



## APO hosts first Baldrige study mission

One proven approach in increasing national productivity and enhancing competitiveness is the establishment of a national quality award program. That was the premise behind the establishment of the Malcolm Baldrige National Quality Award, established by an act of the US Congress in 1987. Originally begun as a business-oriented framework for manufacturing, service, and small businesses, it was expanded in 1998 to include health care and educational organizations. On 5 October 2004, US President George W. Bush approved legislation to extend the award to nonprofit organizations as well, thereby encompassing governmental and other entities not previously included in award eligibility.

The award criteria include seven categories: 1) Leadership; 2) Strategic planning; 3) Customer and market focus; 4) Measurement, analysis, and knowledge management; 5) Human resource focus; 6) Process management; and 7) Results. These seven categories are further subdivided into 19 items, each focusing on a major requirement of the category. Since 1988, 56 organizations have won the prestigious award.

The intent of the award process is for successful organizations to share best practices with others. This intent was manifested in the first APO Baldrige Study Mission, held in St. Louis, Missouri, USA, from 27 September through 1 October 2004. Twenty-nine representatives from 12 APO member countries participated in the study mission, which included nine recipients of the Baldrige Award. Throughout the study mission there was spirited discussion and questions from participants, and open responses from the organizational presenters. One characteristic in Baldrige sharing meetings is the tendency to be candid in a balanced assessment of both successes and failures in striving for excellence.

Executives from organizations willing to share best practices with the APO participants included: Boeing Airlift & Tanker Programs, Boeing Aerospace Support, The Ritz Carlton Hotel Co. (a two-time recipient), Caterpillar Financial, Xerox Business Products & Systems, Xerox Business



Services, SSM Health Care, and Wainwright Industries. St. Louis was chosen as the host city because it is one of the few cities in the USA which is home to multiple Baldrige award recipients.

In addition to learning best practices from award recipients, participants were provided with substantial background behind the Baldrige Award framework itself. Also provided was a comprehensive discussion of the Baldrige program administrative process. A consistently reinforced theme of the study mission was the capability to answer two fundamental questions:

- 1) What was the "message" and lessons learned behind the recipient's sharing?
- 2) How can this "message" be applied to improvements within my respective organization and country?

APO participants correctly observed that there appeared to be much commonality among Baldrige recipients. While the activities of the organizations differ greatly, ranging from the construction of large aircraft to delighting customers during a hotel stay, the beauty of the Baldrige framework lies in each organization's ability to adopt the criteria to fit the organization, not vice versa.

One of the highlights of the study mission was a keynote address by Sr. Mary Jean Ryan, President and CEO of SSM Health Care. This organization, based in St. Louis, operates 20 hospitals and three nursing homes and has 5,000 affiliated physicians and 23,000 employees. While improving productivity can necessarily be perceived as an arduous


challenge supported by rigid processes, Sr. Mary Jean portrays a different leadership style: a unique passion for meeting the needs of her hospital customers in an environment where physicians, nurses, and staff share a common mission of excellence. SSM Health Care clearly demonstrates that health care improvement can reach thresholds of excellence not based on external mandates, but on internal teamwork, compassion, and hard work.

APO delegates learned many lessons from the Baldrige recipients, among which the most significant were:

- 1) The myth that you can have excellent processes without results and still receive the Baldrige award is not valid. Forty-five percent of total Baldrige criteria require positive trends and sustained results.
- 2) While Baldrige criteria are used as a framework, successful organizations integrate useful tools such as ISO9000, PDCA, and six sigma approaches within the criteria context. An important message is that these tools can be complementary and do not have to be exclusive in their effective use.
- 3) There is a clear line of sight between senior management and front-line workers in understanding the mission and goals of the organization. How front-line employees contribute to the overall success of the mission is important.
- 4) Both internal and external processes are customer focused. There is a passion for delighting and retaining customers, measured by frequent, valid surveys and personal contacts.
- 5) A key characteristic of Baldrige recipients is perseverance. Most applicants continuously use the Baldrige framework as an internal assessment tool to improve the overall productivity and results of the organization. Receiving the Baldrige Award itself is viewed as a secondary benefit of applying.
- 6) Employees actively participate in the Baldrige process at all levels of the organization, although in varying degrees. Relationships with suppliers and partners are often viewed as the same as that of employees of the organization.

7) Senior leadership is not casually involved in the Baldrige process. Baldrige recipients have leaders at all levels of the organization who are dedicated and personally involved on a consistent and continuing basis.

One goal in organizing this first APO study mission of Baldrige recipients was to deliver too much information rather than too little. Each APO participant could uniquely determine relevant knowledge sharing that would be most beneficial in his or her country. That goal was achieved based on feedback from participants: 100% of the participants indicated that their expectations were met, with a significant 76% stating that their expectations were exceeded.

A secondary goal was also realized. The US-based organizations sharing their success stories took delight and satisfaction in knowing that participants from 12 countries in Asia will experience the benefits of better understanding the positive successes of the Malcolm Baldrige National Quality Award. 

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