



# Criteria for Performance Excellence

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## The Baldrige Process: A Tool for Improvement

Eighteen months ago, I began a series of articles on the Baldrige Quality Award process. This is the final article in that series.

Throughout the series, I've been asked many questions about the Baldrige Award, including the basic "What is the Baldrige Award?" So, to recap, the Malcolm Baldrige National Quality Award was established by the U.S. Congress in 1987 to help companies become stronger competitors in the global marketplace. The award, named for a former Secretary of Commerce, promotes business excellence through a balanced set of criteria. This annual award process promotes organizational performance excellence and recognizes performance achievements of U.S. for-profit and nonprofit organizations. Additional information about the award can be viewed at [www.nist.gov](http://www.nist.gov).

Virtually every state has created quality award processes mirroring the Baldrige Award, creating a national network of quality awards. Typically, organizations begin their quality improvement journey at the state level and advance to the national Baldrige level. Applicants receive detailed feedback reports identifying opportunities for improvement that organizations use to systematically enhance performance.

The next most-asked questions are, "Why would any organization invest the time and energy required to go through the Baldrige process?" and "What is the value?" These are much harder questions to answer. Baldrige recipients invariably cite the internal improvement as the real value. Receiving the award is nice, but the process is all about improvement. Baldrige recipients are recognized for continuous improvement in six balanced areas contributing to business excellence and success. Recipients must demonstrate improvement over sustained periods of time, typically three to five years. Past recipients such as Ritz-Carlton, Motorola, and Federal Express typify the level of excellence required.

The ultimate goal is performance excellence. It doesn't matter if your organization is large or small, manufacturing or service, high-tech or low-tech—continuous improvement is a critical component to competing in today's global business environment. Whether an organization chooses Baldrige, or one of the many other quality methodologies, is much less important than an organization's commitment to improvement. Improvement and quality methodologies such as ISO 9001, Six Sigma, LEAN, Total Quality Management, and the Toyota Production System all help organizations achieve success. In *Built To Last*, Jim Collins says about continu-

ous improvement, "In a visionary company, it is an institutionalized habit—a disciplined way of life..."

My company has applied for the Baldrige Award for four years and has advanced to the final stage of site visit for the last three years. Today, while writing this article, I received the telephone call informing me that for the third year in a row, we were not selected to receive the award. I was obviously very disappointed. Yet, in reflecting back over the last few years, I can clearly see the changes we've made in all areas of our business. Even though we haven't yet achieved the level of Baldrige recipient, we've made significant progress every year and will continue to improve year after year after year. The answers to the questions of "Why?" and "What is the value?" are: growth, financial success, highly satisfied employees, highly satisfied customers, maybe even survival.

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And again, whether it's Baldrige, Six Sigma, TQM, ISO, or LEAN is irrelevant. These are only tools. Organizations with a commitment and discipline to excellence will use the tools and techniques best suited to their culture to achieve ever-increasing levels of performance. Those satisfied with their current performance levels had better hope their competitors have the same attitude.

Terry May is President of MESA Products, Inc. (Tulsa, Oklahoma). He formed the company in 1979 and has managed its growth from a one-man service operation specializing in cathodic protection (CP) systems and design to an organization with more than 65 employees and four offices. A NACE member for more than 25 years, May is a NACE Corrosion Specialist and CP instructor, registered professional engineer, and President of the NACE Foundation. He can be contacted by e-mail at [MayT@MesaProducts.com](mailto:MayT@MesaProducts.com).

*Editor's note: Terry May will continue to contribute performance excellence-related articles to MP, which are published every other month. In March 2006 MP, he will review Jim Collins' book, Good to Great, which highlights the characteristics of successful organizations. MP*