

# BALDRIGE: Recognizing Role Model Practices of World Class Organizations

## Award Recipients Tell How They Succeed

CEOs and their senior staff frequently ask, "What makes Baldrige Award recipients top achievers?" "What do they do?" and "How do they do it?"

What we tell them is simple. Based on an analysis of Baldrige scoring data, we have found that Award recipients exhibit these role model characteristics:

- visionary leadership
- a focus on customer and market knowledge and on customer satisfaction and relationships
- high performance work systems and a focus on employee education and development
- clearly designed and well-managed processes for product and service delivery
- strong financial and market results

## Baldrige Criteria: The Path to Success

For nearly a decade and a half, thousands of U.S. organizations have used the Baldrige Criteria to stay abreast of ever-increasing competition and to improve performance. By performing self-assessments and applying for the Malcolm Baldrige National Quality Award, Award applicants demonstrate commitment to their employees, to their stakeholders, and to an economically strong America.

As Award recipients, these world class organizations measure their performance on

- key business results, including customer, financial, human resource, and operational
- how senior leaders guide their organizations and how they review organizational performance
- how organizations determine requirements, expectations, and preferences of customers and markets
- how organizations motivate and enable employees to develop and utilize their full potential in alignment with the organizations' overall objectives and strategic plans

Three recent Award recipients provide examples of the Baldrige role model characteristics. Year 1999 Award recipient BI explains its philosophy that "the customer is king" and year 2000 Award recipients KARLEE and Operations Management International, Inc. share what has worked for them in developing visionary leadership and meeting different employee needs. They all echo the value of having the Baldrige Criteria to point them to their success.

### *Criteria for Performance Excellence*

- Leadership
- Strategic Planning
- Customer and Market Focus
- Information and Analysis
- Human Resource Focus
- Process Management
- Business Results

## BI Offers Custom-Designed Services... Distinctive for Each Customer

BI helps their customer companies achieve their goals by boosting the performance of the people who drive the success of these individual businesses. With more than 1,400 associates who offer full-service business improvement solutions across the country, BI has facilities

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## KARLEE Lives Its CEO's Passion to Develop Company Leaders from Within

"Anyone can be a great leader if he or she chooses to serve others first, is humble, and has a heart full of thanksgiving," says Jo Ann Brumit, CEO and Chairman of KARLEE, a year 2000 recipient of the Malcolm Baldrige National Quality Award in the manufacturing category.

"These values allow a leader to be

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## OMI "Inherits" Employees and Brings Out Their Best Work

Operations Management International, Inc. (OMI) has substantial human resource challenges because of the way that many employees come into the company. According to President and CEO Don Evans, "OMI doesn't conduct a traditional hiring process. When we contract with a municipality, we 'inherit' all

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# BALDRIGE: Recognizing Role Model Practices

## BI (continued)

in Minnesota and in South Dakota and 20 sales offices in major cities across the United States.

More than 40 years ago, BI's President and Chief Quality Officer Guy Schoenecker became an early innovator in the incentive programs that companies were beginning to offer to employees and consumers. Today, the company's products and services are used by some of the largest firms in the United States.

According to Schoenecker, its CDP, or Customer Delight Process, drives BI's focus. "Because the services BI delivers are unique for each customer, the concept of developing a standard offering with a fixed set of features to meet the needs of all customers does not apply," he explains.

"The needs and expectations of each BI customer must be discovered, designed, defined, and delivered one customer at a time."

More than 75 percent of BI's associates have regular direct customer contact and build long-term relationships with these customers. "Relationships are a critical part of the CDP process," says Schoenecker. "They are built to gain access to decision makers and to build trust and credibility."

This year, no longer satisfied with an overall customer satisfaction score of 8 on a 10-point scale, BI is seeking new ways to demonstrate that the customer is king. "We want to learn what it takes to truly 'delight them,'" Schoenecker says.

## KARLEE (continued)

encouraging to those whom he or she leads, to recognize unique value in others, and to truly care about those who look to him or her for direction. It also makes it easy for a leader to take these talents outside into the community for the greater good of many, including our customers."

These are the beliefs once put into practice Brumit feels makes her company a benchmark in the area of organizational leadership.

KARLEE was founded in 1974 from humble beginnings in a garage. Today, this woman-owned business produces precision sheet metal and machined components for four Fortune 500 companies in the telecommunications,

semiconductor, and medical equipment industries. In the last six years, sales growth has averaged more than 25 percent each year while production volumes have tripled and customer satisfaction has improved by more than 30 percent.

Brumit believes a measure of KARLEE's business success is due to its depth of leadership within the company of 550 employees and that these leaders have been "grown" within KARLEE. "Our company will provide the necessary skill sets to any employee who shows potential and wants to demonstrate the qualities we look for," she explains. "We want to 'grow' our leaders at KARLEE to be great, knowing that great leaders inspire ordinary people to achieve extraordinary things."

## OMI (continued)

the employees of the contracted facility, many of whom are not all that interested in joining OMI. But, we consider ourselves a transformation company where we transform people into exceptional OMI associates."

OMI was founded over two decades ago and dominates the market for outsourcing operations and maintenance services for small- to mid-sized wastewater and water treatment systems. Headquartered in Colorado, OMI operates more than 170 wastewater and water treatment facilities within the United States and in Canada and the Middle East.

Creating an atmosphere where employees like what they do and do it well is the outgrowth of the company's policy to retain as many former public employees as possible when

contracting with a municipality. Former municipal employees—now OMI associates—help convince new associates that OMI is a great company to work for. "We empower our people," Evans says. "When you ask associates what's different about OMI, the answer is almost always the same: 'Here, people ask me what I think.'"

Evans joined OMI in 1986 and predicted that the company would grow. "The best way to organize that growth was to build around quality and service to our customers and our associates," he says. "The Baldrige Criteria set out a way to do that, and our associates benefited because they could understand their jobs, their purpose, and the direction of the company." OMI has benefited, too. Revenue has grown by nearly 500% in the past 10 years.



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