

2011

# TriView National Bank Feedback Report



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Baldrige Performance Excellence Program  
National Institute of Standards and Technology • Department of Commerce



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The *TriView National Bank Feedback Report* was prepared for use in the 2011 Malcolm Baldrige National Quality Award Examiner Preparation Course. This scorebook was developed by a team of experienced Baldrige examiners who evaluated the *TriView National Bank Case Study*, using the Independent and Consensus Review Process. The *TriView National Bank Case Study* describes a fictitious privately held super-community bank. There is no connection between the fictitious TriView National Bank and any other organization, either named TriView National Bank or otherwise. Other organizations cited in the case study also are fictitious, except for several national and government organizations. Because the primary purpose of the case study is to provide learning opportunities for training Baldrige examiners and others, there are areas in the case study where Criteria requirements purposely are not addressed.

TriView National Bank scored in band 4 for process items and in band 3 for results items. An organization in band 4 for process items typically demonstrates effective, systematic approaches responsive to the overall requirements of the Criteria, but deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement, and approaches are being aligned with organizational needs. For an organization that scores in band 3 for results items, results typically address areas of importance to the basic Criteria requirements and accomplishment of the organization's mission, with good performance being achieved. Comparative and trend data are available for some of these important results areas, and some beneficial trends are evident.



## Baldrige Performance Excellence Program

October 27, 2011

Ms. Marie Bonchette  
First Vice President, Business Excellence  
TriView National Bank  
1000 Commerce Way  
Raleigh, NC 27601

Dear Ms. Bonchette:

Congratulations for taking the Baldrige challenge! We commend you for your commitment to performance excellence and applying for the Malcolm Baldrige National Quality Award. This feedback report was prepared for your organization by members of the Board of Examiners in response to your application for the 2011 Malcolm Baldrige National Quality Award. It presents an outline of the scoring for your organization and describes areas identified as strengths and opportunities for possible improvement. The report contains the examiners' observations about your organization, although it is not intended to prescribe a specific course of action. Please refer to "Preparing to Read Your Feedback Report" for further details about how to use the information contained in your feedback report.

We are eager to ensure that the comments in the report are clear to you so that you can incorporate the feedback into your planning process to continue to improve your organization. As direct communication between examiners and applicants is not permitted, please contact me at (301) 975-2360 if you wish to clarify the meaning of any comment in your report. We will contact the examiners for clarification and convey their intentions to you.

The feedback report is not your only source for ideas about organizational improvement. Current and previous award recipients can be potential resources on your continuing journey to performance excellence. A contact list of award recipients is enclosed. The 2011 recipients will share their stories at our annual Quest for Excellence Conference, April 16–18, 2012. Current and previous recipients participate in our regional conferences as well. Information about these events and other Baldrige Program–related activities can be found on our Web site at [www.nist.gov/baldrige](http://www.nist.gov/baldrige).

In approximately 30 days, you will receive a customer satisfaction survey from the Panel of Judges. As an applicant, you are uniquely qualified to provide an effective evaluation of the materials and processes that we use in administering the award program. Please help us continue to improve the program by completing and returning this survey.

Thank you for your participation in the Baldrige Award process. Best wishes for continued success with your performance excellence journey.

Sincerely,

Harry S. Hertz, Director  
Baldrige Performance Excellence Program

Enclosures

*The economic environment is difficult for Cargill Corn Milling, as it is difficult for many manufacturing companies today. But ... by utilizing the processes and tools that we've learned from Baldrige, we're able to not only meet these challenges but actually excel in them.*

*Alan Willets, President and Business Unit Leader  
Cargill Corn Milling  
2008 Baldrige Award Recipient*

### **Preparing to read your feedback report . . .**

Your feedback report contains Baldrige examiners' observations based on their understanding of your organization. The examiner team has provided comments on your organization's strengths and opportunities for improvement relative to the Baldrige Criteria. The feedback is not intended to be comprehensive or prescriptive. It will tell you where examiners think you have important strengths to celebrate and where they think key improvement opportunities exist. The feedback will not necessarily cover every requirement of the Criteria, nor will it say specifically how you should address these opportunities. You will decide what is most important to your organization and how best to address the opportunities.

If your organization last applied before 2008, you may notice a slight change in the report. Key themes, which serve as an overview or executive summary of the report, comprise four sections rather than three: (a) process item strengths, (b) process item opportunities for improvement, (c) results item strengths, and (d) results item opportunities for improvement. In addition, each 2011 feedback report includes a graph in Appendix A that shows your organization's scoring profile compared to the median scores for all 2011 applicants at Consensus Review.

Applicant organizations understand and respond to feedback comments in different ways. To make the feedback most useful to you, we've gathered the following tips and practices from prior applicants for you to consider.

- Take a deep breath and approach your Baldrige feedback with an open mind. You applied to get the feedback. Read it, take time to digest it, and read it again.
- Especially note comments in **boldface type**. These comments indicate observations that the examiner team found particularly important—strengths or opportunities for improvement that the team felt had substantial impact on your organization's performance practices, capabilities, or results and, therefore, had more influence on the team's scoring of that particular item.
- You know your organization better than the examiners know it. If the examiners have misread your application or misunderstood information contained in it, don't discount the whole feedback report. Consider the other comments, and focus on the most important

ones. Celebrate your strengths and build on them to achieve world-class performance and a competitive advantage. You've worked hard and should congratulate yourselves.

- Use your strength comments as a foundation to improve the things you do well. Sharing those things you do well with the rest of your organization can speed organizational learning.
- Prioritize your opportunities for improvement. You can't do everything at once. Think about what's most important for your organization at this time, and decide which things to work on first.
- Use the feedback as input to your strategic planning process. Focus on the strengths and opportunities for improvement that have an impact on your strategic goals and objectives.

*The real value in applying for this award is in the rigorous evaluation process. The constructive feedback from Baldrige helps us improve the way we do business.*

*Mike Levinson, City Manager  
City of Coral Springs  
2007 Baldrige Award Recipient*

*The Baldrige Award application process has provided our company with many learning and continuous improvement opportunities, making Pro-Tec better for the endeavor.*

*W. Paul Worstell, President  
Pro-Tec Coating Company  
2007 Baldrige Award Recipient*

## KEY THEMES

### Key Themes—Process Items

TriView National Bank (TNB) scored in band 4 for process items (1.1–6.2) in the Consensus Review of written applications for the Malcolm Baldrige National Quality Award. For an explanation of the process scoring bands, please refer to Figure 6a, Process Scoring Band Descriptors.

An organization in band 4 for process items typically demonstrates effective, systematic approaches responsive to the overall requirements of the Criteria, but deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement, and approaches are being aligned with overall organizational needs.

**a. The most important strengths or outstanding practices (of potential value to other organizations) identified in TNB’s response to process items are as follows:**

- Senior leaders approach customer-driven excellence as a strategic concept through the Executive Management Committee’s (EMC’s) deployment of the TriView Leadership System (TLS; Figure 1.1-1). The TLS, which includes strategic planning, communication, engagement, design, measurement, and improvement, is integrated with TNB’s continuous improvement processes and measured through its key performance indicators. Through the TLS, senior leaders focus on changes in the regulatory environment, as well as on agility. TNB uses numerous methods (Figure 1.1-2) to deploy its mission, vision, and values (MVV) and key leadership processes, including its Legendary Leader Development Program (LLDP) for identified leaders, and its pledge to deliver Legendary Service helps senior leaders guide the entire organization in alignment with the MVV.
- TNB’s Performance Measurement System has evolved from measuring regulatory and banking metrics to including all measures that align with and measure the success of the Strategic Planning Process (SPP; Figure 2.1-1). Data are selected for running the business, changing the business, and measuring strategic action plans through a 10-step process (Figure 4.1-1), which begins with determining what needs to be known, how metrics link with the SPP, and if there is alignment with the Enterprise Process Model (EPM; Figure 6.1-2). T-Dashboards for process-related metrics and Individual Performance Plans (IPPs) link to specific performance measures, and a Plan-Do-Check-Act approach ensures that metrics are relevant and current, which supports fact-based decision making.
- TNB supports its strategic advantage of a loyal and stable workforce through several systematic approaches. For example, it encourages high performance through the Performance Management and Development Process (PMDP), which is cascaded to all associates, and the structured, organization-wide TriView Excellent Associate Recognition (TEAR) program, which includes rewards for innovation and community service. The 47 branches and the DirectServe Center are empowered to select metrics

best suited to their economic and market environment. Emergency buttons and cameras that videotape customer areas, as well as cash-dispensing kiosks, address workforce security, a key concern for associates at branches. Workforce climate is further enhanced via a flexible, competitive benefits package containing discounted services. The Associate Capability and Capacity Planning Process (ACCPP), which anticipates short- and longer-term HR needs, creates projections for training and development. Capability planning is aligned and integrated with performance management and development, which has enabled TNB to increase workforce capability without increasing staffing levels.

- TNB focuses on customer-driven excellence through its listening mechanisms, systematic Voice-of-the-Customer (VOC) Process, and customer profiling matrices. Varied listening and learning methods (Figure 3.1-1) collect actionable information from each customer group. These methods are organized by purpose and align with the primary business proposition to build multiproduct, lifelong relationships with customers. Associates use these methods to study customer behavior, anticipate customer needs, and manage customer relationships using the Customer Life Cycle Matrix (Figure 3.2-4) and Customer Engagement Cycle (Figure 3.2-5) to retain current customers, meet their requirements, and exceed their expectations at each stage. The Legendary Service Department analyzes data received through TNB's Web site as input for the strategic planning and continuous improvement processes. Annual focus groups with customers and noncustomers help ascertain their requirements for financial products and services. These approaches support TNB's customer-focused culture and align with its core competency of understanding and exceeding customer expectations.

**b. The most significant opportunities, concerns, or vulnerabilities identified in TNB's response to process items are as follows:**

- There is limited evidence of systematic evaluation and refinement of many key processes. This includes processes related to leadership, such as approaches for innovation, enhancement of leadership skills, and legal and ethical issues (1.1); governance and societal responsibility, such as transparency in operations, audit independence, and community support processes (1.2); TriView Operational Excellence (TOE) and strategy development (2.1); strategy deployment (2.2); managing data, information, and knowledge (4.2); and ensuring that the organization benefits from the diverse ideas, culture, and thinking of its workforce (5.2). For example, methods delineated in Properties of Data, Information, Hardware, and Software (Figure 4.2-1), as well as the deployment step in the SPP (Figure 2.1-1), appear to lack a systematic review that could lead to learning and improvement. Without a systematic evaluation of its key processes, TNB may have difficulty remaining agile in its changing environment, as well as sustaining or improving key outcomes for plans and strategies.
- It is not clear that TNB has a systematic method for ensuring that its work processes/system and other approaches incorporate and capitalize on all of its core competencies and other key elements. For example, Figure 6.1-3, Key Processes, does

not include the emerging competency of mergers and acquisitions (which may require incorporating numerous processes within the overall work system). Also, the 2011 Strategic Plan—Sustain Scenario (Figure 2.2-1) does not address considerations such as a potential surge in retirees, and a systematic approach is not evident for organizing and managing the workforce to capitalize on core competencies, accomplish the work of the organization, or achieve strategic objectives. In addition, it is unclear how TNB creates and balances value for its various customers and stakeholders. Systematic consideration of these elements may help TNB enhance the effectiveness of its approaches.

- TNB does not appear to have a systematic process in several areas related to achieving Legendary Service. It is unclear how its listening/learning approaches and its methods for determining satisfaction and engagement vary for customer segments identified in the Customer Life Cycle Matrix (Figure 3.2-4) or stages in the Customer Engagement Cycle (Figure 3.2-5). In addition, a systematic process is not evident for using this or other customer and marketing information to pursue customer groups and market segments for future products and identify opportunities for innovation. Without a systematic process to use such information, TNB may have difficulty remaining agile and realizing its value of innovation in products and services as it applies to each customer segment.
- It is not evident that systematic approaches are in place in several workforce-focused areas. A systematic approach for career progression is not evident for those associates not in the LLDP, and some elements of TNB's learning and development system are in early stages of deployment, including organizational performance improvement and innovation, transfer of knowledge, and reinforcement of new knowledge and skills on the job. Also, it is not clear how the Hiring the Best program or other approaches are systematically used to not only recruit and hire but also retain the workforce. In addition, TNB has not clearly defined its approach for relating workforce engagement survey findings to key business results; for example, it is not clear that results from a 2011 associate engagement retreat and the associate engagement survey are widely used to correlate business and engagement results and implement improvements. Comprehensive, systematic approaches in these areas may enhance TNB's success factor of an engaged and highly satisfied workforce, as well as its strategic advantage of a loyal and stable workforce.

### **Key Themes—Results Items**

TNB scored in band 3 for results items (7.1–7.5). For an explanation of the results scoring bands, please refer to Figure 6b, Results Scoring Band Descriptors.

For an organization in band 3 for results items, results typically address many areas of importance to the basic Criteria requirements and accomplishment of the organization's mission, with good performance being achieved. Comparative and trend data are available for some of these important results areas, and some beneficial trends are evident.



**c. Considering TNB's key business/organization factors, the most significant strengths found in response to results items are as follows:**

- Multiple product and process outcomes indicate success in supporting customer requirements and operational excellence. For example, overall process effectiveness is demonstrated through action plan accomplishment higher than 90% from 2008 to 2010 and sustained improvement in the impact of the plans (Figure 7.1-19). Internal process efficiency is evident in results for Time to Complete Financial Reports (Figure 7.1-13), which currently equal or outperform two benchmarks. Other key examples are an increase in branches with extended hours (Figure 7.1-2), declines in breaches in data security (Figure 7.1-1), and improvement and favorable comparisons for accuracy of consumer, small business, and commercial transactions, as well as for time and demand deposit statements (Figure 7.1-5).
- Results for workforce and leadership and governance approaches indicate TNB's success in sustaining its strategic advantage of a loyal and stable workforce and supporting its value of integrity. Workforce absenteeism (Figure 7.3-7) has remained at less than half of the industry average since 2006. Results for workforce climate, such as the Occupational Safety and Health Administration Total Recordable Rate (OSHA TRR; Figure 7.3-8), the number of workers' compensation claims (Figure 7.3-9), and satisfaction with workplace security (Figure 7.3-10), outperform the comparisons provided. For the past four years, overall workforce satisfaction (Figure 7.3-1) has steadily increased, surpassing the 75th percentile benchmark each year, with similar increases for associate engagement levels and willingness to refer a friend (Figure 7.3-2). In addition, results for Regulatory, Legal, and Ethical Processes (Figure 7.4-8) show sustained high performance and/or improving trends since 2006 and favorable comparisons to the top 10% of credit unions.
- TNB demonstrates excellence in measures of financial and marketplace performance, reporting results that reflect favorably against best comparisons despite economic upheaval. For example, market share by assets and by loans (Figures 7.5-7 and 7.5-8) has exceeded the top-quartile regional comparisons since 2007 and, with the Widmark acquisition, increased to the best-comparison megabank level in 2010. Market share has grown steadily in all regions and is at or above the best comparisons in two of the three regions (Figure 7.5-9). Overall Return on Equity (ROE; Figure 7.5-1) has exceeded the top-quartile comparisons since 2005 and is approaching the best-comparison megabank, while ROE by Customer Group (Figure 7.5-2) currently is meeting or exceeding best-comparison benchmarks. Net Interest Margin (Figure 7.5-6), a key earnings indicator, has surpassed pre-2007 levels, exceeding the Community Alliance of Bankers (CAB) average and approaching the CAB benchmark. These results illustrate TNB's ability to capitalize on its success factors of being well-capitalized, taking reasonable risks, and quickly moving on opportunities.

**d. Considering TNB's key business/organization factors, the most significant opportunities, vulnerabilities, and/or gaps (related to data, comparisons, linkages) found in response to results items are as follows:**

- TNB does not provide relevant comparisons for multiple measures identified as key to achieving its mission, vision, and strategy. Examples include customer-focused results for overall satisfaction (Figure 7.2-2), problem resolution (Figure 7.2-8), and complaints (Figure 7.2-10), as well as workforce-focused outcomes, such as training hours per associate (Figure 7.3-5) and security incidents/near misses (Figure 7.3-11). Further, limited comparisons are provided for leadership and governance outcomes, such as results for regulatory and legal compliance (Figure 7.4-5), legal and ethical behavior (Figure 7.4-7), environmental performance (Figure 7.4-11), and charitable contributions (Figure 7.4-10). Comparisons that reflect relevant competitors, benchmarks, and levels of performance may enhance TNB's ability to manage by fact, achieve a future focus, and ensure that its goals and actions are aligned with the provision of Legendary Service.
- Results are missing or limited for several measures related to the workforce, leadership, and governance. For example, results do not indicate the effectiveness of workforce development approaches in addressing learning and development needs, such as technical knowledge to satisfy increasingly demanding customers, and workforce capacity results are limited to the vacancy rate. Limited results are provided for several senior leadership approaches, including communication and engagement with the workforce. Results for encouragement of two-way communication (Figure 7.4-2) include only attendance measures, and no results are provided PMDP deployment, Trust Team involvement, rounding, job shadowing, or associates receiving health benefits for community service. In addition, no results are provided for the Community One Initiatives to support social structures or to support the economy (Figure 1.2-3). Limited results in these areas may result in blind spots, leading to missed opportunities for senior leaders to effectively engage and prepare staff members, including those joining TNB through the current or future acquisitions.
- Results for multiple measures do not include segmented data. For example, in product and process effectiveness outcomes, results for Breaches in Data Security (Figure 7.1-1), Convenience through Extended Hours (Figure 7.1-2), and Teller Wait Time (Figure 7.1-3) are not segmented by location, and those for Satisfaction with Advocacy (Figure 7.1-8) are not segmented by customer group. Similarly, workforce-focused outcomes include no segmented data to address the diversity of the workforce (Figure P.1-2a) and limited data on its workforce groups (Figure P.1-2b). No segmented data are provided for Associate Engagement (Figure 7.3-2) or for Training Hours per Associate, Vacancy Rate, Absenteeism Rate, OSHA TRR, or Number of Workers Compensation Claims (Figures 7.3-5 through 7.3-9). Appropriate segmentation may enhance TNB's ability to achieve a systems perspective and thereby to better understand relative performance across the enterprise.

- Suboptimal results related to the integration of TNB's recent acquisition may reflect unfavorably on the developing core competency in mergers and acquisitions. For example, several results show that the acquisition had an adverse impact on levels of customer satisfaction. Results for customer satisfaction with Customer Service Representative (CSR) knowledge show declining levels in all markets (Figure 7.2-6), satisfaction with problem resolution shows low results for mortgage customers (Figure 7.2-8), and complaints by product (Figure 7.2-10) show that mortgage customers are dissatisfied. Also, the acquisition contributed to deteriorating performance in the nonperforming asset ratio (Figure 7.5-4), with the most unfavorable levels in five years occurring in 2010, and the liquidity ratio (Figure 7.5-3), where results fell below the top-quartile CAB comparison for the first time in 2009 and 2010. These results may be of particular significance considering that the mortgage division comprises nearly 20% of the organization's workforce and is projected to serve as a source for increasing business in other divisions.

## DETAILS OF STRENGTHS AND OPPORTUNITIES FOR IMPROVEMENT

The numbers and letters preceding each comment indicate the Criteria item requirements to which the comment refers. Not every Criteria requirement will have a corresponding comment; rather, these comments were deemed the most significant by a team of examiners.

### Category 1 Leadership

#### 1.1 Senior Leadership

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

#### STRENGTHS

- **a(1) TNB's systematic approaches to setting and deploying its MVV help establish the direction for the entire organization. The MVV are set during the SPP (Figure 2.1-1) and deployed through the TriView Leadership System (TLS; Figure 1.1-1) and numerous other mechanisms (Figure 1.1-2). In 2008, TNB refined its vision, using an approach based on one used by a Baldrige Award recipient.**
- a(2) The EMC's numerous approaches to promoting legal and ethical behavior (Figure 1.1-3) may foster trust, identified as the most valuable currency for banking customers. An annual review of approaches during the SPP and quarterly ethics committee meetings have resulted in refinements, such as ethics refreshers in morning huddles.
- a(3) Senior leaders' approaches to help create a sustainable organization align with the values of operational excellence and innovation. For example, 75% of the workforce has been trained in Lean, and each associate is expected to complete an improvement project annually; through the IPP, associates' individual work is linked with at least two strategic objectives; and TNB offers a Leadership Development Series (LDS).
- b(1) The EMC communicates with and engages the workforce through a variety of mechanisms (Figure 1.1-4) that are regularly reviewed for effectiveness. For example, the "What is Important" message covers key decisions, performance findings, and policies, while annual All Associate Meetings provide an opportunity for open dialogue. The methods are reviewed during the SPP and through the associate engagement survey.

#### OPPORTUNITIES FOR IMPROVEMENT

- a, b TNB presents limited evidence of systematic evaluation and refinement of several key leadership approaches that may support operational excellence and enhance sustainability. These include approaches for innovation, performance leadership, creation of a workforce culture that delivers a consistently positive customer experience, and enhancement of leadership skills. Other examples are the LDS, legal and ethical approaches, methods used to create a focus on action, and Legendary Service standards.

- (b)2 A systematic process is not evident to create and balance value for TNB's customers and stakeholders (regulators, shareholders, and the community). For example, TNB does not describe the activities, people, and steps involved in the TLS and in aligning associates to customers through the PMDP. A systematic approach may help TNB exceed customer expectations while demonstrating process discipline.
- a, b Several key leadership approaches do not appear to be fully deployed. For example, it is unclear how the MVV are deployed to key suppliers and partners; how development opportunities are deployed to all workforce members; and whether the MVV, service standard training, and legal and ethical requirements are deployed to DirectServe and Widmark employees (nearly 20% of the workforce). Effective deployment may help TNB deliver consistently Legendary Service and maintain its loyal workforce.
- b(1) TNB does not describe a systematic process for designing its rewards and recognition (R/R) programs based on organization and workforce needs, how the programs are deployed, or how R/R drives high performance and a customer focus. For example, it is unclear how senior leaders are involved in R/R at branches and divisions, whether they consistently obtain input from associates on effective methods, or whether the programs affect performance or retention.

## 1.2 Governance and Societal Responsibilities

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

### STRENGTHS

- a(1) TNB fosters transparency by including the entire workforce in key governance processes and ensures audit independence by using state and federal auditors. T-Dashboards with legal, ethical, and customer metrics (Figure 4.1-2) and a survey of associates' and stakeholders' perceptions of EMC ethics ensure management's accountability, while fiscal accountability involves a quarterly review of organizational, business, and branch financials.
- a(2) Several processes help develop and improve the personal effectiveness of senior leaders. The president evaluates the performance of EMC members, his performance is evaluated by the CEO, and the CEO's performance is evaluated by EMC members on five dimensions, with this feedback considered by the Board of Directors (BOD) in determining the CEO's compensation. Associates also can rate individual senior leaders on decision making, priority setting, communication styles, and interpersonal skills.
- b(1) TNB's multifaceted approach to legal and regulatory behavior supports its value of integrity. For example, proactive methods, such as testing process requirements for optimal use of resources, as well as a reactive approach, help avoid adverse impacts on society. Several processes, measures, and goals help TNB achieve and surpass regulatory and legal requirements (Figure 1.2-1).
- c TNB's Community One initiatives (Figure 1.2-3) are linked to its core competency of understanding and exceeding customer expectations, and they focus on creating relationships with communities that go beyond financial interactions. Managers include community support in their performance plans, and associates who commit to 100 volunteer hours annually are eligible for reduced health premiums.

### OPPORTUNITIES FOR IMPROVEMENT

- a(1), c TNB does not describe cycles of evaluation and refinement for processes related to accountability for management's actions, transparency in operations, audit independence, or community support. Systematic evaluation and improvement may help TNB effectively address the loss of public confidence in the financial industry.
- a(1), (2) A systematic process is not evident for some governance approaches related to the BOD. Selection approaches and disclosure policies for the BOD are not described, and it is unclear how the results of the anonymous evaluation survey are systematically used to improve the BOD's leadership effectiveness. Systematic processes in these areas may help build trust and thus support the value of integrity.

- b(2) It is not evident that TNB deploys its approaches to ethical behavior to interactions with customers, partners, suppliers, and other stakeholders. For example, TNB describes only one approach focused on nonworkforce stakeholders (Figure 1.1-3), and no enabling/monitoring processes (Figure 1.2-2) appear to include them. This gap may be significant in light of TNB's numerous supplier and partner relationships.

## Category 2 Strategic Planning

### 2.1 Strategy Development

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

#### STRENGTHS

- a(1) TNB's SPP (Figure 2.1-1) is aligned with key customer, workforce, and work process elements. Participants include the BOD, the EMC, the Marketing Team, branch and functional managers, and an external economist, and inputs/outputs include VOC sources, regulatory watch data, and the ACCPP. A one-year plan corresponds with regulatory requirements, while a three-year plan allows for action plan implementation.
- a TNB's integrated approach to strategy development helps identify blind spots and enable agility as risks and scenarios change during the year. TNB develops a macro view of the organization, its environment, and potential risks through the SPP. An in-depth risk analysis; projection of three scenarios for each area of risk; a Strengths, Opportunities, Weaknesses, and Threats (SWOT) analysis; and input from an external economist contribute to this view.
- b(1) TNB's strategic objectives for customers, associates, processes, and regulatory and financial interests (Figure 2.2-1) are each aligned with the core competencies and strategic advantages to be leveraged, the strategic challenges to be addressed, the most important goals, and short- and long-term action plans with timetables for accomplishment. This snapshot view also includes scorecard metrics with short-term, long-term, and some comparative projections.

#### OPPORTUNITIES FOR IMPROVEMENT

- b(2) TNB does not appear to address several strategic objective considerations. These include the challenge of a retirement wave, which may affect workforce capacity planning; the community, which may hinder addressing the loss of public confidence; and innovations in products and operations, which may limit opportunities to gain market share. Also, objectives for associates and processes have no long-term objectives, inhibiting alignment with other long-term objectives.
- a There is limited evidence of cycles of learning and improvement for the steps or activities used in developing strategies. For instance, TNB provides few examples of improvements resulting from the biannual evaluation of the SPP (e.g., execution of process steps or activities, participants, time frame, process inputs). Continued process improvement and innovation may facilitate the allocation of resources to capitalize on opportunities in a rapidly changing environment.



- a(1) It is unclear how the SPP addresses plans shorter than a year, such as the one-week microterm planning horizon, or how it changes the current-year plan to address challenges/opportunities identified in the MNO-Factor Watch, which enables the EMC to monitor regulatory bodies. Quick response to rapidly changing regulations and emerging challenges may provide a strategic advantage.

## 2.2 Strategy Implementation

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

### STRENGTHS

- a(1) A systematic “catchball” process transitions the SPP from “development” to “deployment” by aligning action plans with strategies for the three scenarios derived earlier. Key short- and long-term action plans for the 2011 sustain scenario (Figure 2.2-1) are aligned with strategic objectives. Planned product and service changes include adapting face-to-face Legendary Service to work seamlessly with a customer base that is connected electronically via Internet and cell phone.
- a(3) TNB’s approach to resource allocation may foster success in achieving strategies. Resources are considered from varying perspectives throughout the SPP (e.g., as part of risk analysis and in reviewing plans for potential blind spots). During the “catchball” process, branch and department managers develop a fishbone diagram to identify people, process, technology, and capital investment resources necessary to accomplish action plans.
- a(2) TNB aligns action plan deployment with leadership, workforce, and work system processes. Action plans cascade from leadership to associates through deployment meetings; rapid deployment teams use the TOE process to change the business, update work system design, and achieve breakthrough improvements; and IPPs delineate each associate’s role in achieving specific goals or action plans. Reviews at varying levels and time frames help sustain action plans throughout the year.
- a(5) Key action plan measures and indicators are integrated in the TNB Scorecard (TNBSC; Figure 4.1-2) and used to align efforts throughout the organization. For example, the EMC reviews the strategic plan quarterly, reaffirming that selected scenario’s applicability, and evaluates TNBSC metrics against projections and benchmarks. Similar reviews are conducted by divisions, branches, and departments; by the Marketing Team; and with key suppliers.

### OPPORTUNITIES FOR IMPROVEMENT

- a(4) TNB does not describe plans to address potential impacts on and changes to the workforce. These include the pending retirement wave, increasingly difficult customers, cost reductions that require associates to perform multiple jobs, changes in banking regulations, or the absorption of large numbers of employees (e.g., through acquisitions). These gaps may impact TNB’s strategic advantage of a loyal and stable workforce.
- a There is little evidence of cycles of learning and improvement for the “deployment” phase of the SPP. In particular, TNB provides few examples of improvements identified from the regression analysis that correlates the effectiveness of action plans with key metrics.

Learning and improvement in this area may help TNB sustain key outcomes of those strategies and plans.

- a(6) A systematic process is not evident for modifying existing action plans and executing new plans when indicated. For example, it is not clear how modified action plans are deployed through the SPP and throughout the organization when Trust Teams determine that corrective action is necessary.
- b Several scorecard metrics (Figure 2.2-1) lack long-term comparative projections that are derived from the SPP. These metrics include total deposits, associate satisfaction, and time deposit statement accuracy. The lack of such measures may prevent the identification of opportunities for breakthrough improvement.

## Category 3 Customer Focus

### 3.1 Voice of the Customer

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

#### STRENGTHS

- a(1) TNB demonstrates its customer-driven focus through its multiple listening and learning mechanisms to engage and obtain actionable information from all of its customer groups (Figure 3.1-1). Data are entered into Service Advantage (which integrates with the SMARTER system); analyzed; deployed to appropriate staff members; and used to study customer behavior, anticipate customer needs, and build multiproduct relationships. The Customer Outreach Program and Drill Down Research follow up with customers.
- a(2) Mechanisms for listening to former customers, potential customers, and customers of competitors may support TNB in increasing the number of products per household. These mechanisms include participation in the Greater Tri-State Business Forum and working with Drill Down Research. Focus groups were expanded in 2007 to include the growing credit card market. Many of the findings serve as input into strategy development as part of the VOC Process (Figure 3.2-1).
- b(2) Analyzing information from its suite of listening and learning approaches for competitors' customers (Figure 3.1-2) may support TNB in sustaining its primary market position. These approaches are segmented by 11 types of competitors and include rate surveys, focus groups, market surveys, mystery shoppers, and banking studies.

#### OPPORTUNITIES FOR IMPROVEMENT

- **a(1), b(1) It is unclear how listening/learning approaches and methods for determining satisfaction and engagement vary at different stages in the Customer Life Cycle Matrix (Figure 3.2-4), which also are identified as customer segments, and Customer Engagement Cycle (Figure 3.2-5). Also, the use of social media for younger customers may provide opportunities to gather actionable information from students and young professionals.**
- a(2) It is unclear that TNB's efforts to listen to departing and former customers yield actionable information. For example, a systematic process is not evident for using the telephone or paper exit survey results to help retain customers and advance existing customers to the "advocate" stage. Actionable information might provide insights into innovations in product delivery and increase customer satisfaction and loyalty.
- b(3) TNB does not describe a systematic process for using the answers to quarterly phone survey questions about problem occurrence and resolution or other information to determine the root causes of customers' dissatisfaction. Exploring causal relationships may help TNB be recognized as the number one community bank in Legendary Service.

## 3.2 Customer Engagement

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

### STRENGTHS

- b(1) Supporting the overarching strategy to provide Legendary Service while increasing the number of products per household, the Customer Life Cycle Matrix (Figure 3.2-4) helps associates manage customer relationships and build multiproduct relationships with customers based on their life stages and dependent status. Strategies segmented by stage (Figure 3.2-5) help retain customers, meet their requirements, and exceed their expectations.
- a(1) Through its systematic VOC Process (Figure 3.2-1), TNB enhances its efforts to develop loyal customers for life. TNB uses customer, competitor, and industry data to identify requirements for products and services; determines relevant measures; and designs, pilots, and monitors the product/service. This process, which informs the SPP, aligns with the Business Process Management System and is reviewed regularly for continued relevance.
- a(2) TNB's approach to customer support leverages and supports Legendary Service. Support methods include toll-free telephone access, online self-service, and interactive tutorials. TNB communicates support requirements (determined in the VOC Process and tailored to customer segments and preferences) through multiple methods, such as its Principles of Legendary Service (Figure 3.2-2), customer service standards (Figure 3.2-3), response scripts, training, and service-level agreements (SLAs).
- b(2) TNB's systematic approaches to complaint management help recover customer confidence, enhance customer satisfaction, and ensure future customer engagement. Through its recently revised process and guidelines (Figures 3.2-6 and 3.2-7), TNB manages customer complaints from the first point of contact for telephone and online channels, as well as those escalated from branches. When required, Trust Teams identify root causes and implement process improvements.

### OPPORTUNITIES FOR IMPROVEMENT

- a(3) A systematic approach is not evident for using information such as the opportunities highlighted in the Customer Life Cycle Matrix (Figure 3.2-4) and Customer Engagement Cycle (Figure 3.2-5) to anticipate customer groups and market segments. Without a systematic process in this area, TNB may miss opportunities to identify and pursue the most promising customers and markets for its products.
- a(4) TNB does not appear to have a systematic approach for using information such as customer input from the online bulletin board to improve its customer focus and marketing, as well as support its value of innovation. A systematic process for linking customer and

marketing information to opportunities for innovation in product delivery may help TNB engage and retain customers.

- a(1–3) It is not evident that TNB fully deploys several customer support approaches. For example, the VOC Process (Figure 3.2-1) does not appear to be deployed to all 47 branches, the DirectServe Center, and the Mortgage Division. In addition, it is not clear that the Principles of Legendary Service (Figure 3.2-2) and Customer Service Standards (Figure 3.2-3) address the support requirements of the former Widmark customers.

## **Category 4 Measurement, Analysis, and Knowledge Management**

### **4.1 Measurement, Analysis, and Improvement of Organizational Performance**

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

#### **STRENGTHS**

- a(1) In support of growth and sustainability, the scorecard-based Performance Measurement System links metrics to strategic and action planning (Figures 2.1-1 and 2.2-1) and the EPM (Figure 6.1-2). The EMC identifies measures critical to “running the business” (Figure 4.1-1), and SPP participants determine “changing-the-business” annual metrics. Deployment through the SMARTER data warehouse allows data to be aggregated and disaggregated to support fact-based decision making.
- a(2) Integration of data sources supports and enhances the TNBSC (Figure 4.1-2), the primary resource for operational and strategic performance. To support operational and strategic decision making, TNB identifies and selects comparative data in the MSP (Figure 4.1-1). The EMC, Trust Teams, process teams, and departments determine benchmarks that support goals for Legendary Service and other strategic initiatives, and top performance levels are selected for the measures.
- a(3) An integral component of TNB’s Performance Measurement System is the selection and use of customer data to develop effective measures in support of decision making, with the VOC Process (Figure 3.2-1) as the primary selection mechanism. To ensure effective use of data, the Legendary Service Department compares customer data to research on trends in service within and outside the banking industry and recommends strategies to improve and refine services.
- c(2) By optimizing the use of performance projections, TNB supports its core competency of agility. TNB projects performance using performance review findings, comparative and competitive data, and extrapolated historical trends. The three alternate risk scenarios created during the SPP automatically adjust performance levels for the key performance indicators. Next, competitor data, segmented as best, top-quartile, and average, are used to identify guidelines for performance-level review.

#### **OPPORTUNITIES FOR IMPROVEMENT**

- b It is not evident how TNB systematically translates the results of supplemental reviews of key data, such as SMARTER custom reports and reviews of performance measures by the EMC, into learnings to enhance performance and ensure responsiveness. It also is unclear how results from these analyses are used to enhance its ability to respond to challenges in the internal (e.g., Widmark acquisition) and external environments.
- c(1) It is not clear how TNB systematically uses, leverages, and deploys findings from mechanisms for sharing lessons learned and best practices (e.g., the intranet, morning

office huddles) to all employees, partners, and suppliers. A systematic and well-deployed process may support TNB's goal of 5% improvement per year.

- c(3) A systematic process is not evident for using the assessment of the impact of performance reviews on the strategic plan to identify and prioritize opportunities for improvement at all levels or to ensure continuous improvement. Such an approach may increase innovation and value to customers.



## 4.2 Management of Information, Knowledge, and Information Technology

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

### STRENGTHS

- a(1), b(1) Through multiple approaches deployed to all associates (Figure 4.2-1), TNB addresses key properties of its data, information, hardware, and software, including key stakeholder requirements for security, accuracy, timeliness, and responsiveness. Data protocols include specialized training for associates, established tolerance levels, and quarterly audits of backup processes, while hardware and software approaches include redundant systems and help-desk availability for associates and customers.
- a(2) TNB's multiple methods to make data and information readily available enable it to deal honestly and transparently with all stakeholders. Approaches include the intranet for associates, the DirectServe Center, Web access points for customers and suppliers/partners, and Strategic Plan updates to branches and divisions. Suppliers now can access nonpublic information through the Legitimate External Need for Data (LEND) process.
- b(2) TNB ensures the continued availability of and minimal disruption in data, hardware, and software systems through an off-site backup facility and a disciplined disaster recovery testing process. The off-site facility mirrors TNB's technology and allows the EMC to have secure, remote access from home. At least once every nine months, an emergency drill and postdrill assessment are conducted.

### OPPORTUNITIES FOR IMPROVEMENT

- a(1,3), b(1) There is limited evidence of evaluation and refinement of processes for managing data, information, and knowledge. For example, it is unclear how TNB systematically reviews and refines the methods delineated in Figure 4.2-1 to ensure data and system validation or how it evaluates the effectiveness of transferring knowledge and information to associates via computer messaging and quarterly strategic plan updates.
- a(3) It is not evident how TNB systematically uses the SMARTER data warehouse or other approaches to rapidly identify best practices, which may promote agility in the financial environment, or to assemble and transfer information leading to innovative practices. A systematic approach in this area may support innovation and the IDEATION process.
- a(2) It is unclear if TNB's mechanisms for sharing data and information are aligned with associates', suppliers', partners', and customers' preferred methods of communication. For example, TNB does not appear to consider the key customer requirement of responsiveness to information requests when establishing these mechanisms. A systematic process that considers stakeholders' preferences may help ensure that they receive the information they want, need, and can use.

## Category 5 Workforce Focus

### 5.1 Workforce Environment

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

#### STRENGTHS

- a(1), (4) A proactive approach helps TNB increase capability and flexibility without increasing staffing levels. TNB formalizes workforce planning through the ACCPP (Figure 5.1-1), aligned with the SPP. The Legendary Workforce Database provides information for departmental planning and facilitates management of current and emerging capability and capacity needs. TNB avoids workforce reduction by controlling costs and backfilling positions selectively for specific skills.
- b Collectively, TNB's systematic workforce climate approaches create an environment conducive to an engaged workforce. For security, a primary concern of associates at branches, TNB installs cameras to videotape customer areas; provides tellers with emergency buttons; and has installed cash-dispensing kiosks. Trust Teams make ongoing improvements based on survey feedback. Also, a competitive benefits package can be customized to suit each associate.

#### OPPORTUNITIES FOR IMPROVEMENT

- a(4) It is not clear how TNB's plan to manage workforce change addresses periods of workforce growth, as all efforts appear to be focused on maintaining current capability and capacity. Considering the recent Widmark acquisition and the emerging core competency of mergers and acquisitions, planning to address possible workforce growth may be of particular significance.
- a(2) It is not clear how the Hiring the Best program or other approaches are systematically used to retain the workforce or to ensure diversity in hiring (e.g., the organization currently hires only for specific talent). Addressing these issues may help ensure a loyal and stable workforce that also represents the diverse ideas of the customer community.
- a(3) A systematic approach is not evident for organizing and managing the workforce (other than by work locations) to accomplish TNB's work. In addition, it is unclear how the PMDP, which is identified as a vehicle for ensuring the achievement of strategic objectives and support of core competencies, accomplishes these tasks.

## 5.2 Workforce Engagement

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

### STRENGTHS

- a(3) By providing structured reward and recognition, TNB encourages high performance, associate retention, and agility in a competitive and growing marketplace. The PMDP is integrated with the SPP and cascaded to all associates to coincide with individual performance reviews. The TEAR program (Figure 5.2-1), which is refined through the annual associate engagement survey, includes rewards for innovation and for community service.
- a(1), b(1) TNB's approach to determining workforce engagement and satisfaction supports its strategic advantage of a loyal and stable workforce. The annual organization-wide survey solicits perceptions on several engagement elements; algorithms identify their relative importance; and results are stratified by workforce segment, tenure, generation, and job type. Improvements include an online survey and focus groups. In addition, the HR Team tracks and analyzes absenteeism, retention, grievances, and safety.
- a(2) By fostering an engaged workforce, dialogue, and high-performance work, TNB enhances its ability to provide Legendary Service. Communication mechanisms, which have undergone multiple improvements, include weekly stand-up meetings, office huddles, and an internal blog with executives. The PMDP enables associates to know what is expected of them and how their work impacts accomplishment of objectives and the mission.
- c(3) TNB provides career progression opportunities for its leaders through the LLDP, which includes cross-training of leaders and addresses workforce agility and performance. The LLDP methodologies provide input to the SPP, aligning with core competencies, strategic challenges, and action plan accomplishment, and evaluation of feedback from these programs helps ensure their effectiveness.

### OPPORTUNITIES FOR IMPROVEMENT

- a(2) There is limited evidence of a systematic process or cycles of improvement to ensure that TNB benefits from the diverse ideas, cultures, and thinking of the workforce. For example, it is not clear how mechanisms such as Diversity Month are systematically used and evaluated. A systematic approach in these areas may enhance the organizational culture and support implementing the best ideas from anywhere, part of the value of innovation.
- b(2) It is unclear that workforce engagement assessment findings, such as results from a 2011 associate engagement retreat and the associate engagement survey, are systematically used to correlate business and engagement results and implement improvements. Also, it is not clear that action plans from the retreat were completed or improved workforce engagement.

- c Some elements of TNB's approach to workforce and leader development are in early stages of deployment. These include organizational performance improvement and innovation, transfer of knowledge, and reinforcement of new knowledge and skills. Also, a systematic approach for career progression is not evident for associates not in the LLDP. These gaps may be of particular significance as TNB plans for a predicted upturn in hiring.

## Category 6 Operations Focus

### 6.1 Work Systems

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

#### STRENGTHS

- a(1) TNB's work system (Figure 6.1-1) facilitates Legendary Service and enables the organization to determine, segment, and manages its work processes. Work system design decisions are made by the EMC during the SPP, and feedback from multiple customers, suppliers, partners, and market sources is incorporated. Segmentation by production and enabling processes may help TNB determine which processes should be internal or external.
- a(2) Multiple refinements to the work system (Figure 6.1-1) have contributed to improvements in determining work system requirements, including incorporating input from relevant stakeholders. Examples of refinements are Trust Teams, process owners who leverage consistent process design and deployment, and an expansion of the work system by sharing key strategies, goals, and measures with key suppliers and partners.
- b(1) TNB's work system, EPM, and alignment of key processes with their contributions, measures, and core competencies (Figures 6.1-1 through 6.1-3) support the delivery of customer value and organizational success and sustainability. During the SPP, the EMC evaluates the current work system to ensure it can "run the business" and "change the business" in alignment with new strategic objectives.
- c The Emergency Readiness Plan (ERP; Figure 6.1-5) includes requirements for resumption of operations after a variety of events (e.g., severe weather, workplace violence), as well as periodic drills conducted with local emergency professionals to help ensure effective training and identify improvements. Postdrill review and analysis also identify needed improvements, such as addressing the H1N1 flu pandemic.

#### OPPORTUNITIES FOR IMPROVEMENT

- a A systematic process for designing TNB's work system (Figure 6.1-2) is not evident, which may impact its management of work processes within the system. Also, it is not evident how the organization addresses the emerging core competency of acquisitions and mergers, which may require incorporating numerous processes within the overall work system. This may be important in integrating the Widmark acquisition and capitalizing on future merger and acquisition opportunities.
- b(2) It is not clear how the BPM process (Figure 6.1-4) effectively minimizes rework, defects, and costs for the overall work system or how TNB systematically minimizes the costs of inspections, tests, or performance audits. Systematic processes in these areas may enhance the effectiveness of cost-containment efforts.

- c It is not clear how well TNB's ERP (Figure 6.1-5) is deployed to associates at the Operations Center, DirectServe Center, and the newly acquired mortgage company, including how their input is collected during Step 1, Assess risk. A systematic approach to determine and deploy emergency requirements may enable TNB to better recover from emergencies.

## 6.2 Work Processes

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5a, Scoring Guidelines for Process Items.)

### STRENGTHS

- b(1) Process owners/teams have identified performance measures/indicators and in-process measures (Figure 6.1-3) for their assigned work processes, enabling TNB to monitor, maintain, and improve process performance and provide consistent Legendary Service. After establishing upper and lower process control limits, the teams verify conformance, fix obvious problems, eliminate special causes of variation, and identify and mitigate potential problems.
- a In support of operational excellence, a cross-functional team for process redesign and new process design (Figure 6.1-4) clearly defines process objectives, stakeholders, and requirements, as well as key steps to meet requirements, and often incorporates benchmarking/best practices. The team systematically defines and validates measures and process control points, based on customer agreement, and, after process implementation, it regularly reviews performance.
- b(3) The TOE methodology (Figure 6.2-1) includes paths for breakthrough and continuous improvement opportunities. Breakthrough improvements typically are identified through the SPP and managed using Lean Six Sigma and project management tools and methodologies. Continuous improvement opportunities surface as part of process performance review. Project Management Professionals and Six Sigma Black Belts guide team leaders and teams throughout improvement projects.
- b(2) TNB manages its supply chain and ensures that suppliers are qualified and positioned to enhance organizational performance through SLAs. Suppliers must have values that align with the organization's, and roles, communication mechanisms, and requirements must be clearly delineated (Figure P.1-4). SLAs include performance benchmarks, and poor supplier performance may negatively impact contract renewal.

### OPPORTUNITIES FOR IMPROVEMENT

- a(1) The BPM Process (Figure 6.1-4) does not appear to incorporate organizational knowledge, product excellence, agility, or innovation into work process design, and benchmarking and piloting do not appear to be deployed throughout all processes, potentially leading to missed opportunities and learning. Systematic incorporation of these elements may enable better performance, enhanced innovation, and competitive differentiation for core processes.
- b(1) It is unclear how the BPM Process (Figure 6.1-4) integrates approaches for key processes (Figure 6.1-3) and the work system (Figure 6.1-1), such as a systematic approach to process identification and design, and cycles of improvement are not evident. Systematic

process evaluation and improvement, as well as integration of related approaches, may help TNB achieve its primary business propositions, such as building multiproduct relationships and developing loyal customers for life.



## Category 7 Results

### 7.1 Product and Process Outcomes

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5b, Scoring Guidelines for Results Items.)

#### STRENGTHS

- c Sustained improvement in the percentage of strategic action plans accomplished, as well as in the impact of the plans (Figure 7.1-19), illustrates TNB's improving capability to meet its most important strategic objectives. These results equal or surpass those of the respective top-quartile comparisons.
- b(2) Results from the ERP Audit of Practice Drill Activities (Figure 7.1-18) that show consistent improvement support TNB's core competency of agility, particularly its ability to make decisions quickly. Results improved over the period shown in all ten areas, including practice drill outcomes, training of associates, and follow-up resulting from reviews.
- b(1) Results related to operational effectiveness provide evidence of process efficiency and continuous improvement. For example, the Efficiency Ratio (Figure 7.1-10) places TNB among the most efficient U.S. community banks with revenues of at least \$100 million, and Time to Complete Financial Reports (7.1-13) demonstrates improving trends and equals or surpasses two benchmarks.
- a Several customer-focused results indicate TNB's success in supporting the key customer requirements of convenience and timeliness of service. During the period shown, TNB significantly increased the hours of service for customers (Figure 7.1-2), and it improved the timely resolution of problems for all customer segments (Figure 7.1-4). For both measures, TNB outperformed the comparisons.
- a Several results demonstrate that TNB is meeting customer requirements for security of deposits and information, as well as accuracy of information and statements. Breaches in Data Security (Figure 7.1-1) for the consumer and small business customer groups decreased over the period shown, while Accuracy of Transactions and Financial Statements (Figure 7.1-5) improved for all transactions, as well as for time and demand deposit statements.

#### OPPORTUNITIES FOR IMPROVEMENT

- a Some results related to key customer requirements do not demonstrate favorable comparisons and/or sustained improvement. For example, Satisfaction with Advocacy (Figure 7.1-8) shows variable performance and is lower than the industry best, and the percentage of supplier performance benchmarks met has remained below the SLA standard for the period shown (Figure 7.1-12).

- a, b, c Product and process outcomes include limited segmented data. For example, results for Breaches in Data Security, Convenience through Extended Hours, and Teller Wait Time (Figures 7.1-1 through 7.1-3) are not segmented by location, and those for Satisfaction with Advocacy (Figure 7.1-8) are not segmented by customer group. Additional segmentation may enhance TNB's ability to apply root cause analysis—a key tool used by Trust Teams to identify opportunities for breakthrough improvements.
- c Results are not evident for building and strengthening the core competencies that are linked to strategy and action plans (Figure 2.2-1) or for the emerging merger and acquisition core competency. Such results may help TNB determine the most appropriate core competencies and assess its success in capitalizing on them.

## 7.2 Customer-Focused Outcomes

Your score in this Criteria item for the Consensus Review is in the 30–45 percentage range. (Please refer to Figure 5b, Scoring Guidelines for Results Items.)

### STRENGTHS

- a(2) Several results reflect TNB's focus on customer satisfaction and loyalty. The number of products per household (a key reflection of customer engagement and progress toward gaining a dominant "share of the wallet") has increased 25% since 1995 (7.2a[2]). In addition, from 2009 through second quarter 2010, the organization exceeded the benchmark for overall customer engagement (Figure 7.2-14).
- a(2) Service Standard Performance (Figure 7.2-13) reflects TNB's success in providing Legendary Service and exemplifies its customer-driven focus and operational excellence. For example, for the 13 months reported, ratings on the mystery shopper survey ranged from 4.8 to 5.0 (on a 5-point scale), statement timeliness remained at 100%, and Web site uptime was at 99%–100% for 10 of the months.

### OPPORTUNITIES FOR IMPROVEMENT

- **a(1) TNB's results do not yet reflect the impact of its response to customer satisfaction declines after the Widmark acquisition. Overall satisfaction levels declined in the second half of 2010 (Figures 7.2-1 through 7.2-4), as did satisfaction with CSR knowledge in all markets (Figure 7.2-6). Satisfaction with problem resolution was low for mortgage customers (Figure 7.2-8), and mortgages received more complaints than other products (Figure 7.2-10).**
- a The satisfaction levels of strategically significant customer groups show adverse trends and/or unfavorable comparisons. For example, the satisfaction of the mortgage customer group/division (Figure 7.2-2) is below that of other customer segments and the overall benchmark (Figure 7.2-1), and the satisfaction of Mid-Career Life Cycle customers (Figure 7.2-4) recently declined. The percentage of customers in the Advocate stage declined in 2010, while the satisfaction of those considered Neutral increased (Figure 7.2-15).
- a Comparative data are not provided for several customer-focused performance results, such as Overall Satisfaction by Customer Groups/Divisions (Figure 7.2-2), Satisfaction with Problem Resolution by Customer Groups/Divisions (Figure 7.2-8), and Complaints by Product (Figure 7.2-10). This may hamper TNB in determining the impact of these results on overall customer satisfaction and subsequent purchasing activity.

### 7.3 Workforce-Focused Outcomes

Your score in this Criteria item for the Consensus Review is in the 30–45 percentage range. (Please refer to Figure 5b, Scoring Guidelines for Results Items.)

#### STRENGTHS

- a(2), (3) Results for workforce climate and workforce satisfaction demonstrate favorable comparisons. For the periods shown, the OSHA TRR (Figure 7.3-8), the number of workers' compensation claims (Figure 7.3-9), and associates' satisfaction with workplace security (Figure 7.3-10) outperform the comparison or benchmark given. Absenteeism (Figure 7.3-7) is consistently less than half the industry average.
- a(3) Several workforce engagement and satisfaction survey results show sustained overall improvement for the past four years. The percentage of associates assigning a 4 or 5 rating (out of 5) for overall workforce satisfaction (Figure 7.3-1) steadily increased, surpassing the 75th percentile benchmark each year, with similar increases for associate engagement levels and willingness to refer a friend (Figure 7.3-2). Also, *Financial Pulse Magazine* rates TNB 23rd among best banking sector places to work.

#### OPPORTUNITIES FOR IMPROVEMENT

- **a(1), (4) TNB provides limited results for workforce capability, capacity, and development—areas that may impact its emerging core competency of mergers and acquisitions. For example, results do not indicate the effectiveness of workforce development approaches in addressing identified learning/development needs, such as technical knowledge to satisfy increasingly demanding customers. Workforce capacity results are limited to the vacancy rate, which may have limited significance during a hiring freeze.**
- a Comparative or competitive data are not provided for several key workforce-focused results. These include Training Hours per Associate per Year (Figure 7.3-5), Vacancy Rate (Figure 7.3-6), Amount Spent on Training (Figure 7.3-4), Recorded Security Incidents and Near Misses (Figure 7.3-11), and Security Camera Coverage (Figure 7.3-12). Relevant comparisons may allow TNB to determine its progress in being recognized as the number-one community bank in Legendary Service.
- a Workforce-focused outcomes include no segmented data to address the diversity of TNB's workforce (Figure P.1-2a) and limited data on its identified workforce groups (Figure P.1-2b). For example, no segmented data are presented for Associate Engagement (Figure 7.3-2), some results related to capacity and development (Figures 7.3-3, 7.3-5, and 7.3-6), and some workforce climate results (Figures 7.3-7 through 7.3-9). Relevant segmentation may help TNB address specific workforce issues.
- a(3) Several workforce-focused results do not demonstrate sustained beneficial trends. Associate Engagement ratings (Figure 7.3-2) remained relatively flat from 2008 to 2010 and

are lower than the benchmark, and the Absenteeism Rate (Figure 7.3-7) increased slightly in 2009 and 2010. Considering the strategic objective to be the financial services employer of choice, these results may highlight opportunities to strengthen workforce engagement as the competition for employees begins to increase.

## 7.4 Leadership and Governance Outcomes

Your score in this Criteria item for the Consensus Review is in the 30–45 percentage range. (Please refer to Figure 5b, Scoring Guidelines for Results Items.)

### STRENGTHS

- a(5) Several results for societal responsibilities and support of key communities show sustained beneficial trends. For example, over the past five years, volunteer hours (Figure 7.4-9) more than doubled, currently greatly exceeding the top 10% benchmark, and charitable contributions (Figure 7.4-10) increased significantly. Other examples are environmental performance results (Figure 7.4-11) and online banking (Figure 7.4-12).
- a(4) Results for several indicators of ethical behavior and stakeholder trust in senior leadership may indicate progress in addressing the loss of public confidence in the financial industry. For example, TNB has had no ethical breaches and or dismissals since 2009 (Figure 7.4-7), while Results of Regulatory, Legal, and Ethical Processes (Figure 7.4-8) show sustained high performance and/or improving trends since 2006 and favorable comparisons to the top 10% of credit unions.
- a(2), (3) Results for governance and legal and regulatory compliance support TNB's reputation for integrity and stability. Over the period shown, associates' perceptions of Management Integrity (Figure 7.4-3) improved to 99%, exceeding the best-in-class comparison. External Audit Compliance (Figure 7.4-4) shows 100% compliance since 2007, outperforming the comparisons. Additionally, results for Key Regulatory and Legal Compliance Measures (Figure 7.4-5) show sustained good performance levels or improvement for the past three years.

### OPPORTUNITIES FOR IMPROVEMENT

- a(1) **Limited results are provided for senior leaders' communication and engagement with the workforce. Results for encouragement of two-way communication (Figure 7.4-2) include only attendance measures, and no results are provided for PMDP deployment, Trust Team involvement, rounding, job shadowing, or associates receiving health benefits for community service.**
- a Leadership and governance outcomes include no segmented data and limited comparative data. For example, comparisons are not provided for regulatory and legal compliance (Figure 7.4-5), legal and ethical behavior (Figure 7.4-7), environmental performance (Figure 7.4-11), or charitable contributions (Figure 7.4-10). These gaps may limit TNB's ability to determine leadership and governance effectiveness and manage for results.
- a(5) Limited results are provided for the Community One Initiatives (Figure 1.2-3). For example, there are no results to evaluate the initiatives to support social structures or

support the economy. Results for these initiatives may highlight additional opportunities to strengthen the communities served by TNB in support of the organization's mission.

## 7.5 Financial and Market Outcomes

Your score in this Criteria item for the Consensus Review is in the 50–65 percentage range. (Please refer to Figure 5b, Scoring Guidelines for Results Items.)

### STRENGTHS

- a(1) Several results illustrate TNB's ability to sustain its earnings performance relative to the industry. Overall ROE (Figure 7.5-1) exceeds the top-quartile comparisons during the period shown and is approaching the best-comparison megabank, and ROE by Customer Group (Figure 7.5-2) is meeting or exceeding best-comparison benchmarks. Also, results for net interest margin (Figure 7.5-6) currently exceed the comparison and are approaching the benchmark.
- a(2) In market share, TNB outperforms regional and equals best-in-class comparisons. Market share of assets and by loans (Figures 7.5-7 and 7.5-8) has exceeded the top-quartile regional comparisons since 2007 and, helped considerably by the Widmark acquisition, recently increased to the best-in-class megabank level. Market share by region (Figure 7.5-9) has grown steadily and currently is at or above the best comparisons in two of the three regions.
- a(1) TNB's strength of capital may provide an advantage in pursuing merger and acquisition opportunities. The tier 1 capital ratio (7.5a[1]) has improved each year since 2008, reflecting both the increasingly healthy regional economy and the strategic decision to accept TARP funds. Also, the organization currently ranks 8th among the top 150 community banks for capital adequacy, according to the Bank Performance Directory.

### OPPORTUNITIES FOR IMPROVEMENT

- a(1) Several financial results demonstrate adverse trends that reflect the economic crisis and the Widmark acquisition. The Liquidity Ratio (Figure 7.5-3) has been declining since 2005, with 2010 levels at the lower control limit and recent performance below the top-quartile CAB comparison. The Nonperforming Asset Ratio (Figure 7.5-4) has followed a similar adverse trend, surpassing the upper control limit in 2010.
- a(2) Most market outcomes are not segmented. For example, no data are provided for the market segments of the 15 communities within the 3 regions or by the customer segments defined by the Customer Life Cycle Matrix (Figure 3.2-4) or Customer Engagement Cycle (Figure 3.2-5). Segmented data may help TNB identify and focus needed improvements within its broad marketplace and diverse customer groups.

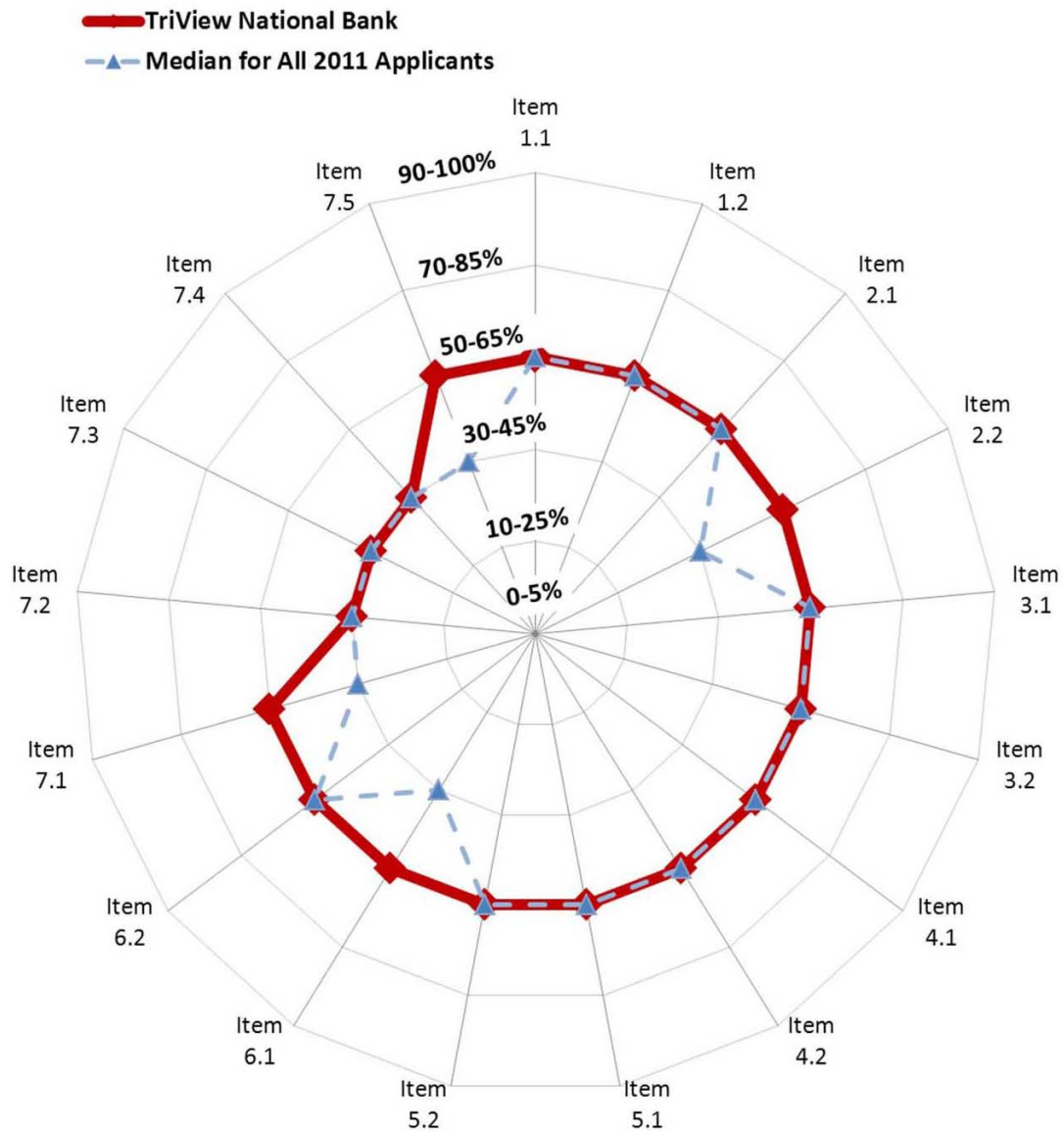


## APPENDIX A

The spider (or radar) chart that follows depicts your organization’s performance as represented by scores for each item. This performance is presented in contrast to the median scores for all 2011 applicants. Each ring in the chart corresponds to a scoring range.

Each point in red represents the scoring range your organization achieved for the corresponding item. The points in blue represent the median scoring ranges for all 2011 applicants at Consensus Review. Seeing where your performance is similar or dissimilar to the median of all applicants may help you initially determine or prioritize areas for improvement efforts and strengths to leverage.

### Consensus Review Scores



## **APPENDIX B**

By submitting a Baldrige application, you have differentiated yourself from most U.S. organizations. The Board of Examiners has evaluated your application for the Malcolm Baldrige National Quality Award. Strict confidentiality is observed at all times and in every aspect of the application review and feedback.

This feedback report contains the examiners' findings, including a summary of the key themes of the evaluation, a detailed listing of strengths and opportunities for improvement, and scoring information. Background information on the examination process is provided below.

### **APPLICATION REVIEW**

#### **Independent Review**

Following receipt of the award applications, the award process review cycle (shown in Figure 1) begins with Independent Review, in which members of the Board of Examiners are assigned to each of the applications. Examiners are assigned based on their areas of expertise and with attention to avoiding potential conflicts of interest. Each application is evaluated independently by the examiners, who write observations relating to the scoring system described beginning on page 66 of the *2011–2012 Criteria for Performance Excellence*.

# Award Process Review Cycle

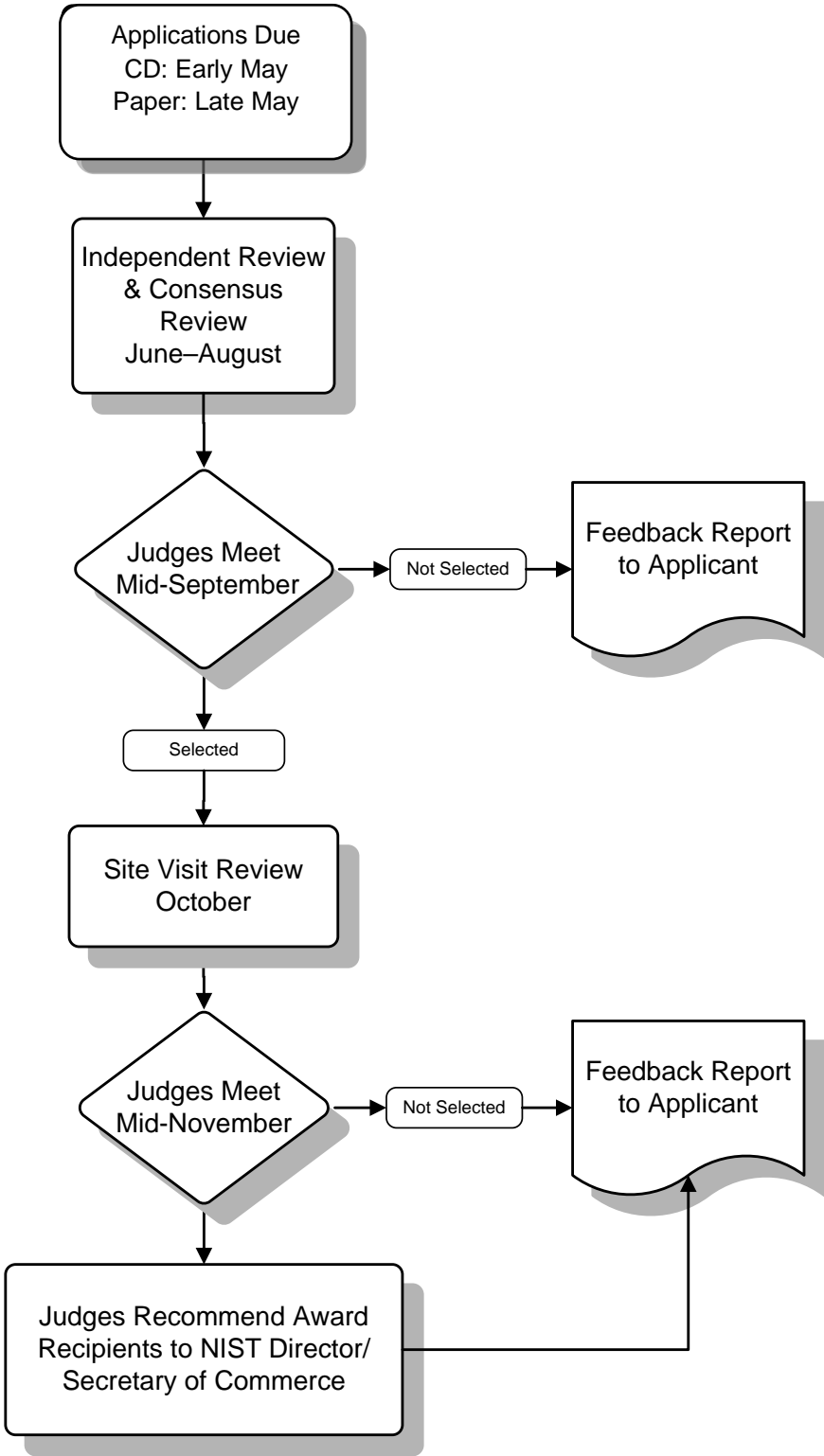


Figure 1—Award Process Review Cycle

## Consensus Review

In Consensus Review (see Figure 2), a team of examiners, led by a senior examiner or alumnus, conducts a series of reviews, first managed virtually through a secure database called BOSS and eventually concluded through a focused conference call. The purpose of this series of reviews is for the team to reach consensus on comments and scores that capture the team’s collective view of the applicant’s strengths and opportunities for improvement. The team documents its comments and scores in a Consensus Scorebook.

Step 1 Consensus Planning	Step 2 Consensus Review in BOSS	Step 3 Consensus Call	Step 4 Post-Consensus Call Activities
<ul style="list-style-type: none"> <li>• Clarify the timeline for the team to complete its work.</li> <li>• Assign category/item discussion leaders.</li> <li>• Discuss key business/organization factors.</li> </ul>	<ul style="list-style-type: none"> <li>• Review all Independent Review evaluations—draft consensus comments and propose scores.</li> <li>• Develop comments and scores for the team to review.</li> <li>• Address feedback, incorporate inputs, and propose a resolution of differences on each worksheet.</li> <li>• Review updated comments and scores.</li> </ul>	<ul style="list-style-type: none"> <li>• Discuss comments, scores, and all key themes.</li> <li>• Achieve consensus on comments and scores.</li> </ul>	<ul style="list-style-type: none"> <li>• Revise comments and scores to reflect consensus decisions.</li> <li>• Prepare final Consensus Scorebook.</li> <li>• Prepare feedback report.</li> </ul>

**Figure 2—Consensus Review**

## Site Visit Review

After Consensus Review, the Panel of Judges selects applicants to receive site visits based on the scoring profiles. If an applicant is not selected for Site Visit Review, one of the examiners on the consensus team edits the final Consensus Scorebook, which becomes the feedback report.

Site visits are conducted for the highest-scoring applicants to clarify any uncertainty or confusion the examiners may have regarding the written application and to verify that the information in the application is correct (see Figure 3 for the Site Visit Review process). After the site visit, the team of examiners prepares a final Site Visit Scorebook.

<b>Step 1 Team Preparation</b>	<b>Step 2 Site Visit</b>	<b>Step 3 Post–Site Visit Activities</b>
<ul style="list-style-type: none"> <li>• Review consensus findings.</li> <li>• Develop site visit issues.</li> <li>• Plan site visit.</li> </ul>	<ul style="list-style-type: none"> <li>• Make/receive presentations.</li> <li>• Conduct interviews.</li> <li>• Record observations.</li> <li>• Review records.</li> </ul>	<ul style="list-style-type: none"> <li>• Resolve issues.</li> <li>• Summarize findings.</li> <li>• Finalize comments.</li> <li>• Prepare final Site Visit Scorebook.</li> <li>• Prepare feedback report.</li> </ul>

**Figure 3—Site Visit Review**

Applications, Consensus Scorebooks, and Site Visit Scorebooks for all applicants receiving site visits are forwarded to the Panel of Judges for review (see Figure 4). The judges recommend which applicants should receive the award. The judges discuss applications in each of the six award categories separately, and then they vote to keep or eliminate each applicant. Next, the judges decide whether each of the top applicants should be recommended as an award recipient based on an “absolute” standard: the overall excellence of the applicant and the appropriateness of the applicant as a national role model. The process is repeated for each award category.

<b>Step 1 Panel of Judges’ Review</b>	<b>Step 2 Evaluation by Category</b>	<b>Step 3 Assessment of Top Organizations</b>
<ul style="list-style-type: none"> <li>• Applications</li> <li>• Consensus Scorebooks</li> <li>• Site Visit Scorebooks</li> </ul>	<ul style="list-style-type: none"> <li>• Manufacturing</li> <li>• Service</li> <li>• Small business</li> <li>• Education</li> <li>• Health care</li> <li>• Nonprofit</li> </ul>	<ul style="list-style-type: none"> <li>• Overall strengths/opportunities for improvement</li> <li>• Appropriateness as national model of performance excellence</li> </ul>

**Figure 4—Judges’ Review**

Judges do not participate in discussions or vote on applications from organizations in which they have a competing or conflicting interest or in which they have a private or special interest, such as an employment or a client relationship, a financial interest, or a personal or family relationship. All conflicts are reviewed and discussed so that judges are aware of their own and others’ limitations on access to information and participation in discussions and voting.

Following the judges’ review and recommendation of award recipients, the Site Visit Team Leader edits the final Site Visit Scorebook, which becomes the feedback report.

## SCORING

The scoring system used to score each item is designed to differentiate the applicants in the various stages of review and to facilitate feedback. As seen in the Scoring Guidelines (Figures 5a and 5b), the scoring of responses to Criteria items is based on two evaluation dimensions: process and results. The four factors used to evaluate process (categories 1–6) are approach (A), deployment (D), learning (L), and integration (I), and the four factors used to evaluate results (items 7.1–7.6) are levels (Le), trends (T), comparisons (C), and integration (I).

In the feedback report, the applicant receives a percentage range score for each item. The range is based on the scoring guidelines, which describe the characteristics typically associated with specific percentage ranges.

As shown in Figures 6a and 6b, the applicant's overall scores for process items and results items each fall into one of eight scoring bands. Each band score has a corresponding descriptor of attributes associated with that band. Figures 6a and 6b provide information on the percentage of applicants scoring in each band at Consensus Review.

SCORE	PROCESS (For Use with Categories 1–6)
0% or 5%	<ul style="list-style-type: none"> <li>• No systematic approach to item requirements is evident; information is anecdotal. (A)</li> <li>• Little or no deployment of any systematic approach is evident. (D)</li> <li>• An improvement orientation is not evident; improvement is achieved through reacting to problems. (L)</li> <li>• No organizational alignment is evident; individual areas or work units operate independently. (I)</li> </ul>
10%, 15%, 20%, or 25%	<ul style="list-style-type: none"> <li>• The beginning of a systematic approach to the basic requirements of the item is evident. (A)</li> <li>• The approach is in the early stages of deployment in most areas or work units, inhibiting progress in achieving the basic requirements of the item. (D)</li> <li>• Early stages of a transition from reacting to problems to a general improvement orientation are evident. (L)</li> <li>• The approach is aligned with other areas or work units largely through joint problem solving. (I)</li> </ul>
30%, 35%, 40%, or 45%	<ul style="list-style-type: none"> <li>• An effective, systematic approach, responsive to the basic requirements of the item, is evident. (A)</li> <li>• The approach is deployed, although some areas or work units are in early stages of deployment. (D)</li> <li>• The beginning of a systematic approach to evaluation and improvement of key processes is evident. (L)</li> <li>• The approach is in the early stages of alignment with your basic organizational needs identified in response to the Organizational Profile and other process items. (I)</li> </ul>
50%, 55%, 60%, or 65%	<ul style="list-style-type: none"> <li>• An effective, systematic approach, responsive to the overall requirements of the item, is evident. (A)</li> <li>• The approach is well deployed, although deployment may vary in some areas or work units. (D)</li> <li>• A fact-based, systematic evaluation and improvement process and some organizational learning, including innovation, are in place for improving the efficiency and effectiveness of key processes. (L)</li> <li>• The approach is aligned with your overall organizational needs identified in response to the Organizational Profile and other process items. (I)</li> </ul>
70%, 75%, 80%, or 85%	<ul style="list-style-type: none"> <li>• An effective, systematic approach, responsive to the multiple requirements of the item, is evident. (A)</li> <li>• The approach is well deployed, with no significant gaps. (D)</li> <li>• Fact-based, systematic evaluation and improvement and organizational learning, including innovation, are key management tools; there is clear evidence of refinement as a result of organizational-level analysis and sharing. (L)</li> <li>• The approach is integrated with your current and future organizational needs identified in response to the Organizational Profile and other process items. (I)</li> </ul>
90%, 95%, or 100%	<ul style="list-style-type: none"> <li>• An effective, systematic approach, fully responsive to the multiple requirements of the item, is evident. (A)</li> <li>• The approach is fully deployed without significant weaknesses or gaps in any areas or work units. (D)</li> <li>• Fact-based, systematic evaluation and improvement and organizational learning through innovation are key organization-wide tools; refinement and innovation, backed by analysis and sharing, are evident throughout the organization. (L)</li> <li>• The approach is well integrated with your current and future organizational needs identified in response to the Organizational Profile and other process items. (I)</li> </ul>

**Figure 5a—Scoring Guidelines for Process Items in the Business/Nonprofit Criteria**

<b>SCORE</b>	<b>RESULTS (For Use with Category 7)</b>
<b>0% or 5%</b>	<ul style="list-style-type: none"> <li>▪ There are no organizational performance results and/or poor results in areas reported. (Le)</li> <li>▪ Trend data either are not reported or show mainly adverse trends. (T)</li> <li>▪ Comparative information is not reported. (C)</li> <li>▪ Results are not reported for any areas of importance to the accomplishment of your organization’s mission. (I)</li> </ul>
<b>10%, 15%, 20%, or 25%</b>	<ul style="list-style-type: none"> <li>▪ A few organizational performance results are reported, and early good performance levels are evident in a few areas. (Le)</li> <li>▪ Some trend data are reported, with some adverse trends evident. (T)</li> <li>▪ Little or no comparative information is reported. (C)</li> <li>▪ Results are reported for a few areas of importance to the accomplishment of your organization’s mission. (I)</li> </ul>
<b>30%, 35%, 40%, or 45%</b>	<ul style="list-style-type: none"> <li>▪ Good organizational performance levels are reported responsive to the basic requirements of the item. (Le)</li> <li>▪ Some trend data are reported, and a majority of the trends presented are beneficial. (T)</li> <li>▪ Early stages of obtaining comparative information are evident. (C)</li> <li>▪ Results are reported for many areas of importance to the accomplishment of your organization’s mission.(I)</li> </ul>
<b>50%, 55%, 60%, or 65%</b>	<ul style="list-style-type: none"> <li>▪ Good organizational performance levels are reported responsive to the overall requirements of the item. (Le)</li> <li>▪ Beneficial trends are evident in areas of importance to the accomplishment of your organization’s mission. (T)</li> <li>▪ Some current performance levels have been evaluated against relevant comparisons and/or benchmarks and show areas of good relative performance. (C)</li> <li>▪ Organizational performance results are reported for most key customer, market, and process requirements. (I)</li> </ul>
<b>70%, 75%, 80%, or 85%</b>	<ul style="list-style-type: none"> <li>▪ Good to excellent organizational performance levels are reported responsive to the multiple requirements of the item. (Le)</li> <li>▪ Beneficial trends have been sustained over time in most areas of importance to the accomplishment of your organization’s mission. (T)</li> <li>▪ Many to most trends and current performance levels have been evaluated against relevant comparisons and/or benchmarks and show areas of leadership and very good relative performance. (C)</li> <li>▪ Organizational performance results are reported for most key customer, market, process, and action plan requirements. (I)</li> </ul>
<b>90%, 95%, or 100%</b>	<ul style="list-style-type: none"> <li>▪ Excellent organizational performance levels are reported for most areas of importance to the Item requirements. (Le)</li> <li>▪ Beneficial trends have been sustained over time in all areas of importance to the accomplishment of your organization’s mission. (T)</li> <li>▪ Evidence of industry and benchmark leadership is demonstrated in many areas. (C)</li> <li>▪ Organizational performance results fully address key customer, market, process, and action plan requirements, and they include projections of your future performance. (I)</li> </ul>

**Figure 5b—Scoring Guidelines for Results Items in the Business/Nonprofit Criteria**



Band Score	Band Number	% Applicants in Band <sup>1</sup>	PROCESS Scoring Band Descriptors
0–150	1		The organization demonstrates early stages of developing and implementing approaches to the basic Criteria requirements, with deployment lagging and inhibiting progress. Improvement efforts are a combination of problem solving and an early general improvement orientation.
151–200	2		The organization demonstrates effective, systematic approaches responsive to the basic requirements of the Criteria, but some areas or work units are in the early stages of deployment. The organization has developed a general improvement orientation that is forward-looking.
201–260	3		The organization demonstrates effective, systematic approaches responsive to the basic requirements of most Criteria items, although there are still areas or work units in the early stages of deployment. Key processes are beginning to be systematically evaluated and improved.
261–320	4		The organization demonstrates effective, systematic approaches responsive to the overall requirements of the Criteria, but deployment may vary in some areas or work units. Key processes benefit from fact-based evaluation and improvement, and approaches are being aligned with overall organizational needs.
321–370	5		The organization demonstrates effective, systematic, well-deployed approaches responsive to the overall requirements of most Criteria items. The organization demonstrates a fact-based, systematic evaluation and improvement process and organizational learning, including innovation, that result in improving the effectiveness and efficiency of key processes.
371–430	6		The organization demonstrates refined approaches responsive to the multiple requirements of the Criteria. These approaches are characterized by the use of key measures, good deployment, and evidence of innovation in most areas. Organizational learning, including innovation and sharing of best practices, is a key management tool, and integration of approaches with current and future organizational needs is evident.
431–480	7		The organization demonstrates refined approaches responsive to the multiple requirements of the Criteria items. It also demonstrates innovation, excellent deployment, and good-to-excellent use of measures in most areas. Good-to-excellent integration is evident, with organizational analysis, learning through innovation, and sharing of best practices as key management strategies.
481–550	8		The organization demonstrates outstanding approaches focused on innovation. Approaches are fully deployed and demonstrate excellent, sustained use of measures. There is excellent integration of approaches with organizational needs. Organizational analysis, learning through innovation, and sharing of best practices are pervasive.

<sup>1</sup> Percentages are based on scores from the Consensus Review.

**Figure 6a—Process Scoring Band Descriptors**

Band Score	Band Number	% Applicants in Band <sup>1</sup>	RESULTS Scoring Band Descriptors
0–125	1		A few results are reported responsive to the basic Criteria requirements, but they generally lack trend and comparative data.
126–170	2		Results are reported for several areas responsive to the basic Criteria requirements and the accomplishment of the organization’s mission. Some of these results demonstrate good performance levels. The use of comparative and trend data is in the early stages.
171–210	3		Results address areas of importance to the basic Criteria requirements and accomplishment of the organization’s mission, with good performance being achieved. Comparative and trend data are available for some of these important results areas, and some beneficial trends are evident.
211–255	4		Results address some key customer/stakeholder, market, and process requirements, and they demonstrate good relative performance against relevant comparisons. There are no patterns of adverse trends or poor performance in areas of importance to the overall Criteria requirements and the accomplishment of the organization’s mission.
256–300	5		Results address most key customer/stakeholder, market, and process requirements, and they demonstrate areas of strength against relevant comparisons and/or benchmarks. Improvement trends and/or good performance are reported for most areas of importance to the overall Criteria requirements and the accomplishment of the organization’s mission.
301–345	6		Results address most key customer/stakeholder, market, and process requirements, as well as many action plan requirements. Results demonstrate beneficial trends in most areas of importance to the Criteria requirements and the accomplishment of the organization’s mission, and the organization is an industry* leader in some results areas.
346–390	7		Results address most key customer/stakeholder, market, process, and action plan requirements. Results demonstrate excellent organizational performance levels and some industry* leadership. Results demonstrate sustained beneficial trends in most areas of importance to the multiple Criteria requirements and the accomplishment of the organization’s mission.
391–450	8		Results fully address key customer/stakeholder, market, process, and action plan requirements and include projections of future performance. Results demonstrate excellent organizational performance levels, as well as national and world leadership. Results demonstrate sustained beneficial trends in all areas of importance to the multiple Criteria requirements and the accomplishment of the organization’s mission.

<sup>1</sup> Percentages are based on scores from the Consensus Review.

<sup>2</sup> “Industry” refers to other organizations performing substantially the same functions, thereby facilitating direct comparisons.

**Figure 6b—Results Scoring Band Descriptors**

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**Baldrige Performance Excellence Program  
National Institute of Standards and Technology  
United States Department of Commerce**

Administration Building, Room A600  
100 Bureau Drive, Stop 1020  
Gaithersburg, MD 20899-1020

Telephone: (301) 975-2036 • Fax: (301) 948-3716  
E-Mail: [baldrige@nist.gov](mailto:baldrige@nist.gov) • Web Site: <http://www.nist.gov/baldrige>

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**American Society for Quality**

600 North Plankinton Avenue  
Milwaukee, WI 53203

Telephone: (800) 248-1946 • Fax: (414) 272-1734  
E-Mail: [asq@asq.org](mailto:asq@asq.org) • Web Site: <http://www.asq.org>

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