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 and allows you to address unique aspects of your organization in your responses to the Criteria requirements in categories 1–7.

Organizational Profile

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

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

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

(3) Workforce Profile What is your WORKFORCE profile? What recent changes have you experienced in WORKFORCE composition or your WORKFORCE needs? What are
- your WORKFORCE or employee groups and SEGMENTS,
- the educational requirements for different employee groups and SEGMENTS, and
- the KEY drivers that engage them in achieving your MISSION and VISION?

What are your organized bargaining units (union representation)? 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 KEY 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 for your products, CUSTOMER support services, and operations? What are the differences in these requirements and expectations among market SEGMENTS, CUSTOMER groups, and STAKEHOLDER groups?

(Continued on the next page)
### Organizational Profile

#### 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(2).** Core competencies are one example of concepts that are woven throughout the Criteria to ensure a systems approach to organizational performance management. Other such concepts include innovation, use of data and information to review performance and create knowledge, and change readiness and management.

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

**P.1a(3).** Organizations that also rely on volunteers and unpaid interns to accomplish their work should include these groups as part of their workforce.

**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 cover 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, commonalities, or both. 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(2).** The requirements of your customer groups and market segments might include on-time delivery, low defect levels, safety, security, ongoing price reductions, the leveraging of technology, rapid response, after-sales service, and multilingual services. The requirements of your stakeholder groups might include socially responsible behavior and community service. **For some nonprofit organizations, these requirements might also include administrative cost reductions, at-home services, and rapid response to emergencies.**

**P.1b(2), P.1b(3).** Customer, stakeholder, and operational requirements and expectations will drive your organization’s sensitivity to the risk of product, service, support, and supply-chain interruptions, including those due to natural disasters and other emergencies.

**P.1b(3).** Communication mechanisms should use understandable language, and they might involve in-person contact, e-mail, social media, 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?

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?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

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, operations, organizational structure and culture, your parent organization’s capabilities, customers and markets, brand recognition and reputation, 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 (pages 30–35) 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 PDCA methodology, using standards from 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).
Leadership (120 pts.)

The Leadership category asks HOW SENIOR LEADERS’ personal actions guide and sustain your organization. It also asks about your organization’s GOVERNANCE system and HOW your organization fulfills its legal, ethical, and societal responsibilities.

1.1 Senior Leadership: How do your senior leaders lead the organization? (70 pts.)

In your response, include answers to the following questions:

a. **Vision, Values, and Mission**
   
   (1) **Vision and Values**  How do senior leaders set your organization’s vision and values? How do senior leaders deploy the vision and values through your leadership system, to the workforce, to key suppliers and partners, and to customers and other stakeholders, as appropriate? How do senior leaders’ personal actions reflect a commitment to those values?

   (2) **Promoting Legal and Ethical Behavior**  How do senior leaders’ actions demonstrate their commitment to legal and ethical behavior? How do they promote an organizational environment that requires it?

   (3) **Creating a Successful Organization**  How do senior leaders’ actions build an organization that is successful now and in the future? How do they
   
   • create an environment for the achievement of your mission, improvement of organizational performance, performance leadership, organizational learning, and learning for people in the workforce;

   • create a workforce culture that delivers a consistently positive customer experience and fosters customer engagement;

   • create an environment for innovation and intelligent risk taking, achievement of your strategic objectives, and organizational agility; and

   • participate in succession planning and the development of future organizational leaders?

b. **Communication and Organizational Performance**
   
   (1) **Communication**  How do senior leaders communicate with and engage the entire workforce and key customers? How do they
   
   • encourage frank, two-way communication, including effective use of social media, when appropriate;

   • communicate key decisions and needs for organizational change; and

   • reinforce high performance and a customer and business focus by taking a direct role in motivating the workforce, including by participating in reward and recognition programs?

   (2) **Focus on Action**  How do senior leaders create a focus on action that will achieve the organization’s mission? How do senior leaders
   
   • create a focus on action that will improve the organization’s performance, achieve innovation and intelligent risk taking, and attain its vision;

   • identify needed actions; and

   • in setting expectations for organizational performance, include a focus on creating and balancing value for customers and other stakeholders?

Terms in **small caps** are defined in the Glossary of Key Terms (pages 47–54).

Notes

1.1. Your organizational performance results should be reported in items 7.1–7.5. Results related to the effectiveness of leadership and the leadership system should be reported in item 7.4.

1.1a(1). Your organization’s vision should set the context for the strategic objectives and action plans you describe in items 2.1 and 2.2.

1.1a(3). A successful organization is capable of addressing current business needs and, through agility and strategic management, is capable of preparing for its future business, market, and operating environment. Achieving future success may require leading transformational changes in the organization’s structure and culture. Both external and internal factors should be considered. Factors in your organization’s sustainability might include workforce
1.2 Governance and Societal Responsibilities: How do you govern your organization and fulfill your societal responsibilities? (50 pts.)

In your response, include answers to the following questions:

a. Organizational Governance

(1) Governance System How does your organization ensure responsible Governance? How do you review and achieve the following key aspects of your Governance system?

- Accountability for senior leaders’ actions
- Accountability for strategic plans
- Fiscal accountability
- Transparency in operations
- Selection of Governance board members and disclosure policies for them, as appropriate
- Independence and Effectiveness of internal and external audits
- Protection of stakeholder and stockholder interests, as appropriate
- Succession planning for senior leaders

(2) Performance Evaluation How do you evaluate the performance of your senior leaders, including the chief executive, and your Governance board? How do you use performance evaluations in determining executive compensation? How do your senior leaders and Governance board use these performance evaluations to advance their development and improve both their own effectiveness as leaders and that of your board and Leadership System, as appropriate?

b. Legal and Ethical Behavior

(1) Legal and Regulatory Compliance How do you anticipate and address public concerns with your products and operations? How do you

- address any adverse societal impacts of your products and operations;
- anticipate public concerns with your future products and operations; and
- prepare for these impacts and concerns proactively, including through conservation of natural resources and effective supply-chain management processes, as appropriate?

What are your key compliance processes, measures, and goals for meeting and surpassing regulatory and legal requirements, as appropriate? What are your key processes, measures, and goals for addressing risks associated with your products and operations?

(Continued on the next page)
(2) **Ethical Behavior**  How do you promote and ensure **ethical behavior** in all interactions? What are your Key Processes and Measures or Indicators for enabling and monitoring ethical behavior in your Governance structure; throughout your organization; and in interactions with your Workforce, Customers, Partners, suppliers, and other Stakeholders? How do you monitor and respond to breaches of ethical behavior?

c. Societal Responsibilities

(1) **Societal Well-Being**  How do you consider societal well-being and benefit as part of your strategy and daily operations? How do you contribute to societal well-being through your environmental, social, and economic systems?

(2) **Community Support**  How do you actively support and strengthen your Key Communities? What are your Key Communities? How do you identify them and determine areas for organizational involvement, including areas that leverage your Core Competencies? How do your Senior Leaders, in concert with your Workforce, contribute to improving these communities?

**Notes**

1.2. Societal responsibilities in areas critical to your ongoing marketplace success should also be addressed in Strategy Development (item 2.1) and Operations (category 6). Key results should be reported as Leadership and Governance Results (item 7.4). Examples are results related to regulatory and legal requirements (including the results of mandated financial audits); reductions in environmental impacts through the use of “green” technology, resource-conserving activities, reduction of carbon footprint, or other means; or improvements in social impacts, such as the global use of enlightened labor practices.

1.2. The health and safety of your workforce are not addressed in this item; you should address these workforce factors in items 5.1 and 6.2.

1.2a(1). The governance board’s review of organizational performance and progress, if appropriate, is addressed in 4.1(b).

1.2a(1). Transparency in the operations of your governance system should include your internal controls on governance processes. For some privately held businesses and nonprofit organizations, an external advisory board may provide some or all governance board functions. For nonprofit organizations that serve as stewards of public funds, stewardship of those funds and transparency in operations are areas of emphasis.

1.2a(2). The evaluation of leaders’ performance might be supported by peer reviews, formal performance management reviews, and formal or informal feedback from and surveys of the workforce and other stakeholders. For some privately held businesses and nonprofit and government organizations, external advisory boards might evaluate the performance of senior leaders and the governance board.

1.2b(1). Nonprofit organizations should report, as appropriate, how they meet and surpass the regulatory and legal requirements and standards that govern fundraising and lobbying.

1.2b(2). Measures or indicators of ethical behavior might include the percentage of independent board members, measures of relationships with stockholder and non-stockholder constituencies, instances of ethical conduct or compliance breaches and responses to them, survey results showing workforce perceptions of organizational ethics, ethics hotline use, and results of ethics reviews and audits.

1.2c. Areas of societal contributions might include your efforts to improve the environment (e.g., collaboration to conserve the environment or natural resources); strengthen local community services, education, health, and emergency preparedness; and improve the practices of trade, business, or professional associations.

1.2c. Some charitable organizations may contribute to society and support their key communities totally through mission-related activities. In such cases, it is appropriate to respond with any “extra efforts” through which you support these communities.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
Strategy (85 pts.)

The Strategy category asks how your organization develops STRATEGIC OBJECTIVES and ACTION PLANS, implements them, changes them if circumstances require, and measures progress.

2.1 Strategy Development: How do you develop your strategy? (45 pts.)

In your response, include answers to the following questions:

a. Strategy Development PROCESS

(1) Strategic Planning PROCESS  HOW do you conduct your strategic planning? What are the KEY PROCESS steps? Who are the KEY participants? What are your short- and longer-term planning horizons? HOW are they addressed in the planning PROCESS? HOW does your strategic planning PROCESS address the potential need for

- transformational change and prioritization of change initiatives,
- organizational agility, and
- operational flexibility?

(2) INNOVATION  HOW does your strategy development PROCESS stimulate and incorporate INNOVATION? HOW do you identify STRATEGIC OPPORTUNITIES? HOW do you decide which STRATEGIC OPPORTUNITIES are INTELLIGENT RISKS for pursuing? What are your KEY STRATEGIC OPPORTUNITIES?

(3) Strategy Considerations  HOW do you collect and analyze relevant data and develop information for your strategic planning PROCESS? In this collection and ANALYSIS, HOW do you include these KEY elements?

- Your STRATEGIC CHALLENGES and STRATEGIC ADVANTAGES
- Risks to your organization’s future success
- Potential changes in your regulatory environment
- Potential blind spots in your strategic planning PROCESS and information
- Your ability to execute the strategic plan

(4) WORK SYSTEMS and CORE COMPETENCIES  What are your KEY WORK SYSTEMS? HOW do you make WORK SYSTEM decisions that facilitate the accomplishment of your STRATEGIC OBJECTIVES? HOW do you decide which KEY PROCESSES will be accomplished by external suppliers and PARTNERS? HOW do those decisions consider your CORE COMPETENCIES and the CORE COMPETENCIES of potential suppliers and PARTNERS? HOW do you determine future organizational CORE COMPETENCIES and WORK SYSTEMS?

b. Strategic Objectives

(1) KEY STRATEGIC OBJECTIVES  What are your organization’s KEY STRATEGIC OBJECTIVES and timetable for achieving them? What are your most important GOALS for these STRATEGIC OBJECTIVES? What KEY changes, if any, are planned in your products, CUSTOMERS and markets, suppliers and PARTNERS, and operations?

(2) STRATEGIC OBJECTIVE Considerations  HOW do your STRATEGIC OBJECTIVES achieve appropriate balance among varying and potentially competing organizational needs? HOW do your STRATEGIC OBJECTIVES

- address your STRATEGIC CHALLENGES and leverage your CORE COMPETENCIES, STRATEGIC ADVANTAGES, and STRATEGIC OPPORTUNITIES;
- balance short- and longer-term planning horizons; and
- consider and balance the needs of all KEY STAKEHOLDERS?

Terms in small caps are defined in the Glossary of Key Terms (pages 47–54).

Notes

2.1. This item deals with your overall organizational strategy, which might include changes in product offerings and customer engagement processes. However, you should describe the product design and customer engagement strategies, respectively, in items 6.1 and 3.2, as appropriate.

2.1. Strategy development refers to your organization’s approach to preparing for the future. In developing your strategy, you might use various types of forecasts, projections, options, scenarios, knowledge (see 4.2a for relevant organizational knowledge), analyses, or other approaches...
to envisioning the future in order to make decisions and allocate resources. Strategy development might involve key suppliers, distributors, partners, and customers. For some nonprofit organizations, strategy development might involve organizations providing similar services or drawing from the same donor population or volunteer workforce.

2.1. The term “strategy” should be interpreted broadly. Strategy might be built around or lead to any or all of the following: new products; redefinition of key customer groups or market segments; differentiation of your brand; new core competencies; 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, local supplier in each of your major customers’ or partners’ markets, low-cost producer, market innovator, or provider of a high-end or customized product or service. It might also be directed toward meeting a community or public need.

2.1a(2). Strategic opportunities arise from outside-the-box thinking, brainstorming, capitalizing on serendipity, research and innovation processes, nonlinear extrapolation of current conditions, and other approaches to imagining a different future. The generation of ideas that lead to strategic opportunities benefits from an environment that encourages nondirected, free thought. Choosing which strategic opportunities to pursue involves considering relative risk, financial and otherwise, and then making intelligent choices (“intelligent risks”).

2.1a(3). Data and information may come from a variety of internal and external sources and in a variety of forms. Data are available in increasingly greater volumes and at greater speeds. The ability to capitalize on data and information, including large datasets (“big data”), is based on the ability to analyze the data, draw conclusions, and pursue actions, including intelligent risks.

2.1a(3). Data and information might relate to customer and market requirements, expectations, and opportunities; your core competencies; the competitive environment and your performance now and in the future relative to competitors and comparable organizations; your product life cycle; technological and other key innovations or changes that might affect your products and services and the way you operate, as well as the rate of innovation; workforce and other resource needs; your ability to capitalize on diversity; opportunities to redirect resources to higher-priority products, services, or areas; financial, societal, ethical, regulatory, technological, security, and other potential risks and opportunities; your ability to prevent and respond to emergencies, including natural or other disasters; changes in the local, national, or global economy; requirements for and strengths and weaknesses of your partners and supply chain; changes in your parent organization; and other factors unique to your organization.

2.1a(3). Your strategic planning should address your ability to mobilize the necessary resources and knowledge to execute the strategic plan. It should also address your ability to execute contingency plans or, if circumstances require, a shift in plans and rapid execution of new or changed plans.

2.1a(4). Decisions about work systems are strategic. These decisions involve protecting intellectual property, capitalizing on core competencies, and mitigating risk. Decisions about your work systems affect organizational design and structure, size, locations, profitability, and ongoing success. In a generic view of an organization, for example, the organization might define three work systems: one that addresses production of the product or service, one that engages the customer, and one that comprises systems that support production and customer engagement.

2.1b(1). Strategic objectives might address rapid response, customization, co-location with major customers or partners, workforce capability and capacity, specific joint ventures, virtual manufacturing, rapid or market-changing innovation, ISO quality or environmental systems registration, societal responsibility actions or leadership, social media and web-based supplier and customer relationship management, and product and service quality enhancements. Responses should focus on your specific challenges, advantages, and opportunities—those most important to your ongoing success and to strengthening your overall performance.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
2.2 Strategy Implementation: How do you implement your strategy? (40 pts.)

In your response, include answers to the following questions:

**ACTION PLAN Development and DEPLOYMENT**

1. **ACTION PLANS** What are your **KEY** short- and longer-term **ACTION PLANS**? What is their relationship to your STRATEGIC OBJECTIVES? How do you develop your ACTION PLANS?

2. **ACTION PLAN Implementation** How do you **DEPLOY** your **ACTION PLANS**? How do you DEPLOY your ACTION PLANS to your WORKFORCE and to KEY suppliers and PARTNERS, as appropriate, to ensure that you achieve your KEY STRATEGIC OBJECTIVES? How do you ensure that you can sustain the KEY outcomes of your ACTION PLANS?

3. **Resource Allocation** How do you ensure that financial and other resources are available to support the achievement of your ACTION PLANS while you meet current obligations? How do you allocate these resources to support the plans? How do you manage the risks associated with the plans to ensure your financial viability?

4. **WORKFORCE Plans** What are your **KEY** WORKFORCE plans to support your short- and longer-term STRATEGIC OBJECTIVES and ACTION PLANS? How do the plans address potential impacts on your WORKFORCE members and any potential changes in WORKFORCE CAPABILITY and CAPACITY needs?

5. **PERFORMANCE MEASURES** What **KEY** PERFORMANCE MEASURES or INDICATORS do you use to track the achievement and EFFECTIVENESS of your **ACTION PLANS**? How does your overall ACTION PLAN measurement system reinforce organizational ALIGNMENT?

6. **PERFORMANCE PROJECTIONS** For these **KEY** PERFORMANCE MEASURES or INDICATORS, what are your PERFORMANCE PROJECTIONS for your short- and longer-term planning horizons? How does your projected PERFORMANCE on these MEASURES or INDICATORS compare with your PROJECTIONS of the PERFORMANCE of your competitors or comparable organizations and with KEY BENCHMARKS, as appropriate? If there are gaps in PERFORMANCE against your competitors or comparable organizations, HOW do you address them?

**ACTION PLAN Modification**

How do you establish and implement modified ACTION PLANS if circumstances require a shift in plans and rapid execution of new plans?

**Notes**

2.2. The development and deployment of your strategy and action plans are closely linked to other Criteria items. The following are examples of key linkages:

- Item 1.1: how your senior leaders set and communicate organizational direction
- Category 3: how you gather customer and market knowledge as input to your strategy and action plans and to use in deploying action plans
- Category 4: how you measure and analyze data and manage knowledge to support key information needs, support the development of strategy, provide an effective basis for performance measurements, and track progress on achieving strategic objectives and action plans
- Category 5: how you meet workforce capability and capacity needs, determine needs and design your workforce development and learning system, and implement workforce-related changes resulting from action plans
- Category 6: how you address changes to your work processes resulting from action plans
- Item 7.1: specific accomplishments relative to your organizational strategy and action plans

2.2a(2). Action plan implementation and deployment may require modifications in organizational structures and operating modes. Action plan success benefits from visible short-term wins as well as long-term actions.

2.2a(6). Measures and indicators of projected performance might include consideration of 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 services and technology.

2.2b. Organizational agility requires the ability to adapt to changing circumstances, both internal and external.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
Customers (85 pts.)

The Customers category asks how your organization engages its customers for long-term marketplace success, including how your organization listens to the voice of the customer, builds customer relationships, and uses customer information to improve and to identify opportunities for innovation.

3.1 Voice of the Customer: How do you obtain information from your customers? (40 pts.)

In your response, include answers to the following questions:

a. Customer Listening

(1) Current Customers How do you listen to, interact with, and observe customers to obtain actionable information? How do your listening methods vary for different customers, customer groups, or market segments? How do you use social media and web-based technologies to listen to customers, as appropriate? How do your listening methods vary across the customer life cycle? How do you seek immediate and actionable feedback from customers on the quality of products, customer support, and transactions?

(2) Potential Customers How do you listen to potential customers to obtain actionable information? How do you listen to former customers, potential customers, and competitors’ customers to obtain actionable information on your products, customer support, and transactions, as appropriate?

b. Determination of Customer Satisfaction and Engagement

(1) Satisfaction, Dissatisfaction, and Engagement How do you determine customer satisfaction, dissatisfaction, and engagement? How do your determination methods differ among your customer groups and market segments, as appropriate? How do your measurements capture actionable information to use in exceeding your customers’ expectations and securing your customers’ engagement for the long term?

(2) Satisfaction Relative to Competitors How do you obtain information on customers’ satisfaction with your organization relative to other organizations? How do you obtain information on your customers’ satisfaction relative to their satisfaction with your competitors and relative to the satisfaction of customers of other organizations that provide similar products or to industry benchmarks, as appropriate?

Terms in small caps are defined in the Glossary of Key Terms (pages 47–54).

Notes

3.1. The voice of the customer refers to your process for capturing customer-related information. Voice-of-the-customer processes are intended to be proactive and continuously innovative so that they capture stated, unstated, and anticipated customer requirements, expectations, and desires. The goal is customer engagement. In listening to the voice of the customer, you might gather and integrate various types of customer data, such as survey data, focus group findings, blog comments and data from other social media, warranty data, marketing and sales information, and complaint data that affect customers’ purchasing and engagement decisions.

3.1. For additional considerations on the products and business of nonprofit organizations, see the notes to P.1a(1) and P.2b.

3.1a(1). Social media and web-based technologies are a growing mode of gaining insight into how customers perceive all aspects of your involvement with them. Listening through social media may include monitoring comments on social media outlets you moderate and on those you do not control, such as wikis, online forums, and blogs other than your own.

3.1a(1). The customer life cycle begins in the product concept or pre-sale period and continues through all stages of your involvement with the customer. These stages might include relationship building, the active business relationship, and an exit strategy, as appropriate.

3.1b. You might use any or all of the following to determine customer satisfaction and dissatisfaction: surveys, formal and informal feedback, customer account histories, complaints, field reports, win/loss analysis, customer referral rates, and transaction completion rates. You might gather information on the web, through personal contact or a third party, or by mail. Determining customer dissatisfaction should be seen as more than reviewing low customer satisfaction scores. Dissatisfaction should be independently determined to identify root causes and enable a systematic remedy to avoid future dissatisfaction.
3.1b(2). Information you obtain on relative customer satisfaction may include comparisons with competitors, comparisons with other organizations that deliver similar products in a noncompetitive marketplace, or comparisons obtained through trade or other organizations. Information obtained on relative customer satisfaction may also include information on why customers choose your competitors over you.

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 engage customers by serving their needs and building relationships? (45 pts.)

In your response, include answers to the following questions:

a. Product Offerings and Customer Support

(1) **Product Offerings** How do you determine product offerings? How do you
- determine product offerings and requirements for product offerings and services;
- identify and adapt product offerings to meet the requirements and exceed the expectations of your customer groups and market segments; and
- 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? 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 and
- deploy these requirements to all people and processes involved in customer support?

(3) **Customer Segmentation** How do you determine your customer groups and market segments? How do you
- use information on customers, markets, and product offerings to identify current and anticipate future customer groups and market segments;
- consider competitors’ customers and other potential customers and markets in this segmentation; and
- determine which customers, customer groups, and market segments to emphasize and pursue for business growth?

b. Customer Relationships

(1) **Relationship Management** How do you build and manage customer relationships? How do you market, build, and manage relationships with customers to
- acquire customers and build market share;
- manage and enhance your brand image;
- 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 manage and enhance your brand and to enhance customer engagement and relationships with your organization, as appropriate?

(2) **Complaint Management** How do you manage customer complaints? How do you resolve complaints promptly and effectively? How does your management of customer complaints enable you to recover your customers’ confidence, enhance their satisfaction and engagement, and avoid similar complaints in the future?

Terms in small caps are defined in the Glossary of Key Terms (pages 47–54).
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, brand 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 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 customers’ preference for and loyalty to you and your brand—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.

3.2b(1). Brand management is generally associated with marketing to improve the perceived value of your product or brand. Successful brand management builds customer loyalty and positive associations, and it protects your brand and intellectual property.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
4 Measurement, Analysis, and Knowledge Management (90 pts.)

The Measurement, Analysis, and Knowledge Management category asks how your organization selects, gathers, analyzes, manages, and improves its data, information, and knowledge assets; how it learns; and how it manages information technology. The category also asks how your organization uses review findings to improve its performance.

4.1 Measurement, Analysis, and Improvement of Organizational Performance: How do you measure, analyze, and then improve organizational performance? (45 pts.)

In your response, include answers to the following questions:

a. **Performance Measurement**

   (1) **Performance Measures**  How do you use data and information to track daily operations and overall organizational performance? How do you
   - select, collect, align, and integrate data and information to use in tracking daily operations and overall organizational performance; and
   - track progress on achieving strategic objectives and action plans?

   What are your key organizational performance measures, including key short- and longer-term financial measures? How frequently do you track these measures?

   (2) **Comparative Data**  How do you select and effectively use comparative data and information? How do you
   - select and effectively use key comparative data and information to support operational decision making?

   (3) **Customer Data**  How do you use voice-of-the-customer and market data and information?
   - select and effectively use voice-of-the-customer and market data and information (including aggregated data on complaints) to build a more customer-focused culture and to support operational decision making, and
   - use data and information gathered through social media, as appropriate?

   (4) **Measurement Agility**  How do you ensure that your performance measurement system can respond to rapid or unexpected organizational or external changes?

b. **Performance Analysis and Review**

   How do you review your organization’s performance and capabilities? How do you use your key organizational performance measures, as well as comparative and customer data, in these reviews? What analyses do you perform to support these reviews and ensure that conclusions are valid? How do your organization and its senior leaders use these reviews to
   - assess organizational success, competitive performance, financial health, and progress on achieving your strategic objectives and action plans; and
   - respond rapidly to changing organizational needs and challenges in your operating environment, including any need for transformational change in organizational structure and work systems?

   How does your governance board review the organization’s performance and its progress on strategic objectives and action plans, if appropriate?

c. **Performance Improvement**

   (1) **Best Practices**  How do you share best practices in your organization? How do you identify organizational units or operations that are high performing? How do you identify their best practices for sharing and implement them across the organization, as appropriate?

   (2) **Future Performance**  How do you project your organization’s future performance? How do you use findings from performance reviews (addressed in 4.1b) and key comparative and competitive data in projecting future performance? How do you reconcile any differences between these projections of future performance and performance projections developed for your key action plans (addressed in 2.2a[6])?

(Continued on the next page)
(3) **Continuous Improvement and Innovation**  
HOW do you use findings from PERFORMANCE reviews (addressed in 4.1b) to develop priorities for continuous improvement and opportunities for INNOVATION? HOW do you DEPLOY these priorities and opportunities

- to work group and functional-level operations and
- when appropriate, to your suppliers, PARTNERS, and COLLABORATORS to ensure organizational ALIGNMENT?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

4.1. The results of organizational performance analysis and review should inform the strategy development and implementation you describe in category 2.

4.1. Your organizational performance results should be reported in items 7.1–7.5.

4.1a. Data and information from performance measurement should be used to support fact-based decisions that set and align organizational directions and resource use at the work unit, key process, department, and organization levels.

4.1a(2). Comparative data and information are obtained by benchmarking and by seeking competitive comparisons. Benchmarking is identifying processes and results that represent best practices and performance for similar activities, inside or outside your industry. Competitive comparisons relate your performance to that of competitors and other organizations providing similar products and services. One source of this information might be social media or the web.

4.1b. Organizational performance reviews should be informed by organizational performance measurement and by performance measures reported throughout your Criteria item responses, and they should be guided by the strategic objectives and action plans you identify in category 2. The reviews might also be informed by internal or external Baldrige assessments.

4.1b. Performance analysis includes examining performance trends; organizational, industry, and technology projections; and comparisons, cause–effect relationships, and correlations. This analysis should support your performance reviews, help determine root causes, and help set priorities for resource use. Accordingly, such analysis draws on all types of data: product performance, customer-related, financial and market, operational, and competitive. The analysis should also draw on publicly mandated measures, when appropriate.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
4.2 Knowledge Management, Information, and Information Technology: How do you manage your organizational knowledge assets, information, and information technology infrastructure? (45 pts.)

In your response, include answers to the following questions:

a. Organizational Knowledge

(1) Knowledge Management  HOW do you manage organizational knowledge? HOW do you
- collect and transfer WORKFORCE knowledge;
- blend and correlate data from different sources to build new knowledge;
- transfer relevant knowledge from and to CUSTOMERS, suppliers, PARTNERS, and COLLABORATORS; and
- assemble and transfer relevant knowledge for use in your INNOVATION and strategic planning PROCESSES?

(2) Organizational Learning  HOW do you use your knowledge and resources to embed LEARNING in the way your organization operates?

b. Data, Information, and Information Technology

(1) Data and Information Quality  HOW do you verify and ensure the quality of organizational data and information? HOW do you manage electronic and other data and information to ensure their accuracy and validity, integrity and reliability, and currency?

(2) Data and Information Security  HOW do you ensure the security of sensitive or privileged data and information? HOW do you manage electronic and other data and information to ensure confidentiality and only appropriate access? HOW do you oversee the cybersecurity of your information systems?

(3) Data and Information Availability  HOW do you ensure the availability of organizational data and information? HOW do you make needed data and information available in a user-friendly format and timely manner to your WORKFORCE, suppliers, PARTNERS, COLLABORATORS, and CUSTOMERS, as appropriate?

(4) Hardware and Software Properties  HOW do you ensure that hardware and software are reliable, secure, and user-friendly?

(5) Emergency Availability  In the event of an emergency, HOW do you ensure that hardware and software systems and data and information continue to be secure and available to EFFECTIVELY serve CUSTOMERS and business needs?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes

4.2a(1). Blending and correlating data from different sources may involve handling big data sets and disparate types of data and information, such as data tables, video, and text. Furthermore, organizational knowledge constructed from these data may be speculative and may reveal sensitive information about organizations or individuals that must be protected from use for any other purposes.

4.2b(2). Managing cybersecurity (the security of electronic data) includes, for example, protecting against the loss of sensitive information about employees, customers, and organizations; protecting assets stored in the cloud or outside your organization’s control; protecting intellectual property; and protecting against the financial, legal, and reputational aspects of data breaches.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
The WORKFORCE category asks how your organization assesses WORKFORCE CAPABILITY and CAPACITY needs and builds a WORKFORCE environment conducive to high performance. The category also asks how your organization engages, manages, and develops your WORKFORCE to utilize its full potential in alignment with your organization’s overall business needs.

5.1 Workforce Environment: How do you build an effective and supportive workforce environment? (40 pts.)

In your response, include answers to the following questions:

a. WORKFORCE CAPABILITY and CAPACITY

1. CAPABILITY and CAPACITY How do you assess your WORKFORCE CAPABILITY and CAPACITY needs? How do you assess the skills, competencies, certifications, and staffing levels you need?

2. New WORKFORCE Members How do you recruit, hire, place, and retain new WORKFORCE members? How do you ensure that your WORKFORCE represents the diverse ideas, cultures, and thinking of your hiring and customer community?

3. Work Accomplishment How do you organize and manage your WORKFORCE? How do you organize and manage your WORKFORCE to
   • accomplish your organization’s work,
   • capitalize on your organization’s core competencies,
   • reinforce a customer and business focus, and
   • exceed performance expectations?

4. WORKFORCE Change Management How do you prepare your WORKFORCE for changing CAPABILITY and CAPACITY needs? How do you
   • manage your WORKFORCE, its needs, and your organization’s needs to ensure continuity, prevent WORKFORCE reductions, and minimize the impact of such reductions, if they become necessary;
   • prepare for and manage periods of WORKFORCE growth; and
   • prepare your WORKFORCE for changes in organizational structure and work systems, when needed?

b. WORKFORCE Climate

1. Workplace Environment How do you ensure workplace health, security, and accessibility for the WORKFORCE? What are your performance measures and improvement goals for your workplace environmental factors? For your different workplace environments, what significant differences are there in these factors and their performance measures or targets?

2. WORKFORCE Benefits and Policies How do you support your WORKFORCE via services, benefits, and policies? How do you tailor these to the needs of a diverse WORKFORCE and different WORKFORCE groups and segments? What key benefits do you offer your WORKFORCE?

Terms in small caps are defined in the Glossary of Key Terms (pages 47–54).

Notes

5.1. Workforce refers to the people actively involved in accomplishing your organization’s work. It includes permanent, temporary, and part-time personnel, as well as any contract employees you supervise. It includes team leaders, supervisors, and managers at all levels. People supervised by a contractor should be addressed in categories 2 and 6 as part of your larger work system strategy and your internal work processes. For organizations that also rely on volunteers, workforce includes these volunteers.

5.1a. Workforce capability refers to your organization’s ability to carry out its work processes through its people’s knowledge, skills, abilities, and competencies. Capability may include the ability to build and sustain relationships with customers; innovate and transition to new technologies; develop new products, services, and work processes; and meet changing business, market, and regulatory demands.
Workforce capacity refers to your organization’s ability to ensure sufficient staffing levels to carry out its work processes and successfully deliver products to customers, including the ability to meet seasonal or varying demand levels.

5.1a. Your assessment of workforce capability and capacity needs should consider not only current needs but also future requirements based on the strategic objectives and action plans you identify in category 2 and the performance projections you discuss in 4.1c(2).

5.1a(2). This requirement refers only to new workforce members. The retention of existing workforce members is considered in item 5.2, Workforce Engagement.

5.1a(3), 5.1a(4). Organizing and managing your workforce may involve organizing the workforce for change as you address changes in your external environment, culture, technology, or strategic objectives.

5.1a(4). Preparing your workforce for changing capability and capacity needs might include training, education, frequent communication, consideration of workforce employment and employability, career counseling, and outplacement and other services.

5.1b(1). Workplace accessibility maximizes productivity by eliminating barriers that can prevent people with disabilities from working to their potential. A fully inclusive workplace is physically, technologically, and attitudinally accessible.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
5.2 Workforce Engagement: How do you engage your workforce to achieve a high-performance work environment? (45 pts.)

In your response, include answers to the following questions:

a. Workforce Engagement and Performance

(1) Organizational Culture How do you foster an organizational culture that is characterized by open communication, high performance, and an engaged workforce? How do you ensure that your organizational culture benefits from the diverse ideas, cultures, and thinking of your workforce? How do you empower your workforce?

(2) Drivers of Engagement How do you determine the key drivers of workforce engagement? How do you determine these drivers for different workforce groups and segments?

(3) Assessment of Engagement How do you assess workforce engagement? What formal and informal assessment methods and measures do you use to determine workforce engagement, including satisfaction? How do these methods and measures differ across workforce groups and segments? How do you also use other indicators, such as workforce retention, absenteeism, grievances, safety, and productivity, to assess and improve workforce engagement?

(4) Performance Management How does your workforce performance management system support high performance and workforce engagement? How does it consider workforce compensation, reward, recognition, and incentive practices? How does it reinforce

• intelligent risk taking to achieve innovation,
• a customer and business focus, and
• achievement of your action plans?

b. Workforce and Leader Development

(1) Learning and Development System How does your learning and development system support the organization’s needs and the personal development of your workforce members, managers, and leaders? How does the system

• address your organization’s core competencies, strategic challenges, and achievement of short- and long-term action plans;
• support organizational performance improvement, organizational change, and innovation;
• support ethics and ethical business practices;
• improve customer focus;
• ensure the transfer of knowledge from departing or retiring workforce members; and
• ensure the reinforcement of new knowledge and skills on the job?

(2) Learning and Development Effectiveness How do you evaluate the effectiveness and efficiency of your learning and development system? How do you

• correlate learning and development outcomes with findings from your assessment of workforce engagement and with key business results reported in category 7, and
• use these correlations to identify opportunities for improvement in both workforce engagement and learning and development offerings?

(3) Career Progression How do you manage career progression for your organization? How do you manage career development for your workforce? How do you carry out succession planning for management and leadership positions?

Terms in small caps are defined in the Glossary of Key Terms (pages 47–54).

Notes

5.2. Understanding the characteristics of high-performance work environments, in which people do their utmost for their customers’ benefit and the organization’s success, is key to understanding and building an engaged workforce. These characteristics are described in detail in the definition of high performance (page 49).

5.2a(2). Drivers of workforce engagement (identified in P.1a[3]) refer to the drivers of workforce members’ commit-
ment, both emotional and intellectual, to accomplishing the organization’s work, mission, and vision.

5.2a(4). Compensation, recognition, and related reward and incentive practices include promotions and bonuses that might be based on performance, skills acquired, adaptation to new work systems and culture, and other factors. Recognition can include monetary and nonmonetary, formal and informal, and individual and group mechanisms. In some government organizations, compensation systems are set by law or regulation; therefore, reward and recognition systems must use other options.

5.2b. Your response should include how you address any unique considerations for workforce development, learning, and career progression that stem from your organization. Your response should also consider the breadth of development opportunities you might offer, including education, training, coaching, mentoring, and work-related experiences.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
6 Operations (85 pts.)

The Operations category asks HOW your organization designs, manages, improves, and innovates its products and WORK PROCESSES and improves operational EFFECTIVENESS to deliver CUSTOMER VALUE and achieve ongoing organizational success.

6.1 Work Processes: How do you design, manage, and improve your key products and work processes? (45 pts.)

In your response, include answers to the following questions:

a. Product and Process Design
   (1) Product and Process Requirements HOW do you determine KEY product and WORK PROCESS requirements? What are your organization’s KEY WORK PROCESSES? What are the KEY requirements for these WORK PROCESSES?
   (2) Design Concepts HOW do you design your products and WORK PROCESSES to meet requirements? How do you incorporate new technology, organizational knowledge, product excellence, CUSTOMER VALUE, and the potential need for agility into these products and PROCESSES?

b. Process Management
   (1) Process Implementation HOW does your day-to-day operation of WORK PROCESSES ensure that they meet KEY PROCESS requirements? What KEY PERFORMANCE MEASURES or INDICATORS and in-process MEASURES do you use to control and improve your WORK PROCESSES? How do these MEASURES relate to end-product quality and PERFORMANCE?
   (2) Support Processes HOW do you determine your KEY support PROCESSES? What are your KEY support PROCESSES? HOW does your day-to-day operation of these PROCESSES ensure that they meet KEY business support requirements?
   (3) Product and Process Improvement HOW do you improve your WORK PROCESSES to improve products and PERFORMANCE, enhance your CORE COMPETENCIES, and reduce variability?

c. Innovation Management
   HOW do you manage for INNOVATION? HOW do you pursue the STRATEGIC OPPORTUNITIES that you determine are INTELLIGENT RISKS? HOW do you make financial and other resources available to pursue these opportunities? HOW do you discontinue pursuing opportunities at the appropriate time to enhance support for higher-priority opportunities?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

Notes
6.1. The results of improvements in product and process performance should be reported in item 7.1.

6.1a(1). Your key work processes are your most important internal value-creation processes. They might include product design and delivery, customer support, and business processes. Your key work processes are those that involve the majority of your workforce and produce customer, stakeholder, and stockholder value. Projects are unique work processes intended to produce an outcome and then go out of existence.

6.1a(2). The potential need for agility could include changes in work processes as a result of overall work system changes, such as bringing a supply-chain process in-house to avoid disruptions in supply due to increasing external events triggered by climate change or other unpredictable factors.

6.1b(2). Your key support processes should support your value-creation processes. They might support leaders and other workforce members engaged in product design and delivery, customer interactions, and business and enterprise management.

6.1b(3). To improve process performance and reduce variability, you might implement approaches such as a Lean Enterprise System, Six Sigma methodology, ISO quality system standards, PDCA methodology, decision sciences, or other process improvement tools. These approaches might be part of the performance improvement system you describe in P.2c in the Organizational Profile.

6.1c. Your innovation management process should capitalize on strategic opportunities identified in 2.1a(2).

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
6.2 **Operational Effectiveness:** How do you ensure effective management of your operations? (40 pts.)

In your response, include answers to the following questions:

a. **Process Efficiency and Effectiveness**

   **How do you control the overall costs of your operations?**
   - How do you incorporate **cycle time**, **productivity**, and other efficiency and **effectiveness** factors into your **work processes**;
   - prevent defects, service errors, and rework;
   - minimize warranty costs or **customers’ productivity** losses, as appropriate;
   - minimize the costs of inspections, tests, and **process** or **performance** audits, as appropriate; and
   - balance the need for cost control with the needs of your **customers**?

b. **Supply-Chain Management**

   **How do you manage your supply chain?**
   - How do you select suppliers and ensure that they are qualified and positioned to not only meet operational needs but also enhance your **performance** and your **customers’ satisfaction**;
   - measure and evaluate your suppliers’ **performance**;
   - provide feedback to your suppliers to help them improve; and
   - deal with poorly performing suppliers?

c. **Safety and Emergency Preparedness**

   (1) **Safety**
   - **How do you provide a safe operating environment?**
     - How does your safety system address accident prevention, inspection, root-cause **analysis** of failures, and recovery?

   (2) **Emergency Preparedness**
   - **How do you ensure that your organization is prepared for disasters or emergencies?**
     - How does your disaster and emergency preparedness system consider prevention, continuity of operations, and recovery? How does your disaster and emergency preparedness system take your reliance on suppliers and **partners** into account?

*Terms in **small caps** are defined in the Glossary of Key Terms (pages 47–54).*

**Notes**

6.2b. Ensuring that suppliers are positioned to meet operational needs and enhance your performance and your customers’ satisfaction may involve partnering with suppliers for mutual benefit.

6.2b. Feedback to suppliers should involve two-way communication, allowing suppliers to express what they need from you.

6.2c(2). Disasters and emergencies might be related to weather, utilities, security, or a local or national emergency. The extent to which you prepare for disasters or emergencies will depend on your organization’s environment and its sensitivity to disruptions of operations. Acceptable levels of risk will vary depending on the nature of your products, services, supply chain, and stakeholder needs and expectations. The impacts of climate change could include a greater frequency of disruptions. Emergency considerations related to information technology should be addressed in item 4.2.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
The RESULTS category asks about your organization’s PERFORMANCE and improvement in all key areas—product and process results, customer-focused results, workforce-focused results, leadership and governance results, and financial and market results. The category asks about performance levels relative to those of competitors and other organizations with similar product offerings.

7.1 Product and Process Results: What are your product performance and process effectiveness results? (120 pts.)

Provide data and information to answer the following questions:

a. CUSTOMER-Focused Product and Service Results

What are your results for your products and your customer service processes? What are your current levels and trends in key measures or indicators of the performance of products and services that are important to and directly serve your customers? How do these results compare with the performance of your competitors and other organizations with similar offerings? How do these results differ by product offerings, customer groups, and market segments, as appropriate?

b. Work Process Effectiveness Results

1. Process Effectiveness and Efficiency What are your process effectiveness and efficiency results? What are your current levels and trends in key measures or indicators of the operational performance of your key work and support processes, including productivity, cycle time, and other appropriate measures of process effectiveness, efficiency, and innovation? How do these results compare with the performance of your competitors and other organizations with similar processes? How do these results differ by process type, as appropriate?

2. Emergency Preparedness What are your emergency preparedness results? What are your current levels and trends in key measures or indicators of the effectiveness of your organization's preparedness for disasters or emergencies? How do these results differ by location or process type, as appropriate?

c. Supply-Chain Management Results

What are your supply-chain management results? What are your results for key measures or indicators of the performance of your supply chain, including its contribution to enhancing your performance?

Terms in small caps are defined in the Glossary of Key Terms (pages 47–54).

Notes

7.1. Results should provide key information for analyzing and reviewing your organizational performance (item 4.1), demonstrate use of organizational knowledge (item 4.2), and provide the operational basis for customer-focused results (item 7.2) and financial and market results (item 7.5). There is not a one-to-one correspondence between results items and criteria categories 1–6. Results should be considered systemically, with contributions to individual results items frequently stemming from processes in more than one criteria category.

7.1a. Results for your products and customer service processes should relate to the key customer requirements and expectations you identify in P.1b(2), which are based on information gathered through processes you describe in category 3. The measures or indicators should address factors that affect customer preference, such as those listed in the notes to P.1b(2) and 3.2a.

7.1b. Appropriate measures and indicators of work process effectiveness might include defect rates; rates and results of product, service, and work system innovation; results for simplification of internal jobs and job classifications; waste reduction; work layout improvements; changes in supervisory ratios; Occupational Safety and Health Administration (OSHA)-reportable incidents; response times for emergency drills or exercises; and results for work relocation or contingency exercises.

7.1c. This requirement does not ask for levels and trends. The reason is that some significant supply-chain results
may be either qualitative or not amenable to trending over time. Examples for suppliers could be training hours on new products or processes, knowledge-sharing activities, audit hours that vary by supplier experience or specification complexity, or joint process and product development. When appropriate, however, you should report levels and trends for results that are numeric and trendable.

7.1c. Appropriate measures and indicators of supply-chain performance might include supplier and partner audits; just-in-time delivery; and acceptance results for externally provided products, services, and processes. Measures and indicators of contributions to enhancing your performance might include those for improvements in subassembly performance and in downstream supplier services to customers.

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

7.2 Customer-Focused Results: What are your customer-focused performance results? (80 pts.)

Provide data and information to answer the following questions:

a. Customer-Focused Results

(1) Customer Satisfaction  What are your customer satisfaction and dissatisfaction results? What are your current levels and trends in key measures or indicators of customer satisfaction and dissatisfaction? How do these results compare with those of your competitors and other organizations providing similar products? How do these results differ by product offerings, customer groups, and market segments, as appropriate?

(2) Customer Engagement  What are your customer engagement results? What are your current levels and trends in key measures or indicators of customer engagement, including those for building customer relationships? How do these results compare over the course of your customer life cycle, as appropriate? How do these results differ by product offerings, customer groups, and market segments, as appropriate?

Terms in small caps are defined in the Glossary of Key Terms (pages 47–54).

Notes

7.2. Results for customer satisfaction, dissatisfaction, engagement, and relationship building should relate to the customer groups and market segments you identify in F11b(2) and to the listening and determination methods you report in item 3.1.

7.2a(1). For customers’ satisfaction with your products relative to satisfaction with those of competitors and comparable organizations, measures and indicators might include information and data from your customers, from competitors’ customers, and from independent organizations.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
7.3 **Workforce-Focused Results:** What are your workforce-focused performance results? (80 pts.)

Provide data and information to answer the following questions:

a. **Workforce-Focused Results**

(1) **Workforce Capability and Capacity** What are your **workforce capability and capacity results**? What are your current levels and trends in key measures of workforce capability and capacity, including appropriate skills and staffing levels? How do these results differ by the diversity of your workforce and by your workforce groups and segments, as appropriate?

(2) **Workforce Climate** What are your **workforce climate results**? What are your current levels and trends in key measures or indicators of your workforce climate, including those for workforce health, safety, and security and workforce services and benefits, as appropriate? How do these results differ by the diversity of your workforce and by your workforce groups and segments, as appropriate?

(3) **Workforce Engagement** What are your **workforce engagement results**? What are your current levels and trends in key measures or indicators of workforce satisfaction and workforce engagement? How do these results differ by the diversity of your workforce and by your workforce groups and segments, as appropriate?

(4) **Workforce Development** What are your **workforce and leader development results**? What are your current levels and trends in key measures or indicators of workforce and leader development? How do these results differ by the diversity of your workforce and by your workforce groups and segments, as appropriate?

*Terms in small caps are defined in the Glossary of Key Terms (pages 47–54).*

**Notes**

7.3 Results reported in this item should relate to the processes you report in category 5. Your results should also respond to the key work process needs you report in category 6 and to the action plans and workforce plans you report in item 2.2.

7.3 Organizations that rely on volunteers should report results for their volunteer workforce, as appropriate.

7.3a(3) Responses should include results for the measures and indicators you identify in 5.2a(3).

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
**7.4 Leadership and Governance Results:** What are your senior leadership and governance results? (80 pts.)

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<thead>
<tr>
<th>a. Leadership, Governance, and Societal Responsibility Results</th>
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<tbody>
<tr>
<td>(1) <strong>Leadership</strong> What are your <strong>RESULTS</strong> for senior leaders’ communication and engagement with the workforce and customers? What are your results for key measures or indicators of senior leaders’ communication and engagement with the workforce and customers to deploy your vision and values, encourage two-way communication, and create a focus on action? How do these results differ by organizational units and customer groups, as appropriate?</td>
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<tr>
<td>(2) <strong>Governance</strong> What are your <strong>RESULTS</strong> for governance accountability? What are your key current findings and trends in key measures or indicators of governance and internal and external fiscal accountability, as appropriate?</td>
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<tr>
<td>(3) <strong>Law and Regulation</strong> What are your legal and regulatory <strong>RESULTS</strong>? What are your results for key measures or indicators of meeting and surpassing regulatory and legal requirements? How do these results differ by organizational units, as appropriate?</td>
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<tr>
<td>(4) <strong>Ethics</strong> What are your <strong>RESULTS</strong> for ethical behavior? What are your results for key measures or indicators of ethical behavior, breaches of ethical behavior, and stakeholder trust in your senior leaders and governance? How do these results differ by organizational units, as appropriate?</td>
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<tr>
<td>(5) <strong>Society</strong> What are your <strong>RESULTS</strong> for societal responsibilities and support of your key communities? What are your results for key measures or indicators of your fulfillment of your societal responsibilities and support of your key communities?</td>
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<th>b. Strategy Implementation Results</th>
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<td>What are your <strong>RESULTS</strong> for the achievement of your organizational strategy and action plans? What are your results for key measures or indicators of the achievement of your organizational strategy and action plans? What are your results for building and strengthening core competencies? What are your results for taking intelligent risks?</td>
</tr>
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**Notes**

**7.4.** Most of the requirements in this item do not ask for levels and trends. The reason is that some significant results may be either qualitative in nature or not amenable to trending over time. Examples could be results of intelligent risk taking and governance accountability. For such results, qualitative explanation may be more meaningful than current levels and trends. When appropriate, however, you should report levels and trends for results that are numeric and trendable.

**7.4a(1).** Responses should include results relating to the communication processes you identify in item 1.1.

**7.4a(2).** Responses might include financial statement issues and risks, important internal and external auditor recommendations, and management’s responses to these matters. Some nonprofit organizations might also report results of IRS 990 audits.

**7.4a(3).** Legal and regulatory results should relate to the processes and measures you report in 1.2b. Workforce-related occupational safety and health results (e.g., OSHA-reportable incidents) should be reported in 7.1b(2) and 7.3a(2).

**7.4a(4).** For examples of measures of ethical behavior and stakeholder trust, see the note to 1.2b(2).

**7.4a(5).** Responses should relate to the societal responsibilities you address in 1.2b(1) and 1.2c(1), as well as the support of the key communities you report in 1.2c(2). Measures of contributions to societal well-being might include those for reduced energy consumption, the use of renewable energy resources and recycled water, reduction of your carbon footprint, waste reduction and utilization, alternative approaches to conserving resources (e.g., increased audio- and videoconferencing), and the global use of enlightened labor practices.

**7.4b.** Measures or indicators of strategy and action plan achievement should relate to the strategic objectives and goals you report in 2.1b(1) and the action plan performance measures and projected performance you report in 2.2a(5) and 2.2a(6), respectively.

For additional guidance on this item, see the Category and Item Commentary (http://www.nist.gov/baldrige/publications/business_nonprofit_criteria.cfm).
7.5 **Financial and Market Results:** What are your financial and marketplace performance results? (90 pts.)

Provide data and information to answer the following questions:

a. **Financial and Market Results**

(1) **Financial Performance**  
What are your financial PERFORMANCE RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of financial PERFORMANCE, including aggregate MEASURES of financial return, financial viability, and budgetary PERFORMANCE, as appropriate? How do these RESULTS differ by market SEGMENTS and CUSTOMER groups, as appropriate?

(2) **Marketplace Performance**  
What are your marketplace PERFORMANCE RESULTS? What are your current LEVELS and TRENDS in KEY MEASURES or INDICATORS of marketplace PERFORMANCE, including market share or position, market and market share growth, and new markets entered, as appropriate? How do these RESULTS differ by market SEGMENTS and CUSTOMER groups, as appropriate?

Terms in SMALL CAPS are defined in the Glossary of Key Terms (pages 47–54).

**Notes**

7.5a(1). Aggregate measures of financial return might include those for return on investment (ROI), operating margins, profitability, or profitability by market segment or customer group. Measures of financial viability might include those for liquidity, debt-to-equity ratio, days cash on hand, asset utilization, and cash flow. Measures should relate to the financial measures you report in 4.1a(1) and the financial management approaches you report in item 2.2. 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.

7.5a(2). For nonprofit organizations, responses might include measures of charitable donations or grants and the number of new programs or services offered.

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