

BALDRIGE

The Competitive Edge in Creating World Class Organizations, Improving
Prosperity and the Well-Being of People in America and Throughout the
World



About the Baldrige Performance Excellence Program

Created by Congress in 1987, the Baldrige Program helps organizations improve and succeed in the competitive global marketplace. It is the only public-private partnership dedicated to improving U.S. organizations. In collaboration with the greater Baldrige community, the Baldrige Program offers a systems approach to organizational excellence, award-winning leadership development, self-assessment tools, organizational assessments by teams of trained experts, presentations and workshops on how to improve, and conferences and other events that showcase best management practices.

Baldrige National Program in South Carolina

- 5 South Carolina applicants for the Baldrige Award.
- 1 South Carolina award applicant in 2012 represents 944 jobs, 1 work location, \$330 million in revenue/budget, and over 42,000 customers served.
- Baldrige examiners from South Carolina volunteered over \$151,000 in services in 2014 alone.

South Carolina National Award Recipient

Milliken & Company (Spartanburg)



About the South Carolina Quality Forum

Created in 1991 to recognize and encourage improvements in quality and productivity by organizations throughout South Carolina with a mission to: To improve the competitiveness and performance of organizations operating within South Carolina. The Forum's vision is to be the partner of choice for performance excellence in every sector of the economy in South Carolina.

The annual South Carolina Governor's Quality Conference is sponsored by the South Carolina Quality Forum Steering Committee and its primary partner, the South Carolina Chamber of Commerce. The South Carolina Quality Forum recognizes achievements of organizations that improve the quality of their goods and services and/or set an example of innovation for others to follow. By providing feedback and establishing benchmarks for self-assessment, the Recognition Process helps stimulate organizations to obtain a competitive edge in a global economy.

Most Recent South Carolina Governor's Quality Award Winners

- ❖ Charleston Water System (Governor's Award)
- ❖ Self Regional Healthcare (Governor's Award)
- ❖ Caris Healthcare (Silver)
- ❖ Greenville Technical College (Bronze)
- ❖ Public Employees Benefit Authority (Explorer)

Recent AHCA/NCAL National Quality Award Recipients in South Carolina

The American Health Care Association is a non-profit federation of affiliate state health organizations, together representing more than 11,000 non-profit and for-profit nursing facility, assisted living, developmentally-disabled, and subacute care providers that care for approximately one million elderly and disabled individuals each day. The [AHCA/NCAL National Quality Award Program](#) is based on the Baldrige Criteria and provides a pathway toward performance excellence for providers of long term and postacute care services.

NHC Anderson
Agape Rehabilitation of Rock Hill
Capstone Health and Rehab of Easley, LLC
Manna Health & Rehab of Pickens
PruittHealth Walterboro
Sumter Valley N&R LLC, dba Sumter Valley Nursing
Anchor Health & Rehab of Aiken
Diamond Health & Rehab of Simpsonville
Exalted Health & Rehab of Iva, LLC

Fellowship Health and Rehab of Anderson
Hope Health & Rehab of Marietta, LLC
Hosanna Health & Rehab of Piedmont, LLC
NHC HealthCare, Mauldin
NHC HealthCare, Greenville
Omega Health and Rehab of Greenville, LLC
Petra Health & Rehab of McCormick, LLC
Redeemer Health and Rehab of Pickens, LLC

In 2007, Self Regional Healthcare chose the Baldrige Criteria for performance Excellence as the best measure of its quality journey. In 2010, Self Regional Healthcare was awarded the overall highest level Governor's Quality Award. The Baldrige Criteria's role as a "disciplined improvement" methodology has helped focus, align, and accelerate Self Regional Healthcare's improvement efforts.

Dee H. McLane
V.P. Quality/Professional Services
Self Regional Healthcare

I have witnessed firsthand the marked improvement in customer service, workforce engagement, and overall increase in financial impact simply from those submitting an application and instituting the Baldrige criteria. For these agencies, businesses, and schools, it is not about an award or recognition it is about improvements to provide better services for customers, opportunities for employee engagement, the ability to improve financial stability, along with increased innovation.

Betsy J Beam
Chief of Staff
Baptist Easley Hospital

South Carolina Quality Forum Advisory Board

Frank Fusco, (Chair)
Former South Carolina Budget and Control Board

Craig Long
Milliken & Company

Gary Bennett
Bridgestone/Firestone South Carolina

Johnny Mulkey
Honeywell Aerospace Engines

Robert Colones, President/CEO
McLeod Regional Medical Center of the Pee Dee, Inc.

Darrell Parker, Dean
Dean of Johnson School of Business and Economics
University of South Carolina Upstate

Otis Rawl, President & CEO (Partner)
South Carolina Chamber of Commerce



***Governor
Nikki Haley***
*Recognizes
South Carolina
Quality Forum
Recipients*

Baldrige in the U.S.

- ❖ 2010–2014 applicants represent 537,871 U.S. jobs, 2,520 work sites, more than \$80 billion in revenues/budgets, and more than 436 million customers served.
- ❖ 378 national Baldrige examiners volunteered roughly \$5.7 million in services in 2014.
- ❖ In 2013, more than 30 independently funded and managed regional, state, and local Baldrige-based award programs evaluated 266 organizations using 2,297 volunteer examiners.

Sample Achievements by Baldrige Organizations

- Increase in **net operating margin** from 5.98% in 2007 to 7.39% in 2009, exceeding that of AA-rated hospitals and representing top-decile performance in the industry (Advocate Good Samaritan Hospital).
- Decrease in **average door-to-doctor time in emergency** from 45 minutes in 2008 to 22 minutes in 2012, well below the California benchmark of 58 minutes (Sutter Davis Hospital).
- **Patient satisfaction** at or above the national 90th percentile on Press Ganey Associates surveys for four years leading to its 2012 Baldrige Award (North Mississippi Health Services).
- Despite rigorous public school graduation requirements, a **97.4 percent graduation rate** in 2012-2013 (Pewaukee School District).



- Estimated **cost savings** of **\$225 million** annually through time reductions resulting from process and performance improvement programs in all business lines (Lockheed Martin Missiles and Fire Control).
- **Revenue growth** from about \$120 million in 1997 to approximately \$625 million in 2009 (MEDRAD).



THE REALITY

America has the world's largest economy, ranks first in military power and leads in scientific and technological advances. But how globally competitive is the United States today? We see plenty of signs that the nation has recovered from the devastating recession, but at the same time there are stark reminders that America's economic clout may be waning.

Consider this data from the 2012-2013 World Economic Forum Competitiveness Report. The United States ranks:

- 7th in overall global competitiveness, falling from 1st in 2007
- 12th in prosperity amongst a league of 142 countries representing 96% of the world's population and 99% of global GDP
- 8th in income mobility, falling from 1st place in terms of doing better than our parents

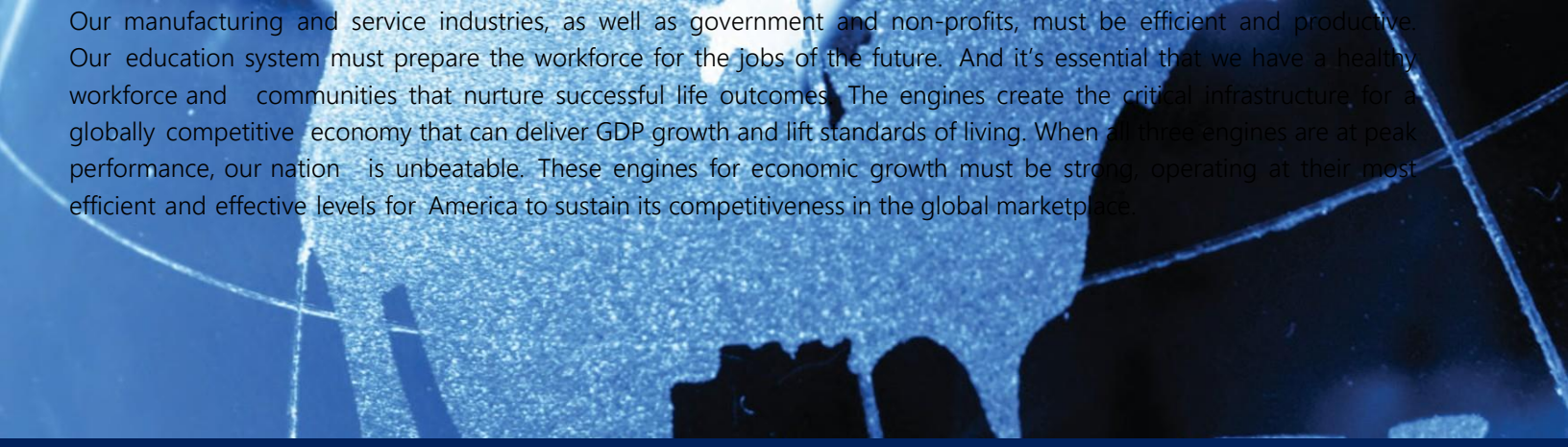
With education, there are even more concerns. The U.S. education infrastructure ranks 23rd, well behind every major developed economy, according to the Organization for Economic Cooperation and Development (OECD). Our 15-year-olds rank 17th in science and 25th in math, while the quality of America's math and science education ranks 48th. Furthermore, the U.S. ranks 12th in college graduation rates, down from being number one for decades.

And Americans don't receive an adequate return on health care spending. The U.S. spends 47% more of its GDP on health care than the next highest ranking country, say studies by the OECD and the World Health Organization. Yet, the U.S. ranks 27th in longer life expectancy and 29th in infant mortality. Since 2008, the cost of private health insurance jumped 59% and one-third of adults are not getting medical care and/or filling prescriptions because of cost, according to the Centers for Medicare and Medicaid Services.

America's global competitiveness relies on the performance of the three engines powering the economy:

- Business
- Education
- Healthcare





Our manufacturing and service industries, as well as government and non-profits, must be efficient and productive. Our education system must prepare the workforce for the jobs of the future. And it's essential that we have a healthy workforce and communities that nurture successful life outcomes. The engines create the critical infrastructure for a globally competitive economy that can deliver GDP growth and lift standards of living. When all three engines are at peak performance, our nation is unbeatable. These engines for economic growth must be strong, operating at their most efficient and effective levels for America to sustain its competitiveness in the global marketplace.



“ The Malcolm Baldrige National Quality Award...offers a vehicle for companies, large and small...to **examine their own approaches to quality.** It offers companies a standard with which to compare their own progress to that of **the country's very best.**”

President Ronald Reagan

THE BALDRIGE MOVEMENT

In 1987, Congress established the Baldrige National Quality **Program** as a critical part of a national quest for performance excellence to compete with Japan and Europe by improving the quality of our products and services. Together, the government and private sector created this motivating force for U.S. organizations, a way to collect the best practices, share what worked and encourage private, public and non-profit organizations to adopt guiding practices.

Now called the Baldrige Performance Excellence Program, we primarily provide American industry and organizations with blueprints for improving our competitiveness and prosperity. Companies, organizations and governments worldwide have also joined the Baldrige community. Baldrige is the recognized global leader in achieving performance excellence through its research, development and distribution of validated, modern leadership and management approaches, including resources and tools to address the challenges presented by the ever-changing landscape of a global marketplace.

By engaging in the Baldrige process, companies, governments and organizations are evaluated by our examiners who use the Baldrige Criteria for Performance Excellence to assess an organization's strengths, opportunities for improvements and results. Each year, several participants with role model processes and outstanding results are chosen to receive the Malcolm Baldrige National

Quality Award. "Using the Baldrige Criteria really got us



to concentrate on three basic things: a focus, a framework and discipline,” says Sister Mary Jean Ryan, chair of the board at SSM Health Care (SSMHC), which in 2002 was the first health care facility to earn a Baldrige Award. As the Baldrige Criteria were implemented, SSMHC achieved stunning performance improvements, which continued to 2002. A clinical collaborative program to improve patient outcomes grew from four to 85 teams; a physician automated information system increased from 3,200 to 7,288; for four consecutive years, SSMHC maintained an “AA” investment rating, a status held by less than one percent of U.S. hospitals; and SSMHC’s share of the St. Louis market grew to 18%, while three major competitors lost market share.

The Baldrige approach encourages organizations, corporations and government entities to delve into our library of best operational practices and apply them. As each organization improves its macro indicators, becomes more productive, and increases its efficiency, their workers and community are impacted. With this scenario repeating itself around the country, Baldrige effectively changes the nation, one organization, one community, one municipality, one state at a time.

Each year, the Baldrige movement is energized by thousands of volunteers from every state in the nation, mostly state and national examiners who are critical to the process. The value of volunteer services by national and state examiners in 2013 was more than \$37 million.



“ Since 1987, the Baldrige Award has recognized the [achievements of American businesses](#), educational institutions, and health care organizations that put quality and people first. This year’s recipients have [demonstrated the principled leadership](#), strong character, and commitment to economic growth that are associated with this award’s namesake, and each serves as a model for other organizations in its field

President George Bush

THE BALDRIGE IMPACT

For over a quarter-century, companies, governments and non- profits following the Baldrige Criteria have achieved performance excellence, results that have made these entities leaders in their field.

The Baldrige impact is recognized and respected by leaders in the domestic and multinational manufacturing, service, government, non-profit, education and health care fields, as well as in corporate board rooms; at the C-suite level of organizations; with mayors, governors and congressmen here at home; and with foreign leaders and international companies around the globe.

One gauge of the Baldrige impact is the dramatic results experienced by organizations that won Baldrige Awards, and then later won the Award a second time. There was a stunning 92.6% increase in median revenue growth for these companies in the time period between winning their awards; and median growth in jobs for these companies was nearly 20 times greater than matched industries and time periods (6% versus 3.2% based on data from the Bureau of Economic Analysis and Bureau of Labor Statistics).

Baldrige is a simple formula. Yet, it works wonders!



Learn – Improve – Share.

Our success is told through many stories.

The Baldrige impact on government and the private sector is [boosting revenues and increasing efficiency](#):

- The Bureaus of Economic Analysis and Labor Statistics report that organizations that have twice won the Baldrige award show job growth at 2.5%, nearly 20 times greater than matched industries and time periods; revenue growth at 92.5%; and growth in the number of business sites at 84%
- PRO-TEC, a steel-coating manufacturer, more than doubled in size over six years, creating revenue growth of more than \$26 million annually
- The City of Irving in Texas saved more than \$40 million and 50,000 staff hours over six years
- ARDEC, a U.S. government agency, achieved

\$3.22 billion in cost avoidance over five years





The Baldrige impact on K-12 schools and colleges is increasing student performance:

- Pewaukee Schools, a K-12 system, increased the percentage of students attending a two- or four-year college from 78.8% to 91.9% over five years
- Richland College, a two-year community college, more than tripled the number of students who completed the core curriculum in preparation for transfer to a four-year institution
- Kenneth W. Monfort College of Business improved student academic performance to rank in the top 10% nationally over five years, while reducing tuition and fees by 39%

“ I believe the Baldrige Criteria for Performance Excellence can **strategically position colleges and universities** to be the very best in educating students to lead **world-class innovation** and advancement in science, technology, engineering and mathematics.”

Dr. Kathryn Eggleston, Richland College President



“ In my heart I believe that because we applied the Baldrige Criteria, **there are people who are alive today who wouldn't have been** had we not been so committed to the Baldrige process.”

Rulon Stacey, Former CEO, Poudre Valley Health System

The Baldrige impact on health care is reducing costs and improving patient outcomes:

- Advocate Good Samaritan hospital decreased its risk-adjusted mortality rate by 24% over five years— a rate better than the top-decile level in its six-county region
- Sutter Davis Hospital performs in the top 10 percent nationally for post-operative orthopedic

surgical infection rates, with no infections for five years

- The Henry Ford Health System maintained a positive net operating income of more than \$25 million per year, while increasing uncompensated care from \$130 million to \$200 million





THE FUTURE

The Baldrige impact on America is indisputable. Revenues are increased, more jobs are created, students receive quality education, and patients get better care when the Baldrige Criteria are guiding companies, government agencies and non-profits towards performance excellence. Clearly, the three engines of our economy are more potent when organizations are engaged with Baldrige. For the U.S. economy to expand and be competitive in the global marketplace Baldrige must also be strong; it must be a viable partner providing the blueprint for world-class productivity, efficiency and results.

But frankly, the Baldrige Program is at a crossroads.

The small government appropriation that had been available to the Baldrige Program was zeroed-out. In turn, offering free products and services was no longer viable. Thus, Baldrige is utilizing a fee-based system to help finance the Baldrige programs. It is not nearly enough revenue. [The Federal Government MUST appropriate money for the Baldrige Performance Excellence Program or it will soon be out of business.](#)

The Baldrige Foundation is aggressively developing partnerships across public and private sectors to ensure the long-term financial viability and growth of Baldrige. Building this endowment will ensure that the Baldrige Program continues to maintain world-class talent, expertise, and financial resources to research, recognize, and share guidelines for performance excellence across the country, as well as throughout the world. We need your help. Your gift can ensure that America leads the way.

As our nation faces new challenges, Baldrige needs to expand access and reach, not contract. More business, education, health care, non-profit, and government organizations need access to Baldrige. When they perform efficiently, it impacts your family, your organization, your community and your nation. The Baldrige Program has a benefit-to-cost ratio of 820-to-1. For every dollar spent on the program, \$820 dollars of value is provided to our communities, regions and nation.

We must enlist more partners in this work – companies and individuals willing to invest in the growth of Baldrige and the future of America. Be one of them.

In addition to fundraising, we must also build support within Congress to reinstate federal funding for the program so that we may offer grants to state-based programs, new initiatives like Community of Excellence 2026, and strengthen the Baldrige Enterprise.





South Carolina Quality Forum

Bridget P. Dewees, Chair

Phone: (803) 535-5793

Address: P.O. Box 3435

Summerville, SC 29484-3435

Email: scqualityadmin@scquality.com



1717 Pennsylvania Avenue NW
Suite 1025
Washington, DC 20006