LETTER FROM THE CHAIR

We are embarking on a $35 million fundraising campaign, the largest in the Baldrige Foundation’s history. Our goal is to build an endowment that will sustain and grow the application of Baldrige principles in the U.S. and throughout the world.

For a quarter-century, U.S. manufacturers have embraced Baldrige and become undisputed market leaders on all continents. But today’s Baldrige Criteria for Performance Excellence go well beyond “zero defects” in manufacturing, and are assisting all types and sizes of organizations to achieve leadership positions in their industries, including service, government, nonprofit, education, and healthcare. The Baldrige Criteria focus on customer and workforce satisfaction and loyalty, intelligent risk-taking, and innovation, the very things that are needed to achieve economic success in the global marketplace.

The Baldrige Foundation’s mission is to support organizational performance excellence in the U.S. and throughout the world by ensuring continued access to Baldrige concepts and practices. The Baldrige Program is the recognized global leader in providing and promoting state-of-the-art leadership and management practices that have a proven impact on sustainable competitiveness. Today, over 100 countries look to America to provide the Baldrige Criteria that they use to improve their business, education, and healthcare organizations.

We are asking you to invest in the Baldrige Program and its impact on the competitiveness, prosperity, and well-being of people in the United States and around the world. With your support, The Campaign for the Growth of Baldrige will help the Baldrige Foundation ensure the viability and growth of the Baldrige Program throughout the 21st Century.

P. George Benson
Baldrige Foundation Chair
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, a series of stunning performance improvements ensued from 1999 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.
The road to greatness in America has been, and always will be, traveled by those who embrace change and work hard every day to be the best. Baldrige organizations show how quality, innovation, and an unending quest for excellence help strengthen our nation and brighten the future for all Americans.”

President Barack Obama

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.

"The Malcolm Baldrige National Quality Award plays a major role in revitalizing our nation’s economy, competitiveness and quality of life...Baldrige Award recipients are models for any organization that wants to improve performance and competitiveness.”

President Bill Clinton

Campaign for the Growth of BALDRIGE
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

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.

"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.

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Campaign for the Growth of BALDRIGE
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 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.

This is an opportunity for you to lay a mark on the future, to be part of the Baldrige legacy. Make it your legacy, too. Join us in the Campaign for the Growth of Baldrige.
The Baldrige Foundation’s $35 million campaign seeks to raise funds to sustain and grow the Baldrige Program and ensure that its Criteria for Performance Excellence, educational mission and transformational learning programs can continue to guide and assist American companies and organizations, as well as those across the globe.

With these funds, Baldrige will continue to make invaluable contributions in three strategic areas: Researching, Promoting and Recognizing Performance Excellence.

Research Performance Excellence
15% of the overall campaign goal is allocated to research and development to improve and advance the Baldrige Criteria for Performance Excellence. The Baldrige Program monitors industry and academic literature and trends to learn how role-model organizations accomplish their goals, improve results, and become more competitive. Business, education, and health care thought leaders and practitioners, keep us ahead of the curve; we regenerate the Baldrige Criteria every two years with fresh insights that focus on processes that are used by high-performance organizations and based on cutting-edge research. From this research, the program identifies the leading edge of validated management practice, codifies it, and publishes it as the Baldrige Criteria for Performance Excellence.

Promote Performance Excellence
The largest campaign goal (65% of the total) focuses on promoting Performance Excellence through the Baldrige Criteria; broad sharing of best management practices; and collaborations with state, sector, and international Baldrige-based programs.

Each year, the Program trains people from all regions and industries in how to use the Baldrige Criteria to assess other organizations and improve their own. Baldrige examiners become teachers and ambassadors, as well as Baldrige Award evaluators, promoting the Criteria in their communities.

Baldridge Award winners share their best practices at Program-sponsored national and regional conferences. The Program also publishes articles and Web-based materials to share award winners’ role-model practices.

Recognize Performance Excellence
20% of the campaign funds are designated to manage the Malcolm Baldrige National Quality Award, which recognizes U.S. organizations that have demonstrated outstanding results while adopting our Criteria. Moreover, other organizations learn from these role models. To win the only presidential award recognizing performance excellence, organizations undergo a rigorous, three-stage review by teams of volunteer examiners and a final assessment by a volunteer panel of judges. All applicants receive feedback aimed at helping their organization move to the next level of performance.

Gifts of Endowment
Even as we commit to reinvigorating these three strategic strengths, the Baldrige Program also must evolve to reflect an ever-changing global landscape. Gifts to the Campaign for the Growth of Baldrige will also ensure that our research, promotion and recognition of performance excellence are never outdated and remain a cutting-edge force. Furthermore, it sustains our capability to deploy our talent, expertise and resources to bolster the competitiveness, prosperity and well-being of Americans and people throughout the world.