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Criteria for Performance Excellence

Begin with the Organizational Profile

The Organizational Profile is the most appropriate starting point for self-assessment and for writing an application. It is critically important for the following reasons:

• It helps you identify gaps in key information and focus on key performance requirements and results.
• You can use it as an initial self-assessment. If you identify topics for which conflicting, little, or no information is available, use these topics for action planning.
• It sets the context for your responses to the Criteria requirements in categories 1–7.

Preface: Organizational Profile

The Organizational Profile is a snapshot of your organization, the key influences on how it operates, and the key challenges it faces.

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

Describe your operating environment and your key relationships with CUSTOMERS, suppliers, PARTNERS, and STAKEHOLDERS.

In your response, answer the following questions:

a. Organizational Environment

(1) Product Offerings  What are your main product offerings (see the note on the next page)? What is the relative importance of each to your success? What mechanisms do you use to deliver your products?

(2) Vision and Mission  What are your stated PURPOSE, VISION, VALUES, and MISSION? What are your organization’s CORE COMPETENCIES, and what is their relationship to your MISSION?

(3) Workforce Profile  What is your WORKFORCE profile? What are your WORKFORCE or employee groups and SEGMENTS? What are the educational requirements for different employee groups and SEGMENTS? What are the key elements that engage them in achieving your MISSION and VISION? What are your WORKFORCE DIVERSITY and job DIVERSITY? What are your organized bargaining units? What are your organization’s special health and safety requirements?

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

(5) Regulatory Requirements  What is the regulatory environment under which you operate? What are the applicable occupational health and safety regulations; accreditation, certification, or registration requirements; industry standards; and environmental, financial, and product regulations?

b. Organizational Relationships

(1) Organizational Structure  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) Customers and Stakeholders  What are your KEY market SEGMENTS, CUSTOMER groups, and STAKEHOLDER groups, as appropriate? What are their key requirements and expectations of your products, CUSTOMER support services, and operations? What are the differences in these requirements and expectations among market SEGMENTS, CUSTOMER groups, and STAKEHOLDER groups?

(3) Suppliers and Partners  What are your KEY types of suppliers, PARTNERS, and COLLABORATORS? What role do they play in your WORK SYSTEMS, especially in producing and delivering your KEY products and CUSTOMER support services? What role do they play in enhancing your competitiveness? What are your KEY mechanisms for communicating with suppliers, PARTNERS, and COLLABORATORS? What role, if any, do these organizations play in contributing and implementing INNOVATIONS in your organization? What are your KEY supply-chain requirements?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 44–51).
Notes

P. Your responses to the Organizational Profile questions are very important. They set the context for understanding your organization and how it operates. Your responses to all other questions in the Baldrige Criteria should relate to the organizational context you describe in this Profile. Your responses to the Organizational Profile questions thus allow you to tailor your responses to all other questions to your organization’s uniqueness.

P.1a(1). “Product offerings” and “products” are the goods and services you offer in the marketplace. Mechanisms for delivering products to your end-use customers might be direct or might be indirect, through dealers, distributors, collaborators, or channel partners. Nonprofit organizations might refer to their product offerings as programs, projects, or services.

P.1a(2). “Core competencies” are your organization’s areas of greatest expertise. They are those strategically important capabilities that are central to fulfilling your mission or provide an advantage in your marketplace or service environment. Core competencies are frequently challenging for competitors or suppliers and partners to imitate and frequently preserve your competitive advantage.

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

P.1a(5). Industry standards might include industrywide codes of conduct and policy guidance. In the Criteria, “industry” refers 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. Depending on the regions in which you operate, environmental regulations might include greenhouse gas emissions, carbon regulations and trading, and energy efficiency.

P.1b(1). For some nonprofit organizations, governance and reporting relationships might include relationships with major funding sources, such as granting agencies or foundations.

P.1b(2). Customers include the users and potential users of your products. For some nonprofit organizations, customers might include members, taxpayers, citizens, recipients, clients, and beneficiaries, and market segments might be referred to as constituencies.

P.1b(2). Customer groups might be based on common expectations, behaviors, preferences, or profiles. Within a group, there may be customer segments based on differences and commonalities. You might subdivide your market into market segments based on product lines or features, distribution channels, business volume, geography, or other factors that you use to define a market segment.

P.1b(3). Communication mechanisms should be two-way and use understandable language, and they might involve in-person contact, e-mail, the World Wide Web, or the telephone. For many organizations, these mechanisms may change as marketplace, customer, or stakeholder requirements change.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
P.2 Organizational Situation: What is your organization’s strategic situation?

Describe your competitive environment, your KEY STRATEGIC CHALLENGES and ADVANTAGES, and your system for PERFORMANCE improvement.

In your response, include answers to the following questions:

a. Competitive Environment
   (1) Competitive Position What is your competitive position? What are your relative size and growth in your industry or the markets you serve? How many and what types of competitors do you have?

   (2) Competitiveness Changes What KEY changes, if any, are affecting your competitive situation, including changes that create opportunities for INNOVATION and collaboration, as appropriate?

   (3) Comparative Data What KEY sources of comparative and competitive data are available from within your industry? What KEY sources of comparative data are available from outside your industry? What limitations, if any, affect your ability to obtain or use these data?

b. Strategic Context
   What are your KEY STRATEGIC CHALLENGES and ADVANTAGES in the areas of business, operations, societal responsibilities, and WORKFORCE?

c. PERFORMANCE Improvement System
   What are the KEY elements of your PERFORMANCE improvement system, including your PROCESSES for evaluation and improvement of KEY organizational projects and PROCESSES?

Notes

P.2a. Like for-profit businesses, nonprofit organizations are frequently in a highly competitive environment. Nonprofit organizations must often compete with other organizations and alternative sources of similar services to secure financial and volunteer resources, membership, visibility in appropriate communities, and media attention.

P.2b. Strategic challenges and advantages might relate to technology, products, finances, your operations, your parent organization’s capabilities, your customers and markets, your industry, globalization, climate change, your value chain, and people. Strategic advantages might include differentiators such as price leadership, design services, innovation rate, geographic proximity, accessibility, and warranty and product options. For some nonprofit organizations, differentiators might also include relative influence with decision makers, ratio of administrative costs to programmatic contributions, reputation for program or service delivery, and wait times for service.

P.2b. Throughout the Criteria, “business” refers to a nonprofit organization’s main mission area or enterprise activity.

P.2c. The Baldrige Scoring System (page 28) uses performance improvement through learning and integration as a dimension in assessing the maturity of organizational approaches and their deployment. This question is intended to set an overall context for your approach to performance improvement. The approach you use should be related to your organization’s needs. Approaches that are compatible with the overarching systems approach provided by the Baldrige framework might include implementing a Lean Enterprise System, applying Six Sigma methodology, using Plan-Do-Check-Act (PDCA) methodology, using standards from the International Organization for Standardization (ISO; e.g., 9000 or 14000), using decision science, or employing other improvement tools.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
3.2 Customer Engagement: How do you serve customers’ needs to engage them and build relationships? (45 pts.)

Describe HOW you determine product offerings and communication mechanisms to support your CUSTOMERS. Describe HOW you build CUSTOMER relationships.

In your response, include answers to the following questions:

a. Product Offerings and CUSTOMER Support

   (1) Product Offerings  How do you determine CUSTOMER and market requirements for product offerings and services? How do you identify and adapt product offerings to meet the requirements and exceed the expectations of your CUSTOMER groups and market SEGMENTS (identified in the Organizational Profile)? How do you identify and adapt product offerings to enter new markets, to attract new CUSTOMERS, and to create opportunities to expand relationships with current CUSTOMERS, as appropriate?

   (2) CUSTOMER Support  How do you enable CUSTOMERS to seek information and support? How do you enable them to conduct business with you and give feedback on your products and CUSTOMER support? What are your KEY means of CUSTOMER support, including your KEY communication mechanisms? How do they vary for different CUSTOMERS, CUSTOMER groups, or market SEGMENTS? How do you determine your CUSTOMERS’ KEY support requirements? How do you ensure that these requirements are DEPLOYED to all people and PROCESSES involved in CUSTOMER support?

   (3) CUSTOMER Segmentation  How do you use information on CUSTOMERS, markets, and product offerings to identify current and anticipate future CUSTOMER groups and market SEGMENTS? How do you consider competitors’ CUSTOMERS and other potential CUSTOMERS and markets in this segmentation? How do you determine which CUSTOMERS, CUSTOMER groups, and market SEGMENTS to emphasize and pursue for business growth?

b. Building CUSTOMER Relationships

   (1) Relationship Management  How do you market, build, and manage relationships with CUSTOMERS to

   • acquire CUSTOMERS and build market share;
   • retain CUSTOMERS, meet their requirements, and exceed their expectations in each stage of the CUSTOMER life cycle; and
   • increase their ENGAGEMENT with you?

   How do you leverage social media to enhance CUSTOMER ENGAGEMENT and relationships with your organization?

   (2) Complaint Management  How do you manage CUSTOMER complaints? How do you ensure that complaints are resolved promptly and EFFECTIVELY? How does your management of CUSTOMER complaints enable you to recover your CUSTOMERS’ confidence and enhance their satisfaction and ENGAGEMENT?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 44–51).
Notes

3.2. “Customer engagement” refers to your customers’ investment in or commitment to your brand and product offerings. Characteristics of engaged customers include retention and loyalty, willingness to make an effort to do business—and increase their business—with you, and willingness to actively advocate for and recommend your brand and product offerings.

3.2a. “Product offerings” and “products” refer to the goods and services that you offer in the marketplace. In identifying product offerings, you should consider all the important characteristics of products and services and their performance throughout their full life cycle and the full consumption chain. The focus should be on features that affect customer preference and loyalty—for example, features that differentiate your products from competing offerings or other organizations’ services. Those features might include price, reliability, value, delivery, timeliness, product customization, ease of use, requirements for the use and disposal of hazardous materials, customer or technical support, and the sales relationship. Key product features might also take into account how transactions occur and factors such as the privacy and security of customer data. Your results on performance relative to key product features should be reported in item 7.1, and those for customer perceptions and actions (outcomes) should be reported in item 7.2.

3.2a(2). The goal of customer support is to make your organization easy to do business with and responsive to your customers’ expectations.

3.2b. Building customer relationships might include developing partnerships or alliances with customers.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).