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HARDWIRED

RESULTS

the Baldrige journey
to performance excellence

The Baldrige Award: The Journey Is the Win

Q&A: The Nine Principles®:
Prescriptive Answers to Non-Prescriptive Criteria

RWJ Hamilton Transformed

CEOs Share Powerful Lessons Learned

SELF-TEST: Can Baldrige Move Your Organization Faster?
What’s the best way to accelerate organization wide results?

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EMBARK ON THE BALDRIGE JOURNEY.

Many years ago, when I was president of Baptist Hospital, Inc. in Pensacola, FL—well before I founded Studer Group—I received a call from a CEO who wondered if I had ever worked with the Malcolm Baldrige award. When I said no, he explained that he thought the work we were undertaking was very much in alignment with the Baldrige Criteria.

While there are several Baldrige Criteria that Studer Group’s Nine Principles® and Five Pillars do not address, there is excellent overall alignment between the Baldrige Criteria and Studer Group tools. (See the crosswalk charts on page 3 and 6.) As an ever increasing number of health care organizations have come to recognize the benefits of participating in the Baldrige Award process to accelerate performance, Studer Group has responded by adding Baldrige expertise on staff.

In this issue, I invite you to learn from Baldrige National Examiner and Studer Group coach Paul Grizzell (already a popular speaker and Baldrige consultant to many Studer Group partners) and Debbie Cardello, former COO of 2004 Baldrige winner Robert Wood Johnson University Hospital Hamilton who just joined Studer Group in May. Long-time coach and former National Examiner Lucy Crouch shares her insights on page 5, along with several CEOs from Studer Group partner organizations who are at various stages in their unique Baldrige journeys (page 9).

I hope you find this issue helpful.

Yours in service,

Quint Studer
CEO, Studer Group
Quint@studergroup.com
The Baldrige Award: The Journey Is the Win

By Paul Grizzell, Studer Group coach

Is your organization at the top of its game? If so, maybe you're wondering how to make those incremental improvements to achieve the highest level of performance excellence. Or perhaps your organization's performance is just mediocre and leaders are looking for a method to accelerate improvement efforts. Maybe performance is even poor and you need a way to focus your turnaround efforts.

In my work with Studer Group partners and as a Baldrige National Examiner, I’ve watched organizations in each of these scenarios build a positive success spiral through the structure, employee engagement, and best practices that Baldrige inspires (and requires).

A Model of Performance Excellence

The Malcolm Baldrige National Quality Award is the highest level of recognition for performance excellence that an organization can achieve in health care, manufacturing or education. In fact, the award was developed in the 1980s by the U.S. Department of Commerce to help American business better compete in the global economy. And, while originally developed as a business quality assessment, the Baldrige Criteria have evolved into a comprehensive management system that includes the same criteria for excellence, regardless of industry.

You might be surprised to learn that health care is leading the way when it comes to excellence, too. While health care organizations just became eligible to apply in 1999, nearly half of all 2005 Baldrige applicants (33 out of 64 total) came from within our industry.

The Criteria are deliberately non-prescriptive and adaptable. They ask how you address the Criteria, but don’t tell you what to do. In fact, they guide you through your own assessment of what’s important and how you address those areas. Many organizations choose to use a combination of Studer Group tools, Six Sigma, Lean, FOCUS-PDSA, or other improvement methodologies as prescriptive answers to the many non-prescriptive Baldrige Criteria.

Organizations who apply for the Baldrige Award gain:

> an outside perspective that identifies strengths and opportunities for improvement. Each organization is measured against the same set of Criteria based on the characteristics of high-performing organizations.
> aligned leaders because the Criteria help create a single shared focus.
> laser sharp focus on highest organizational priorities because the Criteria offer an integrated management system that aligns performance excellence efforts throughout the organization.

Application, Assessment, and Feedback

Here’s how the process works…At the national Baldrige level, organizations submit a 50-page application with an additional five-page Organizational Profile as a preface. An effective Baldrige application isn’t simply a set of answers to the Baldrige Criteria questions. Your Baldrige application should be a formal description of how your health care organization operates. A key to success in writing an effective application is to ensure alignment among the three major components of the application: the

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Get More Baldrige Resources

> At Studergroup.com: Learn about the Baldrige Health Care Criteria for Performance Excellence and read Nine Principles®—A Roadmap for the Baldrige Criteria. (Go to “Tools”. Then select “Baldrige”.)
1. Organizational Profile.

Writing an Organizational Profile is the first step to take in your Baldrige journey. The Organizational Profile describes what is important to your organization. It’s a snapshot of the characteristics and challenges of your organization. The Profile describes your products and services, culture, key success factors, strategic challenges, and performance management system. In fact, if you do nothing but complete the Organizational Profile, gaining senior leadership input and agreement, you will have a useful tool that helps focus your organization’s quality improvement efforts.

2. The Process Categories

Your responses to the Process Categories explain how your organization addresses leadership; strategic planning; a focus on patients, other customers and markets; measurement, analysis, and knowledge management; human resources; and process management. Baldrige Examiners assess the maturity of your organization’s responses to Process Categories using “ADLI:”

Organizational Profile, the Process Categories and the Results Category.

Studer Group’s tools, well-deployed, offer prescriptive ways to address many of the non-prescriptive Baldrige questions.

continued on page 4
Join Us for Studer Group’s June 29 On-Demand Webinar

“The Baldrige Award: What’s In It for Me?”
You’ll learn:
> how to get started
> why the Baldrige journey accelerates organizational results
> quick tips to get results faster
The cost is just $200 per site/dial-in number so include as many leaders as you like at no additional charge. To register or learn more, visit www.studergroup.com

3. Results Category
Baldrige Examiners assess the maturity of your organization’s Results Category responses by considering how you address “LTCLI” or:
> Levels – what is your current performance?
> Trends – what is your performance over time?
> Comparisons – what is your performance against appropriate comparisons?
> Linkages – how well do performance results address key customer, market, and process requirements?

A final note: Baldrige assessments are confidential. Examiners are required to maintain confidentiality and do not disclose what organizations they assess. Because the Baldrige process is focused on helping your organization improve, results are not reported to anyone outside the Baldrige program, until you win the Baldrige Award. At that point, you are required to share your performance excellence journey and best practices as a method of helping advance performance excellence in organizations nationwide.

A Systematic Approach to Application
Any organization that is working on continuous improvement has made progress along the Baldrige journey. In my experience coaching Studer Group partner organizations along their Baldrige journeys, I find they typically go through these stages:

> Awareness – commitment by senior leaders isn’t an option—it’s a requirement!
> Assessment – an initial assessment can help you determine where your organization stands against the Baldrige Criteria, building understanding and identifying initial performance gaps. There are multiple methods to accomplish this assessment—on-line, paper, interviews, or a combination of all. An assessment can also be a great way to introduce Baldrige to the organization.
> Application – the development and submittal of the application. (Note: A team-based writing approach can help accelerate this process.)
> Advance – Based on the results of the application, organizations learn how to focus improvement efforts. They can determine how best to sustain strengths and prioritize and address opportunities for improvement.

After the Application
What happens “behind the scenes” after we submit our application? There are three stages of assessment before Baldrige winners are selected.

Stage 1 – Individual Assessment: Trained Baldrige Examiners spend 40 to 50 hours each assessing your application. They each compile a list of Strengths and Opportunities for Improvement comments for each area and score your application against a set of guidelines. These scores help the Baldrige Judges determine which organizations move on to the Consensus Assessment stage.

Stage 2 – Consensus Assessment: A team of Baldrige Examiners takes your application through the Consensus process, during which they consolidate comments and determine a score through team consensus. These consensus scores help the Baldrige Judges determine who moves on to the Site Visit.

Baldrige Core Values

1. Visionary Leadership
2. Patient-focused excellence
3. Organizational and personal learning
4. Valuing staff and partners
5. Agility
6. Focus on the future
7. Managing for innovation
8. Management by fact
9. Social responsibility and community health
10. Focus on results and creating value
11. Systems perspective

The Baldrige Criteria are based on a foundation of 11 Core Values. If they align with those of your organization, they offer a road map to achieve your vision, mission and values.
Baldrige and Studer Group’s Nine Principles®: Prescriptive Answers to Non-Prescriptive Criteria

Hardwired Results® interviews Studer Group coach Lucy Crouch…

HR: As a long-time Studer Group coach and past Baldrige National Examiner, can you share your observations about where both processes align and where they differ?

LC: Any organization that has been applying Studer Group’s Must-Haves℠ and Nine Principles® for 18 to 24 months will find that the Baldrige Criteria is less about doing new things and more about describing Studer Group tools that have already been implemented. For example, Category 5 Criteria asks how an organization recruits, hires and retains new staff. An organization using our prescriptive to do’s would answer by describing the peer interview process, the 30 and 90 day questions and how the Standards of Performance are used in the selection process.

However, when an organization begins to apply the Baldrige Criteria they will find some gaps that Studer Group processes and tools do not fully address. For example, Baldrige includes Criteria on governance (Category 1); safety and disaster preparedness (Category 5); and market analysis (Category 3) that are not a focus of Studer Group coaching. While Studer Group’s Five Pillar framework and 90-day plans offer a foundation for how organizations will achieve improvement, the 30 and 90 day questions and how the Standards of Performance are used in the selection process.

It’s true that the Baldrige journey isn’t easy. Worthwhile journeys rarely are. Those who see the Baldrige Award only as another trophy will find it frustrating. But those leaders who have a vision of role-modeling excellence will find the Baldrige Criteria, the application, the assessment process, and the resulting feedback report to be an engaging, inspiring, and practical road map for their journey to performance excellence.
short-and long-term goals with respect to strategic planning, it is not as comprehensive an approach as the Criteria require.

**HR:** Are there lessons health care can learn from other industries that have won the Baldrige?

**LC:** Countless lessons. The Baldrige Categories are the same for all industries. Anyone applying has to address a focus on staff, leadership, strategic planning, and focus on the customer, etc. We’re just not that different in health care from other businesses. What works well in leadership (Category 1), strategic planning (Category 2), or for employees (Category 5) is not necessarily industry specific. If an organization believes it can only learn from a similar health care organization, they have immediately lost a great deal of opportunity in learning from the best.

**HR:** Any insights for Studer Group partner organizations that are considering Baldrige?

**LC:** I find that high-performing organizations are at a risk for “declaring victory”. Once you declare victory, you lose momentum. This is an idea first put forth by John Kotter in his article “Leading Change: Why Transformation Efforts Fail.” He postulates that it can take five to ten years for changes to sink deeply into a company’s culture—we’d call it “hardwiring”—and that during this time new approaches are fragile and subject to regression. And while celebrating wins is key to generating the energy required to get to the next level, declaring victory is fatal.

I always encourage successful organizations I coach to apply for Baldrige. When an organization starts using the Baldrige Criteria, pockets of opportunity become quickly evident. If you’re on a journey to excellence, it’s a journey that never ends. The Criteria force the organization to always ask, “What can we do better?” So while there is no “victory”, the journey hardwires a culture of continuous quality improvement.

With a background in case management and quality improvement, Lucy Crouch, R.N. has served as a Baldrige National Examiner for two years and coached Studer Group organizations for five years.

### How Studer Group’s Nine Principles® Align to Baldrige Criteria

<table>
<thead>
<tr>
<th>Nine Principles®</th>
<th>Leadership</th>
<th>Strategic Planning</th>
<th>Patients, Other Customers and Markets</th>
<th>Measurement, Analysis and Knowledge Management</th>
<th>Staff Focus</th>
<th>Process Management</th>
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<td>Commit to Excellence</td>
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<td>Measure the Important Things</td>
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<td>Culture of Service</td>
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<td>Create and Develop Leaders</td>
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<td>Focus on Employee Satisfaction</td>
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<td>Build Individual Accountability</td>
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<tr>
<td>Align Behaviors with Goals and Values</td>
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<td>Communicate at All Levels</td>
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<td>Recognize and Reward Success</td>
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Robert Wood Johnson University Hospital Hamilton Transformed

By Debbie Cardello, RN, MSN, Studer Group coach

It was a monumental moment when President and CEO Christy Stephenson and I accepted the 2004 Malcolm Baldrige National Quality Award on behalf of all employees from Vice President Dick Cheney in Washington, D.C. But it didn’t even come close to seeing the joy and pride on the faces of our employees and physicians when they learned we had won the nation’s highest honor for performance excellence.

And the win was really just one moment that capped an exhilarating six-year journey, where each successive Baldrige cycle fueled even more momentum, ownership, and empowerment throughout the organization. The flywheel was spinning!

Getting Started

We adopted the Baldrige model because of its comprehensive business approach. We wanted to get better faster. Our community expected and deserved the very best care and we recognized that the Baldrige model would help expedite this quality journey. Since Baldrige is a leader-driven model, we had to plan our approach, decide our team structure and define timeframes for deliverables.

Attending the Baldrige Quest for Excellence conference really set our leadership team on fire. In fact, our executive team could be found after the day’s conference in a nearby lounge huddled around a laptop on the floor editing our Baldrige application. We were so inspired and in awe of what other Baldrige winning organizations achieved. Everyone remembered us because it was such an unusual sight!

“Embracing Baldrige helped us realize our mission and achieve the kind of results that many organizations dream about.”

—Christy Stephenson, President and CEO
Robert Wood Johnson University Hospital Hamilton, NJ

Back at home, when we began to define our Baldrige approaches, we had a pleasant surprise: A number of our approaches were already in place because we had been using prescriptive tools from Studer Group. For instance, Category 1.1 Criteria ask: “How do senior leaders communicate with, empower, and motivate staff throughout the organization?” We could describe how we used the Five Pillar framework

continued on page 8
Cascade Organizational Goals Effectively

See samples of how 2004 Baldrige Winner Robert Wood Johnson University Hospital Hamilton cascades quality and patient satisfaction goals from a VP to a nursing unit tech. Search on “E3 RWJ” at www.studergroup.com

Walking the Walk and Talking the Talk

The first time we read the Criteria it seemed like it was written in a foreign language. But over time, as we aligned our tools and team to the Baldrige Criteria and approaches, this lengthy set of Criteria transitioned from items on our “to do” list into the way we did business. For example, Baldrige taught us to benchmark best practices in other organizations. We always set goals in the top 10th percentile of any database. It was almost a religion.

Whenever we set out to design a new process or service, we always asked ourselves first: “Who does this well?” And we learned from them. In fact, a leader from one Baldrige-winning organization advises Baldrige applicants to “steal shamelessly.” So we did. In fact, we modeled our E3 (Engage Every Employee) goal cascade after SSM Health Care’s “Passport”, their tool to align individual employee goals with organizational goals. (See sidebar to download a sample.) Baldrige examiners were impressed that every staff person they interviewed could explain how their goals aligned with organizational and department goals.

Another example of “stealing shamelessly” was our Food on Demand or “room service” program. We recognize that patients don’t come to the hospital to eat, but wanted them to have options and choices as to what they eat and when they eat it. We also knew that hotels have been offering room service for years. So we benchmarked the Ritz-Carlton. The wonderful thing about Baldrige—much like Studer Group’s national learning lab—is that there is this huge formal network of organizations you can reach out to for help. It’s sort of an unwritten expectation that all organizations on the Baldrige journey (again, like Studer Group partner organizations) agree to share information freely. In the end, the goal is for all organizations to get better.

RWJ Hamilton was a good organization pre-Baldrige, and cared for its community, employees, and physicians. But the Baldrige framework helped our key results soar to benchmark bests…truly creating an organizational transformation.

With over 20 years experience in health care, Debbie Cardello, RN, MSN and former COO at Robert Wood Johnson University Hospital Hamilton recently joined Studer Group as a coach and Baldrige expert.

Already on the Baldrige Journey?

Attending “What’s Right in Health Care?”

Join us for Best Practices June 14 in Atlanta

If you’ve already registered for Studer Group’s What’s Right in Health Care Conference June 15 to 16, please join us a day early for a special pre-conference session “On the Baldrige Journey: Overcoming Obstacles and Building Best Practices.”

At this interactive session, you’ll:

- Hear specific best practices from other Baldrige and state quality award participants
- Get advice from Studer Group’s Baldrige experts: Paul Grizzell and Debbie Cardello (former COO of Robert Wood Johnson University Hospital Hamilton, 2004 Baldrige winner).
- Learn how Baldrige aligns with Studer Group’s Nine Principles®, Five Pillars and prescriptive tools that address the Criteria.
- Network with other Studer Group partners on the Baldrige journey.

Register at www.studergroup.com
CEOs Speak Out on Powerful Lessons Learned

The Value is in the Journey… Not the Win

We just submitted our first Baldrige application in May. If we win the Baldrige someday, that would be huge, but my real interest is in the value of the journey. Already it has helped us clearly define key gaps, confirmed our direction and leadership framework and provided strategic direction and clarity to achieve our vision.

I think whenever an organization applies for an award, it engages and focuses employees on achieving results. For example, when we applied and won the award from the American Association of Retired Persons (AARP), our human resources department aligned to Criteria that helped make us a great workplace for older employees. As a result, turnover is down 6.1%. In winning Solucient, we had to provide cost-efficient service and this allowed us to learn more about our cost-efficiency. Baldrige is great because it is all encompassing. Rather than a focus on a specific component, it balances our progress and success across all components…just like Studer Group’s Five Pillars.

Advice to other organizations? Be sure you are truly ready to take the risk before you move forward with any award criteria. The risk is that you will really engage employees, which is excellent if you are ready to risk making real changes. Otherwise, don’t begin because it’s not good for employees…it will only lead to frustration and disappointment.

Michael S. Eesley, President & CEO, Centegra, Woodstock, IL

Take It in Stages

We have applied twice at the state level (awarded a bronze, then a silver) and are now applying at the national level as well as the state level.

The Baldrige process is all part of our journey to create the very best health care system we can. Each year we ask ourselves if the commitment of time and resources to Baldrige makes us a better organization and each year we have concluded that we continue to benefit greatly.

Without clear input from this very formalized process, I don’t think we would have been able to gather the impetus organization wide to make the progress we have.

However, it’s important to understand there’s a steep learning curve at the beginning. It requires engaged and committed leaders. In fact, our senior leaders are the people writing the Categories in the application that apply to their functions. I also think that successful organizations are those that understand the benefit of having staff who recognize the Criteria through examiner training.

One of the lessons we learned: Organizations are more likely to achieve a site visit and thereby get expert feedback, by applying first to their state-level quality awards before applying at the national level. We were advised that the site visit Criteria (application score) is lower at the state level, which means more organizations that apply there will get that valuable site visit feedback and can better gauge when they feel prepared for the national application.

Michael W. Murphy, President & CEO, Sharp HealthCare, San Diego, CA

Self Test

How did you rate?

If you answered “yes:"

8 or more times:
Congratulations. Your organization has hardwired performance excellence. If you are not already on the Baldrige journey, you are likely to find the process an excellent fit with your commitment to achieve your mission, vision, and values. (Tip: See page 8 to download a free tool from 2004 Baldrige Winner Robert Wood Johnson University Hospital Hamilton on how to cascade measurable goals to all levels of the organization.)

6 to 7 times:
You understand what drives performance excellence, but may benefit from tools or coaching in performance gaps to hardwire and sustain results. Read this issue of Hardwired Results. You may also want to:

> contact Studer Group’s Baldrige expert Paul Grizzell at Paul.Grizzell@studergroup.com to learn more about key actions and tools that will move your organization’s performance further faster.

> Attend Studer Group’s Baldrige pre-conference session on June 14 in Atlanta at “What’s Right in Health Care” if your organization is already on the Baldrige journey.

> Register for Studer Group’s Baldrige webinar on June 29 if you are new to Baldrige.

5 or less times:
You’ve already taken the first step to performance excellence by completing this self-test. Take the next step when you:

> Order Hardwiring Excellence or 101 Answers to Questions Leaders Ask by Quint Studer at Amazon.com or studergroup.com.

> Learn more about how the Baldrige journey can help good organizations who want to become world-class. See page 2, “More Baldrige Resources” for recommended reading at www.studergroup.com.

ISSUE

Answers to Questions Leaders Ask

continued from back cover

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**SELF TEST**

**CAN BALDRIGE MOVE YOUR ORGANIZATION’S PERFORMANCE FASTER?**

Answer these questions. Then see how you rate on page 9.

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Do your senior leaders set an environment of excellence that encourages high performance?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>2. Do you have a results-oriented leadership evaluation and improvement system?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>3. Do your leaders and staff know patient and other customer complaints and have a method to address them?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>4. Do your leaders and staff build effective relationships with patients and other customers to ensure high patient satisfaction and loyalty?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>5. Does your organizational culture support employee learning, motivation, and high performance?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>6. Does your organization systematically identify, manage, and improve its key health care processes?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>7. Does your organization systematically identify, manage and improve its key support processes?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>8. Does your organization demonstrate positive performance trends across all Pillars (People, Service, Quality, Finance, Growth)?</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>9. Do your most important organizational results compare favorably to national role model benchmarks?</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>

**Take the first step on your Baldrige journey today.**

Register now at studergroup.com for:
- Studer Group’s 2006 What’s Right in Health Care Conference June 15 to 16, Atlanta  
  (See page 8 for details on the June 14 Baldrige pre-conference session)
- Studer Group’s June 29 On-Demand Webinar: The Baldrige Award: What’s In It for Me? (Details on page 4.)