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BALDRIGE:**A Global Approach for a Global Economy**

Clearly, many American CEOs believe they must strengthen their international strategies and performance if they are to succeed in the fast-evolving global marketplace.

For more than 12 years, thousands of U.S. organizations have used the Baldrige Criteria for Performance Excellence to stimulate improvements in their competitiveness and business performance that lead to global success.

The Criteria help you improve your strategies and operations to address opportunities around the world. For example, Criteria requirements for

- Strategy Development anticipate changes that affect your competitive environment, such as growing global competition
- Customer and Market Focus address differing customer and market requirements, expectations, and preferences in an increasingly global marketplace
- Process Management address key aspects of relationships with suppliers and partners, critical in global production and delivery of goods and services

Two recipients of the 1999 Malcolm Baldrige National Quality Award, The Ritz-Carlton Hotel Company, L.L.C. and STMicroelectronics, Inc.-Region Americas, tell how the Baldrige Criteria helped them achieve superior results in the global marketplace.

Are You Keeping Pace with the Global Economy?

In a 1998 survey of 300 CEOs conducted by Louis Harris & Associates

- more than 70 percent said they need to improve their ability to think globally
- more than 90 percent reported that the importance of international customers is increasing
- more than 70 percent rated U.S. companies "fair" or "poor" at becoming truly global companies
- many felt that foreign competition would pose a serious threat to their companies within the next decade

STMicroelectronics-Region Americas Prospers During Industry Drought

STMicroelectronics is a French-Italian global company, with hundreds of competitors worldwide, that manufactures a broad portfolio of semiconductor devices. The company's Region Americas subsidiary received the Malcolm Baldrige National Quality Award in the manufacturing category in 1999, and its parent company has earned the comparable European Quality Award.

Adopting the Baldrige Criteria has helped STMicroelectronics, Inc.-Region Americas weather three stormy years in the semiconductor industry. Between 1996 and 1998, many top competitors lost money and did not expand sales. Region Americas not only increased its market

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The Ritz-Carlton Uses Baldrige Around the World

The Ritz-Carlton Hotel Company, L.L.C. manages 35 luxury hotels throughout the world, all of which have received superior ratings from the major travel guides. The company is the only two-time recipient (1992 and 1999) of the Malcolm Baldrige National Quality Award in the service category.

President and Chief Operating Officer (COO) Horst Schulze values the Baldrige Criteria's strong emphasis on growth and customer service; since 1989, he and his management team have been using the Criteria to set the direction of The Ritz-Carlton. "The Baldrige Criteria are essential in our international competition," says Schulze.

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STMicroelectronics-Region Americas (continued)

share during this period but as a corporation also averaged a 10 percent annual profit after taxes.

According to Region Americas' President Richard Pieranunzi, one of the company's top challenges has been the rapid globalization of its OEM customer base and even its distributor network within the past five years.

Region Americas uses the Baldrige Criteria to analyze and address a broad spectrum of customer issues. "Many Baldrige Criteria assessment points relate to how we gather, comprehend, and perceive customer needs," Pieranunzi adds. He says the Criteria also help the company focus on methods of communicating internally to meet its customer service challenges.

The Baldrige Criteria have helped us learn how to align our entire organization so that we can provide consistent service and quality no matter where a particular customer may be operating, which is required these days in order to survive. Our teams around the world must work in harmony, providing service that is seamless to the customer.

*Richard Pieranunzi
President
STMicroelectronics-Region Americas*

The Ritz-Carlton (continued)

Following the Baldrige Criteria for Performance Excellence has consistently helped The Ritz-Carlton overcome its most serious global challenge—bringing an American-grown philosophy of service excellence to award-winning hotels in different regions of the world, each with a unique local culture.

Global success does not happen because we put up a sign that says Ritz-Carlton. It happens because we have processes that are transferable to other countries. And, those processes came because we followed the Baldrige Criteria.

To help ensure that the company's vision, values, and customer service standards are understood and upheld

*Horst Schulze
President and COO
The Ritz-Carlton Hotel Company*

consistently in its hotels around the world, all of The Ritz-Carlton's first-year employees receive more than 200 hours of training. As Schulze explains, "The Baldrige Criteria can be applied anywhere in the world, once you respect cultural differences."

Seven Steps to Performance Excellence in the Global Marketplace

Whether your business is large or small, service or manufacturing, located down the street or around the world, the Baldrige Criteria for Performance Excellence can help you assess and measure your company's performance in seven key business areas:

1. Leadership
2. Strategic Planning
3. Customer and Market Focus
4. Information and Analysis
5. Human Resource Focus
6. Process Management
7. Business Results

The ultimate goal is to

- deliver ever-improving value to your customers, resulting in marketplace success, and
- improve overall organizational effectiveness and capabilities.

While some organizations "go for the gold" and submit an application for the Malcolm Baldrige National Quality Award, many more organizations use the Baldrige Criteria strictly for improvement; by conducting a self-assessment guided by the Criteria, organizations can identify their strengths and opportunities for improving processes and results.

All Award applicants receive a comprehensive feedback report compiled by Baldrige Award Examiners that provides a valuable third-party perspective on performance. An application may lead to a site visit and a more in-depth review by Examiners, and, of course, it may result in the organization receiving the Baldrige Award. The President of the United States and the U.S. Secretary of Commerce present the Award each year at a ceremony in Washington, DC.

For more information, contact

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