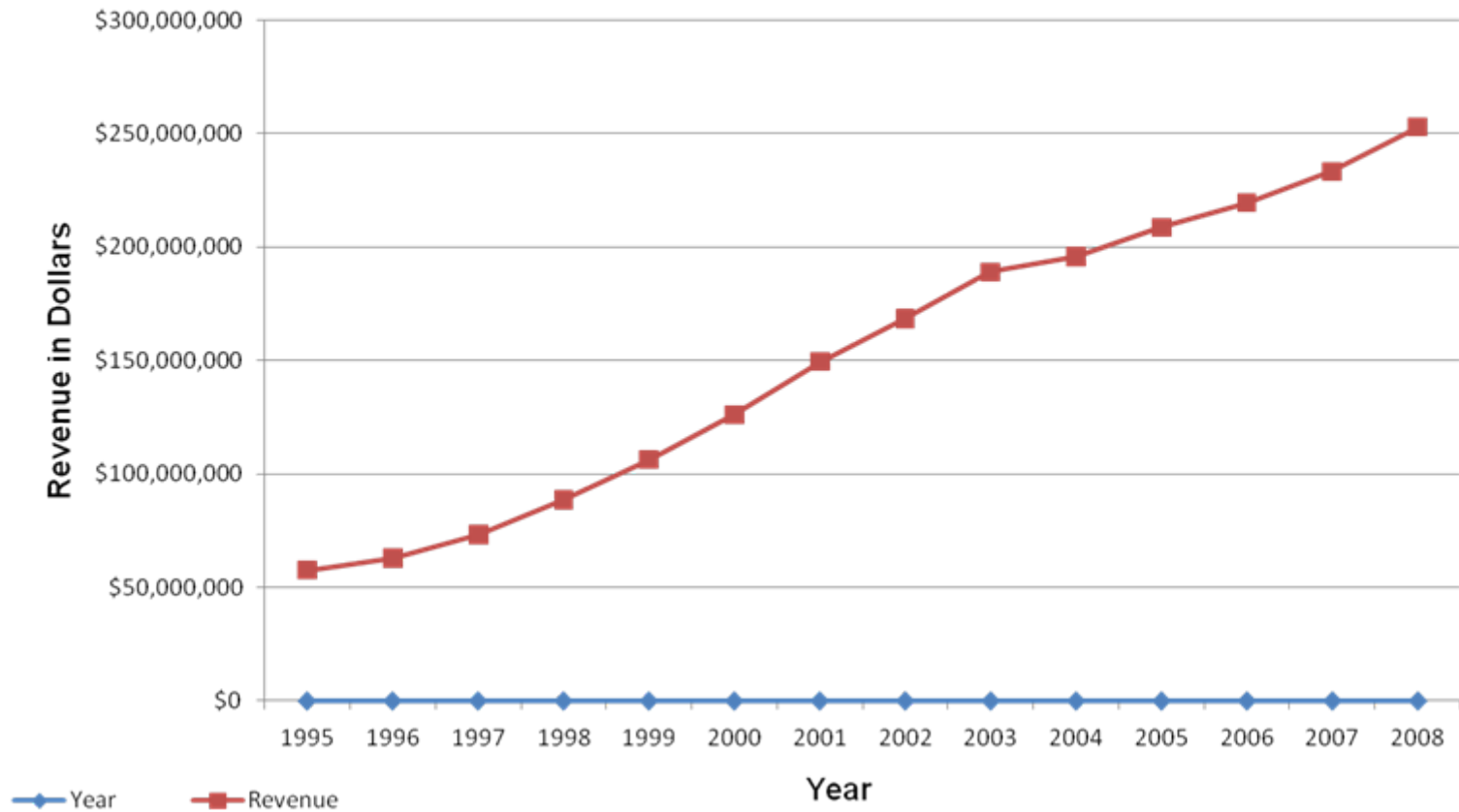
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The Whole Pod



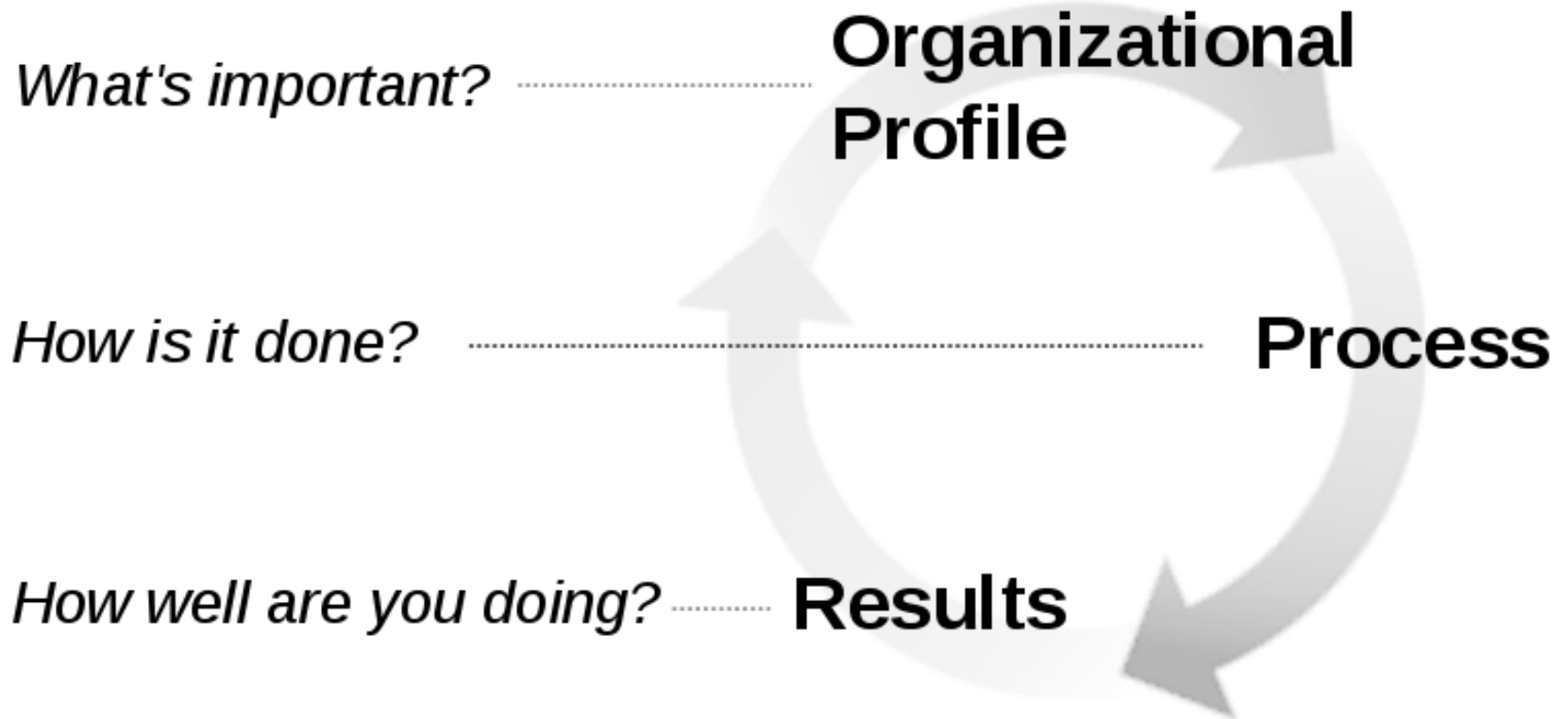
Numbers Speak

Northeast Delta Dental Historic Revenue



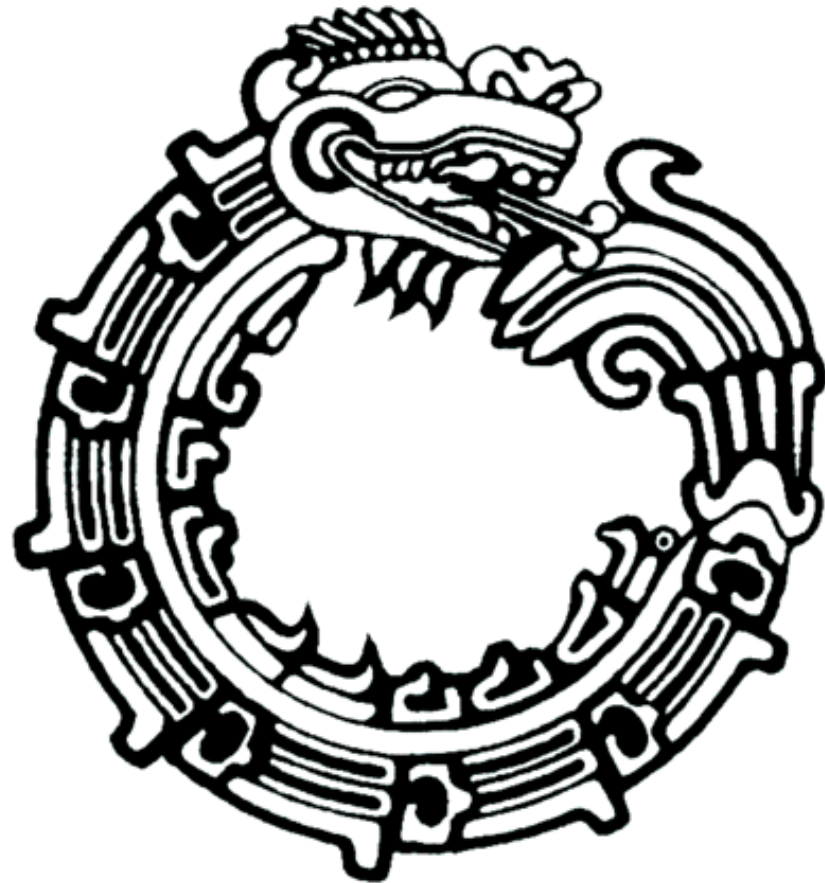
How is it used?

Three Basic Questions





It's Used in Cycles



Northeast Delta Dental's Key Points

It is all interconnected:

Culture, vision, values, behaviors, measures, scorecards, culture, vision,

What's important?

Listen to the Customer

Do it well:

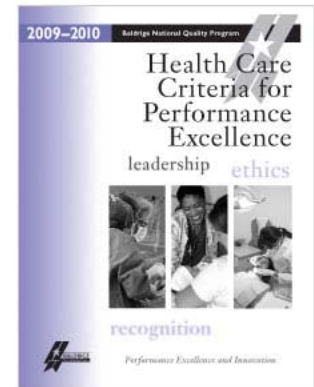
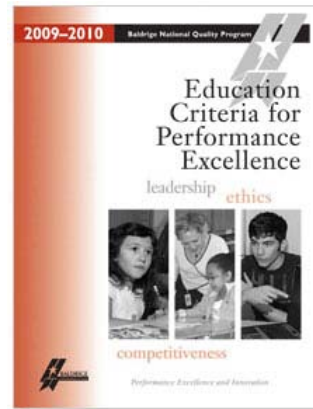
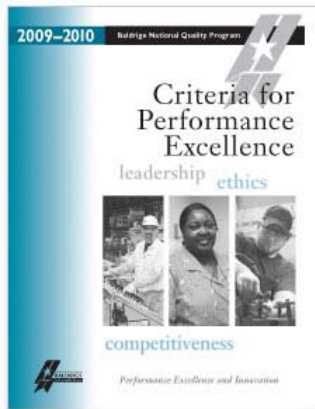
Leadership

Hiring - Happy employees = happy customers

Measure what? Find the metrics, measure, set goals and benchmark



The Three Criteria Versions



Primary Outcomes:

- Product

Core Values:

- Customer-Focused Excellence
- Societal Responsibility

Primary Outcomes:

- Student Learning

Core Values:

- Learning-Centered Education
- Societal Responsibility

Primary Outcomes:

- Health Care

Core Values:

- Patient-Focused Excellence
- Societal Responsibility & Community Health

In Summary

Success (and sustainability) will be driven by how well we accept and address challenges of

- innovation*
- customer engagement*
- employee engagement*
- Globalization*
- societal responsibility*

Final Thought

The Baldrige Criteria for Performance Excellence are about winning. Winning in your marketplace with a high-performing, high-integrity, ethical organization.

They do not guarantee success, but diligent implementation minimizes risks and engages the workforce with the right types of tools at the right time.

- ❖ Paraphrased from Harry Hertz, Director of the Baldrige National Quality Program and 2000 Baldrige Award Winner OMI

How can the GSQC support you?

- Our offer:
 - We will send you editable version of Organizational Profile Questions
 - Return your answers and we will provide feedback
- Other Services:
 - Training & Coaching: *Strategic Planning, Customers First!, Process Efficiency, Change Management*
 - Web and facilitated assessments aligned with recognition process
 - Networking

Thank You!

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Your Competitive Advantage



Upcoming Events

- October 7: ***Driving Process Improvement*** (Amanda Grappone Osmer, Grappone Collision Center)
- November 9: ***Reducing Costs with Knowledge*** (Richard Tango-Lowy, Northeast Delta Dental and Dancing Lion Chocolates)
- Examiner Training
 - September 29 (in-person) or October 1 (web): Full day webinar to introduce participants to the Baldrige Criteria and how to evaluate the case study. Participants will receive their initial assignment for the case study.
 - October 27 or 28: Half-day webinar to review the assignment, answer questions, and provide the final assignment.
 - November 16: Full day in-person session for all participants to work together and solidify learning. This workshop will be held in White River Junction, VT.
 - Cost: (much less than an MBA course!)
 - \$195 for participants who commit to the full examiner process
 - \$675 for those who want the training without further commitment to the awards evaluation.

Join our Mailing list for upcoming events and information

Join the “Granite State Quality Council” group on **LinkedIn** 