

# THE BALDRIGE JOURNEY

A PRACTICAL GUIDE FROM COLORADO'S EXPERTS

ADVICE FOR THE PATH TO BUSINESS  
PERFORMANCE EXCELLENCE



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# INTRODUCTION

Colorado has emerged as a recognized center for business performance excellence. In fact, four organizations along the Front Range have been recognized as recipients of the prestigious Malcolm Baldrige National Quality Award, the only recognition of business performance excellence for both public and private U.S. organizations given by the President of the United States. As of 2015, only 102 organizations had received this award since its inception in 1987.

The Baldrige journey to performance excellence is about developing practices that will keep your organization on a path of consistent growth and improvement. Working toward the Baldrige Award drives organizations to clarify their purpose, set strategic plans and ensure effective and efficient processes are in place. As a result, all Baldrige recipients can point to successes like greater workforce engagement, higher customer satisfaction and business growth. Learnings from the Baldrige journey are applicable to any organization.

Colorado's award recipients are CH2M, a 2000 recipient in the service category; the Monfort College of Business at the University of Northern Colorado, a 2004 recipient in the education category; Poudre Valley Health System, a 2008 recipient in the service category; and most recently, Elevations Credit Union, a 2014 recipient in the nonprofit category. Additionally, in 2014, the City of Fort Collins received Rocky Mountain Performance Excellence's Peak Award, which uses the same criteria as the national Baldrige Award and grants eligibility to pursue presidential recognition.

While each organization has a different mission and stakeholders, each has experienced positive results through the Baldrige journey. Here, leaders from each organization share stories, tips and advice for jump-starting performance improvement at your organization.



# LEADERSHIP

When Elevations Credit Union began its Baldrige journey in 2009, the country was in a deep recession, and the financial industry was in crisis. For the organization to survive in this new environment, something had to change. Gerry Agnes, Elevations' new CEO, saw Baldrige as the answer.

Agnes brought in a Baldrige coach to share the benefits of Baldrige with the Elevations board, and once the board approved, the organization's leadership team set to work fostering buy-in at all levels. "Getting to the matter of truth is one of the most important concepts a leader has to embrace," Agnes said. "Baldrige gave us the framework to really understand what was going on in the organization and the opportunity to see what we could do better."



## TIPS TO REMEMBER

- ◆ When it comes to launching the Baldrige process, the first step is often the hardest. Set the goal, commit, and remember that the journey is an investment.
- ◆ You will take some spills along the way. Learn from them and move forward.
- ◆ Don't forget to celebrate your successes. Pepper in opportunities to reward your team and motivate them to keep going.



## QUESTIONS TO CONSIDER

- ◆ Is this the right time for our organization to commit to a big goal? What would we gain? What would we risk? What do we risk by not committing?
- ◆ How will you encourage buy-in to the Baldrige process from your board? Your colleagues? Your team members?
- ◆ What kind of leadership system will be necessary to make this work?



# STRATEGY

The Monfort College of Business at the University of Northern Colorado is a small entity, with approximately 35 full-time faculty members, 10 adjunct professors, and fewer than 10 staff members. As such, decisions were often made on an ad-hoc basis, which is not always the best way to ensure long-term strategic goals are being met.

"Before Baldrige, we were doing a lot of good things, but probably more informally than we should," said Sharon Clinebell, a professor of management at the school. "We had to formalize the processes more."

The Baldrige process allowed the school to do that. "We had a common vision, but using the Baldrige process provided us a framework to help us achieve that vision."

“ WE HAD A COMMON VISION, BUT THE BALDRIGE PROCESS PROVIDED US A FRAMEWORK TO HELP US ACHIEVE THAT VISION. ”

-SHARON CLINEBELL



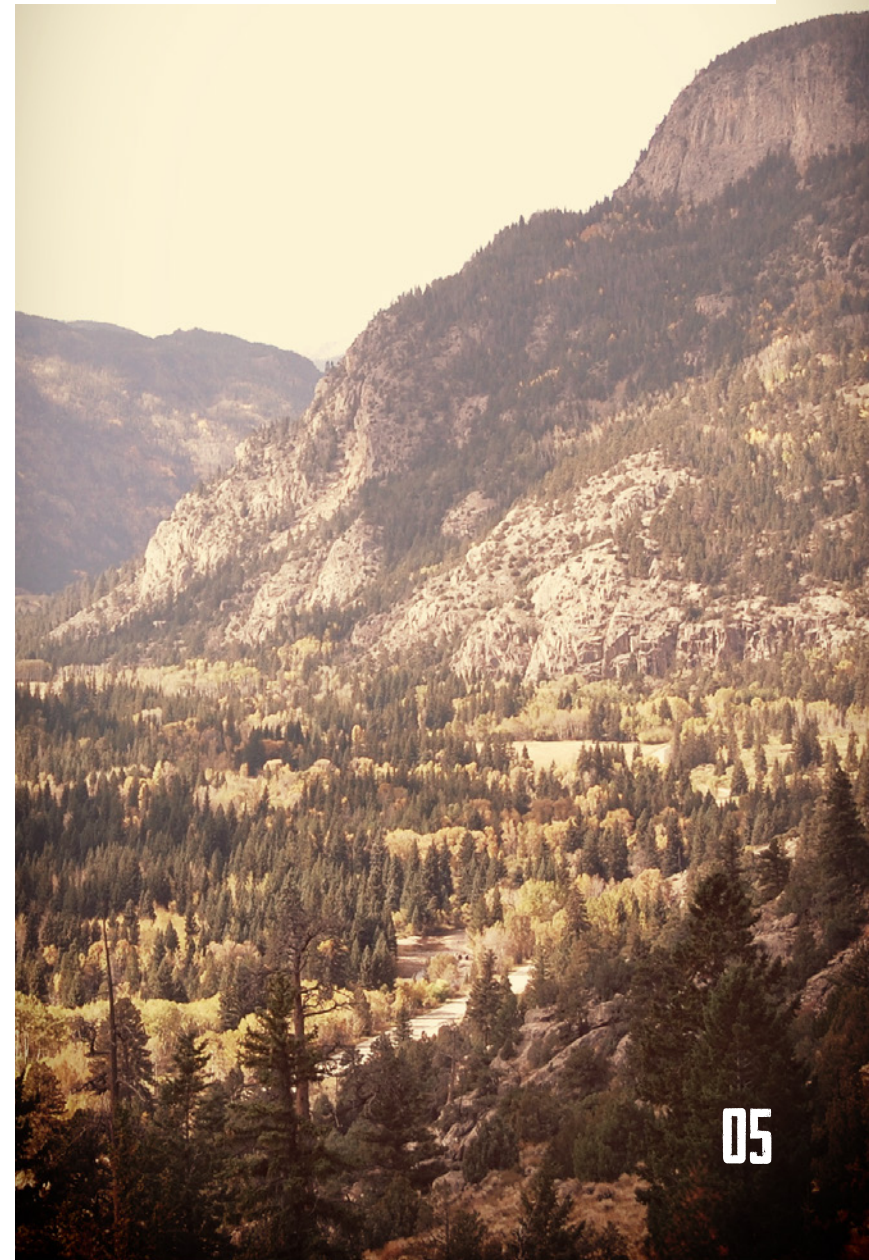
## TIPS TO REMEMBER

- ◆ Planning should be an ongoing cycle of assessing challenges and opportunities, adopting a strategic direction, reassessing based on defined objectives and measures, and making adjustments as necessary.
- ◆ Honor the “no” or “not now.” Not every good idea needs to be adopted, and even good changes can be difficult. Be aware of change fatigue with your workforce and customers.



## QUESTIONS TO CONSIDER

- ◆ Do you have a strategic plan in place for your organization? Does everyone share the same vision?
- ◆ Who makes the decisions in your organization? How could you give your various stakeholders more say?







# CUSTOMERS

At Poudre Valley Health System, patients are customers, and ensuring satisfaction can be of life-or-death importance.

Through the Baldrige journey, the organization examined how it could better serve high-risk, chronically ill patients, a cohort more likely to rely heavily on expensive emergency room visits. Poudre Valley established a free community case management program to better serve these patients, decreasing emergency room visits among the population by 50 percent. “Baldrige forced us to take a look at the ways we could be serving our patients and community better and gave us the tools we needed to make changes that actually work,” said Kevin Unger, Poudre Valley’s CEO.



## TIPS TO REMEMBER

- ◆ A well-defined brand promise and value proposition are essential for connecting with new customers and retaining existing ones.
- ◆ Be willing to make changes necessary to attract new generations and demographics.



## QUESTIONS TO CONSIDER

- ◆ Do you know what your brand is? Do your customers?
- ◆ What can you offer customers that’s different—what’s your value proposition?
- ◆ What is your process for attracting new customers? What can you do to increase customer loyalty?

# MEASUREMENT

During the recession, the City of Fort Collins, like many towns, was forced to cut some services—and residents weren't always happy about it. The problem was exacerbated by the fact that the town was relying on what City Manager Darin Atteberry calls a "trust us" approach. "We didn't have data to show if we were performing well or improving," Atteberry said. "We were just asking people to believe us."

During the Baldrige process, all of that changed. The city now provides a dashboard of metrics online, accessible to the public at all times, and the organization uses metrics to make sure actions align with strategy. "It's a more systematic, transparent approach," Atteberry said.



## TIPS TO REMEMBER

- ◆ Know the difference between good and great. Be able to quantify where your organization stands relative to your goals and your peers.
- ◆ Sometimes you need an outside view. Consider bringing in someone to audit your performance.



## QUESTIONS TO CONSIDER

- ◆ You might be working hard, but are you working smart? Are your processes aligned and focused on the right outcomes? How do you manage in-process measures to ensure you achieve the outcomes?
- ◆ How is knowledge shared in your organization? Is there a centralized resource employees can turn to?



# WORKFORCE

Many Baldrige award recipients will explain their organizations went through a major cultural shift during the process. At CH2M, this meant working to empower employees at all levels and encouraging them to speak up when they saw something that could be done better.

"We tell our employees all the time that they're paid to think," said Jeff Jones, CH2M's director of quality. "Anyone can turn a wrench. The person closest to the action is the most likely to have the best influence."



## TIPS TO REMEMBER

- ◆ Throughout the Baldrige journey, it's important to encourage buy-in from the board room to the mailroom. Educate employees and leadership about performance excellence and what it means to them.
- ◆ Figure out your core values and then live by them. Make sure employees understand them. They can't be meaningless words.
- ◆ Realize top performers crave excellence and want to be part of an organization actively striving for it.



## QUESTIONS TO CONSIDER

- ◆ Are you providing your team with the resources and knowledge they need to do their best work?
- ◆ Do your talent recruitment efforts focus on the long term—future skills, career growth, mission-critical positions—or are you simply filling empty chairs?

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# OPERATIONS

During the Baldrige process, Elevations Credit Union learned to pay closer attention to its operational rhythm. "Operational rhythm is simply about making sure we have the right people in the room with the right information at the right time so they can make the right decisions," Agnes said.

This focused approach allowed the credit union to expand its presence in the mortgage market after the housing crash, stepping in just as many lenders were stepping out. As a result, Elevations is now the No. 1 mortgage lender in Boulder and Broomfield counties.

"Taking that more strategic approach and making sure the right parties were working with each other in an integrated manner allowed us to see an opportunity and go for it," Agnes said. "We accomplish what we need to—and oftentimes, more—because of operational rhythm."



## TIPS TO REMEMBER

- ◆ Bring rigor and purpose to your organizational forums and meetings. If the water cooler or happy hour conversations are more honest than those in your meetings, you're not being effective.
- ◆ Get to a point where your staff can discuss their work with the same fluency that they dissect their sports team the day after a game.



## QUESTIONS TO CONSIDER

- ◆ What is your organization good at? How do you deliver value to your customers? Does your operational strategy align with those capabilities?
- ◆ For each task your organization performs, is there a well-understood process in place? Is it consistently followed? Can you measure it?

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-GERRY AGNES





# RESULTS

*The organizational changes driven by the Baldrige performance excellence journey created major results for each of Colorado's award recipients:*

- ◆ Elevations saw a 2009-2014 annual capital growth rate that was 15 times greater than its rate the previous four years, and its annual membership growth rate increased from 1 percent in 2004-2008 to 6 percent in 2009-2014.
- ◆ Monfort College of Business students now routinely score in the 95th percentile on the Educational Testing Service exam, a nationally administered test for assessing core business knowledge at undergraduate business programs.
  - ◆ Poudre Valley's partnerships with health agencies and providers are saving local employers \$5 million a year.
- ◆ TIME recently found that citizens in Fort Collins are some of the most satisfied with their government in the country.
  - ◆ The Baldrige process helped CH2M earn a 95 percent contract renewal rate.



## TIPS TO REMEMBER

- ◆ Stay away from complexity. Find the “simple smart” way of working better. Be elegant and effective, rather than fast and haphazard.
- ◆ Get comfortable with truthful conversations. Set emotion aside and find ways to work smarter collaboratively.



## QUESTIONS TO CONSIDER

- ◆ How can you make the process-creation experience fun and understandable for your team?
- ◆ Are your teams siloed? How could you build in more collaboration?





# CONCLUSION

The Baldrige process isn't easy. Yet, as Elevations' Agnes said, "It's hard work to strive for excellence, but it can be far more frustrating to work for a mediocre company."

The Baldrige process isn't about receiving an award. Instead, it's about developing practices for continuous performance improvement that will keep your organization on a path of excellence for generations to come.

Ready to begin your Baldrige journey? Visit these sites to learn more:

- ◆ [www.rmpex.org](http://www.rmpex.org)
- ◆ [www.nist.gov/baldrige](http://www.nist.gov/baldrige)
- ◆ [www.elevationscu.com/baldrige](http://www.elevationscu.com/baldrige)

*This eBook has been underwritten by Elevations Credit Union.*

*Elevations Credit Union is a member-owned not-for-profit financial institution serving Colorado's Front Range. Elevations provides a broad portfolio of financial products and services including checking and savings accounts, mortgage loans, credit cards, auto loans, home equity lines of credit, student loans, business loans and financial planning. Founded in 1953 as the U of C Federal Credit Union in Boulder, Elevations has grown from 12 members and less than \$100 in assets to an institution with more than 115,000 members that manages over \$1.6 billion in assets and is the No. 1 credit union mortgage lender in Colorado. In 2014, Elevations earned the prestigious Malcolm Baldrige National Quality Award, and in 2015, Elevations was named one of the Best Companies to Work for in Colorado™ in the large category. Readers of local newspapers name Elevations "Best Bank/Financial Institution," "Best Mortgage Lender" and "Best Customer Service" year after year. To learn more, visit [www.elevationscu.com](http://www.elevationscu.com).*