

7.1 Product and Process Results

Purpose

This item asks about your key product and operational performance results, which demonstrate product and service quality and value that lead to customer satisfaction and engagement.

Commentary

Measures of product performance. This item emphasizes measures of product performance that serve as indicators of customers' views and decisions relative to future purchases, interactions and relationships. These measures of product performance are derived from customer-related information gathered in category 3.

Examples of product measures. Product and service measures appropriate for inclusion might be based on the following: internal quality measurements, field performance of products, defect levels, service errors, response times, and data

collected from your customers by other organizations on ease of use or other attributes, as well as customer surveys on product and service performance.

Product performance and customer indicators. The correlation between product and service performance and customer indicators is a critical management tool with multiple uses: (1) defining and focusing on key quality and customer requirements, (2) identifying product and service differentiators in the marketplace, and (3) determining cause-effect relationships between your product or service attributes and evidence of customer satisfaction and engagement. The correlation might reveal emerging or changing market segments, the changing importance of requirements, or even the potential obsolescence of offerings.

Process effectiveness and efficiency measures. Measures and indicators of process effectiveness and efficiency might include the following:

- Work system performance that demonstrates improved cost savings or higher productivity by using internal and/or external resources
- Reduced emission levels, carbon footprint, or energy consumption
- Waste-stream reductions, by-product use, and recycling
- Internal responsiveness indicators, such as cycle times, production flexibility, lead times, setup times, and time to market
- Improved performance of administrative and other support functions
- Indicators of the effectiveness of security and cybersecurity approaches
- Business-specific indicators, such as innovation rates and increased product and process yields, Six Sigma initiative results, and acceptable product performance at the time of delivery
- Supply-network indicators, such as reductions in inventory and incoming inspections, increases in quality and productivity, improvements in electronic data exchange, and reductions in supply-network management costs
- Third-party assessment results, such as ISO 9001 audits

Measures of organizational and operational performance. This item encourages you to develop and include unique and innovative measures to track key processes and operational improvement. Unique measures should consider cause-effect relationships between operational performance and product quality or performance. All key areas of organizational and operational performance, including your organization's readiness for emergencies, should be evaluated by measures that are relevant and important to your organization.

SOURCE: 2019–2020 Baldrige Performance Excellence Framework Criteria Commentary - This commentary provides brief summaries of the Baldrige Criteria for Performance Excellence categories and items. It also includes examples and guidance to supplement the notes that follow each Criteria item in the Baldrige Excellence Framework booklet. For additional free content, and to purchase the booklet, see www.nist.gov/baldrige/publications.