

NEW MEXICO QUALITY AWARDS PROGRAM

Piñon 2007

Criteria & Instructions

Business / Government / Non-Profit



Path To Performance Excellence

Business – *Economic Competitiveness*

Education – *Higher Student Achievement*

Health Care – *Improved Patient Outcomes*

Government – *Responsive, Effective Services*

Non-Profit – *Responsive, Effective Services*

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Who . . . is Quality New Mexico?

Established in 1993 Quality New Mexico is a not-for-profit 501(C)3 service organization promoting, educating, and congratulating performance excellence for any type business or organization.

Quality New Mexico is home of the New Mexico Quality Awards (NMQA) recognizing businesses /organizations from *commitment to progress* to *excellence*. In 1994 Quality New Mexico was acknowledged and chartered by the Governor of New Mexico to recognize organizations for performance excellence.

Quality New Mexico models its products and services after the Malcolm Baldrige National Quality Award program. Quality New Mexico offers education and training, assessment, feedback and recognition based on the Criteria for Performance Excellence – the same criteria used to determine recipients of the Malcolm Baldrige National Quality Award.

Quality New Mexico has become a role model for sister organizations and is recognized by the Baldrige program for its “contributions to the nation”.

What . . . is Quality New Mexico?

Quality New Mexico has products and services for New Mexico businesses and organizations – small and large – who have the *desire to improve* their organization’s competitiveness, profitability, and long- term success.

Our Vision:

New Mexico Businesses and Organizations achieve Performance Excellence

Our Mission:

Motivate, Educate, and Congratulate New Mexico Businesses and Organizations for Achievement in Performance Excellence using the Baldrige Criteria

Our Aspiration:

New Mexico businesses and organizations are *Committed to a State of Excellence*

| | | |
|-------------|---|--------------------------------|
| Business | - | Economic Competitiveness |
| Education | - | Higher Student Achievement |
| Health Care | - | Improve Patient Outcomes |
| Government | - | Responsive, Effective Services |
| Non-Profit | - | Responsive, Effective Services |

Why . . . Performance Excellence?

No matter where your business/organization competes – in the community, city, state, nationally, and/or globally – in today’s competitive environment New Mexico organizations must focus on the factors that affect the organization and marketplace.

Does your organization stay abreast of the competition – does it create an environment that fosters responsible, ethical behavior – does it improve performance results?

INTRODUCTION

Value . . . of assessing your organization?

Gaining a competitive edge to ensure survival, prosperity, and sustainability are primary goals of organizations that commit to the pursuit of excellence. As a participant in the New Mexico Quality Awards program, you can expect to receive many benefits, some of which are listed below. You will:

- Accelerate your ability to improve your products, services, internal processes, and your organization's capabilities
- Improve your ability to analyze your quality processes using your feedback report that identifies strengths as well as opportunities for improvement
- Increase customer loyalty by providing value and demonstrating your commitment to quality
- Develop a foundation for supplier certification and for an application for the Malcolm Baldrige National Quality Award
- Receive public recognition for demonstrated efforts and achievements at an annual quality conference and awards ceremony

How . . . to get started?

Quality New Mexico has five different initiatives to assist you on your performance excellence journey. These programs are low-cost with high-value assessment and feedback. The New Mexico Quality Awards program includes formal and public recognition of your organization's level of achievement.

◆ Many of our tools are available on-line and at no cost ◆

Steps . . . On the Path to Performance Excellence

► Adobe Assessment Program

FIRST STEP -or- REFRESH: Organizational Profile

The organizational profile is 'about the business/organization'. It is "critically important" to help identify strengths and potential gaps – it is a starting point for an initial self-assessment. If your organization has previously been through the NMQA program and needs to refresh before it continues onward, you can use the Organizational Profile criteria to assess where the organization is currently and what the organization is aspiring to become. Answer the Organizational Profile Criteria using our workbook as a tool. Contact Quality New Mexico about a Organizational Profile custom workshop.

Use the Profile for

- planning, and
- information for customers, employees, partners, suppliers, etc.

Use Quality New Mexico's Adobe Assessment Program for a professional assessment and feedback of your Organizational Profile.

Steps . . . On the Path to Performance Excellence

► Walk-Through Assessment Program

Based on the Piñon-level Criteria, this walk-through is conducted by a senior quality examiner and provides your organization with a report summarizing key strengths and opportunities for improvement within the seven categories: Leadership, Strategic Planning, Customer & Market Focus, Measurement, Analysis, and Knowledge Management, Workforce Focus, Process Management, and Results.

This assessment is designed for organizations and businesses new to the Quality New Mexico assessment process.

Bigger Steps . . . On the Path to Performance Excellence

The New Mexico Quality Award program has three levels of Criteria-based assessment and participation:

► Piñon Assessment / Recognition - *Commitment*

The organization shows evidence that it is in the beginning stages of using systematic processes and collecting data to reflect early results in areas of most importance. The organization describes its approaches for and deployment of its key operational processes, identifies its evaluation and improvement activities or processes, and shows some early coordination among organizational units. Such organizations have started their quality journey and through their efforts can see long-term benefits.

Piñon level has its own criteria located in Section Two of the respective Piñon books.

► Roadrunner Assessment / Recognition - *Progress*

The organization demonstrates, through commitment and implementation of quality principles, significant progress in building sound and systematic processes. Its approaches are aligned with some evidence of consistent deployment throughout the organization, processes are repeatable and regularly evaluated for improvement, learnings are shared, coordination exists among all organizational units, and results show improvement trends with some comparisons in areas of importance.

► Zia Assessment / Award - *Performance Excellence*

The Zia level carries the most stringent requirements of performance excellence. The organization must demonstrate through its practices and achievements the highest level of performance excellence. The operation's approaches are integrated; processes are repeatable and regularly evaluated for improvement; efficiencies are achieved; processes and measures track progress on key operational and strategic goals; results are presented in terms of performance levels, trends, and comparative data and are in place for most areas of importance.

Quality New Mexico uses the Baldrige *Criteria for Performance Excellence* for both Roadrunner and Zia assessments.

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NEW MEXICO QUALITY AWARD AND RECOGNITION LEVELS



Zia Award - *Excellence*

The NMQA Zia Award object 'points' to performance excellence.

This advanced level is for organizations that validate an effective systematic approach. They are 'best in class' in their sector and are role models in New Mexico.

THE SCULPTURE IS MADE FROM NEW MEXICO VISTA GRANDE ONYX QUARRIED WEST OF BELEN, NEW MEXICO. IT IS STRONG IN ITS PHYSICAL STATE, A BALANCE OF FORM. THE PINNACLE RISES FROM A SOLID FOUNDATION.

Roadrunner Recognition - *Progress*

The NMQA Roadrunner object represents New Mexico's State bird.

Roadrunner level organizations are '*on the move*' toward performance excellence. These organizations show evidence of making progress.

THE OBJECT IS INDIVIDUALLY CREATED USING JADE GLASS. THE ROADRUNNER DESIGN IS SANDBLASTED WITH FRACTURED EDGES TO REFLECT LIGHT AND ADD ARTISTIC BEAUTY.



Piñon Recognition - *Commitment*

The NMQA Piñon object represents the Piñon 'seed' from the New Mexico State tree.

Piñon level organizations have planted the seed of performance excellence and show evidence they are in the beginning stages of using systematic approaches.

THE OBJECT IS MADE OF WALNUT AND INDIVIDUALLY ENGRAVED.



CRITERIA OVERVIEW

New Mexico Quality Awards Program

The New Mexico Quality Awards program adopted the Baldrige National Quality Program (BNQP) *Criteria for Performance Excellence* as the standard for performance excellence.

The Criteria are a proven national standard for organizations seeking the highest levels of performance excellence and competitiveness.

The Criteria address all key requirements to achieve organizational excellence, as well as important interrelationships among its elements.

By focusing on results and on the conditions and processes that lead to results, the Criteria offer a non-prescriptive framework that organizations may use to tailor their systems and processes toward ever-improving customer value. For further information refer to the Baldrige *Criteria for Performance Excellence* book.

Visit our website for Criteria
www.qualitynewmexico.org

Path to Performance Excellence

While consistent with the national awards, the NMQA has three assessment and application levels to assist organizations in their journey:

1. Piñon - this level uses the NMQA *Piñon Criteria*
2. Roadrunner – this level addresses the complete Baldrige *Criteria for Performance Excellence*
3. Zia - this level addresses the complete Baldrige *Criteria for Performance Excellence*

Note:

- the application provides the Board of Examiners with the basic information needed to perform an assessment of an organization relative to the requirements of the Criteria.
- the application should be fully responsive to the Criteria requirements and assume no prior knowledge of the organization by the examiners.
- responses should be concise, quantitative, and support all statements with facts and information. Responses should primarily address activities and efforts located in New Mexico.
- examiners cannot participate in evaluating an application if they previously reviewed a submission from the same applicant. In addition, examiners are prohibited from obtaining information about an organization from sources other than its application (such as a website).

Board of Examiners

The Board of Examiners consists of professionals from the business, education, health care, government, and non-profit sectors. Examiners are selected to serve on the Board based on their background, expertise, training, and objectivity. Examiners serve on the Board for one year and are encouraged to reapply.

Examiners compare the information in the application to the requirements of the *Criteria* to identify significant strengths and opportunities for improvement for each applicant organization.

Examiner teams prepare a feedback report for each applicant regardless of application level or recognition eligibility.

PROGRAM PROCESS

The New Mexico Quality Awards program has three steps:

1. **Intent to Apply Form – Eligibility Determination**
 - Complete the Intent to Apply Form (Pages 8&9) and submit to Quality New Mexico with the non-refundable fee of \$175/member - \$200/ non-member no later than **5:00pm June 5, 2007 for either Cycle I or Cycle II.**
 - All parts of the Intent to Apply Form must be complete. Forms received after the deadline will only be considered for eligibility and acceptance subject to the availability of sufficient examiners and may be rejected and returned without action.
 - Applicants will normally be notified of their eligibility and acceptance status within two weeks of receipt of the Intent to Apply Form.
2. **Application**
 - Applicants must submit ten (10) copies of their application; or the application may be submitted on a CD, with one hard copy and authorization completed on Intent form.
 - Applications along with approved Intent To Apply and the appropriate fee must be at Quality New Mexico no later than **5:00pm August 1, 2007 for Cycle I** or no later than **5:00pm November 1, 2007 for Cycle II.**
 - Because of the critical timing aspects of subsequent steps in the awards process, applications cannot be accepted after the deadline.
3. **Compañero Nomination**
 - Any 2007 applicant may nominate an organization for the Dennis J. Woywood Compañero Recognition. Written nomination(s) must be present in the Quality New Mexico office no later than January 31, 2008. (Page 16 For Details)

NEW MEXICO QUALITY AWARDS PROGRAM FEES

In addition to the Intent to Apply fee - the following fees apply and must be submitted with application (***the 2007 fees include one free Award Ceremony registration***):

- | | |
|--|--|
| <p>▶ Piñon Application MEMBER \$250 NON-MEMBER \$375</p> <p>▶ Roadrunner Application MEMBER \$500 Plus \$1.10 per employee Maximum fee <u>\$1,200</u> NON-MEMBER \$750 Plus \$1.30 per employee Maximum Fee <u>\$1,800</u></p> <p>▶ Zia Application MEMBER \$1,000 Plus \$1.65 per employee Maximum fee <u>\$2,300</u></p> | <p>NON-MEMBER \$1,500 Plus \$1.95 per employee Maximum Fee <u>\$3,450</u></p> <p>▶ Site Visit Should a site visit be required applicant will be invoiced the fee plus team expenses (travel, lodging, meals, meetings):</p> <ul style="list-style-type: none">• Roadrunner Applicant - \$600 Site Visit fee plus team expenses• Zia Applicant - \$1,200 Site Visit fee plus team expenses <p>▶ The Post-Examination Meeting is now free to all NMQA applicants!</p> |
|--|--|

APPLICANT ELIGIBILITY

Any public or privately held *business/organization* or *sub-unit* thereof, located in the State of New Mexico, may apply for a New Mexico Quality Award/ Recognition:

Eligibility

- ▶ Participation is open to the business, education, government, health care and nonprofits sectors, whether public, private, for-profit or not-for-profit.
- ▶ The organization must have five (5) or more full-time (or equivalent) employees
 - volunteer workers can be considered employees in organizations where volunteers play a significant role
- ▶ Subunits, with the parent organization in New Mexico, may participate at any level (if a subunit has received previous recognition it must apply at the next higher level). A subunit is a division or unit of a larger organization 'parent'. The parent owns, holds or has organizational or financial control of a subunit.
 - the subunit and its parent may not both apply for recognition in the same year
 - more than one subunit of a parent may apply in the same year
 - to be eligible for Zia recognition the subunit must be self-sufficient enough to be examined in all seven Criteria Categories, and it must be a discrete entity that is readily distinguishable from other parts of the parent. Business subunits cannot be primarily an internal supplier to other units in the parent company or perform only support functions (e.g., sales, distribution, or legal services).

ALTHOUGH THE EXAMPLE UNITS MENTIONED ABOVE ARE NOT ELIGIBLE FOR ZIA RECOGNITION THEY WOULD RECEIVE A ZIA-LEVEL FEEDBACK REPORT.
- ▶ Subunits whose parent is outside New Mexico are eligible for all levels
- ▶ Previous NMQA recognition recipients must apply at the next higher level
 - clear improvement should be evident before submitting subsequent applications
 - organizations should carefully consider their own cycles of improvement and maturity before submitting subsequent applications

Non-Disclosure

Names of applicants, the applications themselves, feedback reports, comments, and scoring information are regarded as proprietary and are kept confidential unless released by the applicant. Such information is made available only on a need-to-know basis to those individuals directly involved in the awards process. Strict ethical and conflict-of-interest rules apply to examiners, judges, and staff.

Applicants are not expected to provide or to reveal proprietary information regarding products, processes, or services. Information regarding participation or successful strategies is released only after approval from the applicant. However, the New Mexico Quality Awards Administrator will release the names of organizations receiving awards or recognition.

New Mexico Quality Awards INTENT TO APPLY and ELIGIBILITY FORM

Review instructions starting on page 9. Type or clearly print all information. This **Intent to Apply form** and the **non-refundable fee** must be physically present in the Quality New Mexico office by **5:00pm June 5, 2007 (either Cycle I or Cycle II)**. A copy of the processed form will be returned. Include a copy of the approved form with each copy of your application.

1. APPLICANT ORGANIZATION:

 Organization Name

 Address

 City, State, Zip Code

2. OFFICIAL CONTACT:

 Title (Mr., Mrs., Ms., Dr., etc.) and Name

 Mailing Address (if different from above)

 City, State, Zip Code

 Telephone Number Fax Number

E-mail Address: _____

3. APPLYING FOR:

- Piñon Recognition (refer to Piñon Criteria Book)
- Roadrunner Recognition
- Zia Award
- Feedback Only (subunit Zia eligibility)

4. APPLYING USING THE:

- Business/Government/NonProfit Criteria
- Education Criteria
- Health Care Criteria

5. NATURE AND SIZE OF ORGANIZATION

| | | | |
|----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| <u>Business</u> | <u>Education</u> | <u>Government</u> | <u>Health Care</u> |
| <input type="radio"/> Profit | <input type="radio"/> K-12 | <input type="radio"/> City/County | <input type="radio"/> Profit |
| <input type="radio"/> Non-Profit | <input type="radio"/> 12+ | <input type="radio"/> State | <input type="radio"/> Non-Profit |
| | <input type="radio"/> Profit | <input type="radio"/> Federal | |
| | <input type="radio"/> Non-Profit | <input type="radio"/> Tribal | |

Number of Employees _____

6. PREVIOUS HISTORY WITH THE NMQA:

| Year | Applied for | Received |
|-------|-------------|----------|
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |
| _____ | _____ | _____ |

7. PARENT ORGANIZATION / SUBUNITS:

Is your organization a subunit Yes No
 Is parent organization in New Mexico Yes No
 See Page 7 for recognition eligibility requirements

Location of parent organization: _____

8. CEO or HIGHEST RANKING OFFICIAL IN NEW MEXICO:

 Title (Mr., Mrs., Ms., Dr., etc.) and Name

 Address

 City, State, Zip Code

 Telephone Number Fax Number

E-mail Address: _____

"I understand that our application will be reviewed by members of the Board of Examiners. Should our organization be selected for a site visit, we agree to host the site visit, facilitate an open and unbiased examination, and pay the reasonable costs associated with a site visit. The NMQA may publicize the name of our organization in relation to awards process events, status, and results if we are selected as an award or recognition recipient."

Signature: Highest Ranking Official Date

9. MAIL or DELIVER THIS FORM AND THE APPLICABLE ELIGIBILITY DETERMINATION FEE (\$175/member \$200/non-member) TO:

Quality New Mexico
 P.O. Box 25005 500 4th NW Suite 215
 Albuquerque, NM 87125 Albuquerque NM 87102

Fax with Purchase Order # to: (505) 944-2002

10. Name(s) of Examiner(s) to be provided (page 11) – if examiner not provided, or drops from program - applicant will not receive recognition but will receive Feedback Report.

14. For use by Quality New Mexico only:

Applicant is eligible to apply at the level specified in Item 3: YES NO FEEDBACK ONLY

 NMQA Authorizing Official Date

INTENT TO APPLY and ELIGIBILITY FORM continued

Applicant Name _____

11. AUTHORIZATION FOR ELECTRONIC DISTRIBUTION OF APPLICATION

Our organization has elected to submit our application via CD/PDF format. We authorize the NMQA Awards Administrator to transmit our application over the internet to the selected reviewers from the Board of Examiners, which includes the technical editors and judges.

Signature: Official Contact Person

Date

12. APPLICATION CYCLE (Circle One):

CYCLE I

CYCLE II

13. ADDITIONAL INFORMATION

INTENT TO APPLY FORM INSTRUCTIONS

GENERAL INSTRUCTIONS

Applicants planning to apply must submit Intent to Apply Form to Quality New Mexico by 5:00pm June 5, 2007 (either Cycle I or Cycle II).

A non-refundable fee is due with the Intent to Apply form for all award/recognition levels.

NOTE:

Applicants must submit a copy of the approved Intent to Apply Form with each copy (10 copies or one copy with CD) of the application.

The application is due August 1, 2007 (Cycle I) or November 1, 2007 (Cycle II).

ITEM INSTRUCTIONS

1. Applicant Organization

Provide the official name and mailing address of the organization applying for an award or recognition. The official name is the name of the organization as you would like it to appear on certificates, award objects, in publicity releases, etc.

2. Official Contact

As the examination proceeds, the Awards Administrator may need to contact the applicant for additional information.

Give the title, name, mailing address, telephone, fax number, and email of the person who has the authority to speak for the organization, to provide additional information, and arrange a site visit, if required.

If the official contact person changes during the application process, notify the Awards Administrator at Quality New Mexico.

3. Level of Application

Check the award/recognition level and sector for which the organization is applying.

NOTE:

ORGANIZATIONS THAT HAVE RECEIVED RECOGNITION IN THE PAST MUST APPLY AT THE NEXT HIGHER LEVEL.

4. Applicable Criteria

Check the appropriate *Criteria* the organization is using to conduct its self-assessment and prepare its application.

► By reading the various *Criteria*, it will likely become clear which *Criteria* version is more aligned with your organization and more beneficial to use.

5. Nature and Size of Organization:

► Check the boxes that most clearly describe the nature of your organization.

► Enter the number of employees in the organization at the time the Intent to Apply Form is submitted. If volunteers are a significant part of your organization, volunteer time may be used in computing the number of full-time-equivalent employees.

NOTE:

At least five full-time (or equivalent) employees are required for an organization to be eligible for the New Mexico Quality Awards.

6. Previous History with the NMQA:

If the organization has applied for NMQA recognition in the past indicate:

- the year of application
- award or recognition level applied for
- and award or recognition received

7. Parent Organization and Subunits:

Subunits of New Mexico organizations may participate at any level – see eligibility requirements Page 7 (if previous recognition must apply at next higher level). Complete this section if applicable including the location of the parent organization.

8. CEO or Highest Ranking Official in New Mexico:

Indicate the title, name, address, telephone, fax number, and email of the organization's CEO or highest-ranking official in New Mexico.

► SIGNATURE OF THE CEO OR HIGHEST RANKING OFFICIAL IN NEW MEXICO IS REQUIRED

By signing the statement the official agrees: that members of the NMQA Board of Examiners, the Panel of Judges, and other individuals with a

specific “need to know” may be authorized access to the application materials;

- 1) that should the organization receive an award or recognition, QNM can publicize the applicant’s name in connection with the awards process;
- 2) that the organization will support a site visit, if requested to do so by the Panel of Judges;
- 3) that the organization will comply with the terms and conditions of the New Mexico Quality Awards; and
- 4) that if recognized at any level, the organization may include this information in marketing materials only if such materials reflect the correct level of award or recognition conveyed, the year it was received, and the correct recognition logo.

The signature also affirms that if the applicant is a sub-unit of a parent organization, the signing official has a clear understanding of the organization and certifies that the applying sub-unit functions relatively independently of the parent organization (see page 7 for details).

9. Mailing or Faxing Instructions:

Intent to Apply forms received after the deadline will only be considered for eligibility and acceptance subject to the availability of sufficient examiners to review the applications.

Late submissions may be rejected and returned without action.

NOTE:

▶ **Roadrunner and Zia applicants must provide at least one examiner for the 2007 cycle.**

▶ **Organizations that do not provide an examiner, or if the examiner drops from the program, will not receive recognition. Applicant will receive a Feedback Report.**

▶ **2007 Examiner Applications (download from our website) must be submitted to Quality New Mexico no later than May 31, 2007 (Cycle I) or July 31 (Cycle II).**

10. Name(s) of Examiner(s) to Be Provided

▶ Identify examiner(s) to be provided.

11. Application CD/PDF and Authorization to Release Via Internet

Application may be submitted CD/PDF or paper format. If submitted CD/PDF applicant must sign the authorization in this section. Along with the CD, submit one paper copy of application and approved Intent To Apply.

12. Application Cycle

Circle the appropriate Cycle for your application, feedback report, and notification. Cycle I applications are due August 1 and Cycle II applications are due November 1. See page 17 for other important dates.

13. Additional Information

Use this section to provide additional information.

14. Eligibility Determination for a 2007 NMQA

This section is for use by Quality New Mexico only.

The Awards Administrator will return a copy of the processed NMQA Intent to Apply form after it is approved.

If eligible, the applicant must include a copy of the form in each of the ten copies of its application (one copy with CD).

APPLICATION INSTRUCTIONS

APPLICATION INSTRUCTIONS

PAGE LIMITS

Specific page limits apply to the different levels of application.

- Piñon applications are limited to 20 pages, including the organizational profile
- Roadrunner applications are limited to 40 pages, including the organizational profile
- Zia applications are limited to 55 pages, including the organizational profile

NOT INCLUDED IN PAGE COUNT

- ▶ cover or title page
- ▶ Table of Contents
- ▶ Acronym Glossary*
- ▶ Organization Chart
- ▶ section dividers
- ▶ copy of approved Intent to Apply form

*Note: The Acronym Glossary must be limited to the conversion of acronyms to their full names and may not be used to provide additional description or other information

COUNTED PAGES

Each printed side of a piece of paper is included in the page count, including pages with:

- ▶ text
- ▶ tables
- ▶ attachments
- ▶ pictures
- ▶ graphs
- ▶ appendices
- ▶ pages that fold out are counted as multiple pages

FORMATTING REQUIREMENTS

Applications at all levels should be formatted in accordance with the following requirements:

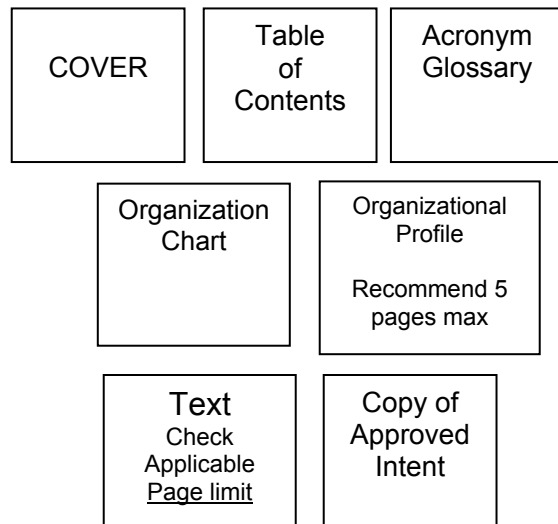
- ▶ Color in either text or graphics may be used but not required
- ▶ Applications should be printed on standard 8½ x 11-inch paper
- ▶ Margins should be at least ¾ inch on all sides
- ▶ Single or double column formats may be used.
- ▶ Pages may be printed on both sides of the paper.

▶ The use of a 10- to 12- point font is mandatory for narrative text throughout the application and is strongly encouraged for use in graphs, tables, figures, pictures, etc. Although slightly smaller font sizes may be used for graphs, tables, pictures, data labels, etc, their use is discouraged.

NOTE: EXAMINERS WILL NOT EVALUATE, ASSESS, SCORE, OR GIVE CREDIT FOR INFORMATION THAT IS UNREADABLE DUE TO SMALL FONT SIZE OR POOR QUALITY REPRODUCTION.

▶ All components of the application should be securely fastened together to prevent separation during handling. Please do not submit in 3-ring binders.

Layout Example:



NOTE:

▶ Applications that deviate from the stated page limits will have pages removed from the document - the pages to be decided by the applicant until it meets the page limit requirements.

▶ Applications that do not meet formatting requirements will be returned without further examination.

APPLICATION INSTRUCTIONS

ORGANIZATIONAL PROFILE

It is strongly recommended that the Organizational Profile be prepared first and that it be used as a guide in self-assessment and in writing and reviewing an NMQA application.

The FIRST STEP in the examination process is for the examiners to determine and reach consensus on your Key Factors (the things most important to your organization) from their review of your Profile.

The Organizational Profile is an overview of your organization. It should address what is most important to the organization, key influences on how the organization

operates, and indicates where the organization is heading, and what is relevant and important to your organization and its performance.

Your Profile is used by examiners and judges in all stages of application review.

NOTE:

► It is recommended that the Organizational Profile be limited to five pages. If the Profile exceeds five pages, it may or may not be accepted as is depending on the number of pages used for the remainder of the application.

► These pages are counted in the overall application page limit.

► Formatting instructions for the Organizational Profile are the same as for the application.

CONSULTANTS

The use of outside consultants to prepare applications for the New Mexico Quality Awards is neither encouraged nor discouraged. Their participation is not a factor in the examination, scoring, or judging process.

If a consultant is used, applicants should be aware that consultants may or may not be familiar with current NMQA processes.

In all cases, the decisions of the NMQA Panel of Judges are final and will not be influenced either way by the participation of consultants in preparing applications.

Consultants may not participate in site visits or post-examination meetings.

AWARD /RECOGNITION

► There are no minimum or maximum number of organizations that may receive recognition each year.

► Recognition may be at:

- the level applied for,
- at a lesser level,
- or no award or recognition

► Recognition limits:

- Piñon level – no limit
- Roadrunner level – no limit
- Zia level may apply every three years

Note:
The decisions of the Panel of Judges are final. There is no appeal or re-scoring process.

► Organizations cannot receive recognition at a level lower than previously received (i.e. Roadrunner recipient cannot subsequently receive a Piñon) thus no recognition.

► To achieve the Zia Award, an organization must meet the challenge of demonstrating performance excellence.

► If applicant does not achieve the threshold scores required, no recognition/award for that level will be given.

► In keeping with the Baldrige Core Value of *Organizational and Personal Learning* and in the spirit of continuous improvement, threshold scores can be expected to increase over time. Therefore, applications previously deemed worthy of recognition or award may not qualify for an award or recognition in subsequent years.

RESPONSIBILITIES OF RECIPIENTS

► Zia Award recipients are expected to be role model organizations in all areas including and beyond those specifically addressed in the *Criteria* and application. To preserve the integrity of the Zia Award, a background interview may be conducted on a Zia applicant as determined by the judges. This includes, but is not limited to, a review of the organization's performance in the areas of ethics, human rights, environmental responsibility, financial stability, and past or pending litigation (civil or criminal) directed at the organization and/or its senior management.

► The NMQA were created to recognize excellence in organizations and to promote economic development and global competitiveness throughout New Mexico. Accordingly, each recipient is asked to share their performance practices with leaders in business, education, health care and nonprofit organizations and to attend/participate in the Quality New Mexico Conference and New Mexico Quality Awards Ceremony.

► In addition, recipients are encouraged to share their experience with other organizations around the state and to continue their own quality efforts. All

applicants are strongly encouraged to have members of their organizations apply to serve as examiners.

► **Zia Award** - The word "Award" is restricted to use by those achieving the Zia.

- **Zia Award** recipients may publicize and advertise receipt of the Zia Award using the Zia logo and year won.
- In no case may a Piñon or Roadrunner recipient advertise that it is a "winner of the *New Mexico Quality Award*;" it is reserved for recipients of the Zia Award

Roadrunner and Piñon Recognition recipients may publicize and advertise using the QNM provided logo and the following statements:

► **Roadrunner Recognition** - *[Organization] has been recognized by the 2007 New Mexico Quality Awards for having made significant progress in quality management.*

► **Piñon Recognition** - *[Organization] has been recognized by the 2007 New Mexico Quality Awards for its commitment to using quality concepts and principles.*

All level recognition recipients must use the year received when referring to receipt of an NMQA recognition.

SITE VISIT - FEEDBACK REPORT - POST-EXAMINATION MEETING

Site Visit

► The Panel of Judges may request a site visit to *verify and clarify* information contained in an application and to subsequently determine award or recognition level, particularly for Zia applications. The Panel of Judges will determine the scope of any site visits.

Feedback Report

► All applicants receive a written Feedback Report highlighting strengths and opportunities for improvement.

► Roadrunner and Zia level applicants (by request only) will be advised of the overall “scoring range” and scoring ranges for each Category and/or Item but will not receive actual Category, Item, or overall scores.

Post-Exam Meeting (No Fee)

► At the request of the applicant, after it has received its Feedback Report, a post-examination meeting with the examination team may be arranged to clarify feedback report comments. Meeting requests must be submitted by January 11, 2008 (Cycle I) or by April 18, 2008 (Cycle II).

Organization-to-Organization Mentoring

Compañero is a Spanish word for 'partner or companion'. The Dennis J. Woywood Compañero Recognition promotes organizations that help other organizations progress more rapidly towards performance excellence. Partnerships are encouraged between experienced quality organizations that have previously been recognized by the NMQA and those beginning their journey.

New Mexico organizations acting as mentors, sponsors, or coaches will be eligible for special Compañero recognition if the partnership results in the mentored organization submitting an application or receiving recognition. NOTE: it is not required that the mentored organization receive NMQA recognition in order to nominate its mentor.

ELIGIBILITY CRITERIA

A 2007 NMQA recognition recipient may nominate an organization for Compañero Recognition if:

1. The nominated organization contributed to increasing the level of performance of the 2007 NMQA applicant for an extended period and in a systematic and meaningful manner.
2. An organization-to-organization mentoring partnership existed between the organization and the 2007 NMQA applicant. One or more individuals can be the lead interface between the organizations, but the primary relationship is between the organizations.

NOMINATION PROCESS

1. By January 31, 2008, a 2007 NMQA applicant may submit a written nomination for the candidate organization to the NMQA Awards Administrator at Quality New Mexico. The nomination should address each of the following items:

▶ identifying information about the candidate organization (name as it should appear on recognition materials, address, and name and phone number of a contact person in the organization).

▶ description of the nature of the mentoring partnership (how created, duration of the relationship, frequency and types of interactions between the parties).

▶ description of the nature and extent of the contribution to an increased level of performance excellence (what changed because of the involvement of the candidate organization in the quality effort of the nominating organization).

▶ a brief statement - 30 words or less - that is appropriate for use on certificates or letters recognizing the Compañero organization.

2. The NMQA Awards Administrator and members of the Awards Team will review the nominations against the Eligibility Criteria and select for recognition the candidate organizations that would provide a positive role model for other New Mexico organizations aspiring to help NMQA applicants move more rapidly toward performance excellence.
3. Notifications to organizations selected for Compañero recognition and to all nominating organizations will be made by February 17, 2008.
4. Compañero organizations will be recognized during the New Mexico Quality Awards ceremony in 2008.

NOTE: ORGANIZATIONS THAT ASSIST OTHER ORGANIZATIONS FOR COMPENSATION (e.g. CONSULTANTS) ARE NOT ELIGIBLE FOR COMPAÑERO RECOGNITION.

RECOGNITION OBJECT

2007 Compañero organizations will be recognized with an etched-glass artistic piece.

2007 New Mexico Quality Awards Key DATES / REQUIREMENTS

| Process Steps | Key Dates | Application Item | Piñon Applications Fees Member / Non-member | Roadrunner Applications Fees Member / Non-member | Zia Applications Fees Member / Non-member |
|---|---|---|---|---|--|
| 1 | 5:00 pm June 5, 2007 (either Cycle I or Cycle II) | Eligibility Determination Package Due | | | |
| | | Intent to Apply Form Non-refundable Intent to Apply Fee | Required \$175 / \$200 | Required \$175 / \$200 | Required \$175 / \$200 |
| NOTE: Intent to Apply forms received late will only be considered for eligibility and acceptance subject to the availability of sufficient examiners and may be returned without action. | | | | | |
| 2 | 5:00 pm August 1, 2007 (Cycle I) -or- 5:00 pm November 1, 2007 (Cycle II) | Application Package Due 10 Copies or One Copy with CD | | | |
| | | Application Fees Base Fee Per Employee Fee (additional, up to maximum) Approved Intent to Apply Form Cover Page Table of Contents and Acronym Glossary Organization Chart Organizational Profile Application Application Page Limits | \$250 / \$375 maximum \$250 / \$375 None Required Optional Optional Required- one page Required – recommend 5 pages Required. Respond to NMQA <i>Piñon Criteria</i> Up to 20 pages including the organizational profile | \$1200 / \$1800 maximum \$500 / \$750 \$1.10 / \$1.30 per employee Required Optional Optional Required - one page Required - recommend 5 pages Required. Respond to all BNQP <i>Criteria</i> Categories, Items, and Areas to Address in Section Three Up to 40 pages including the organizational profile | \$2300 / \$3450 maximum \$1000 / \$1500 \$1.65 / \$1.95 per employee Required Optional Optional Required- one page Required - recommend 5 pages Required. Respond to all BNQP <i>Criteria</i> Categories, Items, and Areas to Address in Section Three Up to 55 pages including the organizational profile |
| NOTE: APPLICATION PACKAGES RECEIVED LATE OR THAT DO NOT MEET THE APPLICATION REQUIREMENTS MAY BE MODIFIED OR RETURNED | | | | | |
| 3 | 10/22 -11/9/07 (Cycle I) -or- 1/28 – 2/15/08 (Cycle II) | Site Visits (if required) Applicant Fee | Not Applicable | At Judges' Discretion \$600 fee plus expenses of team members | At Judges' Discretion \$1,200 fee plus expenses of team members |
| Feedback to Applicants | | | | | |
| 4 | 12/3/07 for Cycle I and 3/10/08 for Cycle II | Notification of Level of Award / Recognition* | Phone, public announcement, and/or mail | Phone, public announcement, and/or mail | Phone, public announcement, and/or mail |
| 5 | By 12/14/07 (Cycle I) -or- 3/21/08 (Cycle II) | Written Feedback Reports to Applicants | | | |
| 6 | By 01/11/08 (Cycle I) -or- 4/18/08 (Cycle II) | Request Post-Examination Meeting | No Fee | No Fee | No Fee |
| 7 | By 01/31/08 (Both Cycles) | Nominate Compañero Candidates | | | |

*First Cycle Notifications may be delayed until the second cycle if circumstances warrant.

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2007
New Mexico Quality Awards
Piñon Criteria

Business / Government / Non-Profit

SECTION TWO

NMQA Piñon Criteria (Business / Government / Non-Profit)

The Piñon level of the New Mexico Quality Awards recognizes organizations demonstrating a serious commitment to the use of Baldrige quality concepts and principles. These organizations have planted the seed of quality and show evidence they are in the beginning stages of using systematic approaches.

Piñon Assessment Response

- The NMQA Criteria for this level is based on the **Category** level of the Baldrige *Criteria for Performance Excellence*.
- The criteria apply to all businesses/organizations regardless of size, type, etc.
 - **Note:** your responses to the questions should provide sufficient detail to enable an examiner to understand the extent to which a process is systematically used throughout your organization. (i.e. a small business/organization may not have the same structure and sophistication of a large organization, therefore, the response needs to clearly identify the process it uses)
- The Organizational Profile requirements are identical for all levels of NMQA assessment and are provided here for convenience.
- The Item and Area questions used in the Baldrige Criteria and used by Roadrunner and Zia applicants should not be used for Piñon assessments. **Piñon applicants respond to the Category-level questions on the following pages.**

► Prior to preparing your assessment it is recommended that the Baldrige *Glossary of Key Terms*, at the end of this section be reviewed.

► For an in-depth understanding of the Categories, review the Category level descriptions of the Baldrige Criteria. (Baldrige *Criteria for Performance Excellence* available online at qualitynewmexico.org or baldrige.nist.gov)

► To simplify the Piñon-level Criteria questions on the following pages, note that “you” and “your” have in some cases been substituted for “your organization”.

► The Piñon Assessment Checklist at the end of this section is provided to assist in the assessment process. Applicants may find this form useful in their initial self-assessment and may also use it as a checklist during assessment preparation.

- **For definitions of key terms, presented throughout the Piñon Criteria in SMALL CAPS, see the Glossary of Key Terms.**
- **Frequently, several questions are grouped under one number (e.g., P.1a[3]). These questions are related and do not require separate responses. These multiple questions serve as a guide in understanding the full meaning of the information being requested.**
- **Category notes serve three purposes:**
 1. **to clarify terms or requirements presented in the Category,**
 2. **to give instructions on responding to the Category requirements, and**
 3. **to indicate key linkages to other Categories. In all cases, the intent is to help you respond to the Category requirements.**
- ***Several Categories have notes that provide guidance specifically for nonprofit organizations. These nonprofit-specific notes are in italics.***

Preface: Organizational Profile

The **Organizational Profile** is a snapshot of your organization, the KEY influences on HOW you operate, and the KEY challenges you face.

P.1 Organizational Description: What are your KEY organizational characteristics?

Describe your organization's operating environment and your KEY relationships with CUSTOMERS, suppliers, PARTNERS, and STAKEHOLDERS.

Within your response, include answers to the following questions:

a. Organizational Environment

(1) What are your organization's main products and services? What are the delivery mechanisms used to provide your products and services to your CUSTOMERS?

(2) What is your organizational culture? What are your stated PURPOSE, VISION, MISSION, and VALUES?

(3) What is your WORKFORCE profile? What are your WORKFORCE or employee groups and SEGMENTS? What are their KEY requirements and expectations? What are their educational levels? What are your organization's WORKFORCE and job DIVERSITY, organized bargaining units, KEY benefits, and special health and safety requirements?

(4) What are your major technologies, equipment, and facilities?

(5) What is the regulatory environment under which your organization operates? What are the applicable occupational health and safety regulations; accreditation, certification, or registration requirements; relevant industry standards; and environmental, financial, and product regulations?

b. Organizational Relationships

(1) What are your organizational structure and GOVERNANCE system? What are the reporting relationships among YOUR GOVERNANCE board, SENIOR LEADERS, and parent organization, as appropriate?

(2) What are your KEY CUSTOMER and STAKEHOLDER groups and market SEGMENTS, as appropriate? What are their KEY requirements and expectations for your products, services, and operations? What are the differences in these requirements and expectations among CUSTOMER and STAKEHOLDER groups and market SEGMENTS?

(3) What are your most important types of suppliers, PARTNERS, COLLABORATORS, and distributors? What role do these suppliers, PARTNERS, COLLABORATORS, and distributors play in your WORK SYSTEMS and the production and delivery of your KEY products and services? What role, if any, do they play in your organizational INNOVATION PROCESSES? What are your most important supply chain requirements?

(4) What are your KEY supplier and CUSTOMER partnering relationships and communication mechanisms?

NOTES

N1. Mechanisms for product and service delivery to your end-use customers (P.1a[1]) might be direct or through dealers, distributors, collaborators, or channel partners.

N2. Workforce or employee groups and segments (including organized bargaining units) (P.1a[3]) might be based on the type of employment or contract reporting relationship, location, tour of duty, work environment, family-friendly policies, or other factors.

N3. Market segments (P.1b[2]) might be based on product or service lines or features, distribution channels, business volume, geography, or other factors that are important to your organization to define related market characteristics.

N4. Customer and stakeholder group and market segment requirements (P.1b[2]) might include on-time delivery, low defect levels, safety, security, ongoing price reductions, electronic communication, rapid response, after-sales service, socially responsible behavior, and community service. *For some nonprofit organizations, requirements also might include administrative cost reductions, at-home services, rapid response to emergencies, and multilingual services.*

N5. Communication mechanisms (P.1b[4]) should be two-way and might be in person, via e-mail, Web-based, or

by telephone. For many organizations, these mechanisms may change as marketplace, customer, or stakeholder requirements change.

N6. *While some nonprofit organizations offer products and services (P.1a[1]), many might appropriately interpret this phrase as programs or projects and services.*

N7. *Customers (P.1a[1]) are the users and potential users of your products, programs, and services. In some nonprofit organizations, customers might include members, taxpayers, citizens, recipients, clients, and beneficiaries. Market segments might be referred to as constituencies.*

N8. *Many nonprofit organizations rely heavily on volunteers to accomplish their work. These organizations should include volunteers in the discussion of their workforce (P.1a[3]).*

N9. *For nonprofit organizations, relevant industry standards (P.1a[5]) might include industrywide codes of conduct and policy guidance. The term “industry” is used throughout the Criteria to refer to the sector in which you operate. For nonprofit organizations, this sector might be charitable organizations, professional associations and societies, religious organizations, or government entities – or a subsector of one of these.*

N10. *For some nonprofit organizations, governance and reporting relationships (P.1b[1]) might include relationships with major agency, foundation, or other funding sources.*

P.2 Organizational Challenges: What are your KEY organizational challenges?

Describe your organization's competitive environment, your KEY STRATEGIC CHALLENGES and advantages, and your system for PERFORMANCE improvement.

Within your response, include answers to the following questions:

a. Competitive Environment

(1) What is your competitive position? What is your relative size and growth in your industry or markets served? What are the numbers and types of competitors for your organization?

(2) What are the principal factors that determine your success relative to your competitors? What are any KEY changes taking place that affect your competitive situation, including opportunities for INNOVATION and collaboration, as appropriate?

(3) What are your KEY available sources of comparative and competitive data from within your industry? What are your KEY available sources of comparative data from outside your industry? What limitations, if any, are there in your ability to obtain these data?

b. Strategic Context

What are your KEY business, operational, and human resource STRATEGIC CHALLENGES and advantages? What are your KEY STRATEGIC CHALLENGES and advantages associated with organizational SUSTAINABILITY?

c. PERFORMANCE Improvement System

What are the KEY elements of your PERFORMANCE improvement system, including your evaluation and LEARNING PROCESSES?

NOTES

N1. Principal factors (P.2a[2]) might include differentiators such as your price leadership, design services, innovation rate, geographic proximity, accessibility, and warranty and product options. *For some nonprofit organizations, differentiators also might include your relative influence with decision makers, ratio of administrative costs to programmatic contributions, reputation for program or service delivery, and wait times for service.*

N2. Strategic challenges and advantages (P.2b) might relate to technology, products, your operations, your industry, globalization, your value chain, and people.

N3. Performance improvement (P.2c) is an assessment dimension used in the Scoring System to evaluate the maturity of organizational approaches and deployment. This question is intended to help you and the New Mexico Quality Award Examiners set an overall context for your approach to performance improvement. Overall approaches to performance improvement might include implementing a Lean Enterprise System, applying Six Sigma methodology, using ISO 9000:2000 standards, or employing other process improvement tools.

N4. *Nonprofit organizations frequently are in a very competitive environment; they often must compete with other organizations and with alternative sources for similar services to secure financial and volunteer resources, membership, visibility in appropriate communities, and media attention.*

N5. *For nonprofit organizations, the term "business" (P.2b) is used throughout the Criteria to refer to your main mission area or enterprise activity.*

NMQA Piñon Criteria For Performance Excellence

Category 1 Leadership

The **Leadership** Category examines HOW your organization's SENIOR LEADERS guide and sustain your organization. Also examined are your organization's GOVERNANCE and HOW your organization addresses its ethical, legal, and community responsibilities.

Address the following questions in your assessment:

1. HOW do SENIOR LEADERS guide and sustain your organization?
2. HOW do SENIOR LEADERS communicate with your WORKFORCE and encourage HIGH PERFORMANCE?
3. What is your organization's GOVERNANCE system?
4. HOW does your organization address its responsibilities to the public, ensure ETHICAL BEHAVIOR, and practice good citizenship?

NOTES

N1. Organizational vision should set the context for strategic objectives and action plans (described in Category 2).

N2. A sustainable organization (question 1) is capable of addressing current business needs and possesses the agility and strategic management to prepare successfully for its future business and market environment. In this context, the concept of innovation includes both technological and organizational innovation to succeed in the future. A sustainable organization also ensures a safe and secure environment for the workforce and other key stakeholders.

N3. Your organizational performance results should be reported in Category 7.

N4. *For nonprofit organizations that rely on volunteers to accomplish their work, responses to question 2 also should discuss your efforts to communicate with and engage the volunteer workforce.*

N5. Societal responsibilities in areas critical to your organization's ongoing success also should be addressed in Strategy Development (Category 2) and in Process Management (Category 6). Key results, such as results of regulatory and legal compliance (including the results of mandated financial audits), environmental improvements through use of "green" technology or other means, or conservation activities, should be reported as Leadership Outcomes (Category 7, question 6).

N6. Measures or indicators of ethical behavior (question 4) might include the percentage of independent board members, measures of relationships with stockholder and non-stockholder constituencies, instances of ethical conduct breaches and responses, survey results on workforce perceptions of organizational ethics, ethics hotline use, and results of ethics reviews and audits. They also might include evidence that policies, workforce training, and monitoring systems are in place with respect to conflicts of interest and proper use of funds.

N7. Areas of community support appropriate for inclusion in question 4 might include your efforts to strengthen local community services, education, and health; the environment, including collaborative activities to conserve the environment or natural resources; and practices of trade, business, or

professional associations.

N8. The health and safety of your workforce are not addressed in Category 1. You should address these employee factors in Category 5.

N9. *Nonprofit organizations should report in question 4, as appropriate, how they address the legal and regulatory requirements and standards that govern fundraising and lobbying activities.*

N10. *For some charitable organizations, support for key communities (question 4) may occur totally through the mission-related activities of the organization. In such cases, it is appropriate to respond with any “extra efforts” you devote to support of these communities.*

Category 2 Strategic Planning

The **Strategic Planning** Category examines how your organization develops **STRATEGIC OBJECTIVES** and **ACTION PLANS**. Also examined are **HOW** your chosen **STRATEGIC OBJECTIVES** and **ACTION PLANS** are **DEPLOYED** and changed if circumstances require, and **HOW** progress is measured.

Address the following questions in your assessment:

1. HOW does your organization determine its **STRATEGIC CHALLENGES** and advantages?
2. HOW does your organization establish its strategies and **STRATEGIC OBJECTIVES** to address these **CHALLENGES** and enhance its advantages?
3. Summarize your organization's **KEY STRATEGIC OBJECTIVES** and their related **GOALS**.
4. HOW does your organization convert its **STRATEGIC OBJECTIVES** into **ACTION PLANS**?
5. Summarize your organization's **ACTION PLANS** and related **KEY PERFORMANCE MEASURES** or **INDICATORS**.
6. Project your organization's future **PERFORMANCE** relative to **KEY** comparisons on these **PERFORMANCE MEASURES** or **INDICATORS**.

NOTES

N1. "Strategy development" refers to your organization's approach (formal or informal) to preparing for the future. Strategy development might use various types of forecasts, projections, options, scenarios, knowledge, or other approaches to envisioning the future for purposes of decision making and resource allocation. Strategy development might involve participation by key suppliers, distributors, partners, and customers. *For some nonprofit organizations, strategy development might involve participation by organizations providing similar services or drawing from the same donor population or volunteer workforce.*

N2. "Strategy" should be interpreted broadly. Strategy might be built around or lead to any or all of the following: new products, services, and markets; revenue growth via various approaches, including acquisitions, grants, and endowments; divestitures; new partnerships and alliances, and new employee or volunteer relationships. Strategy might be directed toward becoming a preferred supplier, a local supplier in each of your major customers' or partners' markets, a low cost producer, a market innovator, or a high-end or customized product or service provider. It also might be directed toward meeting a community or public need.

N3. Strategic objectives that address key challenges and advantages (question 2) might include rapid response, customization, co-location with major customers or partners, workforce capability and capacity, specific joint ventures, virtual manufacturing, rapid innovation, ISO 9000:2000 or ISO 14000 registration, Web-based supplier and customer relationship management, and product and service quality enhancements. Responses to questions 1 and 2 should focus on your specific challenges and advantages – those most important to your ongoing success and to strengthening your organization's

overall performance.

N4. Strategy and action plan development and deployment are closely linked to other Categories. The following are examples of key linkages:

- Category 1 for how your senior leaders set and communicate organization direction;
- Category 3 for gathering customer and market knowledge as input to your strategy and action plans and for deploying action plans;
- Category 4 for measurement, analysis, and knowledge management to support your key information needs, to support your development of strategy, to provide an effective basis for your performance measurements, and to track progress relative to your strategic objectives and action plans;
- Category 5 for meeting your workforce capability and capacity needs, for workforce development and learning system design and needs, and for implementing workforce-related changes resulting from action plans;
- Category 6 for changes to work systems and work process requirements resulting from your action plans; and
- Category 7 question 6 for specific accomplishments relative to your organizational strategy and action plans.

N5. Category 2 addresses your overall organizational strategy, which might include changes in services, products, and product lines. However, the category does not address product or service design; you should address these factors in Category 6, as appropriate.

N6. Deployment of action plans might include key partners, collaborators, and suppliers.

N7. Measures and indicators of projected performance (question 6) might include changes resulting from new ventures; organizational acquisitions or mergers; new value creation; market entry and shifts; new legislative mandates, legal requirements, or industry standards; and significant anticipated innovations in products, services, and technology.

Category 3 Customer and Market Focus

The **Customer and Market Focus** Category examines how your organization determines the requirements, needs, expectations, and preferences of CUSTOMERS and markets. Also examined is how your organization builds relationships with CUSTOMERS and determines the KEY factors that lead to CUSTOMER acquisition, satisfaction, loyalty, and retention and to business expansion and SUSTAINABILITY.

Address the following questions in your assessment:

1. HOW does your organization determine requirements, needs, expectations, and preferences of CUSTOMERS and markets to ensure the continuing relevance of your products and services and to develop new business opportunities?
2. HOW does your organization build relationships to acquire, satisfy and retain CUSTOMERS and to increase CUSTOMER loyalty?
3. HOW does your organization determine CUSTOMER satisfaction and dissatisfaction?

NOTES

N1. Your responses to this Category should include the customer groups and market segments identified in response to P.1b (2) in your Organizational Profile.

N2. If your products or services are sold or delivered to end-use customers via other businesses or organizations (e.g., those that are part of your “value chain,” such as retail stores, dealers, or local distributors), customer groups should include both the end users and these intermediate organizations.

N3. *For additional considerations on products, services, customers, and the business of nonprofit organizations, see Item P.1, Notes 6 and 7, and Item P.2, Note 5.*

N4. Customer relationship building might include the development of partnerships or alliances with customers.

N5. Determining customer satisfaction and dissatisfaction might include use of any or all of the following: surveys, formal and informal feedback, customer account histories, complaints, win/loss analysis, and transaction completion rates. Information might be gathered on the Web, through personal contact or a third party, or by mail.

N6. Customer satisfaction and dissatisfaction measurements might include both a numerical rating scale and descriptors for each unit in the scale. Actionable customer satisfaction measurements provide useful information about specific product and service features, delivery, relationships, and transactions that affect customers’ future actions – repeat business and positive referrals.

N7. Your customer satisfaction and dissatisfaction results should be reported in Category 7 question 2.

N8. *For some nonprofit organizations (e.g., some government agencies or charitable organizations), customers may be assigned or may be required to use your organization, and relationships may be short term. For those organizations, relationship building might be focused on meeting and exceeding expectations during the short-term relationship, resulting in positive comments to other people, including key stakeholders of your organization.*

Category 4 Measurement, Analysis, and Knowledge Management

The **Measurement, Analysis, and Knowledge Management** Category examines **HOW** your organization selects, gathers, analyzes, manages, and improves its data, information, and **KNOWLEDGE ASSETS** and **HOW** it manages its information technology. The Category also examines **HOW** your organization reviews and uses reviews to improve its **PERFORMANCE**.

Address the following questions in your assessment:

1. **HOW** does your organization measure, analyze, align, review, and improve its **PERFORMANCE** through the use of data and information at all levels and in all parts of your organization?
2. **HOW** does your organization **SYSTEMATICALLY** use the results of reviews to evaluate and improve **PROCESSES**?
3. **HOW** does your organization ensure the quality and availability of needed data, information, software, and hardware for your **WORKFORCE**, **SUPPLIERS**, **PARTNERS**, **COLLABORATORS**, and **CUSTOMERS**?
4. **HOW** does your organization build and manage its **KNOWLEDGE ASSETS**?

NOTES

N1. Performance measurement is used in fact-based decision-making for setting and aligning organizational directions and resource use at the work unit, key process, departmental, and whole organization levels.

N2. Comparative data and information are obtained by benchmarking and by seeking competitive comparisons. “Benchmarking” refers to identifying processes and results that represent best practices and performance for similar activities, inside or outside your organization’s industry. Competitive comparisons relate your organization’s performance to that of competitors and other organizations providing similar products and services.

N3. Organizational performance reviews should be informed by organizational performance measurement, performance measures reported throughout your Criteria Category responses, and performance measures reviewed by senior leaders, and they should be guided by the strategic objectives and action plans described in Category 2. The reviews also might be informed by internal or external Baldrige (or Quality New Mexico) assessments.

N4. Analysis includes examining trends; organizational, industry, and technology projections; and comparisons, cause-effect relationships, and correlations. Analysis should support your performance reviews, help determine root causes, and help set priorities for resource use. Accordingly, analysis draws on all types of data: customer-related, financial and market, operational, and competitive.

N5. The results of organizational performance analysis and review should contribute to your organizational strategic planning (in Category 2).

N6. Your organizational performance results should be reported in Category 7.

N7. Data and information access (question 3) might be via electronic or other means.

Category 5 Workforce Focus

The **Workforce Focus** Category examines **HOW** your organization engages, manages, and develops your **WORKFORCE** to utilize its full potential in **ALIGNMENT** with your organization's overall **MISSION**, strategy, and **ACTION PLANS**. The Category examines your ability to assess **WORKFORCE CAPABILITY** and **CAPACITY** needs and to build a **WORKFORCE** environment conducive to **HIGH PERFORMANCE**.

Address the following questions in your assessment:

1. HOW does your organization engage, compensate, and reward your **WORKFORCE** to achieve **HIGH PERFORMANCE**?
2. HOW are members of your **WORKFORCE**, including leaders, developed to achieve **HIGH PERFORMANCE**?
3. HOW does your organization assess **WORKFORCE ENGAGEMENT** and use the results to achieve higher **PERFORMANCE**?
4. HOW does your organization manage **WORKFORCE CAPABILITY** and **CAPACITY** to accomplish the work of the organization?
5. HOW does your organization maintain a safe, secure, and supportive work climate?

NOTES

N1. "Workforce" refers to the people actively involved in accomplishing the work of your organization. It includes your organization's permanent, temporary, and part time personnel, as well as any contract employees supervised by your organization. It includes team leaders, supervisors, and managers at all levels. People supervised by a contractor should be addressed in Category 6 as part of your larger work systems. *For nonprofit organizations that also rely on volunteers, "workforce" includes these volunteers.*

N2. "Workforce engagement" refers to the extent of workforce commitment, both emotional and intellectual, to accomplishing the work, mission, and vision of the organization. Organizations with high levels of workforce engagement are often characterized by high-performing work environments in which people are motivated to do their utmost for the benefit of their customers and for the success of the organization.

N3. Compensation, recognition, and related reward and incentive practices (question 1) include promotions and bonuses that might be based on performance, skills acquired, and other factors. *In some governmental organizations, compensation systems are set by law or regulation. However, since recognition can include monetary and nonmonetary, formal and informal, and individual and group mechanisms, reward and recognition systems do permit flexibility.*

N4. Your organization may have unique considerations relative to workforce development, learning, and career progression. If this is the case for your organization, your response to question 2 should include how you address these considerations.

N5. Identifying improvement opportunities (question 3) might draw on your workforce-focused results presented in Category 7 question 4 and might involve addressing workforce-related problems based on their impact on your business results reported in response to other Category 7 questions.

N6. “Workforce capability” refers to your organization’s ability to accomplish its work processes through the knowledge, skills, abilities, and competencies of its people. Capability may include the ability to build and sustain relationships with your customers; to innovate and transition to new technologies; to develop new products, services, and work processes; and to meet changing business, market, and regulatory demands. “Workforce capacity” refers to your organization’s ability to ensure sufficient staffing levels to accomplish its work processes and successfully deliver your products and services to your customers, including the ability to meet seasonal or varying demand levels.

N7. Workforce capability and capacity should consider not only current needs but also future requirements based on your strategic objectives and action plans reported in Category 2.

N8. Preparing your workforce for changing capability and capacity needs (question 4) might include training, education, frequent communication, considerations of workforce employment and employability, career counseling, and outplacement and other services.

Category 6 Process Management

The **Process Management** Category examines **HOW** your organization determines its **CORE COMPETENCIES** and **WORK SYSTEMS** and **HOW** it designs, manages, and improves its **KEY PROCESSES** for implementing those **WORK SYSTEMS** to deliver **CUSTOMER VALUE** and achieve organizational success and **SUSTAINABILITY**. Also examined is your readiness for emergencies.

Address the following questions in your assessment:

1. HOW does your organization determine its **CORE COMPETENCIES**?
2. HOW does your organization design its **WORK SYSTEMS** and **KEY PROCESSES** to deliver **CUSTOMER VALUE**, prepare for potential emergencies, and achieve organizational success and **SUSTAINABILITY**?
3. HOW does your organization implement and manage its **KEY work PROCESSES** to deliver **CUSTOMER VALUE** and achieve organizational success and **SUSTAINABILITY**?
4. HOW does your organization improve its **KEY work PROCESSES** to achieve better **PERFORMANCE**?

NOTES

N1. “Core competencies” (question 1) refers to your organization’s areas of greatest expertise. Your organization’s core competencies are those strategically important capabilities that provide an advantage in your marketplace or service environment. Core competencies frequently are challenging for competitors or suppliers and partners to imitate and provide a sustainable competitive advantage.

N2. “Work systems” (question 2) refers to how the work of your organization is accomplished. Work systems involve your workforce, your key suppliers and partners, your contractors, your collaborators, and other components of the supply chain needed to produce and deliver your products, services, and business and support processes. Your work systems coordinate the internal work processes and the external resources necessary for you to develop, produce, and deliver your products and services to your customers and to succeed in your marketplace.

N3. Your key work processes are the processes that involve the majority of your organization’s workforce and produce customer, stakeholder, and stockholder value. Your key work processes are your most important product and service design and delivery, business, and support processes.

N4. Disasters and emergencies might be weather-related, utility-related, security-related, or due to a local or national emergency, including potential pandemics such as an avian flu outbreak. Emergency considerations related to information technology should be addressed in Category 4.

N5. To improve process performance (question 4) and reduce variability, you might implement approaches such as a Lean Enterprise System, Six Sigma methodology, use of ISO 9000:2000 standards, the Plan-Do-Check-Act methodology, or other process improvement tools.

N6. The results of improvements in product and service performance should be reported in Category 7 question 1. All other work process performance results should be reported in Category 7 question 5.

Category 7 Results

The **Results** Category examines your organization's **PERFORMANCE** and improvement in all **KEY** areas – product and service outcomes, **CUSTOMER**-focused outcomes; financial and market outcomes; **WORKFORCE**-focused outcomes; **PROCESS-EFFECTIVENESS** outcomes; and leadership outcomes. **PERFORMANCE LEVELS** are examined relative to those of competitors and other organizations providing similar products and services.

Address the following questions in your assessment:

1. What are your organization's **KEY** product and service **PERFORMANCE RESULTS**? **SEGMENT** your **RESULTS** by product and service types and groups, **CUSTOMER** groups, and market **SEGMENTS**, as appropriate. Include appropriate comparative data.
2. What are your organization's **KEY CUSTOMER**-focused **RESULTS** for **CUSTOMER** satisfaction and **CUSTOMER**-perceived **VALUE**, including **CUSTOMER** loyalty? **SEGMENT** your **RESULTS** by product and service types and groups, **CUSTOMER** groups, and market **SEGMENTS**, as appropriate. Include appropriate comparative data.
3. What are your organization's **KEY** financial and marketplace **PERFORMANCE RESULTS** by **CUSTOMER** or market **SEGMENTS**, as appropriate? Include appropriate comparative data.
4. What are your organization's **KEY WORKFORCE**-focused **RESULTS** for **WORKFORCE** **ENGAGEMENT** and for your **WORKFORCE** environment? **SEGMENT** your **RESULTS** to address the **DIVERSITY** of your **WORKFORCE** and to address your **WORKFORCE** groups and **SEGMENTS**, as appropriate. Include appropriate comparative data.
5. What are your organization's **KEY** operational **PERFORMANCE RESULTS** that contribute to the improvement of organizational **EFFECTIVENESS**, including your organization's readiness for emergencies? **SEGMENT** your **RESULTS** by product and service types and groups, by **PROCESSES** and location, and by market **SEGMENTS**, as appropriate. Include appropriate comparative data.
6. What are your organization's **KEY GOVERNANCE** and **SENIOR LEADERSHIP** results, including evidence of strategic plan accomplishments, **ETHICAL BEHAVIOR**, fiscal accountability, legal compliance, social responsibility, and organizational citizenship? **SEGMENT** your **RESULTS** by organizational units, as appropriate. Include appropriate comparative data.

NOTES

N1. Product and service results reported for question 1 should relate to the key product, program, and service features identified as customer requirements or expectations in your Organizational Profile response to P.1.b (2), based on information gathered as described in Category 3. The measures or indicators should address factors that affect customer preference, such as those included in Item P.1, Note 4.

N2. *For some nonprofit organizations, product or service performance measures (question 1) might be mandated by your funding sources. These measures should be identified and reported in your response to this question.*

- N3.** Customer satisfaction and dissatisfaction results reported for question 2 should relate to the customer groups and market segments discussed in P.1.b(2) and Category 3 question 1 and to the determination methods and data described in Category 3 question 3.
- N4.** Measures and indicators of customers' satisfaction with your products and services relative to customers' satisfaction with competitors and comparable organizations (question 2) might include information and data from your customers and from independent organizations.
- N5.** Responses to question 3 might include aggregate measures of financial return, such as return on investment (ROI), operating margins, profitability, or profitability by market or customer segment. Responses also might include measures of financial viability, such as liquidity, debt-to-equity ratio, days cash on hand, asset utilization, and cash flow. Measures should relate to the financial measures reported in Category 4 and the financial management approaches described in Category 2. *For nonprofit organizations, additional measures might include performance to budget, reserve funds, cost avoidance or savings, administrative expenditures as a percentage of budget, and the cost of fundraising versus funds raised.*
- N6.** *For nonprofit organizations, marketplace performance results might include measures of charitable donations or grants and the number of new programs or services offered.*
- N7.** Results reported for question 4 should relate to processes described in Category 5. Your results should be responsive to key work process needs described in Category 6 and to your organization's action plans and human resource plans described in Category 2.
- N8.** Results relating to workforce engagement, workforce satisfaction, and workforce development (including leaders) should include measures and indicators in response to category 5 question 3.
- N9.** *Nonprofit organizations that rely on volunteers should include results for their volunteer workforce, as appropriate.*
- N10.** Results reported for organizational effectiveness results (question 5) should address your key operational requirements as presented in the Organizational Profile and in Category 6. Include results not reported in questions 1 through 4.
- N11.** Results reported for question 5 should provide key information for analysis and review of your organizational performance (Category 4) and should provide the operational basis for product and service outcomes (question 1), customer-focused outcomes (question 2), and financial and market outcomes (question 3).
- N12.** Appropriate measures and indicators of work system performance might include audit, just-in-time delivery, and acceptance results for externally provided products, services, and processes; supplier and partner performance; product, service, and work system innovation rates and results; simplification of internal jobs and job classifications; work layout improvements, changing supervisory ratios; response times for emergency drills or exercises; and results for work relocation or contingency exercises.
- N13.** Measures or indicators of strategy and action plan accomplishment should address your strategic objectives and goals as well as your action plan performance measures and projected performance identified in Category 2.
- N14.** For examples of measures of ethical behavior, see Category 1, Note 6.
- N15.** Fiscal accountability results might include financial statement issues and risks, important internal and external auditor recommendations, and management's responses to these matters. *For some nonprofit organizations, results of IRS 990 audits also might be included.*
- N16.** Regulatory and legal compliance results (question 6) should address requirements described in Category 1. Workforce-related occupational health and safety results (e.g., OSHA-reportable incidents) should be reported in question 4.
- N17.** Organizational citizenship results (question 6) should address Category 1 question 4.

Application Checklist

This checklist is provided to assist your organization in determining whether Piñon criteria have been fully addressed in the assessment. If the characteristics listed below are not addressed in your assessment, consider whether that results from simply not including it in the assessment or, rather, from the characteristic not being part of your organizational system. If a characteristic was simply not included, you may want to edit your assessment to address the characteristic.

| CATEGORIES / QUESTIONS | |
|--|---|
| Category 1 – LEADERSHIP <i>Describes:</i> | ✓ |
| 1. How senior leaders guide and sustain your organization | |
| 2. How senior leaders communicate with your workforce and encourage high performance | |
| 3. What is your organization’s governance system | |
| 4. How your organization addresses its responsibilities to the public, ensures ethical behavior, and practices good citizenship | |
| Category 2 – STRATEGIC PLANNING <i>Describes:</i> | |
| 1. How your organization determines its strategic challenges and advantages | |
| 2. How your organization establishes its strategies and strategic objectives to address these challenges and enhance its advantages | |
| 3. What are your organization’s key strategic objectives and their related goals | |
| 4. How your organization converts its strategic objectives into action plans | |
| 5. What are your organization’s action plans and related key performance measures or indicators | |
| 6. WHAT are your projections related to your organization’s future performance relative to key comparisons on these key performance measures or indicators | |
| Category 3 – CUSTOMER and MARKET FOCUS <i>Describes:</i> | |
| 1. How your organization determines requirements, needs, expectations, and preferences of customers and markets to ensure the continuing relevance of your products and services and to develop new opportunities. | |
| 2. How your organization builds relationships to acquire, satisfy and retain customers and to increase customer loyalty | |
| 3. How your organization determines customer satisfaction and dissatisfaction | |
| Category 4 – MEASUREMENT, ANALYSIS, and KNOWLEDGE MANAGEMENT <i>Describes:</i> | |
| 1. How your organization measures, analyzes, aligns, reviews, and improves its performance through the use of data and information at all levels and in all parts of your organization | |
| 2. How your organization systematically uses the results of reviews to evaluate and improve processes | |
| 3. How your organization ensures the quality and availability of needed data, information, software, and hardware for your workforce, suppliers, partners, collaborators, and customers | |
| 4. How your organization builds and manages its knowledge assets | |
| Category 5 – WORKFORCE FOCUS <i>Describes:</i> | |
| 1. How your organization engages, compensates, and rewards your workforce to achieve high performance | |
| 2. How members of your workforce, including leaders, are developed to achieve high performance | |
| 3. How your organization assesses workforce engagement and uses the results to achieve high performance | |
| 4. How your organization manages workforce capability and capacity to accomplish the work of the organization | |
| 5. How your organization maintains a safe, secure, and supportive work climate | |

| | |
|---|--|
| Category 6 – PROCESS MANAGEMENT <i>Describes:</i> | |
| 1. How your organization determines its core competencies | |
| 2. How your organization designs its work systems and key processes to deliver customer value, prepare for potential emergencies, and achieve organizational success and sustainability | |
| 3. How your organization implements and manages its key work processes to deliver customer value and achieve organizational success and sustainability | |
| 4. How your organization improves its key work processes to achieve better performance | |
| Category 7 – RESULTS <i>Shows results in the following areas:</i> | |
| 1. Product and service performance results | |
| 2. Customer-focused results | |
| 3. Financial and market results | |
| 4. Workforce-focused results | |
| 5. Operational performance results that contribute to improvement of organizational effectiveness | |
| 6. Governance and senior leadership results | |

Glossary of Key Terms

This Glossary of Key Terms defines and briefly describes terms used throughout the Business/Non-Profit/Government Criteria booklet that are important to performance management. As you may have noted, key terms are presented in SMALL CAPS every time they appear in the Category sections of this Criteria booklet.

Action Plans

The term “action plans” refers to specific actions that respond to short- and longer-term strategic objectives. Action plans include details of resource commitments and time horizons for accomplishment. Action plan development represents the critical stage in planning when strategic objectives and goals are made specific so that effective, organization-wide understanding and deployment are possible. In the Criteria, deployment of action plans includes creating aligned measures for all departments and work units. Deployment might also require specialized training for some employees or recruitment of personnel.

An example of a strategic objective for a supplier in a highly competitive industry might be to develop and maintain a price leadership position. Action plans could entail designing efficient processes and creating an accounting system that tracks activity-level costs, aligned for the organization as a whole. Deployment requirements might include work unit and team training in setting priorities based on costs and benefits. Organizational-level analysis and review likely would emphasize productivity growth, cost control, and quality.

See also the definition of “strategic objectives.”

Alignment

The term “alignment” refers to consistency of plans, processes, information, resource decisions, actions, results, and analysis to support key organization-wide goals. Effective alignment requires a common understanding of purposes and goals. It also requires the use of complementary measures and information for planning, tracking, analysis, and improvement at three levels: the organizational level, the key process level, and the work unit level. See also the definition of “integration”.

Analysis

The term “analysis” refers to an examination of facts and data to provide a basis for effective decisions. Analysis often involves the determination of cause-effect relationships. Overall organizational analysis guides the management of work systems and work processes toward achieving key business results and toward attaining strategic objectives.

Despite their importance, individual facts and data do not usually provide an effective basis for actions or setting priorities. Effective actions depend on an understanding of relationships, derived from analysis

of facts and data.

Anecdotal

The term “anecdotal” refers to process information that lacks specific methods, measures, deployment mechanisms, and evaluation/improvement/learning factors. Anecdotal information frequently uses examples and describes individual activities rather than systematic processes.

An anecdotal response to how senior leaders deploy performance expectations might describe a specific occasion when a senior leader visited all of the organization’s facilities. On the other hand, a systematic process might describe the communication methods used by all senior leaders to deliver performance expectations on a regular basis to all employee locations, the measures used to assess effectiveness of the methods, and the tools and techniques used to evaluate and improve the communication methods.

Approach

The term “approach” refers to the methods used by an organization to address the Baldrige (or Piñon) Criteria Category requirements. Approach includes the appropriateness of the methods to the Category requirements and the effectiveness of their use. Approach is one of the dimensions considered in evaluating Process Categories.

Benchmarks

The term “benchmarks” refers to processes and results that represent best practices and performance for similar activities, inside or outside an organization’s industry. Organizations engage in benchmarking to understand the current dimensions of world-class performance and to achieve discontinuous (non-incremental) or “breakthrough” improvement. Benchmarks are one form of comparative data. Other comparative data organizations might use include industry data collected by a third party (frequently industry averages), data on competitors’ performance, and comparisons with similar organizations in the same geographic area or that provide similar products and services in other geographic areas.

Collaborators

The term “collaborators” refers to those organizations or individuals who cooperate with your organization to support a particular activity or event or who cooperate on an intermittent basis when short-term goals are aligned or are the same.

Typically, collaborations do not involve formal agreements or arrangements.

See also the definition of “partners.”

Core Competencies

The term “core competencies” refers to your organization’s areas of greatest expertise. Your organization’s core competencies are those strategically important capabilities that provide an advantage in your marketplace or service environment. Core competencies frequently are challenging for competitors or suppliers and partners to imitate, and they provide a sustainable competitive advantage.

Core competencies may involve technology expertise, unique service offerings, a marketplace niche, or a particular business acumen (e.g. business acquisitions).

Customer

The term “customer” refers to actual and potential users of your organization’s products, programs, or services. Customers include the end users of your products, programs, or services, as well as others who might be their immediate purchasers or users. These others might include distributors, agents, or organizations that further process your product as a component of their product. The Criteria address customers broadly, referencing current and future customers, as well as the customers of your competitors.

Customer-driven excellence is a Baldrige Core Value embedded in the beliefs and behaviors of high-performance organizations. Customer focus impacts and should integrate an organization’s strategic directions, its work systems and work processes, and its business results.

See the definition of “stakeholders” for the relationship between customers and others who might be affected by your products, programs, or services.

Cycle Time

The term “cycle time” refers to the time required to fulfill commitments or to complete tasks. Time measurements play a major role in the Criteria because of the great importance of time performance to improving competitiveness and overall performance. “Cycle time” refers to all aspects of time performance. Cycle time improvement might include time to market, order fulfillment time, delivery time, changeover time, customer response time, and other key measures of time.

Deployment

The term “deployment” refers to the *extent* to which an approach is applied in addressing the

requirements of a Piñon Criteria question.

Deployment is evaluated on the basis of the breadth and depth of application of the approach to relevant work units throughout the organization. Deployment is one of the dimensions considered in evaluating Process Categories.

Diversity

The term “diversity” refers to valuing and benefiting from personal differences. These differences address many variables including race, religion, color, gender, national origin, disability, sexual orientation, age, education, geographic origin, and skill characteristics, as well as differences in ideas, thinking, academic disciplines, and perspectives.

The Baldrige Criteria refer to the diversity of your employee hiring and customer communities. Capitalizing on both provides enhanced opportunities for high performance; customer, workforce, and community satisfaction; and customer and workforce loyalty.

Effective

The term “effective” refers to how well a process or a measure addresses its intended purpose. Determining effectiveness requires (1) the evaluation of how well the approach is aligned with the organization’s needs and how well the approach is deployed or (2) the evaluation of the outcome of the measure used.

Empowerment

The term “empowerment” refers to giving employees the authority and responsibility to make decisions and take actions. Empowerment results in decisions being made closest to the “front line,” where work-related knowledge and understanding reside. Empowerment is aimed at enabling people to satisfy customers on first contact, to improve processes and increase productivity, and to improve the organization’s performance results. An empowered workforce requires information to make appropriate decisions; thus, an organizational requirement is to provide that information in a timely and useful way.

Ethical Behavior

The term “ethical behavior” refers to how an organization ensures that all its decisions, actions, and stakeholder interactions conform to the organization’s moral and professional principles. These principles should support all applicable laws and regulations and are the foundation for the organization’s culture and values. They define “right” from “wrong.”

Senior leaders should act as role models for these principles of behavior. The principles apply to all people involved in the organization, from temporary employees to members of the board of directors, and need to be communicated and reinforced on a regular basis. Although there is no universal model

for ethical behavior, senior leaders should ensure that the organization's mission and vision are aligned with its ethical principles. Ethical behavior should be practiced with all stakeholders, including the workforce, shareholders, customers, partners, suppliers, and the organization's local community.

While some organizations may view their ethical principles as boundary conditions restricting behavior, well-designed and clearly articulated ethical principles should empower people to make effective decisions with great confidence.

Goals

The term "goals" refers to a future condition or performance level that one intends to attain. Goals can be both short- and longer-term. Goals are ends that guide actions. Quantitative goals, frequently referred to as "targets," include a numerical point or range. Targets might be projections based on comparative data or competitive data. The term "stretch goals" refers to desired major, discontinuous (non-incremental) or "breakthrough" improvements, usually in areas most critical to your organization's future success.

Goals can serve many purposes, including (1) clarifying strategic objectives and action plans to indicate how you will measure success, (2) fostering teamwork by focusing on a common end, (3) encouraging "out-of-the-box" thinking to achieve a stretch goal, and (4) providing a basis for measuring and accelerating progress

Governance

The term "governance" refers to the system of management and controls exercised in the stewardship of your organization. It includes the responsibilities of your organization's owners/shareholders, board of directors, and senior leaders. Corporate or organizational charters, by-laws, and policies document the rights and responsibilities of each of the parties and describe how your organization will be directed and controlled to ensure (1) accountability to owners/shareholders and other stakeholders, (2) transparency of operations, and (3) fair treatment of all stakeholders.

Governance processes may include the approval of strategic direction, the monitoring and evaluation of the CEO's performance, the establishment of executive compensation and benefits, succession planning, financial auditing, risk management, disclosure, and shareholder reporting. Ensuring effective governance is important to stakeholders' and the larger society's trust and to organizational effectiveness.

High-Performance Work

The term "high-performance work" refers to work processes used to systematically pursue ever-higher levels of overall organizational and individual

performance, including quality, productivity, innovation rate, and cycle time performance. High-performance work results in improved service for customers and other stakeholders.

Approaches to high-performance work vary in form, function, and incentive systems. High-performance work focuses on workforce engagement. It frequently includes cooperation between management and the workforce, which may involve workforce bargaining units; cooperation among work units, often involving teams; self-directed responsibility and employee empowerment; and employee input to planning. It also may include individual and organizational skill building and learning; learning from other organizations; flexibility in job design and work assignments; a flattened organizational structure, where decision making is decentralized and decisions are made closest to the "front line"; and effective use of performance measures, including comparisons.

Many high-performance work systems use monetary and non-monetary incentives based upon factors such as organizational performance, team and individual contributions, and skill building. Also, high-performance work usually seeks to align the organization's structure, core competencies, work, jobs, workforce development, and incentives.

How

The term "how" refers to the systems and processes that an organization uses to accomplish its mission requirements. In responding to "how" questions in the Piñon criteria, process descriptions should include information such as approach (methods and measures), deployment, learning, and integration factors.

Innovation

The term "innovation" refers to making meaningful change to improve products, programs, services, processes, or organizational effectiveness, and to create new value for stakeholders. Innovation involves the adoption of an idea, process, technology, or product that is either new or new to its proposed application.

Successful organizational innovation is a multi-step process that involves development and knowledge sharing, a decision to implement, implementation, evaluation, and learning. Although innovation is often associated with technological innovation, it is applicable to all key organizational processes that would benefit from change, whether through breakthrough improvement or change in approach or outputs. It could include fundamental changes in organizational structure or the business model to more effectively accomplish the organization's work.

Integration

The term “integration” refers to the harmonization of plans, processes, information, resource decisions, actions, results, and analysis to support key organization-wide goals. Effective integration goes beyond alignment and is achieved when the individual components of a performance management system operate as a fully interconnected unit.

See also the definition of “alignment”.

Integration is one of the dimensions considered in evaluating Process Categories.

Key

The term “key” refers to the major or most important elements or factors, those that are critical to achieving your intended outcome. The Baldrige Criteria, for example, refer to key challenges, key plans, key work processes, key measures— those that are most important to the organization’s success. They are the essential elements for pursuing or monitoring a desired outcome.

Knowledge Assets

The term “knowledge assets” refers to the accumulated intellectual resources of your organization. It is the knowledge possessed by your organization and its workforce in the form of information, ideas, learning, understanding, memory, insights, cognitive and technical skills, and capabilities.

Your workforce, software, patents, databases, documents, guides, policies and procedures, and technical drawings are repositories of your organization’s knowledge assets. Knowledge assets are held not only by an organization but reside within its customers, suppliers, and partners as well.

Knowledge assets are the “know how” that your organization has available to use, to invest, and to grow. Building and managing its knowledge assets are key components for your organization to create value for your stakeholders and to help sustain competitive advantage.

Leadership System

The term “leadership system” refers to how leadership is exercised, formally and informally, throughout the organization; it is the basis for and the way key decisions are made, communicated, and carried out. It includes structures and mechanisms for decision-making; two-way communication; selection and development of leaders and managers; and reinforcement of values, ethical behavior, directions, and performance expectations.

An effective leadership system respects the capabilities and requirements of workforce members and other stakeholders, and it sets high expectations for performance and performance improvement. It

builds loyalties and teamwork based on the organization’s vision and values and the pursuit of shared goals. It encourages and supports initiative and appropriate risk taking, subordinates organization structure to purpose and function, and avoids chains of command that require long decision paths. An effective leadership system includes mechanisms for the leaders to conduct self-examination, receive feedback, and improve.

Learning

The term “learning” refers to new knowledge or skills acquired through evaluation, study, experience, and innovation. The Baldrige Criteria include two distinct kinds of learning: organizational and personal. Organizational learning is achieved through research and development, evaluation and improvement cycles, workforce and stakeholder ideas and input, best practice sharing, and benchmarking. Personal learning is achieved through education, training, and developmental opportunities that further individual growth.

To be effective, learning should be embedded in the way an organization operates. Learning contributes to a competitive advantage for the organization and its workforce. For further description of organizational and personal learning, see the related Core Value and Concept (in the Baldrige Criteria booklet).

Learning is one of the dimensions considered in evaluating Process Categories.

Levels

The term “levels” refers to numerical information that places or positions an organization’s results and performance on a meaningful measurement scale. Performance levels permit evaluation relative to past performance, projections, goals, and appropriate comparisons.

Measures and Indicators

The term “measures and indicators” refers to numerical information that quantifies input, output, and performance dimensions of processes, products, programs, services, and the overall organization (outcomes). Measures and indicators might be simple (derived from one measurement) or composite.

The Criteria do not make a distinction between measures and indicators. However, some users of these terms prefer the term indicator (1) when the measurement relates to performance but is not a direct measure of such performance (e.g., the number of complaints is an indicator of dissatisfaction but not a direct measure of it) and (2) when the measurement is a predictor (“leading indicator”) of some more significant performance (e.g., increased customer satisfaction might be a leading indicator of market share gain).

Mission

The term “mission” refers to the overall function of an organization. The mission answers the question, “What is this organization attempting to accomplish?” The mission might define customers or markets served, distinctive or core competencies, or technologies used.

Partners

The term “partners” refers to those key organizations or individuals who are working in concert with your organization to achieve a common goal or to improve performance. Typically, partnerships are formal arrangements for a specific aim or purpose, such as to achieve a strategic objective or to deliver a specific product or service.

Formal partnerships are usually for an extended period of time and involve a clear understanding of the individual and mutual roles and benefits for the partners.

See also the definition of “collaborators.”

Performance

The term “performance” refers to output results and their outcomes obtained from processes, products, and services that permit evaluation and comparison relative to goals, standards, past results, and other organizations. Performance can be expressed in non-financial and financial terms.

The Baldrige Criteria address four types of performance: (1) product and service, (2) customer-focused, (3) financial and marketplace, and (4) operational.

“Product and service performance” refers to performance relative to measures and indicators of product and service characteristics important to customers. Examples include product reliability, on-time delivery, customer-experienced defect levels, and service response time. For nonprofit organizations, “product and service performance” examples might include program and project performance in areas of rapid response to emergencies, at-home services, or multi-lingual services.

“Customer-focused performance” refers to performance relative to measures and indicators of customers’ perceptions, reactions, and behaviors. Examples include customer retention, complaints, and customer survey results.

“Financial and marketplace performance” refers to performance relative to measures of cost, revenue, and market position, including asset utilization, asset growth, and market share. Examples include returns on investments, value added per employee, debt-to-equity ratio, returns on assets, operating margins, performance to budget, amount of reserve funds,

cash-to-cash cycle time, other profitability and liquidity measures, and market gains.

“Operational performance” refers to workforce, leadership, organizational, and ethical performance relative to effectiveness, efficiency, and accountability measures and indicators. Examples include cycle time, productivity, waste reduction, workforce turnover, workforce cross-training rates, regulatory compliance, fiscal accountability, and community involvement. Operational performance might be measured at the work unit level, key work process level, and organizational level.

Performance Excellence

The term “performance excellence” refers to an integrated approach to organizational performance management that results in (1) delivery of ever-improving value to customers and stakeholders, contributing to organizational sustainability; (2) improvement of overall organizational effectiveness and capabilities; and (3) organizational and personal learning. The Baldrige Criteria for Performance Excellence provide a framework and an assessment tool for understanding organizational strengths and opportunities for improvement and thus for guiding planning efforts.

Performance Projections

The term “performance projections” refers to estimates of future performance. Projections may be inferred from past performance, may be based on competitors’ or similar organizations’ performance that must be met or exceeded, may be predicted based on changes in a dynamic environment, or may be goals for future performance. Projections integrate estimates of your organization’s rate of improvement and change, and they may be used to indicate where breakthrough improvement or innovation is needed. Thus, performance projections serve as a key management planning tool.

Process

The term “process” refers to linked activities with the purpose of producing a product or service for a customer (user) within or outside the organization. Generally, processes involve combinations of people, machines, tools, techniques, materials, and improvements in a defined series of steps or actions. Processes rarely operate in isolation and must be considered in relation to other processes that impact them. In some situations, processes might require adherence to a specific sequence of steps, with documentation (sometimes formal) of procedures and requirements, including well-defined measurement and control steps.

In many service situations, particularly when customers are directly involved in the service, process is used in a more general way (i.e., to spell out what must be done, possibly including a

preferred or expected sequence). If a sequence is critical, the service needs to include information to help customers understand and follow the sequence. Such service processes also require guidance to the providers of those services on handling contingencies related to the possible actions or behaviors of those served.

In knowledge work such as strategic planning, research, development, and analysis, process does not necessarily imply formal sequences of steps. Rather, process implies general understandings regarding competent performance such as timing, options to be included, evaluation, and reporting. Sequences might arise as part of these understandings.

In the Baldrige (and Piñon) Scoring System, your process achievement level is assessed. This achievement level is based on four factors that can be evaluated for each of an organization's key processes: Approach, Deployment, Learning, and Integration.

Productivity

The term "productivity" refers to measures of the efficiency of resource use. Although the term often is applied to single factors such as the workforce (labor productivity), machines, materials, energy, and capital, the productivity concept applies as well to the total resources used in producing outputs. The use of an aggregate measure of overall productivity allows a determination of whether the net effect of overall changes in a process—possibly involving resource tradeoffs—is beneficial.

Purpose

The term "purpose" refers to the fundamental reason that an organization exists. The primary role of purpose is to inspire an organization and guide its setting of values. Purpose is generally broad and enduring. Two organizations in different businesses could have similar purposes, and two organizations in the same business could have different purposes.

Results

The term "results" refers to outputs and outcomes achieved by an organization in addressing the requirements of a Piñon Criteria Category. Results are evaluated on the basis of current performance; performance relative to appropriate comparisons; the rate, breadth, and importance of performance improvements; and the relationship of results measures to key organizational performance requirements.

Segment

The term "segment" refers to a part of an organization's overall customer, market, product or service line, or workforce base. Segments typically have common characteristics that can be grouped logically. In Results Criteria questions, the term

refers to disaggregating results data in a way that allows for meaningful analysis of an organization's performance. It is up to each organization to determine the specific factors that it uses to segment its customers, markets, products, services, and workforce.

Understanding segments is critical to identifying the distinct needs and expectations of different customer, market, and workforce groups and to tailoring products, services, and programs to meet their needs and expectations. As an example, market segmentation might be based on distribution channels, business volume, geography, or technologies employed. Workforce segmentation might be based on geography, skills, needs, work assignments, or job classification.

Senior Leaders

The term "senior leaders" refers to an organization's senior management group or team. In many organizations, this consists of the head of the organization and his or her direct reports.

Stakeholders

The term "stakeholders" refers to all groups that are or might be affected by an organization's actions and success. Examples of key stakeholders include customers, the workforce, partners, collaborators, governing boards, stockholders, donors, suppliers, taxpayers, regulatory bodies, policy makers, funders, and local and professional communities.

See also the definition of "customer".

Strategic Challenges

The term "strategic challenges" refers to those pressures that exert a decisive influence on an organization's likelihood of future success. These challenges frequently are driven by an organization's future competitive position relative to other providers of similar products or services. While not exclusively so, strategic challenges generally are externally driven. However, in responding to externally driven strategic challenges, an organization may face internal strategic challenges.

External strategic challenges may relate to customer or market needs or expectations; product, service, or technological changes; or financial, societal, and other risks or needs. Internal strategic challenges may relate to an organization's capabilities or its human and other resources.

See the definition of "strategic objectives" that immediately follows for the relationship between strategic challenges and the strategic objectives an organization articulates to address key challenges.

Strategic Objectives

The term "strategic objectives" refers to an organization's articulated aims or responses to address major change or improvement,

competitiveness or social issues, and business advantages. Strategic objectives generally are focused both externally and internally and relate to significant customer, market, product, service, or technological opportunities and challenges (strategic challenges). Broadly stated, they are what an organization must achieve to remain or become competitive and ensure long-term sustainability. Strategic objectives set an organization's longer-term directions and guide resource allocations and redistributions.

See the definition of "action plans" for the relationship between strategic objectives and action plans and for an example of each.

Sustainability

The term "sustainability" refers to your organization's ability to address current business needs and to have the agility and strategic management to prepare successfully for your future business, market, and operating environment. Both external and internal factors need to be considered. The specific combination of factors might include industry-wide and organization-specific components.

Sustainability considerations might include workforce capability and capacity, resource availability, technology, knowledge, core competencies, work systems, facilities, and equipment. In addition, sustainability has a component related to preparedness for real-time or short-term emergencies.

Systematic

The term "systematic" refers to approaches that are well-ordered, repeatable, and use data and information so learning is possible. In other words, approaches are systematic if they build in the opportunity for evaluation, improvement and sharing, thereby permitting a gain in maturity.

Trends

The term "trends" refers to numerical information that shows the direction and rate of change for an organization's results. Trends provide a time sequence of organizational performance.

A minimum of three historical (not projected) data points generally is needed to begin to ascertain a trend. More data points are needed to define a statistically valid trend. The time period for a trend is determined by the cycle time of the process being measured. Shorter cycle times demand more frequent measurement, while longer cycle times might require longer time periods before meaningful trends can be determined.

Examples of trends called for by the Criteria include data related to product and service performance, customer and workforce satisfaction and dissatisfaction results, financial performance,

marketplace performance, and operational performance, such as cycle time and productivity.

Value

The term "value" refers to the perceived worth of a product, service, process, asset, or function relative to cost and to possible alternatives.

Organizations frequently use value considerations to determine the benefits of various options relative to their costs, such as the value of various product and service combinations to customers. Organizations need to understand what different stakeholder groups value and then deliver value to each group. This frequently requires balancing value for customers and other stakeholders, such as your workforce and the community.

Values

The term "values" refers to the guiding principles and behaviors that embody how your organization and its people are expected to operate. Values reflect and reinforce the desired culture of the organization. Values support and guide the decision making of every workforce member, helping the organization to accomplish its mission and attain its vision in an appropriate manner. Examples of values might include demonstrating integrity and fairness in all interactions, exceeding customer expectations, valuing individuals and diversity, protecting the environment, and striving for performance excellence every day.

Vision

The term "vision" refers to the desired future state of your organization. The vision describes where the organization is headed, what it intends to be, or how it wishes to be perceived in the future.

Work Systems

The term "work systems" refers to how the work of your organization is accomplished. Work systems involve your workforce, your key suppliers and partners, your contractors, your collaborators, and other components of the supply chain needed to produce and deliver your products, services, and business and support processes. Your work systems coordinate the internal work processes and the external resources necessary for you to develop, produce, and deliver your products and services to your customer and to succeed in your marketplace. Decisions about work systems are strategic. These decisions involve protecting and capitalizing on core competencies and deciding what should be procured or produced outside your organization in order to be efficient and sustainable in your marketplace.

Workforce

The term "workforce" refers to all people actively involved in accomplishing the work of your organization, including paid employees (e.g.,

permanent, part-time, temporary, and telecommuting employees, as well as contract employees supervised by the organization) and volunteers, as appropriate. The workforce includes team leaders, supervisors, and managers at all levels.

Workforce Capability

The term “workforce capability” refers to your organization’s ability to accomplish its work processes through the knowledge, skills, abilities, and competencies of its people.

Capabilities may include the ability to build and sustain relationships with your customers; to innovate and transition to new technologies; to develop new products, services, and work processes; and to meet changing business, market, and regulatory demands.

Workforce Capacity

The term “workforce capacity” refers to your organization’s ability to ensure sufficient staffing levels to accomplish its work processes and successfully deliver your products and services to your customers, including the ability to meet seasonal or varying demand levels.

Workforce Engagement

The term “workforce engagement” refers to the extent of workforce commitment, both emotional and intellectual, to accomplishing the work, mission, and vision of the organization. Organizations with high levels of workforce engagement are often characterized by high-performing work environments in which people are motivated to do their utmost for the benefit of their customers and for the success of the organization.

In general, members of the workforce feel engaged when they find personal meaning and motivation in their work and when they receive positive interpersonal and workplace support. An engaged workforce benefits from trusting relationships, a safe and cooperative environment, good communication and information flow, empowerment, and performance accountability. Key factors contributing to engagement include training and career development, effective recognition and reward systems, equal opportunity and fair treatment, and family friendliness.

