

# Piñon 2011

## Criteria & Instructions

### Health Care

**Path To Performance Excellence**

**Business** – *Greater Economic Competitiveness*

**Education** – *Higher Student Achievement*

**Government** – *Responsive, Effective Services*

**Health Care** – *Improved Patient Outcomes*

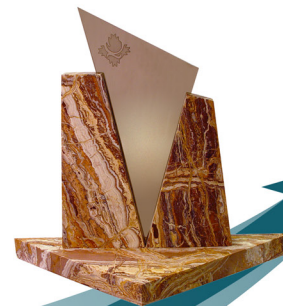
**Non-Profit** – *Responsive, Effective Services*

Malcolm Baldrige  
National  
Quality Award

Excellence  
Zia Award

Progress  
Roadrunner  
Recognition

Commitment  
Piñon  
Recognition



## Message from the Director of the New Mexico Quality Awards:

Welcome to the 2011 New Mexico Quality Awards (NMQA)! If you are new to our program, then you and, more importantly, your organization are about to embark on the journey of a lifetime, the “Journey to Performance Excellence.” If you have been with us before, then your “Journey to Performance Excellence” is ongoing and is likely resulting in improved processes and, ultimately, improved organizational results.

Your participation in the NMQA requires that your organization utilize the Baldrige Criteria for Performance Excellence to improve organizational performance. The Baldrige Criteria for Performance Excellence (and our “commitment”-level version, the Piñon Criteria) has been proven to be one of the most successful frameworks to achieve and sustain excellence in the world. But, in order to use it effectively, there are some things that you will need to consider:

- 1) The Criteria are not designed as a “quick fix” (especially during challenging economic times such as these) but, rather, designed to be used over a longer period of time, with a strong emphasis on continuous process improvement using effective measurement and analysis.
- 2) The Criteria will work for any type and any size organization. But it is up to your organization to determine what the specific processes, systems, measures, and results, which address the Criteria requirements, need to be in order to be successful.
- 3) In order to use the Criteria successfully, it is critical that your organization understands what the Criteria questions are asking for and, just as importantly, why the various Criteria questions are being asked of you. ***If you are not familiar with the Criteria (either the Baldrige Criteria or the Piñon Criteria), please contact us as soon as possible so we can arrange a Criteria workshop or other mentorship opportunities with your organization.***
- 4) Understanding the Criteria is challenging enough. Writing the NMQA application, which represents your organization’s responses to the Criteria, can often be just as challenging. Since your application is reviewed by members of the NMQA Board of Examiners, who are not allowed to ask you any questions or gather any additional materials for their review, a well-written application that clearly addresses the Criteria is critical. ***If you are not familiar with how to prepare an application for the NMQA, please contact us as soon as possible so we can arrange an NMQA application preparation workshop or other mentorship opportunities with your organization.***
- 5) Participation in the NMQA program will be a rewarding experience, if your organization genuinely commits to the process. The value of the NMQA is not just through the recognition that your organization may receive for various levels of improvement and for attaining performance excellence, but also through the feedback that your organization will receive highlighting the key strengths and opportunities for improvement based on the Examiners’ assessment of your application. This feedback will be instrumental in your organization’s “Journey to Performance Excellence.”

We appreciate your willingness to participate in the NMQA program. If you have any questions, please do not hesitate to contact me by phone (505-944-2004) or by e-mail ([jeff@quality-newmexico.org](mailto:jeff@quality-newmexico.org)).

Thank you!



Jeff Weinrach  
Director, New Mexico Quality Awards

# Table of Contents

## Section One

Message from NMQA Director	i
Introduction	
Who is Quality New Mexico?	1
What are the New Mexico Quality Awards?	1
Value of Participating in the NMQA Program	2
How to Get Started	2
Steps on the Path to Performance Excellence	2-3
Award and Recognition Levels	4
Criteria Overview / Board of Examiners	5
NMQA Program	
Process	6
Fees	6
Applicant Eligibility	7
Intent to Apply & Eligibility Form	8-9
Intent to Apply Form Instructions	<b>(must read!)</b> 10-11
How to Prepare your NMQA Application	<b>(must read!)</b> 12-14
Page Limits, Formatting	13
Organizational Profile	14
Guidelines for Responding to Process Categories (1-6)	15-16
Guidelines for Responding to the Results Category (7)	17
Consultants	18
Award / Recognition Information	19
Recognition Levels	19
Recognition Limits	19
Judges Decisions	19
Responsibilities of Recipients	19
Advertising Recognition	19
Site Visit	20
Feedback Report	20
Post Examination Meeting	20
Compañero Recognition	21
At-A-Glance Table – Key Dates/ Requirements	22

## Section Two

Introduction to Piñon Criteria	3
A Systems Perspective of the Piñon Criteria	3
Organizational Profile	6-8
Piñon Criteria Categories 1-7	9-23
Application Checklist	24-25
Glossary of Key Terms	26-34
Notes Pages	35-36

# INTRODUCTION

## ***Who is Quality New Mexico?***

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

“Performance excellence” isn’t just a catch phrase. In today’s highly competitive, global environment, New Mexico organizations must focus on those factors that affect the organization’s “bottom line.” Does your organization deliver significant value to your customers and stakeholders? Is improved performance important to your organization, and, if so, is your organization willing to make the systemic changes necessary to improve performance? How is your organization preparing for the future in order to ensure sustained performance excellence?

Quality New Mexico has the products and services for New Mexico businesses and organizations – small and large – that have the *desire to improve* their organization’s performance and ultimately achieve and sustain performance excellence.

### **Our Vision:**

Quality New Mexico is the preferred organization for providing quality/performance excellence learning opportunities and is recognized nationally for its support of performance excellence.

### **Our Mission:**

Quality New Mexico motivates, educates, and congratulates New Mexico businesses and organizations for their achievement in performance excellence using the Baldrige Criteria.

### **Our Aspiration:**

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

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

## ***What are the New Mexico Quality Awards?***

Quality New Mexico is the home of the New Mexico Quality Awards (NMQA) recognizing businesses and organizations from *commitment to progress to excellence*. In 1994 Quality New Mexico was acknowledged and chartered by the Governor of New Mexico (Executive Order 95-16) to recognize organizations for performance excellence through the NMQA program.

The NMQA models its program after the Malcolm Baldrige National Quality Award program. NMQA offers education and training, mentorship, assessments, feedback and recognition based on the Criteria for Performance Excellence – the same criteria used to determine recipients of the Malcolm Baldrige National Quality Award.

The information contained in this booklet is specifically related to the New Mexico Quality Awards. If you are interested in other products and services offered by Quality New Mexico, please contact us at 505-944-2001 or visit our website at <http://www.qualitynewmexico.org>.

Quality New Mexico and the NMQA have become role models for sister organizations and are recognized by the Baldrige program for their “contributions to the nation”.

## ***Value of participating in the NMQA program***

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

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

## ***How to get started***

The NMQA has three different assessment/recognition levels to assist you on your performance excellence journey. Quality New Mexico also provides several introductory programs (not formally part of the NMQA) to start you on your performance excellence journey. Whether participating in the NMQA program or in one of our introductory programs, you will find that these programs are low-cost with a significantly high return on your investment.

Below is a brief description of each of these programs and levels. For additional information about these offerings, please contact us at 505-944-2001.

## ***Steps . . . On the Path to Performance Excellence***

### **► Adobe Assessment Program: Focus on the Organizational Profile**

The Organizational Profile is the starting point for successfully using the Baldrige Criteria, whether as an internal self-assessment tool or as the beginning of an NMQA application. The Organizational Profile asks a series of foundational questions intended to provide the basis for your organization's "Journey to Performance Excellence." The Adobe Assessment allows your organization to receive feedback from a senior quality Examiner specifically on your Organizational Profile, which may prove to be beneficial before utilizing the full Criteria. If your organization has previously been through the NMQA program and needs to refresh before it continues onward, you can use the Adobe Assessment to assess where the organization is currently and what the organization is aspiring to become. Quality New Mexico provides workshops and training on the Organizational Profile and the Adobe Assessment Program. For additional information, please contact Quality New Mexico at 505-944-2001.

### **► Walk-Through Piñon-Level Assessment Program**

Based on the Piñon Criteria, this walk-through is conducted by a senior quality Examiner and provides your organization with a report summarizing key strengths and opportunities for improvement within the seven Baldrige categories: Leadership; Strategic Planning; Customer & Market Focus; Measurement, Analysis, and Knowledge Management; Workforce Focus; Operations Focus; and Results. This one-time assessment is designed for organizations and businesses new to the Quality New Mexico assessment process. ***This is an especially valuable option for businesses and organizations of fewer than five (5) employees.*** For additional information on the Walk-Through Piñon-Level Assessment Program, please contact QNM at 505-944-2001.

*The following describes the three NMQA assessment/recognition levels. Details on how to apply to the NMQA are described later in this booklet.*

▶ **Piñon Assessment / Recognition - *Commitment***

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

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

▶ **Roadrunner Assessment / Recognition - *Progress***

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

▶ **Zia Assessment / Award - *Performance Excellence***

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

***Roadrunner and Zia levels use the respective Baldrige Criteria for Performance Excellence, which are contained in separate booklets. You will need to read the material contained in the Baldrige Criteria booklets (especially "Guidelines for Responding to Process Items" and "Guidelines for Responding to Results Items") for additional critical information.***

## NEW MEXICO QUALITY AWARD AND RECOGNITION LEVELS

### Zia Award - Excellence



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

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

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

### Roadrunner Recognition - Progress

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

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

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



### Piñon Recognition - Commitment



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

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

THE OBJECT IS MADE OF WALNUT AND INDIVIDUALLY ENGRAVED.

# CRITERIA OVERVIEW

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## New Mexico Quality Awards Program

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

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

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

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

**Visit our website for Criteria**  
**[www.qualitynewmexico.org](http://www.qualitynewmexico.org)**

## Path to Performance Excellence

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

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

### Note:

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

## Board of Examiners

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

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

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

## PROGRAM PROCESS

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The New Mexico Quality Awards program has three steps:

1. **Intent to Apply Form – Eligibility Determination**
  - Complete the Intent to Apply Form (Pages 8&9) and submit to Quality New Mexico with the non-refundable fee of \$200 (**Note: QNM membership discounts do not apply to this fee**) no later than **5:00pm April 22, 2011 for Cycle I** or **5:00pm June 3, 2011 for Cycle II**.
  - All parts of the Intent to Apply Form must be complete. Forms received after the deadline will only be considered for eligibility and acceptance subject to the availability of sufficient Examiners and may be rejected and returned without action.
  - Applicants will normally be notified of their eligibility and acceptance status within two weeks of receipt of the Intent to Apply Form, and will receive an approved Intent to Apply form for submittal with the NMQA application.
2. **Application**
  - Applicants must submit ten (10) copies of their application; or the application may be submitted on a CD, with one hard copy and approved Intent to Apply form.
  - Applications along with approved Intent To Apply form and the fee payment must be at Quality New Mexico no later than **5:00pm July 22, 2011 for Cycle I** or no later than **5:00pm October 21, 2011 for Cycle II**.
  - Because of the critical timing aspects of subsequent steps in the awards process, applications cannot be accepted after the deadline.
3. **Compañero Nomination**
  - Any 2011 applicant may nominate an organization for the Dennis J. Woywood Compañero Recognition. Written nomination(s) must be present in the Quality New Mexico office no later than January 31, 2012. (Page 21 For Details)

### NEW MEXICO QUALITY AWARDS PROGRAM FEES

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In addition to the Intent to Apply fee - the following fees apply (**Note: QNM Membership Discounts apply to these fees**) and must be submitted with NMQA application (***the 2011 fees include one complimentary Award Ceremony registration***):

▶ **Piñon Application** - \$420

▶ **Roadrunner Application** - \$825  
Plus \$1.50 per employee  
Maximum fee \$2,000

▶ **Zia Application** - \$1,700  
Plus \$2.20 per employee  
Maximum fee \$4,000

▶ **Site Visit**

Should a site visit be required (based on decision by NMQA Judges) applicant will be invoiced the fee plus team expenses (travel, lodging, meals, meetings):

Site Visit - \$1,400 Site Visit fee plus Examiner team expenses

▶ **There is no additional fee for the Post-Examination Meeting.**

## APPLICANT ELIGIBILITY

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

### Eligibility

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

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

### Non-Disclosure

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

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

# New Mexico Quality Awards INTENT TO APPLY and ELIGIBILITY FORM

Review instructions starting on page 10. Type or clearly print all information. This **Intent to Apply form** and the **non-refundable fee** must be physically present in the Quality New Mexico office by **5:00pm April 22, 2011 (Cycle I) or June 3, 2011 (Cycle II)**. A copy of the approved form will be returned. Include a copy of the approved form with each copy of your application.

**1. APPLICANT ORGANIZATION:**

\_\_\_\_\_  
 Organization Name

\_\_\_\_\_  
 Address

\_\_\_\_\_  
 City, State, Zip Code

**2. OFFICIAL CONTACT:**

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

\_\_\_\_\_  
 Mailing Address (if different from above)

\_\_\_\_\_  
 City, State, Zip Code

\_\_\_\_\_  
 Telephone Number                      Fax Number

E-mail Address: \_\_\_\_\_

**3. APPLYING FOR:**

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

**4. APPLYING USING THE:**

- Business/Government/Non-Profit Criteria
- Education Criteria
- Health Care Criteria

**5. NATURE AND SIZE OF ORGANIZATION**

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

Number of Full-Time (or Equivalent) Employees \_\_\_\_\_

**6. PREVIOUS HISTORY WITH THE NMQA:**

Year	Applied for	Received
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**7. PARENT ORGANIZATION / SUBUNITS:**

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

Location of parent organization: \_\_\_\_\_

**8. CEO or HIGHEST RANKING OFFICIAL IN NEW MEXICO:**

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

\_\_\_\_\_  
 Address

\_\_\_\_\_  
 City, State, Zip Code

\_\_\_\_\_  
 Telephone Number                      Fax Number

E-mail Address: \_\_\_\_\_

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

\_\_\_\_\_  
 Signature: Highest Ranking Official                      Date

**9. MAIL or DELIVER THIS FORM AND THE APPLICABLE ELIGIBILITY DETERMINATION FEE (\$200) TO:**

**Mailing Address:**  
 Quality New Mexico  
 P.O. Box 25005  
 Albuquerque, NM 87125

**Physical Address:**  
 Quality New Mexico  
 8205 Spain, NE Suite 111  
 Albuquerque, NM 87109

**Or FAX WITH PURCHASE ORDER # to:**  
**(505) 944-2002**

**13. For use by Quality New Mexico only:**  
 Applicant is eligible to apply at the level specified in Item 3:  YES     NO     FEEDBACK ONLY

\_\_\_\_\_  
 NMQA Authorizing Official                      Date

# INTENT TO APPLY and ELIGIBILITY FORM continued

**Applicant Name** \_\_\_\_\_

## 10. AUTHORIZATION FOR ELECTRONIC DISTRIBUTION OF APPLICATION

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

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Signature: Official Contact Person

Date

11. APPLICATION CYCLE (Circle One):

**CYCLE I**

**CYCLE II**

## 12. ADDITIONAL INFORMATION

# INTENT TO APPLY FORM INSTRUCTIONS

## GENERAL INSTRUCTIONS

Applicants planning to apply must submit Intent to Apply Form to Quality New Mexico by 5:00pm April 22, 2011 (for Cycle I) or June 3, 2011 (for Cycle II).

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

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

The application is due July 22, 2011 (Cycle I) or October 21, 2011 (Cycle II).

## ITEM INSTRUCTIONS

### 1. Applicant Organization

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

### 2. Official Contact

As the examination proceeds, the NMQA Director may need to contact the applicant for additional information.

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

If the official contact person changes during the application process, notify the NMQA Director.

### 3. Level of Application

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

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

### 4. Applicable Criteria

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

► By reading the various Criteria, it will likely become clear which Criteria version (Business, Education, Health Care) is more aligned with your organization and more beneficial to use.

### 5. Nature and Size of Organization:

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

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

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

### 6. Previous History with the NMQA:

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

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

### 7. Parent Organization and Subunits:

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

### 8. CEO or Highest Ranking Official in New Mexico:

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

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

By signing the statement the official agrees:

that members of the NMQA Board of Examiners, the Panel of Judges, and other individuals with a specific “need to know” may be authorized access to the application materials;

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

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

**9. Mailing or Faxing Instructions:**

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

Late submissions may be rejected and returned without action.

**10. Application CD/PDF and Authorization to Release Via Internet**

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

**11. Application Cycle**

Circle the appropriate Cycle for your application, feedback report, and notification. Cycle I applications are due July 22 and Cycle II applications are due October 21. See page 22 for other important dates.

**12. Additional Information**

Use this section to provide additional information.

**13. Eligibility Determination for a 2011 NMQA**

This section is for use by Quality New Mexico only.

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

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

# **APPLICATION INSTRUCTIONS**

# APPLICATION INSTRUCTIONS

## PAGE LIMITS

Specific page limits apply to the different levels of application.

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

## NOT INCLUDED IN PAGE COUNT

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

\*Note: The Acronym Glossary must be limited to the conversion of acronyms to their full names and/or the definition of other internally-coined terms and may not be used to provide additional description or other information

## COUNTED PAGES

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

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

## FORMATTING REQUIREMENTS

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

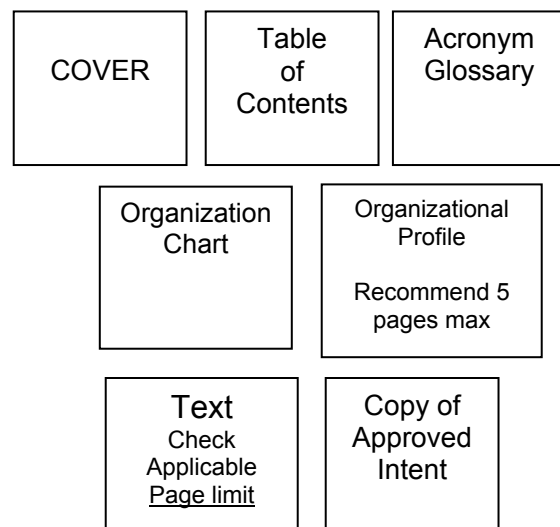
- ▶ Color in either text or graphics may be used but not required
- ▶ Applications should be printed on standard 8½ x 11-inch paper
- ▶ Margins should be at least ¾ inch on all sides
- ▶ Single or double column formats may be used.
- ▶ Pages may be printed on both sides of the paper.

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

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

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

### Layout Example:



#### **NOTE:**

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

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

## **APPLICATION INSTRUCTIONS**

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### **ORGANIZATIONAL PROFILE**

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

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

The Organizational Profile is an overview of your organization. It should address what is most important to the organization, key influences on how the organization operates, and indicates where the organization is heading, and what is relevant and important to your organization and its performance.

Your Organizational Profile is used by Examiners in all stages of application review.

**NOTE:**

▶ **It is recommended but not required that the Organizational Profile be limited to five pages.**

▶ **These pages are counted in the overall application page limit.**

▶ **Formatting instructions for the Organizational Profile are the same as for the application.**

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## **GUIDELINES FOR RESPONDING TO PROCESS CATEGORIES (1-6)**

We like to think of the Piñon level of the New Mexico Quality Awards as the “planting seeds” level that occurs in the early stages of your organization’s “Journey to Performance Excellence.” But how do you know if you are planting the “right” seeds to attain high performance? At the Piñon level, you may not have the results yet to directly indicate if you have planted the right seeds. Therefore, it is critically important to look at your organization’s key processes (Categories 1-6), because sound systematic processes that are thoroughly deployed will likely lead to positive results.

It is critically important that your responses to these questions clearly describe your processes so that they can be effectively reviewed by the Examination team. Here are some suggestions for responding to the Category 1-6 Criteria questions:

### **I. Understand the meaning of “how.”**

Process Categories often include questions that begin with the word “how.” **Responses to the “how” questions should outline your key process information that addresses approach and deployment.**

[Note: The other two process factors, learning and integration, would be helpful but are not expected at the Piñon level.] Responses lacking such information, or merely providing an example, are referred to as “anecdotal” responses.

### **II. Answer the questions with the following recommendations in mind:**

*A. Show that approaches are systematic.*

**Systematic approaches are repeatable and use data and information to enable learning.** In other words, approaches are systematic if they build in the opportunity for evaluation, improvement, innovation, and knowledge sharing, thereby permitting a gain in maturity. **PROCESSES DO NOT HAVE TO BE FULLY DESCRIBED, BUT THEY HAVE TO BE DESCRIBED IN SUFFICIENT DETAIL THAT THE EXAMINING TEAM HAS CONFIDENCE**

**(WITHOUT INFERRING) THAT THEY ARE SYSTEMATIC (FOR EXAMPLE, LISTING A FEW OF THE KEY PROCESS STEPS, MENTIONING HOW OFTEN THE PROCESS IS DEPLOYED, OR DESCRIBING HOW THE PROCESS IS EVALUATED AND IMPROVED). PROCESS FLOW DIAGRAMS OR OTHER VISUAL PROCESS DESCRIPTION TOOLS ARE HELPFUL BUT ARE NOT REQUIRED.**

*B. Show deployment.*

**Deployment information should summarize the extent to which your approach is used (including how approaches may vary for different parts of your organization).** Deployment can be shown compactly by using tables.

*C. Show evidence of learning (“extra credit” at the Piñon level).*

Processes should include evaluation and improvement cycles, as well as the potential for breakthrough change. Process improvements should be shared with other appropriate units of the organization to enable organizational learning.

*D. Show integration (“extra credit” at the Piñon level).*

Integration shows alignment and harmonization among processes, plans, measures, actions, and results that generate organizational effectiveness and efficiencies.

*E. Show focus and consistency.*

There are four important considerations regarding focus and consistency: 1) the Organizational Profile should make it clear what is important; 2) the Strategic Planning Category {Category 2}, including the strategic objectives and action plans, should highlight areas of greatest focus and describe how deployment is accomplished; 3) the descriptions of organizational-level analysis and review {Category 4} should

show how your organization analyzes and reviews performance information to set priorities; and 4) the Operations Focus Category {Category 6} should highlight work processes that are key to your overall performance. **Showing focus and consistency in the Process Categories and tracking corresponding measures in the Results Category should improve organizational performance.**

*F. Respond fully to the Category-level questions.*

Missing information will be interpreted as a gap in your performance management system. All Category-level questions should be addressed (either individually or collectively).

### **III. Cross-reference when appropriate.**

As much as possible, each Category-level response should be self-contained. However, responses to different Category-level questions also should be mutually reinforcing. It is then appropriate to refer to the other responses rather than repeat information. In such cases, key process information should be given in the Category-level question requesting this information. For example, workforce and leader development and learning systems should be described in Category 5. Discussions about workforce and leader development and learning elsewhere in your application would then reference but not repeat details given in your Category 5 response.

### **IV. Use a compact format.**

You should make the best use of the Piñon page limit. You are encouraged to use flowcharts, tables, and bulleted lists to present information concisely

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## **GUIDELINES FOR RESPONDING TO THE RESULTS CATEGORY (CATEGORY 7)**

Even though you may not have a considerable amount of results yet during the “planting seeds” phase of your “Journey to Performance Excellence,” it is still important to show the **relevant** results that you have to reflect organizational performance. The following guidelines relate to effective and complete reporting of results.

### **I. Focus on the most critical organizational performance results.**

Results reported should cover the most important requirements for your organization’s success, highlighted in your Organizational Profile and in the Process Categories.

### **II. Consider the following aspects of displaying results in your application:**

- a. *Performance levels* that are reported on a meaningful measurement scale
- b. *Trends* to show directions of results, rates of change, and the extent of deployment (“*extra credit*” at the Piñon level)
- c. *Comparisons* to show how results compare with those of other, appropriately-selected organizations (“*extra credit*” at the Piñon level)
- d. *Integration* to show that all important results are included and segmented (e.g., by important customer, workforce, process, and product line groups) (“*extra credit*” at the Piñon level)

### **III. Include trend data covering actual periods for tracking trends (“*extra credit*” at the Piñon level).**

No minimum period of time is specified for trend data. However, a minimum of three historical data points generally is needed to ascertain a trend. Trends might span five or more years for some results. Trends should represent historic and current performance and not rely on projected (future) performance. Time intervals between data points should be meaningful for the specific

measure(s) reported. For important results, new data should be included even if trends and comparisons are not yet well established.

### **IV. Use a compact format—graphs and tables.**

Many results can be reported compactly by using graphs and tables. Graphs and tables should be labeled for easy interpretation. Results over time or compared with others should be “normalized” (i.e., presented in a way, such as using ratios, that takes into account size factors). For example, reporting safety trends in terms of lost work days per 100 employees would be more meaningful than total lost work days if the number of employees has varied over the time period or if you are comparing your results to organizations differing in size.

### **V. Incorporate results into the body of the text.**

Discussion of results and the results themselves should be close together in your Piñon application. Trends that show a significant beneficial or adverse change should be explained.

### **VI. Show your results clearly!**

- a. Use figure numbers for reference to your results discussion found in the text of the application.
- b. Clearly label both axes and units of measure.
- c. Use an up or down arrow to indicate whether your trend is favorable or unfavorable.
- d. Show any comparisons (e.g., competitive data, industry standards) clearly on the graph.
- e. If you are displaying segmented results, make sure that they are clearly displayed and that they align to the segments identified in the body of the application

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## **CONSULTANTS**

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

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

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

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

## AWARD /RECOGNITION

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

► Recognition may be at:

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

► Recognition limits:

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

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

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

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

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

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

## RESPONSIBILITIES OF RECIPIENTS

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

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

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

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

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

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

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

► **Roadrunner Recognition** - *[Organization] has been recognized by the 2011 New Mexico Quality Awards for having made significant progress in quality management.*

► **Piñon Recognition** - *[Organization] has been recognized by the 2011 New Mexico Quality Awards for its commitment to using quality concepts and principles.*

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

## **SITE VISIT - FEEDBACK REPORT - POST-EXAMINATION MEETING**

### **Site Visit**

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

### **Feedback Report**

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

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

### **Post-Exam Meeting (No Fee)**

► At the request of the applicant, after it has received its Feedback Report, a post-examination meeting with the examination team may be arranged to clarify feedback report comments. Meeting requests must be submitted by January 7, 2011 (Cycle I) or by April 15, 2011 (Cycle II).

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## Organization-to-Organization Mentoring

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

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

### **ELIGIBILITY CRITERIA**

A 2011 NMQA recognition recipient may nominate an organization for Compañero Recognition if:

1. The nominated organization contributed to increasing the level of performance of the 2011 NMQA applicant for an extended period and in a systematic and meaningful manner.
2. An organization-to-organization mentoring partnership existed between the organization and the 2011 NMQA applicant. One or more individuals can be the lead interface between the organizations, but the primary relationship is between the organizations.

### **NOMINATION PROCESS**

1. By January 31, 2012, a 2011 NMQA applicant may submit a written nomination for the candidate organization to the NMQA Director. The nomination should address each of the following items:
  - ▶ identifying information about the candidate organization (name as it should appear on recognition materials, address, and name and phone number of a contact person in the organization).
  - ▶ description of the nature of the mentoring partnership (how created, duration of the relationship, frequency and types of interactions between the parties).
  - ▶ description of the nature and extent of the contribution to an increased level of

performance excellence (what changed because of the involvement of the candidate organization in the quality effort of the nominating organization).

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

2. The NMQA Director and members of the Awards Team will review the nominations against the Eligibility Criteria and select for recognition the candidate organizations that would provide a positive role model for other New Mexico organizations aspiring to help NMQA applicants move more rapidly toward performance excellence.
3. Notifications to organizations selected for Compañero recognition and to all nominating organizations will be made by February 17, 2012.
4. Compañero organizations will be recognized during the New Mexico Quality Awards ceremony in 2012.

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

### **RECOGNITION OBJECT**

2011 Compañero organizations will be recognized with an etched-glass artistic piece.

## 2011 New Mexico Quality Awards Key DATES / REQUIREMENTS

Process Steps	Key Dates	Application Item	Piñon Applications Fees Member / Non-member	Roadrunner Applications Fees Member / Non-member	Zia Applications Fees Member / Non-member
1	5:00 pm 04/22/11 (Cycle I) or 06/03/11 (Cycle II)	<b>Eligibility Determination Package Due</b>			
		Intent to Apply Form Non-refundable Intent to Apply Fee	Required  \$200	Required  \$200	Required  \$200
<b>NOTE: Intent to Apply forms received late will only be considered for eligibility and acceptance subject to the availability of sufficient Examiners and may be returned without action.</b>					
2	5:00 pm 07/22/11 (Cycle I)  -or- 5:00 pm 10/21/11 (Cycle II)	<b>Application Package Due 10 Copies or One Copy with CD</b>			
		Application Fees	\$420	\$825 / \$2000 maximum	\$1700 / \$4000 maximum
		Base Fee	\$420	\$825	\$1700
		-or- Per Employee Fee (additional, up to maximum)	None	\$1.50 per employee	\$2.20 per employee
		Approved Intent to Apply Form	Required	Required	Required
		Cover Page	Optional	Optional	Optional
		Table of Contents and Acronym Glossary	Optional	Optional	Optional
		Organization Chart	Required- one page	Required - one page	Required- one page
		Organizational Profile	Required – recommend 5 pages	Required - recommend 5 pages	Required - recommend 5 pages
		Application	Required. Respond to NMQA <i>Piñon Criteria</i>	Required. Respond to all BPEP <i>Criteria</i> Categories, Items, and Areas to Address	Required. Respond to all BPEP <i>Criteria</i> Categories, Items, and Areas to Address
Application Page Limits	Up to 20 pages including the Organizational Profile	Up to 40 pages including the Organizational Profile	Up to 55 pages including the Organizational Profile		
<b>NOTE: APPLICATION PACKAGES RECEIVED LATE OR THAT DO NOT MEET THE APPLICATION REQUIREMENTS MAY BE MODIFIED OR RETURNED</b>					
3	10/10 - 10/28/11 (Cycle I)  -or- 1/23 – 2/10/12 (Cycle II)	<b>Site Visits</b> (if required) Applicant Fee	Not Applicable	At Judges' Discretion  \$600 fee plus expenses of team members	At Judges' Discretion  \$1,200 fee plus expenses of team members
		<b>Feedback to Applicants</b>			
4	11/11/11 for Cycle I and 2/24/12 for Cycle II	Notification of Level of Award / Recognition*	Phone, public announcement, and/or mail	Phone, public announcement, and/or mail	Phone, public announcement, and/or mail
5	By 12/2/11 (Cycle I) -or- 3/16/12 (Cycle II)	Written Feedback Reports to Applicants			
6	By 01/10/12 (Cycle I) -or- 4/17/12 (Cycle II)	Request Post-Examination Meeting	No Fee	No Fee	No Fee
7	By 01/30/12 (Both Cycles)	Nominate Compañero Candidates			

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

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**2011**  
**New Mexico Quality Awards**  
**Piñon Criteria**

Health Care

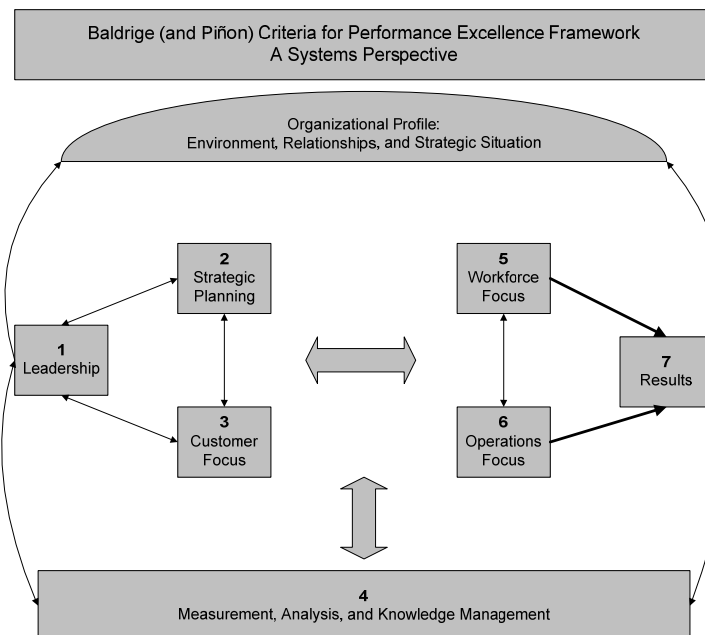
**SECTION TWO**

## NMQA Piñon Criteria (Health Care)

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

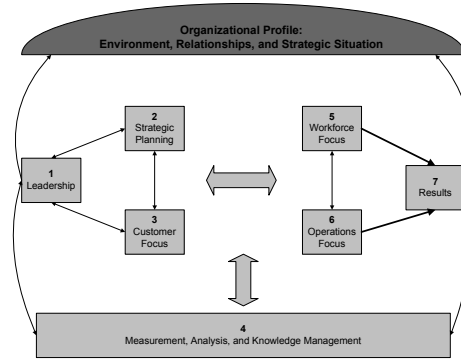
### Piñon Assessment Response

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



- ▶ Prior to preparing your assessment it is recommended that the Baldrige *Glossary of Key Terms*, at the end of this section be reviewed.
- ▶ For an in-depth understanding of the Categories, review the Category level descriptions of the Baldrige Criteria. (Baldrige *Criteria for Performance Excellence* available online at <http://www.qualitynewmexico.org> or <http://www.nist.gov/baldrige>)
- ▶ To simplify the Piñon-level Criteria questions on the following pages, note that “you” and “your” have in some cases been substituted for “your organization”.
- ▶ The Piñon Assessment Checklist at the end of this section is provided to assist in the assessment process. Applicants may find this form useful in their initial self-assessment and may also use it as a checklist during assessment preparation.

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



## Preface: Organizational Profile

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

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

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

Within your response, include answers to the following questions:

#### a. Organizational Environment

- (1) **Service Offerings** What are your organization's main HEALTH CARE SERVICE offerings (see note 1 below)? What is the relative importance of each to your organizational success? What mechanisms do you use to deliver your services?
- (2) **VISION and MISSION** What are the distinctive characteristics of your organizational culture? What are your stated PURPOSE, VISION, MISSION, and VALUES? What are your organization's CORE COMPETENCIES and their relationship to your MISSION?
- (3) **WORKFORCE Profile** What is your WORKFORCE profile? What are your WORKFORCE or staff groups and SEGMENTS? What are their education levels? What are the KEY elements that engage them in accomplishing your MISSION and VISION? What are your organization's WORKFORCE and job DIVERSITY, organized bargaining units, KEY WORKFORCE benefits, and 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 your organization operates? What are the applicable occupational health and safety regulations; accreditation, certification, or registration requirements; health care industry standards; and environmental, financial, and HEALTH CARE SERVICE delivery 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 health care market SEGMENTS and PATIENT and STAKEHOLDER groups, as appropriate? What are their KEY requirements and expectations for your HEALTH CARE SERVICES, PATIENT and STAKEHOLDER support services, and operations? What are the differences in these requirements and expectations among market SEGMENTS and PATIENT and STAKEHOLDER groups?
- (3) **Suppliers and PARTNERS** What are your KEY types of suppliers, PARTNERS, and COLLABORATORS? What role do these suppliers, PARTNERS, and COLLABORATORS play in the production and delivery of your KEY HEALTH CARE SERVICES and PATIENT and STAKEHOLDER support services? What are your KEY mechanisms for communicating with suppliers, PARTNERS, and COLLABORATORS? What role, if any, do they play in implementing INNOVATIONS in your organization? What are your KEY supply-chain requirements?

## NOTES

**N1.** “Health care service offerings” (P.1a[1]) refers to the health care services that your organization offers in the marketplace. Mechanisms for service delivery to your patients and stakeholders might be direct or through contractors, collaborators, or partners.

**N2.** “Core competencies” (P.1a[2]) refers to your organization’s areas of greatest expertise. Your organization’s core competencies are those strategically important capabilities that are central to fulfilling your mission or provide an advantage in your marketplace or service environment. Core competencies frequently are challenging for competitors or suppliers and partners to imitate. Also, core competencies frequently preserve your competitive advantage.

**N3.** Many health care organizations rely heavily on volunteers to accomplish their work. These organizations should include volunteers in the discussion of their workforce (P.1a[3]).

**N4.** Workforce groups and segments (including organized bargaining units; P.1a[3]) might be based on the type of employment or contract reporting relationship, location, tour of duty, work environment, family-friendly policies, or other factors.

**N5.** Stakeholders may refer to patients’ families, the community, insurers and other third-party payors, employers, health care providers, patient advocacy groups, departments of health, and students. General references to customers or stakeholders include patients.

**N6.** Patient and stakeholder groups (P.1b[2]) might be based on common expectations, behaviors, preferences, or profiles. Within a group, there may be patient and stakeholder segments based on differences and commonalities. Your markets might be subdivided into market segments based on health care services or features, service delivery modes, payors, business volume, geography, or other factors that your organization uses to define related market characteristics.

**N7.** Requirements of patient and stakeholder groups and health care market segments (P.1b[2]) might include accessibility, continuity of care, safety, security, leveraging of technology, billing requirements, socially responsible behavior, community service, cultural preferences, and multilingual services.

**N8.** Communication mechanisms (P.1b[3]) should be two-way and in understandable language, and they might be in person, via e-mail, Web-based, or by telephone. For many organizations, these mechanisms may change as marketplace, patient, or stakeholder requirements change.

## **P.2 Organizational Challenges: What is your organization's strategic situation?**

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

Within your response, include answers to the following questions:

### **a. Competitive Environment**

(1) **Competitive Position** What is your competitive position? What is your relative size and growth in the health care industry or your markets served? What are the numbers and types of competitors and KEY COLLABORATORS for your organization?

(2) **Competitiveness Changes** What are any KEY changes taking place that affect your competitive situation, including opportunities for INNOVATION and collaboration, as appropriate?

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

### **b. Strategic Context**

What are your KEY HEALTH CARE SERVICE, operational, societal responsibility, and human resource STRATEGIC CHALLENGES and advantages?

### **c. PERFORMANCE Improvement System**

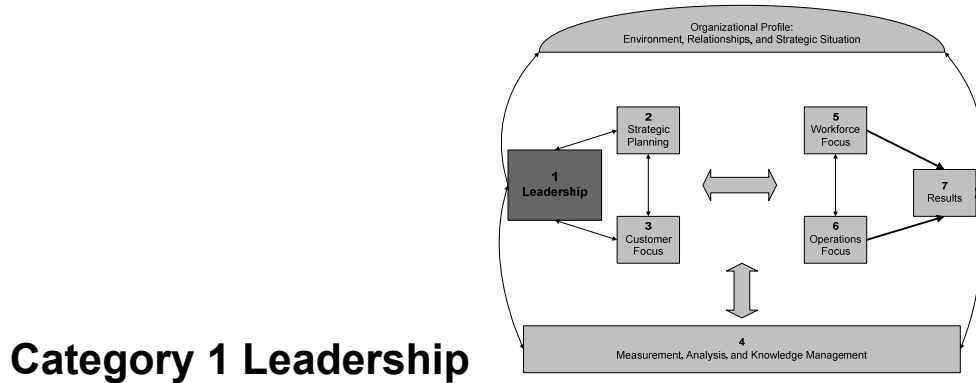
What are the KEY elements of your PERFORMANCE improvement system, including your evaluation, organizational LEARNING, and INNOVATION PROCESSES?

## **NOTES**

**N1.** Strategic challenges and advantages (P.2b) might relate to technology, health care services, your operations, your patient and stakeholder support, the health care industry, and people. Strategic advantages might include differentiators such as your technology leadership, innovation rate, accessibility, health care and administrative support services, cost, innovation rate, reputation for service delivery, and wait times for service.

**N2.** Performance improvement (P.2c) through learning and integration is an assessment dimension used in the scoring system to evaluate the maturity of organizational approaches and deployment. This question is intended to help you and the New Mexico Quality Award examiners set an overall context for your approach to performance improvement. Approaches to performance improvement that are compatible with the systems approach provided by the Baldrige framework should be related to your organization's needs and might include applying the Six Sigma methodology, implementing Plan-Do-Check-Act (PDCA) improvement cycles, or employing other process improvement and innovation tools. A growing number of organizations have implemented specific processes for meeting goals in product and process innovation.

## NMQA Piñon Criteria For Performance Excellence



The **Leadership** Category examines **HOW** your organization’s **SENIOR LEADERS’** personal actions guide and sustain your organization. Also examined are your organization’s **GOVERNANCE** system and **HOW** your organization fulfills its legal, ethical, and societal responsibilities and supports its **KEY** communities.

Address the following questions in your assessment:

1. HOW do SENIOR LEADERS’ actions guide and sustain your organization?
2. HOW do SENIOR LEADERS communicate with your WORKFORCE and encourage HIGH PERFORMANCE?
3. What are your organization’s GOVERNANCE system and PROCESS for leadership improvement?
4. HOW does your organization ensure legal and ETHICAL BEHAVIOR, fulfill its societal responsibilities, support its KEY communities, and contributes to community health?

### NOTES

**N1.** In health care organizations with separate administrative/operational and health care provider leaders, “senior leaders” refers to both sets of leaders and the relationship between them.

**N2.** A sustainable organization (question 1) is capable of addressing current business needs and possesses the agility and strategic management to prepare successfully for its future business, market, and operating environment. Both external and internal factors are considered. In this context, the concept of innovation includes both technological and organizational innovation to help the organization succeed in the future. A sustainable organization also ensures a safe and secure environment for the workforce and other key stakeholders. An organization’s contributions to environmental, social, and economic systems beyond those of its workforce and immediate stakeholders are considered in its societal responsibilities (question 4).

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

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

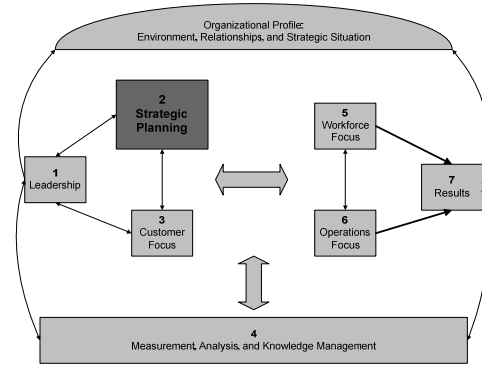
**N5.** Societal responsibilities in areas critical to your organization’s ongoing marketplace success also should be addressed in Strategy Development (Category 2) and in Operations Focus (Category 6). Key results, such as results related to regulatory and legal requirements (including malpractice and the results of mandated financial audits); accreditation; reductions in environmental impacts through the use of “green” technology, resource-conserving activities, or other means; or improvements in social impacts, such as the global use of enlightened labor practices, should be reported as Leadership and Governance Outcomes (Category 7, question 4).

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

**N7.** Areas of societal contributions and community support appropriate for inclusion in question 4 might include your efforts to improve the environment (e.g., collaboration to conserve the environment or natural resources); strengthen local community services, education, and health; and improve the practices of trade, business, or professional associations.

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

**N9.** Actions to build community health (question 4) are population-based services supporting the general health of the communities in which you operate. Such services will likely draw upon your core competencies and might include health education programs, immunization programs, unique health services provided at a financial loss, population-screening programs (e.g., for hypertension), sponsorship of safety programs, and indigent care and other community benefits. You should report the results of your community health services in Category 7 question 1.



## Category 2 Strategic Planning

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

Address the following questions in your assessment:

1. HOW does your organization determine its **CORE COMPETENCIES**, **STRATEGIC CHALLENGES** and **ADVANTAGES** (identified in your **Organizational Profile**)?
2. HOW does your organization establish its strategy to address these **STRATEGIC CHALLENGES** and leverage its **STRATEGIC ADVANTAGES**?
3. Summarize your organization's **KEY STRATEGIC OBJECTIVES** and their related **GOALS**.
4. HOW does your organization convert its **STRATEGIC OBJECTIVES** into **ACTION PLANS**?
5. Summarize your organization's **ACTION PLANS**, **HOW** they are **DEPLOYED**, and **KEY ACTION PLAN PERFORMANCE MASURES** OR **INDICATORS**.
6. Project your organization's future **PERFORMANCE** relative to **KEY** comparisons on these **PERFORMANCE MEASURES** OR **INDICATORS**.

### NOTES

**N1.** "Strategy development" refers to your organization's approach to preparing for the future. Strategy development might utilize various types of forecasts, projections, options, scenarios, knowledge, or other approaches to envisioning the future for purposes of decision making and resource allocation. Strategy development might involve participation by key suppliers, distributors, partners, patients, and stakeholders.

**N2.** The term "strategy" should be interpreted broadly. Strategy might be built around or lead to any or all of the following: new health care services; redefinition of key patient and stakeholder groups or market segments; intelligent risks; new core competencies; revenue growth via various approaches, including acquisitions, grants,

and endowments; divestitures; new partnerships and alliances; and new staff or volunteer relationships. Strategy might be directed toward becoming a preferred provider, a center for clinical and service excellence, a research leader, a low-cost provider, a market innovator, a provider of a high-end or customized service, or an integrated service provider. It also might be directed toward meeting a community or public health need.

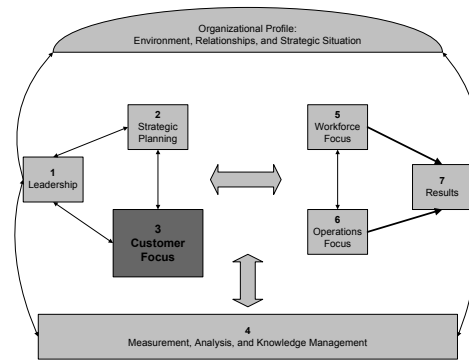
**N3.** Strategic objectives, within an overall organizational strategy, that address key challenges and advantages (question 2) might include access and locations; rapid response; customization; co-location with major partners; workforce capability and capacity; specific joint ventures; rapid innovation; societal responsibility actions or leadership; Web-based provider, patient, and stakeholder relationship management; implementation of electronic medical records and electronic care processes (e.g., order entry and e-prescribing); and enhancements in health care service quality. Responses to questions 1 and 2 should focus on your specific challenges and advantages – those most important to your ongoing success and to strengthening your organization’s overall performance.

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

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

**N5.** Category 2 addresses your overall organizational strategy, which might include changes in health care service offerings and customer engagement processes. However, the category does not address service design or customer engagement strategies; you should address these factors in Categories 6 and 3, as appropriate.

**N6.** Measures and indicators of projected performance (question 6) might include changes resulting from new ventures; organizational acquisitions or mergers; new value creation; market entry and shifts; new legislative mandates, legal requirements, or industry standards; and significant anticipated innovations in health care services and technology.



## Category 3 Customer Focus

The **Customer Focus** Category examines **HOW** your organization engages its **PATIENTS** and **STAKEHOLDERS** for long-term marketplace success. This **ENGAGEMENT** strategy includes **HOW** your organization listens to the **VOICE OF ITS CUSTOMERS** (your **PATIENTS** and **STAKEHOLDERS**), builds **CUSTOMER** relationships, and uses **CUSTOMER** information to improve and identify opportunities for **INNOVATION**.

Address the following questions in your assessment:

1. HOW does your organization listen to the “VOICE-OF-THE-CUSTOMERS” (patients and stakeholders)?
2. HOW does your organization determine patient and stakeholder satisfaction, dissatisfaction, and **ENGAGEMENT**?
3. HOW does your organization determine health care service offerings and patient and stakeholder communication mechanisms to support patients and stakeholders?
4. HOW does your organization build patient and stakeholder relationships?

## NOTES

**N1.** The “voice of the customer” refers to your process for capturing patient- and stakeholder-related information. Voice-of-the-customer processes are intended to be proactive and continuously innovative to capture stated, unstated, and anticipated requirements, expectations, and desires of patients and stakeholders. The goal is to achieve customer engagement. Listening to the voice of the customer might include gathering and integrating various types of patient and stakeholder data, such as survey data, focus group findings, blog comments and other social media data, and complaint data that affect patients’ and stakeholders’ purchasing and engagement decisions.

**N2.** Use of social media and Web-based technologies to listen to patients and stakeholders provides a newer mode of gathering insight into customer perceptions of all aspects of your involvement with them. Use of social media may include blogs moderated by your organization and unsolicited opportunities to learn based on social media outlets your organization does not control, such as wikis, online forums, and blogs not moderated by your organization.

**N3.** Determining patient and stakeholder satisfaction and dissatisfaction (question 2) might include the use of any or all of the following: surveys, formal and informal feedback, health care service utilization data,

complaints, win/loss analysis, patient and stakeholder referral rates, and transaction completion rates. Information might be gathered on the Web, through personal contact or a third party, or by mail. Determining patient and stakeholder 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.

**N4.** Dimensions of patient satisfaction (question 2) might include, for example, satisfaction with the quality of care, with provider interactions, with long-term health outcomes, and with ancillary services.

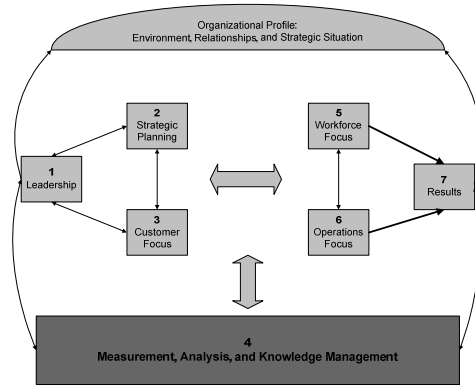
**N5.** “Customer engagement” (question 2) refers to your patients’ and stakeholders’ investment in your organization and health care service offerings. Characteristics of engagement include patient and stakeholder retention and loyalty, patients’ and stakeholders’ willingness to make an effort to obtain health care services from—and increase the services they obtain from—your organization, and patients’ and stakeholders’ willingness to actively advocate for and recommend your organization and health care service offerings.

**N6.** “Health care service offerings” and ‘health care services’ refer to the services and programs that you offer in the marketplace. Health care service offerings (question 3) should consider all the important characteristics of services that patients and stakeholders receive in each stage of their relationship with you. The focus should be on features that affect patients’ and stakeholders’ preference and loyalty—for example, those features that affect their view of clinical and service quality and differentiate your services from competing offerings or those of organizations offering similar health care services. Beyond specific health care provisions leading to desired health care outcomes, those features might include extended hours, family support services, ease of access to and use of your services, timeliness, cost, and assistance with billing/paperwork processes and transportation. Key health care service features also might take into account how transactions occur and factors such as the confidentiality and security of patient and stakeholder data. Your results on performance relative to the key service features should be reported in Category 7 question 1, and those concerning patients’ and stakeholders’ perceptions and actions (outcomes) should be reported in Category 7 question 2.

**N7.** Building patient and stakeholder relationships (question 4) might include the development of partnerships or alliances with stakeholders.

**N8.** Your patient and stakeholder satisfaction, dissatisfaction, and engagement results should be reported in Category 7 question 2.

## Category 4 Measurement, Analysis, and Knowledge Management



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

Address the following questions in your assessment:

1. **HOW** does your organization measure, analyze, review, and improve its **PERFORMANCE** through the use of data and information at all levels and in all parts of your organization?
2. **HOW** does your organization build and manage its **KNOWLEDGE ASSETS**?
3. **HOW** does your organization ensure the quality and availability of needed data, information, software, and hardware for your **WORKFORCE**, suppliers, **PARTNERS**, **COLLABORATORS**, and **PATIENTS** and **STAKEHOLDERS**?

### NOTES

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

**N2.** Analyzing performance (question 1) may include using comparative data and information obtained by benchmarking and/or seeking competitive comparisons. “Benchmarking” refers to identifying processes and results that represent best practices and performance for similar activities, inside or outside the health care industry. Competitive comparisons relate your organization’s performance to that of competitors and other organizations providing similar health care services.

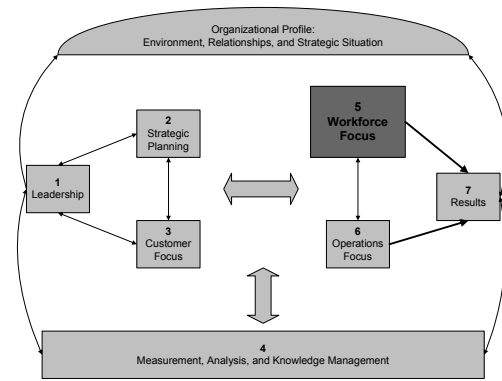
**N3.** Organizational performance reviews should be informed by organizational performance measurement, performance measures reported throughout your Criteria Category responses, and they should be guided by the strategic objectives and action plans described in Category 2. The reviews also might be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

**N4.** Performance analysis includes examining performance trends; organizational, health care industry, and technology projections; and comparisons, cause-effect relationships, and correlations. Performance 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: patient- and stakeholder-related, health care outcome, financial and market, operational, and competitive/comparative.

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

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

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



## Category 5 Workforce Focus

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

Address the following questions in your assessment:

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

### NOTES

**N1.** “Workforce” refers to the people actively involved in accomplishing the work of your organization. It includes your organization’s permanent, temporary, and part time personnel, as well as any contract staff supervised by your organization, independent practitioners (e.g., physicians, physician assistants, nurse practitioners, acupuncturists, and nutritionists not paid by the organization), volunteers, and health profession students (e.g., medical, nursing, and ancillary). It includes team leaders, supervisors, and managers at all levels. People supervised by a contractor should be addressed in Category 6 as part of your larger work systems.

**N2.** “Workforce capability” refers to your organization’s ability to accomplish its work processes through the knowledge, skills, abilities, and competencies of its people. Capability may include the ability to build and sustain relationships with your patients and stakeholders; to innovate and transition to new

technologies; to develop new health care services and work processes; and to meet changing health care, market, and regulatory demands. “Workforce capacity” refers to your organization’s ability to ensure sufficient staffing levels to accomplish its work processes and successfully deliver your health care services to your patients and stakeholders, including the ability to meet seasonal or varying demand levels.

**N3.** Workforce capability and capacity should consider not only current needs but also future requirements based on your strategic objectives and action plans reported in Category 2.

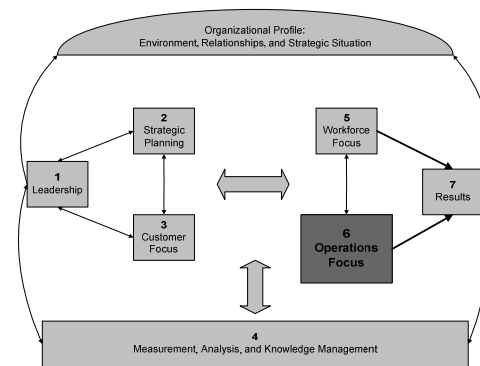
**N4.** Preparing your workforce for changing capability and capacity needs (question 1) might include training, education, frequent communication, considerations of workforce employment and employability, career counseling, and outplacement and other services.

**N5.** “Workforce engagement” refers to the extent of workforce commitment, both emotional and intellectual, to accomplishing the work, mission, and vision of the organization. Organizations with high levels of workforce engagement are often characterized by high-performing work environments in which people do their utmost for the benefit of their patients and stakeholders and for the success of the organization.

**N6.** Compensation, recognition, and related reward and incentive practices (question 3) include promotions and bonuses that might be based on performance, skills acquired, and other factors. Recognition systems for volunteers and independent practitioners who contribute to the work of the organization should be included, as appropriate.

**N7.** Identifying improvement opportunities (question 4) might draw on your workforce-focused results presented in Category 7 question 3 and might involve addressing workforce-related problems based on their impact on your business results reported in response to other Category 7 questions.

**N8.** Your organization may have unique considerations relative to workforce development, learning, and career progression. If this is the case for your organization, your response to question 5 should include how you address these considerations. Your response should also consider the breadth of development opportunities your organization might use, including education, training, coaching, mentoring, and work-related experiences.



## Category 6 Operations Focus

The **Operations Focus** Category examines **HOW** your organization designs, manages, and improves its **WORK SYSTEMS** and **WORK PROCESSES** to deliver **PATIENT** and **STAKEHOLDER VALUE** and achieve organizational success and **SUSTAINABILITY**. Also examined is your readiness for emergencies.

Address the following questions in your assessment:

1. HOW does your organization design its overall **WORK SYSTEMS**, including how your organization decides which processes within its overall **WORK SYSTEMS** will be internal to your organization (your organization's **KEY WORK PROCESSES**) and which will use external resources?
2. HOW do your organization's overall **WORK SYSTEMS**, including its **KEY WORK PROCESSES**, capitalize on your organization's **CORE COMPETENCIES**?
3. HOW does your organization manage and improve its **WORK SYSTEMS** to deliver **PATIENT** and **STAKEHOLDER VALUE** and achieve organizational success and **SUSTAINABILITY**?
4. HOW do you ensure **WORK SYSTEM** and workplace preparedness for disasters or emergencies?
5. HOW does your organization design and manage its **KEY WORK PROCESSES** to deliver **PATIENT** and **STAKEHOLDER VALUE** and achieve organizational success and **SUSTAINABILITY**?
6. HOW does your organization improve its **KEY WORK PROCESSES** to improve health care outcomes, achieve better **PERFORMANCE**, reduce variability, and improve **HEALTH CARE SERVICES**?

### NOTES

**N1.** "Work systems" refers to how the work of your organization is accomplished. Work systems involve your workforce, your key suppliers and partners, your contractors, your collaborators, and other components of the supply chain needed to produce and deliver your health care services and business and support processes. Your work systems coordinate the internal work processes and

the external resources necessary for you to develop, produce, and deliver your health care services to your patients and stakeholders and to succeed in your marketplace.

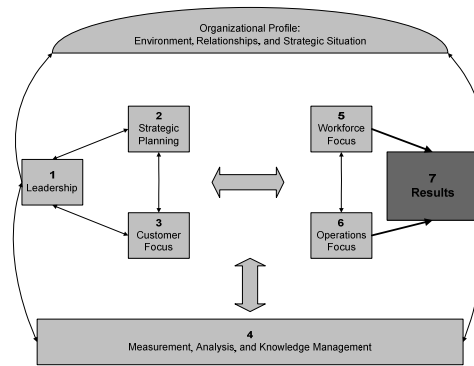
**N2.** Your key work processes are your most important internal value creation processes and might include health care and service design and delivery, patient and stakeholder support, supply-chain management, business, and support processes. Your key work processes are those that involve the majority of your organization's workforce members and produce patient and stakeholder value. "Projects" are unique work processes intended to produce an outcome and then go out of existence. Project management also may be applied to a work system challenge or opportunity.

**N3.** Disasters and emergencies (question 4) might be weather-related, utility-related, security-related, or due to a local or national emergency, including potential pandemics. Health care organizations should consider both community-related disasters, where they play a role as first responders, and organization-specific incidents that threaten continued operations (e.g., fire, building damage, or loss of power/water). Emergency considerations related to information technology should be addressed in Category 4.

**N4.** To improve process performance (question 6) and reduce variability, your organization might implement approaches such as a Lean Enterprise System, the Six Sigma methodology, the Plan-Do-Check-Act methodology, or other process improvement tools. These approaches might be part of your performance improvement system described in response to P.2c in the Organizational Profile.

**N5.** The results of improvements in health care outcomes and health care service and process performance should be reported in Category 7 question 1.

## Category 7 Results



The **Results** Category examines your organization's **PERFORMANCE** and improvement in all **KEY** areas – health care and **PROCESS** outcomes, **CUSTOMER**-focused outcomes; **WORKFORCE**-focused outcomes; leadership and **GOVERNANCE** outcomes; and financial and market outcomes. **PERFORMANCE LEVELS** are examined relative to those of competitors and other organizations providing similar **HEALTH CARE SERVICE** offerings.

Address the following questions in your assessment:

1. What are your organization's **KEY** health care results and its **KEY PERFORMANCE** and **PROCESS EFFECTIVENESS** and **efficiency RESULTS**? Include **PROCESSES** that directly serve **PATIENTS** and **STAKEHOLDERS**, strategy, and operations (including emergency preparedness). **SEGMENT** your **RESULTS** by **HEALTH CARE SERVICE** offerings, by **PATIENT** and **STAKEHOLDER** groups and market **SEGMENTS**, and by **PROCESS** types and locations as appropriate. Include and indicate your results for key measures that are publicly reported and/or mandated by regulatory, accreditor, or payor requirements. Include appropriate comparative data.
2. What are your organization's **KEY PATIENT-** and **STAKEHOLDER-focused RESULTS** for **PATIENT** and **STAKEHOLDER** satisfaction, dissatisfaction, and **ENGAGEMENT**? **SEGMENT** your **RESULTS** by **HEALTH CARE SERVICE** offerings, **PATIENT** and **STAKEHOLDER** groups, and market **SEGMENTS**, as appropriate. Include appropriate comparative data.
3. What are your organization's **KEY WORKFORCE-focused RESULTS** for **WORKFORCE** environment and for your **WORKFORCE ENGAGEMENT**? **SEGMENT** your **RESULTS** to address the **DIVERSITY** of your **WORKFORCE** and to address your **WORKFORCE** groups and **SEGMENTS**, as appropriate. Include appropriate comparative data.
4. What are your organization's **KEY SENIOR LEADERSHIP** and **GOVERNANCE** results, including those for fiscal accountability, legal compliance, **ETHICAL BEHAVIOR**, societal responsibility, and support of **KEY** communities and community health? **SEGMENT** your **RESULTS** by organizational units, as appropriate. Include appropriate comparative data.
5. What are your organization's **KEY financial** and marketplace **PERFORMANCE RESULTS** by market **SEGMENTS** or **PATIENT** and **STAKEHOLDER** groups, as appropriate? Include appropriate comparative data.

**NOTES**

**N1.** Results reported in question 1 should provide key information for analysis and review of your organizational performance (Category 4); demonstrate use of organizational knowledge (Category 4); and provide the operational basis for customer-focused outcomes (question 2) and financial and market outcomes (question 5). Results for Centers for Medicare and Medicaid Services (CMS) core measures should be included if your organization reports these measures.

**N2.** Health care and process results reported in question 1 should relate to the key patient and stakeholder requirements and expectations identified in P.1b(2), based on information gathered in Category 3. The measures or indicators should address factors that affect patients' and stakeholders' preferences, such as those included in item P.1, note 7, and Category 3, note 6.

**N3.** Results reported in question 1 related to process effectiveness should address your key operational requirements as presented in the Organizational Profile and in Category 6.

**N4.** Appropriate measures and indicators of operational process effectiveness (question 1) might include audit, just-in-time delivery, and acceptance results for externally provided health care services and processes; supplier and partner performance; health care service and work system innovation rates and results; simplification of internal jobs and job classifications; work layout improvements; changes in supervisory ratios; response times for emergency drills or exercises; and results for work relocation or contingency exercises.

**N5.** Measures or indicators of strategy and action plan accomplishment (question 1) should address your strategic objectives and goals as well as your action plan performance measures and projected performance identified in Category 2.

**N6.** Patient and stakeholder satisfaction, dissatisfaction, engagement, and relationship-building results reported in this item should relate to the patient and stakeholder groups and market segments discussed in P.1b(2) and Category 3 and to the listening and determination methods and data described in Category 3.

**N8.** Measures and indicators of patients and stakeholder satisfaction with your health care services relative to satisfaction with competitors and other organizations providing similar health care services (question 2) might include information and data from your patients and stakeholders and from independent organizations. Results on the Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) should be included in your organization reports these measures.

**N9.** Results reported in question 3 should relate to processes described in category 5. Your results should be responsive to key work process needs described in category 6 and to your organization's action plans and human resource or workforce plans described in Category 2.

**N10.** Responses to workforce engagement results (question 3) should include measures and indicators identified in response to Category 5 question 4.

**N11.** For question 3, results for paid workforce members, independent practitioners, volunteers, and health profession students should be included as appropriate.

**N12.** Responses to question 4 should address communication processes identified in Category 1.

**N13.** Responses to question 4 might include financial statement issues and risks, important internal and external auditor recommendations, and the management's responses to these matters.

**N14.** Regulatory, legal, and accreditation (question 4) should address requirements described in Category 1. Workforce-related occupational health and safety results (e.g., Occupational Safety and Health Administration [OSHA] reportable incidents) should be reported in question 3.

**N15.** For examples of measures of ethical behavior and stakeholder trust (question 4), see Category 1, note 5.

**N16.** Responses to question 4 should address your organization's societal responsibilities as well as support of the key communities and contributions to community health described in Category 1. Measures of contributions to societal well-being might include reduced energy consumption; the use of renewable energy resources, recycled water, and alternative approaches to conserving resources (e.g., increased audio and video conferencing); and the global use of enlightened labor practices.

**N17.** Responses to question 5 should include aggregate measures of financial return, such as return on investment (ROI), operating margins, profitability, or profitability by market segment or patient or stakeholder group. Responses also should include measures of financial viability, such as liquidity, debt-to-equity ratio, days cash on hand, asset utilization, cash flow, and bond ratings, as appropriate. Measures should relate to the financial measures reported in Category 4 and the financial management approaches described in Category 2.

## Application Checklist

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

<b>CATEGORIES / QUESTIONS</b>	
<b>Category 1 – LEADERSHIP</b> <i>Describes:</i>	✓
1. How senior leaders' actions guide and sustain your organization	
2. How senior leaders communicate with your workforce and encourage high performance	
3. What are your organization's governance system and process for leadership improvement	
4. How your organization ensures legal and ethical behavior, fulfills its societal responsibilities, supports its key communities, and contributes to community health	
<b>Category 2 – STRATEGIC PLANNING</b> <i>Describes:</i>	
1. How your organization determines its core competencies, strategic challenges and advantages (identified in your Organizational Profile)	
2. How your organization establishes its strategy to address these strategic challenges and leverage its strategic advantages	
3. What are your organization's key strategic objectives and their related goals	
4. How your organization converts its strategic objectives into action plans	
5. A summary of your organization's action plans how they are deployed, and key action plan performance measures or indicators	
6. What are your projections related to your organization's future performance relative to key comparisons on these key performance measures or indicators	
<b>Category 3 – CUSTOMER and MARKET FOCUS</b> <i>Describes:</i>	
1. How your organization listens to the "voice-of-the-customers" (patients and stakeholders)	
2. How your organization determines patient and stakeholder satisfaction, dissatisfaction, and engagement	
3. How your organization determines health care service offerings and patient and stakeholder communication mechanisms to support patients and stakeholders	
4. How your organization builds patient and stakeholder relationships	
<b>Category 4 – MEASUREMENT, ANALYSIS, and KNOWLEDGE MANAGEMENT</b> <i>Describes:</i>	
1. How your organization measures, analyzes, reviews, and improves its performance through the use of data and information at all levels and in all parts of your organization	
2. How your organization builds and manages its knowledge assets	
3. How your organization ensures the quality and availability of needed data, information, software, and hardware for your workforce, suppliers, partners, collaborators, and patients and stakeholders	
<b>Category 5 – WORKFORCE FOCUS</b> <i>Describes:</i>	
1. How your organization manages workforce capability and capacity to accomplish the work of the organization	
2. How your organization maintains a safe, secure, and supportive work climate	
3. How your organization engages, compensates, and rewards your workforce to achieve high performance	
4. How your organization assesses workforce engagement and uses the results to achieve higher performance	
5. How members of your workforce, including leaders, are developed to achieve high performance	

<b>Category 6 – PROCESS MANAGEMENT</b> <i>Describes:</i>	
1. How your organization designs its overall work systems, including how your organization decides which processes within its overall work systems will be internal to your organization (your organization’s key work processes) and which will use external resources	
2. How your organization’s overall work systems, including its key work processes, capitalize on your organization’s core competencies	
3. How your organization manages and improves its work systems to deliver patient and stakeholder value and achieve organizational success and sustainability	
4. How you ensure work system and workplace preparedness for disasters or emergencies	
5. How your organization designs and manages its key work processes to deliver patient and stakeholder value and achieve organizational success and sustainability	
6. How your organization improves its key work processes to improve health care outcomes, achieve better performance, reduce variability, and improve health care services	
<b>Category 7 – RESULTS</b> <i>Shows results in the following areas:</i>	
1. Health Care results and performance and process effectiveness and efficiency results	
2. Patient- and stakeholder-focused results	
3. Workforce-focused results	
4. Senior leadership and governance results	
5. Financial and marketplace results	

## Glossary of Key Terms

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

### **Action Plans**

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

An example of a strategic objective for a health care system in an area with an active business alliance focusing on cost and quality of care might be to become the low-cost provider. Action plans could entail designing efficient processes to optimize the length of hospital stays, reduce the rework resulting from patient injuries and treatment errors, analyze resource and asset use, and analyze the most commonly encountered DRGs with a focus on preventive health in those areas. Deployment requirements might include training for all department and work unit caregivers in setting priorities based on costs and benefits.

Organizational-level analysis and review likely would emphasize process efficiency, cost per patient, and health care quality.

See also the definition of “strategic objectives.”

### **Alignment**

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

### **Analysis**

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

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

### **Anecdotal**

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

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

See also the definition of “systematic.”

### **Approach**

The term “approach” refers to the methods used by an organization to address the Baldrige Criteria item requirements. Approach includes the appropriateness of the methods to the item requirements and to the organization’s operating environment, as well as how effectively the methods are used. Approach is one of the dimensions considered in evaluating Process Categories.

### **Benchmarks**

The term “benchmarks” refers to processes and results that represent best practices and performance for similar activities, inside or outside an organization’s industry. Organizations engage in benchmarking to understand the current dimensions of world-class performance and to achieve discontinuous (nonincremental) or “breakthrough” improvement. Benchmarks are one form of comparative data. Other comparative data organizations might use include information obtained from other organizations through sharing or contributing to external reference databases, information obtained from the open literature (e.g., outcomes of research studies and practice

guidelines), data gathering and evaluation by independent organizations (e.g., CMS, accrediting organizations, and commercial organizations) regarding industry data (frequently industry averages), data on competitors' performance, and comparisons with organizations providing similar health care services.

### **Collaborators**

The term "collaborators" refers to those organizations or individuals who cooperate with your organization to support a particular activity or event or who cooperate on an intermittent basis when short-term goals are aligned or are the same. Typically, collaborations do not involve formal agreements or arrangements.

See also the definition of "partners."

### **Core Competencies**

The term "core competencies" refers to your organization's areas of greatest expertise. Your organization's core competencies are those strategically important capabilities that are central to fulfilling your mission or provide an advantage in your marketplace or service environment. Core competencies frequently are challenging for competitors or suppliers and partners to imitate, and they may provide a sustainable competitive advantage. Absence of a needed organizational core competency may result in a significant strategic challenge or disadvantage in the marketplace.

Core competencies may involve technology expertise, unique service offerings, a marketplace niche, or a particular business acumen (e.g., health care delivery start-ups).

### **Customer**

In the Health Care Criteria, the term "customer" refers to actual and potential users of your organization's services or programs (referred to as "health care services" in the Health Care Criteria). Patients are the primary customers of health care organizations. The Criteria address customers broadly, referencing current and future customers, as well as the customers of your competitors and other organizations providing similar health care services.

Patient-focused excellence is a Baldrige core value embedded in the beliefs and behaviors of high-performing organizations. Patient focus impacts and should integrate an organization's strategic directions, its work systems and work processes, and its organizational performance results.

See the definition of "stakeholders" for the relationship between customers and others who might be affected by your health care services.

### **Customer Engagement**

The term "customer engagement" refers to your patients' and stakeholders' investment in or commitment to your organization and health care service offerings. It is based on your ongoing ability to serve their needs and build relationships so they will continue using your services. Characteristics of customer engagement include customer retention and loyalty, willingness to make an effort to obtain services from your organization, and willingness to actively advocate for and recommend your organization and service offerings.

### **Cycle Time**

The term "cycle time" refers to the time required to fulfill commitments or to complete tasks. Time measurements play a major role in the Criteria because of the great importance of time performance to improving competitiveness and overall performance. "Cycle time" refers to all aspects of time performance. Cycle time improvement might include test results reporting time, time to introduce new health care technology, order fulfillment time, length of hospital stays, call-line response time, billing time, and other key measures of time.

### **Deployment**

The term "deployment" refers to the *extent* to which an approach is applied in addressing the requirements of a Baldrige Criteria item. Deployment is evaluated on the basis of the breadth and depth of application of the approach to relevant work units throughout the organization. Deployment is one of the dimensions considered in evaluating Process Categories.

### **Diversity**

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

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

### **Effective**

The term "effective" refers to how well a process or a measure addresses its intended purpose. Determining effectiveness requires (1) the evaluation of how well the process is aligned with

the organization's needs and how well the process is deployed or (2) the evaluation of the outcome of the measure used.

### **Empowerment**

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

### **Ethical Behavior**

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

Senior leaders should act as role models for these principles of behavior. The principles apply to all people involved in the organization, from temporary members of the workforce to members of the board of directors, and they need to be communicated and reinforced on a regular basis. Although the Baldrige Criteria do not prescribe that all organizations use the same model for ensuring ethical behavior, senior leaders should ensure that the organization's mission and vision are aligned with its ethical principles. Ethical behavior should be practiced with all stakeholders, including the workforce, patients and their family members, insurers, payors, other partners and suppliers, and the organization's local community.

Well-designed and clearly articulated ethical principles should empower people to make effective decisions with great confidence. Some organizations also may view their ethical principles as boundary conditions restricting behavior that otherwise could have adverse impacts on their organizations and/or society.

### **Goals**

The term "goals" refers to a future condition or performance level that one intends or desires to attain. Goals can be both short- and longer-term. Goals are ends that guide actions. Quantitative goals, frequently referred to as "targets," include a numerical point or range. Targets might be

projections based on comparative or competitive data. The term "stretch goals" refers to desired major, discontinuous (nonincremental) or "breakthrough" improvements, usually in areas most critical to your organization's future success.

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

See also the definition of "performance projections."

### **Governance**

The term "governance" refers to the system of management and controls exercised in the stewardship of your organization. It includes the responsibilities of your organization's owners/shareholders, board of directors, and senior leaders (administrative/operational and health care). Corporate or organizational charters, bylaws, and policies document the rights and responsibilities of each of the parties and describe how your organization will be directed and controlled to ensure (1) accountability to shareholders and other stakeholders, (2) transparency of operations, and (3) fair treatment of all stakeholders. Governance processes may include the approval of strategic direction, the monitoring and evaluation of senior leaders' performance, the establishment of executive compensation and benefits, succession planning, financial auditing, risk management, disclosure, and shareholder reporting. Ensuring effective governance is important to stakeholders' and the larger society's trust and to organizational effectiveness.

### **Health Care Services**

The term "health care services" refers to all services delivered by the organization that involve professional clinical/medical judgment, including those delivered to patients and those delivered to the community. Health care services also include services that are not considered clinical or medical, such as admitting, food services, and billing.

### **High-Performance Work**

The term "high-performance work" refers to work processes used to systematically pursue ever-higher levels of overall organizational and individual performance, including quality, productivity, innovation rate, and cycle time performance. High-performance work results in improved service for patients and other stakeholders.

Approaches to high-performance work vary in form, function, and incentive systems. High-performance work focuses on workforce engagement. It frequently includes cooperation between

administration/management and the workforce, which may involve workforce bargaining units; cooperation among departments/work units, often involving teams; the empowerment of your people, including self-directed responsibility; and input to planning. It also may include individual and organizational skill building and learning; learning from other organizations; flexibility in job design and work assignments; a flattened organizational structure, where decision making is decentralized and decisions are made closest to the “front line”; and effective use of performance measures, including comparisons. Many high-performing organizations use monetary and nonmonetary incentives based on factors such as organizational performance, team and individual contributions, and skill building. Also, high-performance work usually seeks to align the organization’s structure, core competencies, work, jobs, workforce development, and incentives.

### **How**

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

### **Innovation**

The term “innovation” refers to making meaningful change to improve health care services, processes, or organizational effectiveness and to create new value for stakeholders. Innovation involves the adoption of an idea, process, technology, product, or business model that is either new or new to its proposed application. The outcome of innovation is a discontinuous or breakthrough change in results, services, or processes.

Successful organizational innovation is a multistep process that involves development and knowledge sharing, a decision to implement, implementation, evaluation, and learning. Although innovation is often associated with health care research and technological innovation, it is applicable to all key organizational processes that would benefit from change, whether through breakthrough improvement or a change in approach or outputs. It could include fundamental changes in organizational structure or the business model to more effectively accomplish the organization’s work and to improve critical pathways and practice guidelines, facility design, the administration of medications, the organization of work, or alternative therapies..

### **Integration**

The term “integration” refers to the harmonization of plans, processes, information, resource decisions, actions, results, and analyses to support key

organization-wide goals. Effective integration goes beyond alignment and is achieved when the individual components of a performance management system operate as a fully interconnected unit.

See also the definition of “alignment”.

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

### **Key**

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

### **Knowledge Assets**

The term “knowledge assets” refers to the accumulated intellectual resources of your organization. It is the knowledge possessed by your organization and its workforce in the form of information, ideas, learning, understanding, memory, insights, cognitive and technical skills, and capabilities. Your workforce, software, patents, databases, documents, guides, and policies and procedures are repositories of your organization’s knowledge assets. Knowledge assets are held not only by an organization but reside within its patients, stakeholders, suppliers, and partners, as well.

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

### **Leadership System**

The term “leadership system” refers to how leadership is exercised, formally and informally, throughout the organization; it is the basis for and the way key decisions are made, communicated, and carried out. It includes structures and mechanisms for decision making; two-way communication; selection and development of leaders and managers; and reinforcement of values, ethical behavior, directions, and performance expectations. In health care organizations with separate administrative/operational and health care provider leadership, the leadership system includes both sets of leaders and the relationship between them.

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

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

### **Learning**

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

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

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

### **Levels**

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

### **Measures and Indicators**

The term "measures and indicators" refers to numerical information that quantifies input, output, and performance dimensions of processes, programs, projects, services, and the overall organization (outcomes). The Health Care Criteria place particular focus on measures of health care processes and outcomes, patient safety, and patient functional status. Measures and indicators might be simple (derived from one measurement) or composite.

The Criteria do not make a distinction between measures and indicators. However, some users of these terms prefer "indicator" (1) when the measurement relates to performance but is not a direct measure of such performance (e.g., the number of complaints is an indicator of dissatisfaction but not a direct measure of it) and (2) when the measurement is a predictor ("leading

indicator") of some more significant performance (e.g., increased patient and stakeholder satisfaction might be a leading indicator of a gain in retention of HMO members).

### **Mission**

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

### **Partners**

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

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

See also the definition of "collaborators."

### **Patients**

The term "patient" refers to the person receiving health care, including preventive, promotional, acute, chronic, rehabilitative, and all other services in the continuum of care. Other terms organizations use for "patient" include member, consumer, client, or resident.

### **Performance**

The term "performance" refers to outputs and their outcomes obtained from processes, health care services, and patients and stakeholders that permit the organization to evaluate and compare its results relative to performance projections, standards, past results, goals, and the results of other organizations. Performance can be expressed in nonfinancial and financial terms.

The Baldrige Criteria address four types of performance: (1) health care process and outcome, (2) patient- and stakeholder-focused, (3) operational, and (4) financial and marketplace.

"Health care process and outcome performance" refers to performance relative to measures and indicators of characteristics of health care service delivery that are important to patients and stakeholders. Examples include hospital admission rates, mortality and morbidity rates, nosocomial infection rates, length of hospital stays, and patient-experienced error levels, as well as functional status. Other examples include outside-the-hospital treatment of chronic conditions, culturally sensitive care, and patient compliance and adherence.

Health care performance might be measured at the organizational level, the DRG-specific level, and the patient and stakeholder segment level.

“Patient- and stakeholder-focused performance” refers to performance relative to measures and indicators of patients’ and stakeholders’ perceptions, reactions, and behaviors. Examples include patient loyalty, complaints, and survey results.

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

“Financial and marketplace performance” refers to performance relative to measures of cost, revenue, and market position, including asset utilization, asset growth, and market share. Examples include returns on investments, value added per staff member, bond ratings, debt-to-equity ratio, returns on assets, operating margins, performance to budget, the amount in reserve funds, days cash on hand, other profitability and liquidity measures, and market gains.

### **Performance Excellence**

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

### **Performance Projections**

The term “performance projections” refers to estimates of future performance. Projections should be based on an understanding of past performance, rates of improvement, and assumptions about future internal changes and innovations, as well as assumptions about changes in the external environment that result in internal changes. Thus performance projections can serve as a key tool in both management of operations and strategy development and implementation.

Performance projections are a statement of

expected future performance. Goals are a statement of desired future performance. Performance projections for competitors or similar organizations may indicate challenges facing your organization and areas where breakthrough performance or innovation is needed. Where breakthrough performance or innovation is intended, performance projections and goals may overlap.

See also the definition of “goals.”

### **Process**

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

In many service situations, such as health care treatment, particularly when patients and stakeholders are directly involved in the service, process is used in a more general way (i.e., to spell out what must be done, possibly including a preferred or expected sequence). If a sequence is critical, the service needs to include information to help patients and stakeholders understand and follow the sequence. Such service processes also require guidance to the providers of those services on handling contingencies related to the possible actions or behaviors of those served.

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

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

### **Productivity**

The term “productivity” refers to measures of the efficiency of resource use. Although the term often is applied to single factors, such as the workforce (labor productivity), machines, materials, energy, and capital, the productivity concept applies as well to the total resources used in producing outputs. The

use of an aggregate measure of overall productivity allows a determination of whether the net effect of overall changes in a process—possibly involving resource trade-offs—is beneficial.

### **Purpose**

The term “purpose” refers to the fundamental reason that an organization exists. The primary role of purpose is to inspire an organization and guide its setting of values. Purpose is generally broad and enduring. Two organizations providing different health care services could have similar purposes, and two organizations providing similar services could have different purposes.

### **Results**

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

### **Segment**

The term “segment” refers to a part of an organization’s overall patient, stakeholder, market, health care service offering, or workforce base. Segments typically have common characteristics that can be grouped logically. In Results Criteria questions, the term refers to disaggregating results data in a way that allows for meaningful analysis of an organization’s performance. It is up to each organization to determine the specific factors that it uses to segment its patients, stakeholders, markets, services, and workforce.

Understanding segments is critical to identifying the distinct needs and expectations of different patient, stakeholder, market, and workforce groups and to tailoring health care service offerings to meet their needs and expectations. As an example, market segmentation might be based on distribution channels, service volume, geography, or technologies employed. Workforce segmentation might be based on geography, specialties, skills, needs, work assignments, or job classifications.

### **Senior Leaders**

The term “senior leaders” refers to an organization’s senior management group or team. In many organizations, this consists of the head of the organization and his or her direct reports. In health care organizations with separate administrative/operational and health care provider leadership, “senior leaders” refers to both sets of leaders and the relationship between them.

### **Stakeholders**

The term “stakeholders” refers to all groups that are

or might be affected by an organization’s services, actions, and success. Examples of key stakeholders might include patients, patients’ families, the community, insurers and other third-party payors, employers, health care providers, patient advocacy groups, departments of health, students, the workforce, partners, collaborators, governing boards, stockholders, investors, charitable contributors, suppliers, taxpayers, regulatory bodies, policy makers, funders, and local and professional communities.

See also the definition of “customer”.

### **Strategic Advantages**

The term “strategic advantages” refers to those marketplace benefits that exert a decisive influence on an organization’s likelihood of future success. These advantages frequently are sources of an organization’s current and future competitive success relative to other providers of similar health care services. Strategic advantages generally arise from either or both of two sources: (1) core competencies, which focus on building and expanding on an organization’s internal capabilities, and (2) strategically important external resources, which are shaped and leveraged through key external relationships and partnerships.

When an organization realizes both sources of strategic advantage, it can amplify its unique internal capabilities by capitalizing on complementary capabilities in other organizations.

See the definitions of “strategic challenges” and “strategic objectives” below for the relationship among strategic advantages, strategic challenges, and the strategic objectives an organization articulates to address its challenges and advantages.

### **Strategic Challenges**

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

External strategic challenges may relate to patient, stakeholder, or health care market needs or expectations; health care service or technological changes; or financial, societal, and other risks or needs. Internal strategic challenges may relate to an organization’s capabilities or its human and other resources.

See the definitions of “strategic advantages” and “strategic objectives” on this page for the relationship among strategic challenges, strategic advantages, and the strategic objectives an organization articulates to address its challenges and advantages.

### **Strategic Objectives**

The term “strategic objectives” refers to an organization’s articulated aims or responses to address major change or improvement, competitiveness or social issues, and health care advantages. Strategic objectives generally are focused both externally and internally and relate to significant patient, stakeholder, market, health care service, or technological opportunities and challenges (strategic challenges). Broadly stated, they are what an organization must achieve to remain or become competitive and ensure long-term sustainability. Strategic objectives set an organization’s longer-term directions and guide resource allocations and redistributions.

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

### **Sustainability/Sustainable**

The term “sustainability” refers to your organization’s ability to address current business needs and to have the agility and strategic management to prepare successfully for your future organizational, market, and operating environment. Both external and internal factors need to be considered. The specific combination of factors might include health-care-industrywide and organization-specific components.

Sustainability considerations might include workforce capability and capacity, resource availability, technology, knowledge, core competencies, work systems, facilities, and equipment. Sustainability might be affected by changes in the marketplace and in patient and stakeholder preferences, changes in the financial markets, and changes in the legal and regulatory environment. In addition, sustainability has a component related to day-to-day preparedness for real-time or short-term emergencies.

In the context of the Baldrige Criteria, the impact of your organization’s health care services and operations on society and the contributions you make to the well-being of environmental, social, and economic systems are part of your organization’s overall societal responsibilities. Whether and how your organization addresses such considerations also may affect its sustainability.

### **Systematic**

The term “systematic” refers to approaches that are well-ordered, are repeatable, and use data and

information so learning is possible. In other words, approaches are systematic if they build in the opportunity for evaluation, improvement, and sharing, thereby permitting a gain in maturity.

### **Trends**

The term “trends” refers to numerical information that shows the direction and rate of change for an organization’s results or the consistency of its performance over time. Trends provide a time sequence of organizational performance.

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

Examples of trends called for by the Health Care Criteria include data related to health care outcomes and other health care service performance; patient, stakeholder, and workforce satisfaction and dissatisfaction results, financial performance, marketplace performance, and operational performance, such as cycle time and productivity.

### **Value**

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

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

### **Values**

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

**Vision**

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

**Voice of the Customer**

The term “voice of the customer” refers to your process for capturing patient- and stakeholder-related information. Voice-of-the-customer processes are intended to be proactive and continuously innovative to capture stated, unstated, and anticipated patient and stakeholder requirements, expectations, and desires. The goal is to achieve customer engagement. Listening to the voice of the customer might include gathering and integrating various types of patient and stakeholder data, such as survey data, focus group findings, and complaint data, that affect relationship and engagement decisions.

**Work Processes**

The term “work processes” refers to your most important internal value creation processes. They might include health care service design and delivery, patient support, supply chain management, business, and support processes. They are the processes that involve the majority of your organization’s workforce and produce patient and stakeholder value. Your key work processes frequently relate to your core competencies, to the factors that determine your success relative to competitors and organizations offering similar health care services, and to the factors considered important for business growth by your senior leaders

**Work Systems**

The term “work systems” refers to how the work of your organization is accomplished. Work systems involve your workforce, your key suppliers and partners, your contractors, your collaborators, and other components of the supply chain needed to produce and deliver your health care services and your business and support processes. Your work systems coordinate the internal work processes and the external resources necessary for you to develop, produce, and deliver your services to your patients and stakeholders and to succeed in your marketplace.

Decisions about work systems are strategic. These decisions involve protecting and capitalizing on core competencies and deciding what should be procured or produced outside your organization in order to be efficient and sustainable in your marketplace.

**Workforce**

The term “workforce” refers to all people actively involved in accomplishing the work of your organization, including paid employees (e.g., permanent, part-time, temporary, and telecommuting

employees, as well as contract staff supervised by the organization), independent practitioners not paid by the organization (e.g., physicians, physician assistants, nurse practitioners, acupuncturists, and nutritionists), volunteers, and health care students (e.g., medical, nursing, and ancillary), as appropriate. The workforce includes team leaders, supervisors, and managers at all levels.

**Workforce Capability**

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

Capability may include the ability to build and sustain relationships with your patients, stakeholders, and community; to innovate and transition to new technologies; to develop new health care services and work processes; and to meet changing health care, business, market, and regulatory demands.

**Workforce Capacity**

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

**Workforce Engagement**

The term “workforce engagement” refers to the extent of workforce commitment, both emotional and intellectual, to accomplishing the work, mission, and vision of the organization. Organizations with high levels of workforce engagement are often characterized by high-performing work environments in which people are motivated to do their utmost for the benefit of their patients and stakeholders and for the success of the organization. Workforce engagement also depends on building and sustaining relationships between your administrative/operational leadership and your independent practitioners.

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



