

Alignment between Enablers (Cats 1-6) & Outcomes (Cat 7)

Process Categories 1 - 6

- Category 6 – Process Management
- Category 3 – Customers & Market
- Category 2 – Strategic Planning
- Category 5 – Workforce Focus
- Category 6 – Process Management
- Category 1 – Leadership

Category 7 - Results

- 7.1 Product & Service Performance
- 7.2 Customer outcome performance
- 7.3 Financial & Market Performance
- 7.4 Workforce Outcome Performance
- 7.5 Process Effectiveness Performance
- 7.6 Leadership, Governance & Social Responsibility Performance

Alignment of Business Results with CPE categories 1 - 6

Category 7 “Results” accounts for 450 of the 1000 points on offer in a Baldrige evaluation, be it an Award application or a standalone assessment.

In order to score well it is critical to understand what the evaluators will look for in order to validate “alignment” in the business and to ensure that the Results category items reflect the results that are relevant for the business. The following analysis of the Results items has been compiled in order to identify the interrelationships between the “enabling” categories 1 to 6 and the actual results that evaluators would expect to see in the Results category.

7.1 Product and Service Outcomes

- **P.1b(2)** – Customer groups and segments and key requirements and expectations of customers are asked for here as part of the organisational profile. Evaluators would check to ensure that your responses here align with the results you present in 7.1a. Satisfaction results would be reported in 7.2 however key requirements of products / services in terms of product / service performance would be included here.
 - For example, this might include response times, defect levels, service errors, product performance and the like.
- **2.2b** – Performance projections included in 2.2b should be included in key measures reported on in 7.1.
 - For example, in a local Authority context the turnaround times for processing building consents would have statutory requirements, (targets) in terms of turnaround timeframes which would be included in the result for consents processing times.
- **3.1a** – Segments and customer groups asked for in 3.1a would be expected to align with segmentation provided for the results reported in 7.1.
- **3.2** – Key customer requirements, expectations and their relative importance are asked for in 3.2. The results reported in 7.1 should align to and reflect the responses you give in 3.2. Remember that satisfaction levels are requested in 7.2 however the elements of product / service performance important to customers would be included here.
- **6.1b(2)** – Key work process requirements, are requested in 6.1b(2) and would be expected to align with the results information, (process outputs) provided in 7.1. Again, these are the measures that reflect the elements of product / service performance that are important to your customers.

- **7.5** – In 7.5 you are asked for process effectiveness outcomes, this is often confusing with 7.1 seemingly asking for similar results. Category 7, Item 7.5 involves the key steps or stages in your key work processes where in 7.1 you are more likely to report the outputs or “end of process” outcomes.
 - For example a specific component of a key work process that is important to your customers might require a turnaround within a set time frame. This part / stage of the work process would be reported in 7.5 as a measure whereas the “end of process” output would be reported in 7.1.

7.2 Customer-Focused Outcomes

- **2.2b** – Performance projections included in 2.2b should be included in key measures reported on in 7.2.
 - For example, a projected level, (target) of satisfaction for customers / customer groups with a specific product or service.
- **3.1a(1)** – Segments and customer groups asked for in 3.1a(1) would be expected to align with the levels of segmentation provided for the results reported in 7.2.
- **3.1a(2)** – Key customer requirements, expectations and their relative importance are asked for in 3.1a(2). The results you provide detailing satisfaction levels in 7.2 should align to your responses in 3.1a(2). Remember that details of product / service performance are reported on in 7.1 however satisfaction levels with product / service performance would be included in 7.2.
- **3.2** – The processes by which you build relationships, loyalty etc and how you measure customer satisfaction, dissatisfaction, loyalty, positive referrals, likelihood of future business and complaints are requested in 3.2. The methods you use to measure these will drive the results you provide in 7.2.
 - For example, if you happened to measure the percentage of complaints that are resolved at first point of contact this would be expected to be reported in 7.2, as well as the overall percentage of complaints handled to the satisfaction of customers.
 - For example, Customer loyalty might be measured by means of tracking repeat business for a specific segment, this could also be reported in 7.2 as evidence of satisfaction.
- **7.1** – The results reported in 7.1 should reflect the outputs or “end of process” outcomes identified previously as customer requirements and expectations including their relative importance. The satisfaction levels of customers with these outputs or “end of process” outcomes should be reported in 7.2.
- **7.3** – There is often an opportunity to correlate specific customer satisfaction results with Financial and Market Outcomes reported in 7.3.
 - For example, this might include evidence of repeat and / or referral business that drives revenues, (Sales) and / or profitability.

7.3 Financial and Market Outcomes

- **P.2a** – The competitor information requested in P.2a links to results in 7.3 in that market share and growth in your markets are potentially key measures. These also align to P2a2 where principal factors that determine success relative to competitors are important in determining what results you might present.
- **2.2b** – Performance projections, (targets) requested in 2.2b should be included in the key measures reported on in 7.3.
- **3.1a** – The segmentation that is identified in 3.1a should be used to reflect Financial and Market performance where appropriate.
 - For example, profitability or return on investment for specific customer or market segments important to the business.
- **6.1b(1)** – Key work processes are closely linked to revenue and profit in many cases. Financial and Market results reported in 7.3 might also be segmented to reflect the contribution that specific key work processes make to the business.
- **7.2a** – In 7.2a, (Customer Focused Results)you are asked for evidence of customer perceived value, including customer loyalty, retention and positive referral. There is an opportunity to correlate specific customer satisfaction results in these areas with Financial and Market Outcomes reported in 7.3.
 - For example, this might include evidence of repeat and / or referral business that drives revenues, (Sales) and / or profitability.
- **7.5a(2)** – Results of initiatives relating to cost reductions and / or improvements in efficiency and effectiveness that would be reported in 7.5a can also be linked to improvements in the profitability of the business and utilised where appropriate to explain improvements in Financial and Market related results presented in 7.3.
- **7.6a(1)** – Results relating to the accomplishment of organizational strategy and action plans reported in 7.6 can also be linked to financial results where there is a correlation between the two.
 - For example, the completion of a specific initiative to introduce a new IT system might have an impact on reducing costs or increasing revenues of the business.

7.4 Workforce Focused Outcomes

- **P.1a(3)** – The Workforce profile in P.1a(3) asks for Employee groups and segments and the key requirements and expectations of the groups and segments. This information is key to how you would be expected to present the Workforce focused outcomes in 7.4.
- **2.2b** – Performance projections included in 2.2b should also be included in key measures reported on in 7.4.
 - For example, a projected level, (target) of satisfaction of the workforce with “How change is managed”.
- **5.1a(1)** – Key factors that affect workforce engagement and satisfaction should be expected to align with results presented in 7.4a(1).
- **5.1b** – Relates to Workforce and Leader development with 5.1b(1) specifically addressing a number of areas of focus for Workforce development and 5.1b(2) relating to Leadership development. In 7.4a(1) you are asked for results relating to the development of your workforce and Leaders. These results should align with the responses provided in relation to 5.1b(1) and 5.1b(2).
- **5.1b(3)** – Asks how you evaluate the effectiveness of your Workforce and Leader development and Learning systems. The response to this should be reflected in a result contained in 7.4a(1).
- **5.1c** – Asks for the measures that you use to determine Workforce Engagement and Satisfaction and also how these differ across workforce groups and segments. This would be expected to be demonstrated via results presented in 7.4a(1). Item 5.1c(1) also refers to other indicators such as Workforce retention, absenteeism, grievances, safety and productivity thus providing an indication of areas that results should be presented for in 7.4
- **5.2a** – Deals with responses relating to Workforce Capability and Capacity. The results requested in 7.4a(2) relate to the approaches reported on in 5.2a. Definitions of Workforce Capability and Workforce Capacity are contained in N1 of the notes for item 5.2 and N2 and N3 contain some potential measures that might be considered.
- **5.2b(1)**– Asks for performance measures and improvement goals for Workforce health, safety and security. These would be expected to be reported on in 7.4a(3). Any differences in the factors, measures or targets for different workforce environments is also asked for in 5.2b(1)and would be expected to be presented as a segmentation of results reported in 7.4a(3).
- **5.2b(2)** – Refers to support for the workforce via policies, services and benefits and how these are tailored to workforce groups and segments. Results aligned to these responses are requested in 7.4a(3).

7.5 Process Effectiveness Outcomes

You will recall that in Results item 7.1, (Product and Service Outcomes) we dealt with the outcomes / results of key Products and / or Services of the business and in particular their alignment with key customer requirements. In item 7.5 we will examine the requirement for results relating to the “operational requirements” of “Key processes” that deliver products and services to your customers. Effectively this is a sub set of the product and Service outcomes reported in 7.1 and which includes the “in process” measures referred to in Category 6, (Process Management).

- The results to be reported in item 7.5 relate to key operational requirements of the business that have been identified in the Organisational profile and also in items 4.1a(1), 6.1 and 6.2. Effectively any results not reported in items 7.1 – 7.4 that are operationally focused can also be included in 7.5.
- **2.2b** – The Performance projections, (targets) requested in 2.2b should be included where appropriate in the key measures reported on in 7.5.
- **6.1a(1)** – The decision as to which processes will be internal and which are effectively “outsourced” is important in that the monitoring of process performance will still be a requirement to ensure that external suppliers and / or Partners are performing as required. The measures by which their performance is monitored should be reported in 7.5.
 - For example, if turnaround time for the delivery of a product or service is required within specific parameters the results of the monitoring of this should be included in 7.5 to demonstrate that customer requirements are being met by the outsourcing supplier / partner to your satisfaction.
- **6.1b(2)** – Key Work Process requirements asked for in 6.1b(2) should align to and be included in the results presented in 7.5.
- **6.1c** – Addresses preparedness for Disasters and Emergencies the results of which align to and are requested in 7.5a(1).
 - For example, response times for emergency drills / evacuations might be a measure reported in 7.5.
- **6.2a** – Refers to how you incorporate *cycle time, productivity, cost control and other efficiency and effectiveness measures* into the design of your work processes and **6.2b** asks how you manage your work processes to ensure they meet design requirements. The results relating to this area should be included in 7.5.
- **6.2b(1)** – Asks “What are your key performance measures or indicators and in-process measures used for the control and improvement of your work processes”. These results should also be included in 7.5.
- **6.2b(2)** – Relates to control of costs and prevention of errors, defects, rework etc. Results relating to these areas where appropriate are required in 7.5.
- **6.2c** – Relates to Work process Improvement. Any results relating to the improvement of processes and or sub processes should be reported here in 7.5.
 - For example, an improvement initiative that has reduced a turnaround time where the old result compared against the improved result are able to be plotted on a chart to demonstrate the actual extent of the improvement.

7.6 Leadership Outcomes

Item 7.6 examines your organisation's KEY GOVERNANCE and SENIOR LEADERSHIP RESULTS, including evidence of strategic plan accomplishments, fiscal accountability, legal compliance, ETHICAL BEHAVIOUR, societal responsibility, and support of your KEY communities.

Item 7.6a has 5 component parts all of which are relatively self explanatory and further clarified in the accompanying notes in the criteria itself.

7.6a(1) – Measures or indicators of strategy and action plan accomplishment required in (7.6a[1]) should address your strategic objectives and goals identified in 2.1b(1) and your action plan performance measures and projected performance identified in 2.2a(6) and 2.2b, respectively.

7.6a(2) – Responses to 7.6a(2) might include the identification of issues and risks and associated levels of compliance, the results of audits, (eg period of untagged audit reports), complaints to other regulatory authorities and resolution of same, important internal and external auditor recommendations, and management's responses to these matters.

7.6a(3) – Regulatory and legal compliance results (7.6a[3]) should address the requirements described previously in item 1.2b. Workforce-related occupational health and safety results (e.g., OSH-reportable incidents etc) should be reported in 7.4a(4).

7.6a(4) – Measures of ethical behaviour and stakeholder trust (7.6a[4]), would align to the measures referred to in (1.2b[2]) and might include such results as the percentage of independent board members, instances of ethical conduct breaches and responses, survey results on workforce perceptions of organisational ethics, trust and confidence in the Leaders, ethics "whistleblower" usage, 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 addressing conflicts of interest and proper use of organizational funds.

7.6a(5) – Responses to 7.6a(5) should address your organisation's societal responsibilities discussed in 1.2b(1) and 1.2c(1), as well as support of the key communities discussed in 1.2c(1) and also support of the key communities discussed in 1.2c(2). Measures of contributions to societal well-being might include reduced energy consumption; the use of renewable energy resources, recycled water, and alternative approaches to conserve resources (e.g., increased audio and video conferencing); and the use of enlightened Workforce practices.