

5 BENEFITS OF BALDRIGE BUY-IN

1. It promotes organizational culture

transformation. The Baldrige framework focuses the workforce and all plans and objectives on the mission and vision of the organization. The Baldrige approach uncovers core values, strengths and weaknesses, and promotes learning and improvement organizationwide through self-assessments and external, independent examiner feedback.¹ A holistic approach, the Baldrige model is divided into seven categories: workforce, customers, leadership, strategic planning, process management, measurement and results.

2. It complements approaches such as lean and Six Sigma.

While other tools and approaches focus on a single aspect, such as eliminating waste or defects, the Baldrige criteria address all factors that affect the organization, its operations and its results. The Baldrige criteria also serve as a tool to integrate and organize other quality approaches an organization uses. For instance, organizations could use the Baldrige framework to develop an overall picture of

performance and determine areas that need improvement, and then use Six Sigma, lean or ISO 9001 to design operations or improve processes.²

3. It sets the bar higher.

In today's competitive business climate, organizations must go beyond compliance and conformity-based systems. The Baldrige criteria places emphasis on competitiveness, benchmarking, understanding performance, results and maintaining a future focus.³

4. It's customizable.

The Baldrige framework is a nonprescriptive approach for organizational management and improvement. Organizations of any industry and size can benefit from the Baldrige journey. Organizations also are encouraged to develop creative and flexible approaches that meet their needs.⁴

5. It pays.

Professors from Dartmouth College in Hanover, NH, and the University of North Carolina at Greensboro surveyed the 273 Malcolm Baldrige National Quality Award applicants since 2006 about the value of the Baldrige criteria on three levels—cost savings, customer

satisfaction and financial gain (gains from increased value of sales). They estimated that the benefits of using Baldrige outweigh the overall cost of the Baldrige Performance Excellence Program by a ratio of 820-1. In their report documenting the study, the professors explained that the figure may be on the conservative side.

"If the social costs were compared to the benefits for the economy as a whole, the benefit-to-cost ratio would be considerably higher," they wrote.⁵

For individual organizational views on the return on investment of Baldrige, read award recipient profiles at http://patapsco.nist.gov/award_recipients/index.cfm. —M.S.

SOURCES

1. Mark Montgomery, "The Baldrige Journey-Definitions," Quality Texas Foundation, <http://bit.ly/baldrige1>.
2. "Baldrige, Six Sigma and ISO: Understanding Your Options," National Institute of Standards and Technology (NIST), 2002, <http://bit.ly/baldrige2>.
3. "Baldrige FAQs: The Malcolm Baldrige National Quality Award and ISO 9001," NIST, <http://bit.ly/baldrige3>.
4. "Why Baldrige?" NIST, <http://bit.ly/baldrige4>.
5. Albert N. Link and John T. Scott, "Economic Evaluation of the Baldrige Performance Excellence Program," NIST, Dec. 16, 2011, <http://bit.ly/baldrige5>.