



A BLUEPRINT FOR EXCELLENCE

Revised
December 21, 2020

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Is “Good” Good Enough?

Many organizations are doing fine; their performance is good, customers seem satisfied, employees are generally content. And for many leaders “good” is good enough. But others want more. Some leaders have a genuine appetite for excellence. They want their organization to be great and they want to do it in a way that ensures their success is not short-lived but lasting. This paper is written for those leaders – the ones who want their legacy to be an organization capable of delivering excellent results that are sustainable over time.



If you are one of these leaders you have likely searched for a means to this end, a framework to help you achieve and sustain success, and may even have investigated the Malcolm Baldrige National Quality Award. If so, you probably already know it is our nation’s highest presidential award for performance excellence, that almost every state offers a Baldrige-based award program, and that it has been replicated by Award programs throughout the world. It is much less likely that you recognize Baldrige as a blueprint for design of an organizational operating model. The Criteria provide a proven framework that has been tested and validated over the past 30 years. It is used by high performing organizations worldwide to design a set of leadership and management processes that are matched to their unique vision, culture, strategy, customer, and market requirements.

Focus on the Processes Embedded in the Criteria, Not the Questions

When first presented with the Baldrige framework, most organizations begin by attempting to understand the 220+ individual Criteria questions. They respond to these questions by submitting a 50-page application to their state’s award program. After examiners review this application and conduct a site visit, the organization receives a feedback report with 60 or more opportunities for improvement. Organizations often struggle to understand, prioritize, and respond to these opportunities in an efficient and effective manner. This is a time confusing and piecemeal approach that may lead to receipt of a lower-level award, but generally results in limited or ad hoc improvement in how the organization operates. Instead, a better approach is to view the Criteria framework as a collection of about 35 key organizational processes that should be systematically designed, managed, improved, and integrated over time. Putting these approaches in the foreground of the design work accelerates the journey and makes it more relevant and understandable to leaders.

“You do not rise to the level of your goals. You fall to the level of your systems.” – James Clear

Design Your Operating Model for Excellence

When taking this approach, leaders treat the Criteria as a blueprint which they use to design a customized, Baldrige-based, operating model for performance excellence. The processes embedded in the Leadership, Strategy, Customer, Measurement, Workforce, and Operational categories are all different, but must work cohesively, much like the framing, HVAC, plumbing and electrical systems in a construction project. Your current processes and practices provide the raw materials for the build.

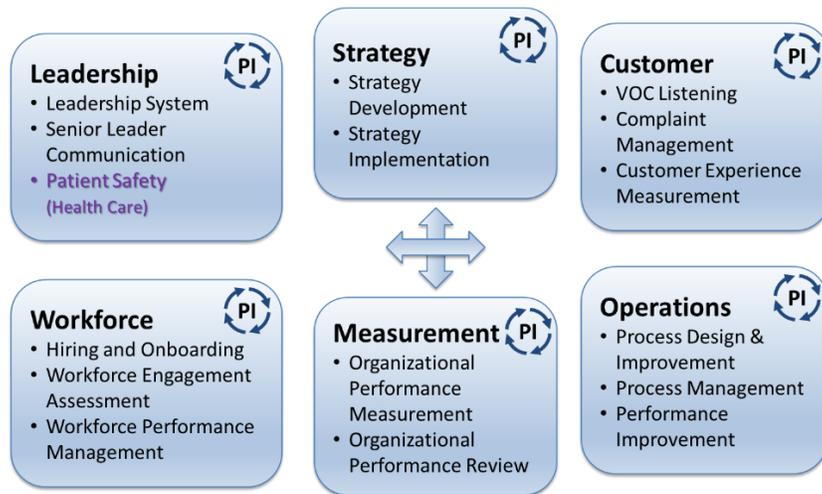
The aim is to use the Criteria blueprint and your own materials to design an operating model based on a proven framework for high performance, while also being tailored to your organization. Your operating model will define a set of leadership and management practices that are customized to match the organization’s unique vision, culture, strategy, and customer requirements. It will include about 30 approaches that clarify “How we work” as an organization. By putting these approaches in the foreground of this work, you make the Criteria understandable, relevant, and useful to leaders. Documentation of these processes creates a playbook that standardizes on your best practices and reduces the variability between different leaders or entities in your organization.

Once you determine the approaches in your operating model for performance excellence, you apply disciplined cycles of improvement to refine and integrate these key processes over time. The payoff comes from the intentional work to deploy



and continually improve these processes. This provides short-term benefit as you reduce variability in performance, focus the workforce on your key goals, and align leaders to the common approaches used to achieve these goals. The longer-term benefit is that a well-deployed and integrated system will ensure the leadership and management practices that enable you to achieve success are sustainable over time. A well-defined and fully deployed operating model will evolve over time. It can survive transitions in the leadership team and provide a tangible legacy for your successors.

Getting Started - What are the Foundational Approaches?



As previously explained, it is recommended you view the Criteria as a blueprint for design of 35 processes that are common to high performing organizations. However, since 35 processes may be more than some organizations can manage in the early stages, you should consider some of these processes as foundational and the most effective starting point for your operating model. At left is an illustration of these processes, organized by Categories within the Criteria framework. The key approaches in your operating model will ultimately differ from the ones shown here but will address all the same

requirements. Following is a brief description of the 15 approaches that are the recommended starting point. Each organization’s operating model will be different, but the work to design them starts with a similar foundation.

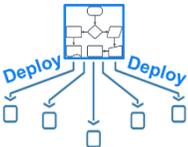
Approach	Description
Category 1	
Leadership System	Answers the question “How do Senior Leaders lead?” It clarifies your expectations for all leaders and integrates the processes, methods and behaviors used to lead the organization, create, and sustain the culture.
Senior Leader Communication	The methods used to communicate and engage with the workforce, key partners, and customers. It often includes methods to deploy vision and values, communicate key decisions, encourage two-way communication, recognize, and motivate the workforce.
Category 2	
Strategy Development *	Process used to develop short and long-term plans for current and future success. This may be stand-alone or integrated with Strategy Implementation. Strategic Planning often uses a framework of 4-6 Pillars or Key Result Areas (KRAs) that represent your value chain of Suppliers, Workforce, Operations, Offerings, Customers, and Financial results.
Strategy Implementation *	Process used to develop and deploy plans, budgets, and measures to achieve key goals. Strategy Implementation typically includes action planning processes and aligns with the scorecard approaches used to measure, review, and improve organizational performance.
Category 3	
Voice of the Customer (VOC) Listening	The methods used to listen to, interact with, and observe customers to obtain actionable information, including feedback on the quality of your products, customer support and transactions. Methods should enable you to listen: <ul style="list-style-type: none"> ▪ to current, former or potential customers; ▪ to different customer groups or market segments; and ▪ at each stage in the customers’ relationship with you (e.g., Acquire, Serve, Engage).

Approach	Description
Complaint Management	Process and methods used to resolve customer complaints promptly and effectively, recover your customers' confidence, and avoid similar complaints in the future.
Customer Experience Measurement & Improvement	Process used to measure the satisfaction, dissatisfaction, and engagement of your customers, to segment, analyze, and compare performance to competitors and/or industry benchmarks, and to identify and implement improvements in products, services or processes.
Category 4	
Organizational Performance Measurement *	Process used to select measures, develop "scorecards" of key performance measures, and identify comparisons or benchmarks for use throughout the organization to assess performance. This often aligns with the Strategic Planning Process.
Organizational Performance Review*	Defines the 'rhythm' of how, when, and by whom key performance measures are reviewed, priorities are identified, and actions are initiated to improve. It may be stand-alone or integrated with the Organizational Performance Review process. Because of the focus on improvement, it is often closely aligned with approaches such as Strategy Implementation, Process Improvement, etc.
Category 5	
Hiring and Onboarding	Process and methods used to recruit, hire, onboard, and retain new workforce members.
Performance Management	Process used for annual appraisal or review of individual employees' performance, and your compensation, reward, and recognition processes.
Workforce Engagement Assessment and Improvement	Process used to measure workforce satisfaction and engagement, segment and analyze the results, determine/confirm the key drivers of engagement, and develop and implement plans to improve engagement. This often involves use of an engagement survey, but may include use of other indicators like employee turnover.
Category 6	
Process Management	Measures and methods used to manage the day-to-day operation of the key work processes and support processes to ensure they meet requirements. This typically involves mapping each key work/support process and reviewing two types of process measures: <ul style="list-style-type: none"> ▪ Key outcome measures (lagging indicators) used to evaluate the outputs, end-product or results of a process ▪ Key in-process measures (leading indicators) used to control the process and ensure you meet both customer and business requirements
Process Design and Improvement *	Process used to identify key requirements for work / support processes and design products and processes to meet those key requirements. Many organizations will have an improvement approach in place, e.g., PDCA, A3-PDCA, Six Sigma DMAIC, etc.
Performance Improvement *	Methods used to ensure systematic, fact-based evaluation and improvement of all other key approaches. The PI approach is used to monitor and ensure systematic evaluation and improvement of all other approaches within the operating model.
* It is not uncommon for some of these approaches to be combined during the define/design stage, which further reduces the number of processes that must be deployed and improved over time.	

Once these foundational approaches are in place, leaders can review the remaining ones and decide which are most important to the continued refinement of their unique operating model. Those that are critical to the organization will be defined and deployed like the foundational processes; others may be addressed using a less rigorous approach.

What is the work of leaders to design and implement their operating model?

Following is a summary of the leaders' work to design, deploy, and refine their operating model.

 <p>Assessment To identify key Approaches and Owners</p>	<p>ASSESSMENT to identify the processes and methods you have in place for each approach. This work starts from where you are. Your organization will already have some elements of the key processes for each approach in place, though you may not be managing them in a systematic manner. You assess whether the process is effective at meeting the organization's needs and whether it is effective at responding to the relevant Criteria. The final step is to assign a leader to serve as owner for each approach. The owner will be responsible to convene an appropriate team for all subsequent work.</p>
 <p>design</p>	<p>DESIGN to clarify how the approach operates. For each approach you have in place, this involves developing a graphical summary of how it currently operates in the form of a process map, process outline or table of methods. If you do not currently have an approach in place, this involves benchmarking Baldrige-award recipient organizations and designing a process that will meet your needs and respond to the Criteria.</p>
 <p>Deploy</p>	<p>DEPLOY each approach to ensure it is used by all appropriate groups and that it operates consistently throughout the organization. This often requires a plan for communication, training, and observation to ensure processes are consistently and widely used. The Leadership System can be used to guide the deployment of all other approaches.</p>
 <p>MEASURE</p>	<p>MEASURE the effectiveness of each approach by gathering feedback and performance data. You gather feedback/data to evaluate how well each approach meets the organization's needs and responds to the Criteria. One source of data can be the feedback report received from your state award program. Based on findings from your evaluation of these measures, identify and prioritize opportunities for improvement.</p>
 <p>IMPROVEMENT</p>	<p>IMPROVE each approach. For those opportunities that are identified as priorities, you will use your organization's performance improvement process (e.g., PDSA, PDCA, Six Sigma DMAIC, etc) to develop, plan and implement improvements in the relevant processes or methods.</p>
 <p>Integration</p>	<p>INTEGRATE approaches. Over time you refine each individual approach to ensure it meets the organization's needs. In addition, you build connections between the processes to further enhance their effectiveness, both individually and collectively. Ultimately you seek to create a single, integrated system for performance excellence.</p>

The first two steps described above are part of the initial investment. The remaining steps summarize the systematic improvement that occurs over time. It is through these cycles of improvement that you become excellent. For this reason, there is no need to design a "perfect" operating model at the outset. Instead, you focus on clarifying and documenting what you already do, which will inevitably lead you to identify, and implement some incremental improvements in the approach. You then deploy each process fully, gather feedback/data on its effectiveness, and begin a process of semi-annual evaluation and improvement. During each cycle you evaluate the effectiveness of the process, identify and prioritize opportunities, plan and implement changes, deploy these fully, and measure their effectiveness yet again. Continue to turn the wheel of improvement and it is remarkable how effective processes can become in a few short years.

"The secret to getting results that last is to never stop making improvements. It's remarkable what you can build if you just don't stop." – James Clear

Benefits of the Blueprint

Most organizations start their Baldrige journey by reviewing the Criteria questions and developing an application. And for this reason, many find Baldrige confusing and unhelpful. For organizations that began with an application, shifting to a viewing the foundational approaches as a blueprint for design can clarify the work ahead and accelerate the improvement journey. In either case, there are multiple benefits from taking this approach to the improvement journey.

Focus on Improving Organizational Performance Not on Improving Your Application. A common approach is for organizations to create “Category Teams”, each one responsible to develop application information for a different section of the Criteria. But when an organization launches Category teams, the focus is to develop an application. It is therefore not surprising that these teams subsequently think of this work in terms of applications and awards rather than improvement. By putting the key Baldrige approaches in the foreground and the application in the background, the leaders and staff involved in the work will recognize from the outset that the primary objective is to improve how the organization operates. The application is not the focus, it is secondary and a by-product of the effort. When the organization subsequently submits an application that describes its key approaches and receives feedback on them, leaders will be more inclined to focus on making improvements in its processes, rather than making improvements in the application.

Potential Short-Term Improvements in Outcomes/Efficiency. By focusing on the improvement of key leadership and management processes, organizations should realize near-term improvements in the outcomes they produce. From a change management perspective, the tangible improvements achieved early in the process are “wins” that can demonstrate the value of the Baldrige work and provide motivation to continue the journey. In contrast, writing an application will not typically lead to meaningful improvement, which may be why many organizations apply one time and then discontinue their Baldrige journey.

More Manageable Application Writing. If you eventually do apply, the approach described here makes writing the application more manageable. When key processes are well defined, developing an award application can be accomplished by a small application writing team that reviews the documentation of these key approaches and summarizes this information for the application. Because this reduces the workload required to develop an application, it makes annual submissions possible, thereby maintaining momentum and accelerating progress on the journey to excellence.

Site Visit Preparation. The documentation of key approaches simplifies the work to prepare for and host site visits when they occur. During site visit preparation, the review of key approach documentation with leaders and front-line staff serves to both prepare them for site visit and to enhance the deployment of these processes. During the site visit, when examiners ask questions about key processes, staff can present and review approach documentation with examiners. This minimizes the need for staff to “memorize” how processes operate, and provides de facto evidence that they are systematic, i.e., well-defined, and repeatable. If the documentation of approaches includes a history of implemented improvements, this provides de facto evidence that cycles of evaluation and improvement have been completed. While not the purpose of documenting key approaches, doing so enhances the likelihood of an organization achieving higher level awards early in the journey. This success can foster momentum for continuing the performance excellence journey.

Sustainability. One of the key benefits is to ensure the improvements made are sustainable over time. Using the Criteria as a blueprint to design your own operating model embeds accountability for continual improvement of the organization’s key processes directly into the work of leaders. It is not something extra, but how we work. Leaders are assigned as owners of each process, this responsibility is integrated into performance appraisals, and establishes a schedule for owners to evaluate and improve each process, and for senior leaders to review progress on their deployment and improvement. Establishing clear expectations and an organizational rhythm builds effective change management and sustainability of the model directly into the organization’s operating routines.

A Word of Warning: More than Process Improvement Is Needed to Achieve Excellence

Baldrige is an improvement framework, and using the Criteria as a blueprint to define, deploy and improve key leadership and management processes makes it possible for an organization to achieve and sustain excellence. While these processes are essential to the journey, process improvement is not enough.

Consider what the blueprint is designed to accomplish. The reason to invest in development of a customized operating model is to enable your organization to achieve and sustain EXCELLENCE. What we mean by excellence is an organization that delivers:

- ever-improving and sustained performance results,
- along multiple dimensions (product/service quality, operational effectiveness, customer and workforce engagement, financial and market success),
- results that place your organization among the very best (the top 10%) relative to others in your industry or sector.

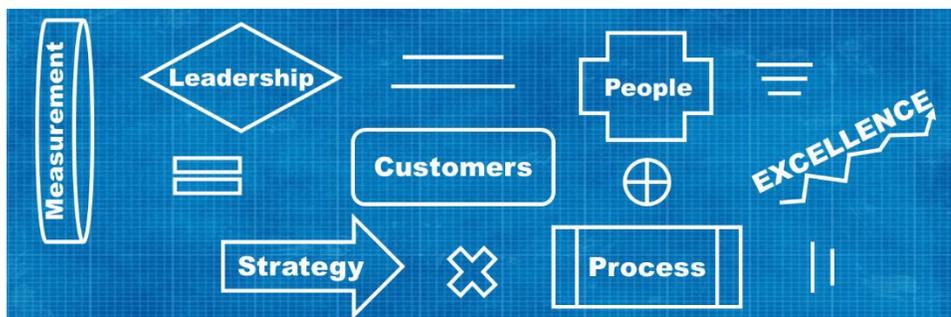
In other words, this is not about getting better... it is about becoming one of the very best. If you are not genuinely interested in pursuing excellence, there are other improvement methods that might better meet your needs. If you aspire to become excellent, you will need more than well-defined leadership and management processes. Baldrige processes must be implemented in the appropriate context, with the aim to realize a vision for performance excellence, within a culture that is focused on ongoing, continual improvement of everything we do.



Vision – The journey to excellence starts with an honest assessment of where you are now, i.e., your current performance. As Jim Collins says you must first “*Confront the brutal facts.*” It takes humility to acknowledge your current reality. But it takes courage to aspire to a significantly different future. You first create an inspiring vision for excellence that allows leaders to understand what the organization can become if its full potential is realized, then work to enroll the broader leadership team to go beyond compliance and take ownership of this vision so that they can authentically role model their commitment to the vision and do the work necessary to create a culture capable of achieving it. Once your leaders have a shared understanding of where we are now, and where we are going, the development of a Baldrige-based operating model becomes the means to close that gap. In this context, the required processes are viewed by leaders as a solution, rather than an additional burden. Leaders use the processes to create a culture of improvement and achieve the vision.

Culture – Excellent processes cannot overcome ineffective leadership or a poor company culture. Leaders must do the intentional work to create a culture characterized by high performance, commitment to the vision, and continual learning and improvement to achieve it. Without a culture of improvement, the process improvement work becomes mechanical. Some of the Baldrige processes can be used by leaders to create and reinforce the culture and engage employees in achieving the vision. The Leadership System is perhaps the key approach used by leaders to address vision and culture, and it is essential to the deployment, integration, and success of the operating model.

In short, well-defined approaches are necessary but not sufficient. They provide systematic processes to operationalize the vision throughout the organization, but they must be installed within a culture that embraces the vision and is passionate about continually raising the bar. Vision, culture, and processes are the three-legged stool to achieve and sustain excellence and the Criteria framework provides the blueprint to build this stool for your organization.



For a guide on your journey, email Joe@KilbrideConsulting.com

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