**Considerations for Large and/or Complex Organizations**

**(including Large Health Care Systems)**

**March 2019**

Each applicant is reviewed in the context of its unique key factors. For large and/or complex organizations (including large health care systems), size and organizational structure are some of the significant key factors in terms of the scope of review, deployment, and results. Therefore, Examiners need to carefully consider these issues when evaluating and scoring a large and/or complex organization to ensure a fair and balanced review.

Some specific considerations for your review are:

Scope

* Many large organizations today, particularly large health care systems are extremely complicated. They consist of wholly owned subunits, joint ventures, partnerships, and other entities. Some of these are clearly under the control of the applicant, others are not, and others fall somewhere in between. As such, determining the scope for a given applicant can be challenging.
* To help determine the scope, Team Leaders should use not only the materials in the application (eligibility application, Organizational Profile, etc.) but also the Independent Review call with the HRO. For applicants that receive a site visit, the Team Leader should also use the planning calls with the OCP. These discussions should begin as early as possible in the site visit planning phase.
* The following specific questions can be asked to help determine whether a particular subunit, partner, or other entity is in scope:
  + Does the applicant own the entity and, if so, what percentage is the ownership?
  + Does the applicant manage the operations for the given entity (e.g., joint venture)?
  + Does the applicant manage the employees that work at the entity?
  + Does the applicant’s name and/or logo appear on the entity (is it branded like the applicant’s other facilities)?
* If the applicant answers “no” to all these questions, the entity is not in scope. If they answer “yes” to all the questions, the entity is in scope. If in between, you should have a discussion with your NIST monitor and/or the Baldrige Program office as early as possible to make a determination on whether the entity is in scope.

Deployment

* Large and/or complex organizations (including large health care systems) frequently acquire and/or launch new entities and initiatives. This helps them address an environment of ever-increasing cost pressures, need for growth/scale, changing market demands, and innovation. However, it also presents significant challenges in terms of deploying approaches across the organization.
* Full deployment in such organizations, therefore, may be an unrealistic expectation. In fact, full deployment may not be feasible in any organization operating in a dynamic environment. You should also be thoughtful about whether it would even be appropriate to deploy a particular approach to all parts of an organization. As supported by the Scoring Guidelines, which only require full deployment in the 90-100 range, deployment can vary, and it most likely will across large and/or complex organizations.
* Examiner teams must take this into account and carefully consider the significance of a deployment gap in terms of the applicant’s key factors. For example, is the gap in deployment at a major facility or at a minor one and/or does the gap threaten the applicant’s ability to meet a strategic challenge or is it a marginal gap with minimal impact to organizational success and sustainability?
* The teams should also consider the applicant’s progress over time in deploying an approach and its plans for deploying a given approach or initiative, including the timeframes. For example, an applicant may have a new approach that it plans to roll out to designated facilities over a three-year period, but it is only at the end of Year 1 of the implementation. Examiner teams should take this into account and look for deployment at Year 1 facilities and the plans for Years 2 and 3, but they should not expect deployment at the Year 2 and 3 facilities.

Results

* Many large and complex organizations (including large health care systems) operate on a size and scale and experience a rate of change that presents significant challenges in ensuring consistent results across the organization. Variation in results—both across different results and between different segments for a given result—will therefore exist, and consistent high levels of performance across all results and all segments is generally an unrealistic expectation.
* Moreover, large organizations typically do not have space within the 50-page application to report on all of their key performance measures and all of their segments for their reported results. Thus, they will commonly use the designation “Available on Site” (AOS) to indicate that certain results exist but could not be included in the application. If the application contains evidence that they do measure and track relevant results, it is appropriate to give benefit of the doubt. If they receive a site visit, the team should verify all areas where they gave benefit of the doubt.
* As with deployment, Examiner teams must take these considerations and the applicant’s key factors into account when evaluating results. For example, certain results may be tied to the applicant’s scorecard and have significant impact, whereas others may be less significant. Likewise, results for certain segments may have a significant impact on the applicant’s ability to meet its strategic challenges or leverage its strategic opportunities, whereas segmentation for other results may not have a significant impact. Recognizing the importance of results (and segmentation) and recognizing that variation will exist is thus critical to evaluating and scoring results items for larger and/or more complex organizations.
* In the Independent and Consensus Review stages, Examiner Teams should also consider the limitations of the 50-page application. An applicant should report a representative sample of its results for a given area, such as its scorecard results pertaining to that area. The applicant should also show segmentation for some of its results. However, Examiner teams should not expect that a large and/or complex applicant will be able to report on all of its results or show segmentation for all of the relevant results in the application.