

## Item 6.1: Value Creation Processes (45 pts.)

Process

## How do you identify and manage your key processes?

Describe **HOW** your organization identifies and manages its **KEY VALUE CREATION PROCESSES** for **delivering** **CUSTOMER VALUE** and achieving **organizational** success and growth.

Within your response, include answers to the following questions:

## 6.1a. Value Creation Processes

- (1) **HOW** does your organization determine its **KEY VALUE CREATION PROCESSES**?  
What are your organization's **KEY** product, service, and business **PROCESSES** for creating or adding **VALUE**?  
**HOW** do these **PROCESSES** contribute to profitability, **SUSTAINABILITY**, and **organizational** success, **as appropriate**?
- (2) **HOW** do you determine **KEY VALUE CREATION PROCESS** requirements, incorporating input from **CUSTOMERS**, suppliers, **PARTNERS**, and **collaborators**, as appropriate?  
What are the **KEY** requirements for these **PROCESSES**?
- (3) **HOW** do you design these **PROCESSES** to meet all the **KEY** requirements?  
**HOW** do you incorporate new technology, organizational **KNOWLEDGE**, and the potential need for **agility** into the design of these **PROCESSES**?  
**HOW** do you incorporate **CYCLE TIME**, **PRODUCTIVITY**, cost control, and other efficiency and **EFFECTIVENESS** factors into the design of these **PROCESSES**?  
**HOW** do you implement these **PROCESSES** to ensure they meet design requirements?
- (4) What are your **KEY PERFORMANCE MEASURES** or **INDICATORS** used for the control and improvement of your **VALUE CREATION PROCESSES**?  
**HOW** does your day-to-day operation of these **PROCESSES** ensure meeting **KEY PROCESS** requirements?  
**HOW** are in-**PROCESS MEASURES** used in managing these **PROCESSES**?  
**HOW** is **CUSTOMER**, supplier, **PARTNER** and **collaborator** input used in managing these **PROCESSES**, as appropriate?
- (5) **HOW** do you minimize overall costs associated with inspections, tests, and **PROCESS** or **PERFORMANCE** audits, as appropriate?  
**HOW** do you prevent defects, **service errors**, and rework, and minimize warranty costs, as appropriate?
- (6) **HOW** do you improve your **VALUE CREATION PROCESSES** to achieve better **PERFORMANCE**, to reduce variability, to improve products and services, and to keep the **PROCESSES** current with business needs and directions?  
**HOW** are improvements and lessons learned shared with other organizational units and **PROCESSES** to drive organizational **LEARNING** and **INNOVATION**?

## Notes:

**N1.** Your **KEY VALUE CREATION PROCESSES** are those most **IMPORTANT** to “running your business” and maintaining or achieving a **SUSTAINABLE** competitive advantage. They are the **PROCESSES** that involve the majority of your organization's **EMPLOYEES** and produce **CUSTOMER**, stockholder, and other **KEY STAKEHOLDER VALUE**. They include the **PROCESSES** through which your organization adds **the** greatest **VALUE** to its products and services. They also include the business **PROCESSES** most critical to adding **VALUE** to the **organization** itself, resulting in success and growth.

**N2.** **KEY VALUE CREATION PROCESSES** differ greatly among organizations, depending on many factors. These factors include the nature of your products and services, **HOW** they are produced and delivered, technology requirements, **CUSTOMER** and supplier relationships and involvement, outsourcing, **the** **IMPORTANCE** of research and development, **the** role of technology acquisition, information and **KNOWLEDGE** management, supply chain management, mergers and acquisitions, global expansion, **legislative mandates**, and sales and marketing. Responses to **Item 6.1** should be based upon the most critical requirements and **PROCESSES** for your products, services, and business.

**N3.** To achieve better **PROCESS PERFORMANCE** and reduce variability, you might implement **APPROACHES** such as a Lean Enterprise **SYSTEM**, Six Sigma methodology, use of ISO 9000:2000 standards, or other

## 2006 BALDRIGE ACTIONABLE CRITERIA

**PROCESS** improvement tools.

**N4.** To provide as complete and concise a response as possible for your **KEY VALUE CREATION PROCESSES**, you might want to use a tabular format identifying the **KEY PROCESSES** and the attributes of each as called for in questions **6.1a(1)–6.1a(6)**.

**N5.** The **RESULTS** of improvements in product and service **PERFORMANCE** should be reported in **Item 7.1**. All other **PROCESS PERFORMANCE RESULTS** should be reported in **Item 7.5**.

For additional description of this Item, see

**2006 Criteria Items:** [1.1](#) - [1.2](#) - [2.1](#) - [2.2](#) - [3.1](#) - [3.2](#) - [4.1](#) - [4.2](#) - [5.1](#) - [5.2](#) - [5.3](#) - [6.1](#) - [6.2](#) - [7.1](#) - [7.2](#) - [7.3](#) - [7.4](#) - [7.5](#) - [7.6](#) - [P.1](#) - [P.2](#) – [Criteria Home](#)

Key: [CAPS](#) link to [GLOSSARY](#) terms; **Red** words link **CORE VALUES**; **Yellow** identifies new 2006 words; [Best Practices](#); [Application Information Capture Templates](#)