

Using The Baldrige Criteria To Achieve Excellence in the Construction Industry

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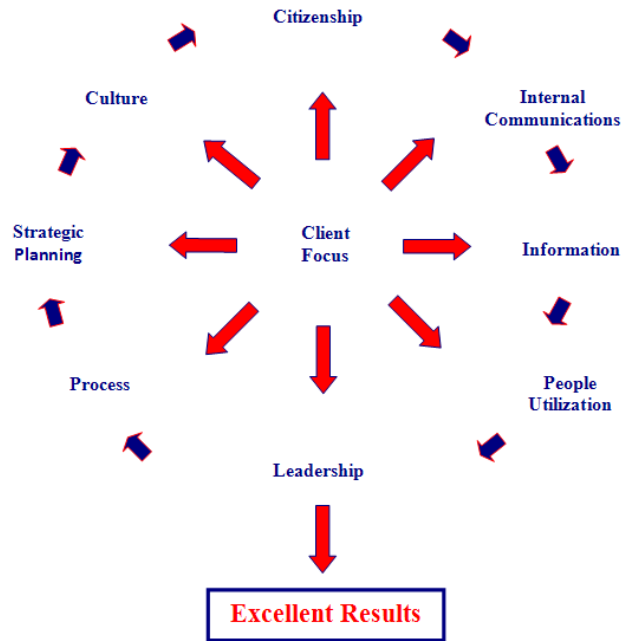


Many consultants talk value to prospective clients and then sell some magic fad of the year that promises to turn an average company into an excellent company, though we all know achieving and maintaining excellence is a logical process and journey requiring consistent focus and hard work over several years. From the early years of U.S. Leadership, Inc., we provided value to our clients but lacked a way to measure that value. The construction industry consists of highly competitive, measurement driven people who typically don't know what to measure or how to measure the more important components that drive business success. Historically, the construction industry lags behind other industries in understanding the need for reproducible processes. It then compounds this problem by placing too much emphasis on individual performance over team performance. After discovering the Baldrige criteria in the late 1980s, USL set out to convert the criteria into a useful prescriptive consulting tool customized for the construction industry. Today this tool is known as The ACE Assessment Survey© which we administer as a first step in the USL ACE Process©. It consists of Ten Areas of Excellence with nine Process Areas independently weighted but combined to equal 1000 points and the Results Area equaling 1000 points.

Achieving Company Excellence© is a process that defines corporate excellence, continually measures progress toward excellence, defines an organizational improvement plan to achieve corporate excellence and empowers Teams to achieve excellence. The first phase of the ACE Process© includes the basic elements of self-assessment, benchmarking, and recommendations for improvement items we prioritize for implementation. The ACE Assessment Survey is periodically administered to benchmark the company's progress as it implements USL's improvement recommendations.

The Malcolm Baldrige National Quality Award criteria categories were the foundational starting point for USL's ACE Areas of Excellence but instead of seven categories, as with Baldrige, we developed Ten Areas of Excellence customized for the construction industry. We further customized the tool to meet the needs of the architectural, engineering and construction market segments. We place the most emphasis on "Client Focus", rather than "Leadership" as with Baldrige. Client Focus is the

driver for all other areas. We encourage clients to define, to measure, to communicate, and to continuously improve the value delivered to their clients. The diagram below reflects this approach.



Notice **Leadership** in the diagram is strategically located as the process driver for **Excellent Results** just as Baldrige would advocate. However, we view Client Focus as the driver for the other Process Areas of Excellence. Following is a list of the ACE Process© Areas of Excellence with point allocations:

ACE AREAS OF EXCELLENCE	
PROCESS SECTION	Points
1. Client Focus and Satisfaction	220
2. Leadership	168
3. People Utilization	132
4. Process Management	126
5. Strategic Planning	91
6. Information Management	84
7. Internal Communications	65
8. Corporate Culture	60
9. Corporate Citizenship	54
Total Process Section:	1000
10. RESULTS SECTION	1000
Total Both Sections	2000

The ACE Process© is a powerful tool to lay the framework for growing companies. We liken the ACE Process© to continually scrutinizing the company through a Baldrige type grid while receiving continuous “Opportunities for Improvement” feedback from Baldrige examiners.