

The New 2009-2010 Baldrige Criteria for Performance Excellence Key Changes Show the Way to a Sustainable Competitive Advantage



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For 20 years the Baldrige National Quality Program has worked tenaciously to keep the Baldrige Criteria on “the leading edge of validated management practice”. This commitment is the reason that the Criteria are increasingly seen as the standard for performance excellence worldwide.

Now, just in time to help visionary organizations get to the next level in 2009, the revised 2009-2010 Criteria for Performance Excellence have been released. We have reviewed the most important changes and summarize them below. We salute the Baldrige Office on a job well done, and we strongly recommend that you get a jump on your competitors by using these changes as a guide to re-calibrate your thinking about performance excellence. Remember, the Criteria are the leading edge of VALIDATED management practice; this is real stuff based on actual feedback from thousands of organizations worldwide. Move quickly to seize the advantage!

Key Opportunity #1 - Customer Engagement

Category 3, Customer and Market Focus, historically required clarity around how you “obtain and use customer and market knowledge” and “build satisfaction”. This model was reliable and reflected “modern” thinking about the customer relationship.

The new Criteria, however, aim to take the customer relationship to a new level, to ensure not only current performance, but FUTURE excellence. Tectonic shifts in the competitive landscape continue to put customer relationships under stress and at risk. Baldrige has responded. Item 3.1, Customer and Market Knowledge, is now Customer ENGAGEMENT; the Basic Requirement – “How do you ENGAGE customers to serve THEIR needs and build relationships?”

Item 3.2, Customer Relationships and Satisfaction, is now VOICE of the Customer, “How do you obtain and use INFORMATION from your customers?” The customer culture moves front and center: “How do you create an organizational CULTURE that ENSURES a consistently positive customer experience...? How does your workforce performance management system... reinforce this culture?”

The overall impact of the changes in this Category is profound: you are asked to integrate the customer experience much more closely into the fiber of your organization. This is a gift from the Baldrige Program to organizations worldwide that use the Criteria: think early and aggressively about your customers and the challenges they face or you will slip rapidly off the leading edge.

Key Opportunity #2 - Work Process Management

Changes in Category 6, Process Management, are subtle and can be missed, yet they will have a big impact on your performance. In prior years the Criteria asked you to identify your core competencies as part of designing your work systems. This made sense in a world where long, predictable, cycles of process design and implementation gave you multiple options for “building or buying” needed competencies.

Then the future arrived. Cycles of economic turmoil highlighted the underlying fragility of leading companies in financial, housing, and manufacturing industries. Core competencies became central to defining and sustaining organizations. The Criteria moved core competencies into the Organizational Profile and Category 2: Strategic Planning. You are asked in Category 2, “How do you ensure that your STRATEGIC PLANNING addresses long-term sustainability, including NEEDED CORE COMPETENCIES?” Effective work process management remains important, but there is no point in achieving excellence in designing and deploying the wrong processes! (Yet how many times have we seen organizations do exactly this, hardwiring outdated work processes through “new” policies and IT systems!?)

Key Opportunity #3 - Sustainability and Societal Impact

Some may question this change, but the notion of “societal” responsibilities is now firmly embedded in Category 1: Leadership—“How do you consider societal well-being and benefit as part of your strategy and daily operations? How do you consider the well-being of environmental, social, and economic systems to which your organization does or may contribute?”

Wow, is this too much “pie in the sky” for a hard-headed management system? No! It is becoming increasingly clear that the interdependencies that bind us together, at all levels, are more complex, opaque, and risk-inducing than we previously imagined. The challenges we face do not stay within their neat boxes: pollution from Asia reaches California; reckless decisions by California mortgage lenders devastate municipal budgets in Norway and Iceland; poor management decisions in Detroit impact hundreds of supplier organizations and thousands of employees. I applaud the Baldrige Program for making it clear that performance excellence is not achievable without adopting a view toward long-term societal sustainability.