

## Best Practices: Shortcut to Performance Excellence

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*BaldrigeCoach™ System*



### Why reinvent the wheel?

One of the fastest and most effective ways to improve your organization's performance is to implement proven best practices. So, where do you find them? Attend the annual Baldrige or State Award Quest for Excellence. The recipients of the Baldrige Award for Performance Excellence represent the best of the best role models in the world.

In this article, I will share some of the results reported by recent recipients and some of the best practices that are widely being adopted to achieve and sustain high levels of performance excellence.

### Is applying for the Texas or Baldrige Award right for you?

- If you answer YES to any of the questions below, then it is.
- Are you ready to improve your revenue and bottom line?
- Are you ready to improve your customer satisfaction?
- Are you ready to improve your employees' productivity?

Could you benefit from an outside perspective of how to improve your organization's performance?

Since winning the Baldrige Award for the first time five years ago, **Sunny Fresh Foods** have increased revenues by 93 percent. Their processes have improved to the point that they have only 3.4 errors per 1 million pounds shipped.

It is always interesting to hear why an organization has decided to use the Baldrige Criteria. Jordan Case of **Park Place Lexus** told attendees, "We did it to stay ahead of the competition." Here are the results:

- Satisfaction among its pre-owned vehicle clients at both locations increased from 96 percent in 2000 to 98 percent in 2004.
- The company's gross profit percentage increased by 51.3 percent from 2000 to 2004.

### The Power of Organizational Profile

The five-page Organizational Profile has two parts. The first part asks the organization to describe

their operating environment and key relationships with customers, suppliers, partners and stakeholders. The second part asks the organization to describe its competitive environment, key strategic challenges, and systems for performance improvement.

The Organizational Profile can be used by organizations beginning their Baldrige journeys to conduct an initial self-assessment. If an organization finds it difficult to answer a question or is not satisfied with its answer, this becomes an area to focus on improving.

Tom Crosby, President of **Pal's Sudden Service**, a Baldrige recipient, emphasizes how important the Organizational Profile can be in improving performance.

*The Organizational Profile asks what business are you in? Duh. We are in the fast foods business. But we kept asking ourselves what business are we in and we discovered we were in the manufacturing business. Once we gained that insight, we were able to make significant process breakthroughs to reduce cycle time.*

*Pal's can process a car through our drive-through lane every 18 seconds on average and 14 seconds is the record. Our employees make one mistake in 3,400 orders vs. our competition's average of one in 50.*

*The better we got at answering the Criteria's questions, the better we got. It made a huge difference when we slowed down and drilled down deeper to find high impact information.*

### **The Criteria for Performance Excellence**

Some say the Criteria are too complex and difficult to understand. Getting started might be uncomfortable. But using the Criteria will help you better define, understand, simplify and integrate your business. The Baldrige approach helps you achieve your vision.

### **Examiners' Feedback – Best Consulting Value in America**

It has been suggested that the examiners' feedback report is the best bargain in consulting in America.

Of all the methods out there for improving a business, there is no better way to find out if you are staying on course or straying off course than using the third-party assessment you get from repeatedly applying for an award at the state or national level. You can wait and get the same feedback from the marketplace when they stop buying your product or service, but this approach is more painful and hard to recover from.

### **Assess Your Organization Against the Baldrige Best Practices**

Twelve Best Practices that most Baldrige recipients use to achieve performance excellence are listed in the table below. On a scale of 1 to 10 where 10 is high, rate where your organization currently is, calculate your total, and then determine your organization's needs based on the chart below.

Baldrige Recipient Best Practices	Our Current Performance
1. Leaders have created a productive environment for the employees who create value for the customers	
2. Have a culture of learning and innovation	
3. All key strategies are linked to stakeholders	
4. Use and deploy the Balanced Scorecard	
5. Measures are aligned with strategic objectives	
6. Every measure has an owner and a goal	
7. Benchmarks are used to set stretch goals	
8. Priorities are set for a few high priority projects	
9. Accountability is driven through 90 day action plans	
10. Use a coach to accelerate progress	
11. Have State Award Examiner or Baldrige Examiner on staff	
12. Focus on top box measures of customer satisfaction	
TOTAL	

**Total Score**

100 - 120  
 80 - 100  
 below 80

**Performance Status**

Baldrige recipients  
 Need some improvement  
 Big opportunity for improvement