

## Baldrige Winners Criteria Responses Example

*EasyApp* includes actual application responses from 27 recent Baldrige winners to Item 2.1 (Strategy Development) and all other Criteria Items allowing you to learn from them and to compare your response to Item 2.1 to their responses.

Application responses from the Baldrige winners are not included in the EasyApp DEMO. The example shown below is based on the 2005 Baldrige Case Study except for Figure 2.1-2 (do not read it closely).

## 2: Strategic Planning

### 2.1 Strategy Development

#### 2.1a Strategy Development Process

##### 2.1a(1) Strategic Planning

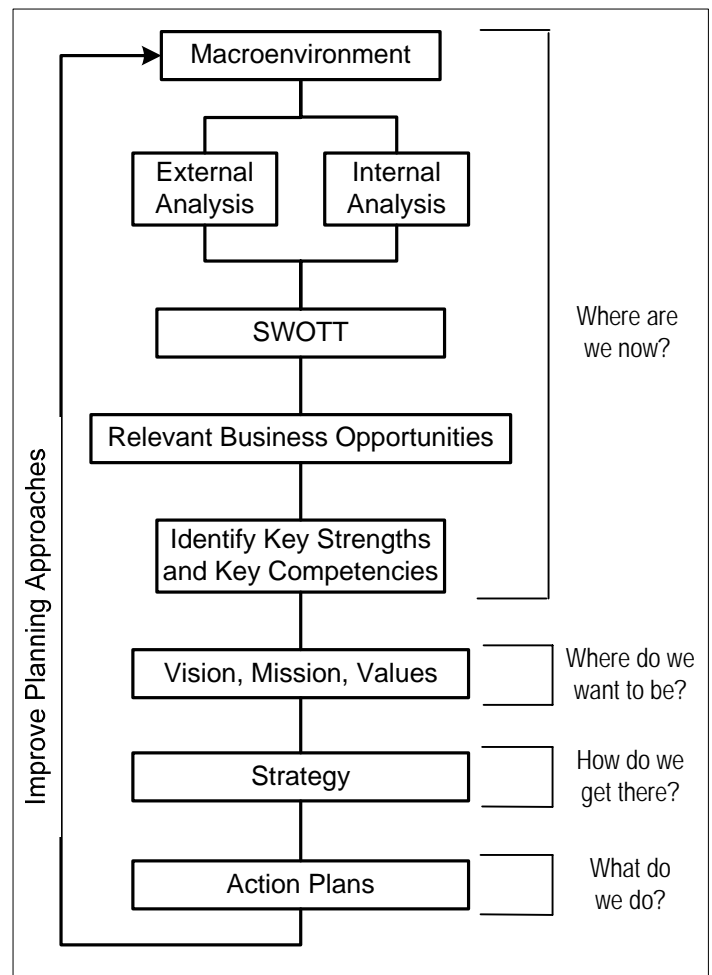
Key participants involved in the Strategic Planning Process (*Figure 2.1-1*) include the Board of Directors and the Senior Leadership Team. Key suppliers attend part of the first day's session to advise Landmark of major trends in their respective areas. Guests and/or speakers are invited to present specific information as needed. The annual Strategic Planning Process was introduced by Sam Dudley in 1990. During earlier strategic planning sessions, a SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis was conducted, and answers were generated for the following four questions:

- Where are we now?
- Where do we want to be?
- How do we get there?
- What do we do?

The Strategic Planning Process has evolved over the years to include the key steps shown in *Figure 2.1-1*, but it maintains a focus on the four general questions.

The Strategic Planning Process is evaluated and refined as part of the annual strategic planning retreat. For example, the Strategy Matrix (*Figures 2.2-3 and 2.2-4*) was introduced in 2001 to align the company's Vision, Mission, and Values with its strategic objectives and short- and longer-term action plans and goals. After Debby Dudley became an LSQA Examiner, key success factors and stakeholders were added. The Matrix now is structured so that anyone viewing it can easily align specific goals and action plans to the company's

Vision, Mission, and Values. The latest improvement to the Strategy Matrix has been the inclusion of the Approach-Deployment-Learning-Integration (ADLI) concept and how it relates to the strategic plan.



**Figure 2.1-1 Strategic Planning Process**

Prior to the annual three-day strategic planning retreat, members of the Leadership Team gather and analyze the information for which they are responsible (see 2.1a[2] and *Figure 2.1-2*).

This information comes from throughout the organization to ensure senior leaders have sufficient knowledge to make decisions. The data are analyzed as described in 4.1b(1) to provide an understanding of trends, correlations, and root causes as part of a SWOTT (Strengths, Weaknesses, Opportunities, Threats, Trends) analysis. In addition, each member of the Leadership Team is a Baldrige Category Champion and uses the Baldrige Criteria for Performance Excellence as an assessment tool and to identify opportunities for improvement.

The first day of the retreat is devoted to determining the present status of the organization in relation to its external and internal environments by reviewing results of analyses by each of the data owners. As part of the review, each member of the Leadership Team answers the following questions:

- How did Landmark do last year compared to its goals and benchmarks?
- If targets were achieved, should they be set higher?
- If targets were not achieved, why not?
- What can Landmark do to improve?

A SWOTT analysis is performed to identify relevant business opportunities. In prior years, several opportunities related to the company's previous strategic objective of continued expansion were identified and have resulted in new services for the company. These include Harrisburg Station Catering and takeout meals, as well as the Dinner Delivery Service that provides HMRs, which was initiated in fourth quarter 2004.

On the second and third days of the retreat, the organization's Vision, Mission, and Values, as well as its strategic direction for the next five years, are reviewed and revised if necessary. Next year's action plans, key measures, and goals are set. By the end of day three, the Strategy Matrix (*Figures 2.2-3 and 2.2-4*) is completed.

The Strategic Planning Process is designed to help identify blind spots by including various participants in the process—suppliers, partners, Advisory Board members, and community members, when appropriate. This ensures senior leaders gain the perspective of different viewpoints and also gather information from areas of greatest significance to Landmark's success. Another method that is used to identify blind spots is the inclusion of input from multiple sources in various areas.

**Figure 2.1-2: Landmark Dining Strategic Planning Process Participants**

Key Factor	Who	Data Source
Strengths, Weaknesses, Opportunities, Threats, Blunders, Cover-ups	BE Director, Dabby Doodley	Baldrige self-assessment, Foodtruck reports, industry comparative data, informal consortium, general news and tabloids, monthly board meetings, information on Baldrige Award Recipients scores
Customer and Market Needs, Wants, and Hopeless Wishes	Tam Doodley	Foodtruck reports, industry publications, customer illness surveys, industry assoc. memberships, industry Web sites, Employee Dining at Home Reports, inferior restaurant consortium, Clandestine Diners Association, E-Chambers of Commerce, Adversary Board
Non-Competitive Environment	CEO, Adversary Board	Different from above, Metropolitan Honolulu Business Group
Technology	Tam Doodley	Industry MIS Chef Study Group, public literature, supplier literature, business magazines, supermarket tabloids, inferior consortium
Human Resource Needs, Wants, and Hopeless Wishes	BE Director, Dabby Doodley	Employee dissatisfaction report, unauthorized industry comparative data, People Report, Foodtruck reports
<a href="#">Financial, Other Risks</a>	CFO	Accounting system, David & Bradley reports, inferior restaurant consortium, NRA comparative weapons information
<a href="#">Societal/Regulatory/Ethical Risks</a>	CEO, Dude Doodly	Metropolitan Honolulu and Maui Restaurant Associations, industry reports, Chambers of E-Commerce, Department of Health audit shutdown notices, HHS adversary boards, illegal Web sites
<a href="#">Sustainability</a> and Business Continuity	Dabby Doodley	Information on Baldrige Award recipient scores, industry and business reports, technology vendor publications, business continuity sweatshops
Economic Changes	CEO, Dude Doodly	Metropolitan Honolulu Business Group, business publications, Federal Reserve Tan Book
Unique Factors	All (Everybody here is unique)	Partnerships for Free Dinners Delivery Service—Chambers of E-Commerce, phone tag directory Communication mechanisms—all previously unlisted sources (e.g., in P.1b[4] and 3.1a[3])

**Figure 2.1-2 Annual Strategic Planning Responsibilities**

This provides significant information from areas that are not normally reviewed by senior leaders.

Landmark’s short-term planning horizon is one year, and its longer-term horizon is five years. While the industry standard for longer-term planning is three years, Landmark’s work with historic preservation requires a minimum five-year planning window. These time horizons are included in the Strategy Matrix.

Landmark incorporates knowledge of its past performance and key factors into the assessment of its ability to execute the strategic plan. In addition, as presented in *Figure 2.2-4*, interim milestones have been established between the short- and longer-term goals to

ensure the organization is on track to accomplish longer-term goals.

**2.1a(2) Key factors addressed in planning**

Each member of the Leadership Team is responsible for one or more key factors, as shown in *Figure 2.1-2*. Each member of the Board of Directors and the Leadership Team is responsible for collecting and analyzing data throughout the year and presenting them at the annual strategic planning session and at monthly meetings. For example, in 1999, Sam Dudley read about a restaurant that was able to achieve an occupancy rate of more than 90 percent by analyzing the size of dining parties and reconfiguring its table setup to correspond. Analysis of data collected from Foodtrak showed

that party sizes differed for lunch and dinner at both restaurants: parties of four, six, and eight for both lunch and dinner were more prevalent at Harrisburg Station, while parties of four for lunch and parties of either two or four for dinner were more prevalent at Texas Lightkeeper. Originally, tables at each restaurant seated five people. In 2000, funds were allocated to purchase new tables that could be configured for parties of two, four, or six at both restaurants. As a result of the data collection and analysis, Landmark now enjoys an occupancy rate four percentage points above the national average.

To address the organization's ability to execute the strategic plan, leaders assign ownership and allocate required resources for every approved action plan. Each action plan and strategy is assigned to one of the senior leaders as a champion to provide resources and review the progress of key factors in the strategic plan execution.

If there are changes in any of these key factors during the year and analysis indicates a negative trend, the person responsible for that factor will make a presentation to the Leadership Team and Board of Directors at scheduled executive review meetings. Any potential midyear changes in response to business climate, market conditions, customers' requirements, or emergencies are analyzed in the same manner as in the annual Strategic Planning Process. This process ensures continuity in Landmark's approach to sustaining the organization for the long term.

## **2.1b Strategic Objectives**

### **2.1b(1) Key strategic objectives**

Key strategic objectives and the timetable for accomplishing them are presented in the Strategy Matrix (*Figures 2.2-3 and 2.2-4*). Goals have been established and are presented in *Figure 2.2-4*. The most important 2005 goals are (1) maintaining a 15% growth rate per year in new service results through the establishment of a local community college on-campus restaurant and an increase in catering, take-out, and Dinner Delivery Service income; (2) increasing the customer satisfaction rate to 96.5% through a variety of actions, including the use of

technology to provide better customer service; and (3) increasing the occupancy rate to 85% through better use of facilities.

### **2.1b(2) Strategic Objectives Address Challenges**

The Strategy Matrix (*Figures 2.2-3 and 2.2-4*) illustrates how Landmark's strategic objectives and short- and longer-term action plans are related to its Vision, Mission, Values, key success factors, stakeholders, and strategic challenges. Associated with each key success factor is one or more of Landmark's Values, stakeholders, strategic challenges, strategic objectives, longer-term action plans, short-term (2005) action plans, key measures, and goals. This ensures alignment to the organization's key challenges and balances short- and longer-term opportunities and stakeholder needs.

Landmark uses a Scorecard that is derived from the key measures in the Strategy Matrix. This Scorecard, which is updated in real time by Foodtrak, is reviewed at monthly executive review meetings, where the external environment and internal performance are discussed and the Strategy Matrix is updated as needed.