

2011

# TriView National Bank Scorebook



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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 Scorebook* 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.

## Scoring Ranges

Item	Scoring Range (%)
1.1	55 +/-10%
1.2	50 +/-10%
2.1	60 +/-10%
2.2	55 +/-10%
3.1	50 +/-10%
3.2	55 +/-10%
4.1	50 +/-10%
4.2	55 +/-10%
5.1	50 +/-10%
5.2	50 +/-10%
6.1	55 +/-10%
6.2	60 +/-10%
7.1	50 +/-10%
7.2	35 +/-10%
7.3	40 +/-10%
7.4	45 +/-10%
7.5	50 +/-10%

**Total Score for Process Items (points): 297 +/-10% (Band 4)**

**Total Score for Results Items (points): 200 +/-10% (Band 3)**

# Key Factors Worksheet

## P.1a Organizational Environment

**Privately held bank:** Applicant is a privately held bank in Raleigh, North Carolina with \$6 billion in assets (considered a super-community bank) that was founded in 1973 by four Raleigh entrepreneurs.

**Organization:** Organization includes a headquarters, DirectServe Center, Mortgage Division Building, Operations Center, and 47 branches in 15 communities for a total of 51 sites, as well as a network of 1,400 ATMs.

**Culture:** The applicant considers itself to have a “consultative sales-oriented culture” in which associates are involved in sales and service.

**Primary Business Propositions:** Primary business propositions: Bring customers into the bank; build multi-product relationships with customers to keep the dominant share of the wallet, and to develop loyal customers for life.

**Product Offering:** The applicant’s main products are consumer, small business and commercial financial which are delivered through a branch network, a phone center, and an online system with customer access 24 hours day/7 days week/365 days per year (24/7/365).

**Service Offerings** Services include Demand Deposit Accounts, debit cards, money market accounts, certificates of deposits, IRAs, securities services, financial planning services, insurance services, mortgages, HELOCs, credit cards, auto and student loans, safety deposit boxes online/mobile banking, lines of credit, equipment financing, commercial real estate financing, cash management, lock boxes, construction financing, term loans, account reconciliation.

**Mission, Vision, and Values:** Mission – to provide customers with financial services and promote the growth and economic well-being of all the communities we serve. Vision – To be recognized as the number one community bank in Legendary Service. Values – Integrity: keeping our word and dealing honestly and transparently with all stakeholders to build trust; Customer-driven focus: providing Legendary Service; Management for results: relying on data and holding people accountable; Operational excellence: performing every process effectively and efficiently; Innovation: constantly striving to improve and implement the best ideas from anywhere

**Brand:** TriView . . . your bank family.

**Core Competencies:** Core competencies include “Legendary Service”: understanding and exceeding customer expectations; “Operational Excellence”: demonstrating process and performance discipline; and “Agility”: making and implementing decisions quickly. The applicant is developing a core competency in mergers and acquisitions.

**Trust Teams:** The applicant uses Trust Teams (e.g., Trust Team established for Merger Integration) for promote the culture of the organization, including a focus on its mission, vision and values.

**Workforce Profile Numbers:** Applicant has 1,080 associates. 682 CSRs, Administrative 158 Staff, 157 Professional Staff, 83 Management. 92% of associates are full-time, 8% are part-time.

**Workforce Profile Education:** Education: 6% have graduate degrees, 22% have Bachelor’s Degrees, 53% have Associate’s Degrees, and 100% have a HS diploma. 78% of management has college degrees.

**Workforce Profile Gender:** Gender: 68% Female, 32% Male; Ethnicity: Caucasian 40%, African American 24%, Hispanic 26%, Native American 3%, Asian American 7%.

**Bargaining Units:** No organized bargaining units.

**Workforce Engagement Factors:** Workforce engagement factors: Environment of empowerment (all), Opportunity for career progression/promotion/career path (all), Desire to serve customers (CSRs), Opportunity to contribute to TNB/local community/state/profession (professional and management staff).

**Workforce Satisfaction Factors:** Workforce satisfaction factors: job security, resources and skills to succeed, Competitive compensation and benefits, Ability to work on teams (CSRs, Admin); Physical safety and security (CSRs); Schedule flexibility (CSRs, Admin, Professional); Ability to invest in career, Challenging and rewarding work (Professional, Management).

**Workforce Increase:** Workforce increased by 18% with acquisition of Widmark Mortgage

**Assets:** Facilities include the headquarters, DirectServe Center, Operations Center, and Mortgage Division Building, all in Raleigh. Network of 1,400 ATMs augments 47 branches.

**Member of FRS:** TNB is a member of the Federal Reserve System (FRS) and transfers payments through the Automated Clearing House (ACH) and Fedwire System. TBN customers can access 500,000 ATMs throughout the world through Cumulus ATM Network System.

**Operations Center:** Operations Center houses several banking systems that run in the data center (e.g. TriView Management Information System provides customer, account, financial information through software applications). Data warehouse has predictive modeling capabilities to help design products and services for different customer groups. Statement services outsourced to J-Pro Statement Services.

**Regulatory Requirements:** Regulated through Federal Financial Institutions Examination Council (FFIEC), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Gramm-Leach-Bliley Act; Credit Card Accountability and Disclosure (CARD), Troubled Asset Relief Program (TARP) , the Rural Economic Advancement Program (REAP), the Bank Secrecy Act, consumer privacy regulations, the Check Clearing for the 21st Century Act (Check 21), the Fair Credit Reporting Act, the Community Reinvestment Act (CRA), and the Truth in Savings Act.

## **P.1b Organizational Relationships**

**Organizational Structure:** The applicant's four founders are involved as follows: CEO & Chairman of the Board, President, Treasurer/Chief Financial Officer (CFO) and Secretary and General Counsel. Executive Management Council (EMC) includes these partners and rest of senior management team.

**Governance:** Governed by Board of Directors (BOD), responsible for selection of the CEO, effective governance of bank's affairs, adoption and adherence of sound policies and practices.

**Reporting:** CEO reports to BOD, President reports to CEO, other EMC members report to the President.

**Customers and stakeholders – Market:** Market is 15 communities in which it operates, segmented into 3 regions/primary market segments: Research Triangle Area (300 square miles of Raleigh, Chapel Hill, and Durham), the Winston-Salem/Greensboro/High Point area, and other growth communities.

**Customer Segments and Requirements:** Customer segments and requirements: Consumer (C), Small Business (SB), Commercial (CM): security of deposits and information (C, SB), convenience to access accounts 24/7 (C, SB), responsiveness to information requests (All), accuracy of information and statements (All), timeliness of service with quick turnaround/short or no wait-time (All), knowledgeable associates (C), advocacy for interests and issues in the community (SB, CM), confidentiality of business issues (SB, CM), low rates (CM), rapid approvals with quick turnaround (CM).

**Customer Segments:** Customers segmented by customer life cycles: Student, Young Professional, Mid-Career, Late Career, and Retired.

**Stakeholder Requirements and Expectations:** Stakeholder Requirements and Expectations: Regulators: proactive compliance with regulations, responsiveness to requests for information, timely and full access to information, appropriate risk assessment and mitigation. Shareholders: accurate financial records, transparency and objective decision making, appropriate risk assessment and mitigation, fiscally sound reputation, locally and nationally. Community: community investment, reputation as a good corporate citizen and community partner, proactive volunteer and financial support.

**Key Suppliers:** Key suppliers provide mail/telemarketing services, advertising, office supplies, check supplies, armored car cash services, disaster recovery back-up, customer research, associate engagement survey, online and other statement services, shared ATM network, securities, financial planning and insurance services, credit card services.

**Supplier Communication and Management Mechanisms:** Supplier communication/management mechanisms include monthly and semiannual meetings, contracts, purchase orders, partnership agreements, and participation in strategic planning, TNB TOE process and identifying innovation. Key supply-chain requirements include expertise, ROI, innovations, best value, on-time delivery and route maintenance, accurate orders, invoicing and transactions, safety and security, 100% and on-time recovery, flawless statements, timely reporting, value-add analysis, Legendary Service to customers and process innovation. Financial auditor is Carolina Piedmont Accounting.

## **P.2a Competitive Environment**

**Competitive Position:** Applicant is largest community bank in Raleigh; in first or second position in each of 15 communities, with a growth in market share each of the past five years.

**Key Competitors:** Key competitors are megabanks (CSSNCS), super-regional banks (North Mountain), midsize banks (J&L Community Bank), super-community (State Savings Bank), community banks (92), savings and loan (69), credit unions (at least 1 in each community), national credit card companies, mortgage companies, insurance companies, mutual fund companies.

**Key Competitive Changes:** Key changes include increased focus on customer satisfaction and loyalty; customers who are willing to trade off higher interest rates for security, peace of mind, and their confidence in local bankers; increased consumer deposits which are at an all-time high; and an increasingly regulated environment which could limit opportunities for innovation in products.

**Success Factors:** Success Factors: Applicant is well capitalized; has a hometown presence and image; promotes Legendary Service; has an engaged and highly satisfied workforce; has maintained a credit union feel with no-fee culture; develops innovative paperless processes that allow fast transactions; is agile with ability to take reasonable risks for its size and streamlined decision structure to make quick decisions.

**Comparative Data Sources:** Comparative data sources include: Community Alliance of Bankers (CAB) - ROI; Bankers Alliance of America – asset classifications; Junovia Index – efficiency indices; Baldrige Award recipients – service benchmarks; Blooming & Flowers Solutions – IT metrics; DemoGraph Surveys – Legendary Service Metric, customer satisfaction/engagement survey, associate engagement survey; Financial Pulse Magazine Best Places to Work Survey – associate satisfaction/engagement.

## **P.2b Strategic Context**

**Strategic Challenges:** Strategic Challenges:

- Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant's mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.

**Strategic Advantages - Strategic Advantages**

- Taking advantage of low-cost TARP funds (5%) through 2013, hometown bank with reputation for stability and integrity, resulting in increasing market share, numerous opportunities for mergers and acquisitions for banks with capital, loyal and stable workforce with low turnover despite difficult customers and cost reductions, process discipline and TOE focus to enable TNB to process transactions better than competitors at a lower cost.

## **P.2c PERFORMANCE Improvement System**

**TOE System:** TriView Operational Excellence (TOE); includes CIP, Lean/Six Sigma and project management along with frequent reviews of process performance. Umbrella is Baldrige Criteria, applied since late 1990s.

**Improvement Teams:** Trust Teams identify and prioritize needed improvements; teams may use any of the available approaches, depending on the nature of the issue.

**Continuous Improvement:** Continuous improvement is defined as 5% improvement per year, resulting from systematic evaluation (annually) of core processes.

# Key Themes Worksheet

## a. What are the most important strengths or outstanding practices (of potential value to other organizations) identified in the applicant's response to process items?

- 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 the applicant'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. The organization 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.
- The applicant'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.
- The applicant 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 the applicant to increase workforce capability without increasing staffing levels.
- The organization 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 the organization'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 the organization's customer-focused culture and align with its core competency of understanding and exceeding customer expectations.



**b. What are the most significant opportunities, concerns, or vulnerabilities identified in the applicant's response to process items?**

- 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); the TriView Operational Excellence (TOE) and strategy development (2.1); strategy deployment (2.2); managing data, information, and knowledge (4.2); and ensuring 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, the applicant 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 the applicant 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 the applicant creates and balances value for its various customers and stakeholders. Systematic consideration of these elements may help the applicant enhance the effectiveness of its approaches.
- The applicant 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, the organization 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 the applicant'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, the applicant 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 the applicant's success factor of an engaged and highly satisfied workforce, as well as its strategic advantage of a loyal and stable workforce.

**c. Considering the applicant's key business/organization factors, what are the most significant strengths found in its response to results items?**

- 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 the applicant'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 75<sup>th</sup> 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.
- The organization 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 the organization's ability to capitalize on its success factors of being well-capitalized, taking reasonable risks, and quickly moving on opportunities.

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

- The applicant does not provide relevant comparisons for multiple measures identified as key to achieving the organization's 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 the applicant's ability to manage

by fact, achieve a future focus, and ensure 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 the organization 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 7.3-5–7.3-9). Appropriate segmentation may enhance the applicant's ability to achieve a systems perspective, thereby gaining a better understanding of relative performance across the enterprise.
- Suboptimal results related to the integration of the applicant'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 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.

# Item Worksheet—Item 1.1

## Senior Leadership

### Relevant Key Factors

1. Mission – to provide customers with financial services and promote the growth and economic well-being of all the communities we serve.  
 Vision – To be recognized as the number one community bank in Legendary Service.  
 Values – Integrity: keeping our word and dealing honestly and transparently with all stakeholders to build trust; Customer-driven focus: providing Legendary Service; Management for results: relying on data and holding people accountable; Operational excellence: performing every process effectively and efficiently; Innovation: constantly striving to improve and implement the best ideas from anywhere
2. Core competencies include “Legendary Service”: understanding and exceeding customer expectations; “Operational Excellence”: demonstrating process and performance discipline; and “Agility”: making and implementing decisions quickly. The applicant is developing a core competency in mergers and acquisitions.
3. The applicant’s four founders are involved as follows: CEO & Chairman of the Board, President, Treasurer/Chief Financial Officer (CFO), and Secretary and General Counsel. Executive Management Council (EMC) includes these partners and rest of senior management team.
4. Stakeholder Requirements and Expectations: Regulators: proactive compliance with regulations, responsiveness to requests for information, timely and full access to information, appropriate risk assessment and mitigation. Shareholders: accurate financial records, transparency and objective decision making, appropriate risk assessment and mitigation, fiscally sound reputation, locally and nationally. Community: community investment, reputation as a good corporate citizen and community partner, proactive volunteer and financial support.
5. Strategic Challenges:  
 Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant’s mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.
6. Strategic Advantages  
 Taking advantage of low-cost TARP funds (5%) through 2013, hometown bank with reputation for stability and integrity, resulting in increasing market share, numerous opportunities for mergers and acquisitions for banks with capital, loyal and stable workforce with low turnover despite difficult customers and cost reductions, process discipline and TOE focus to enable TNB to process transactions better than competitors at a lower cost.

### Strengths

++	Strength	Item Ref.
X	The applicant’s systematic approaches to setting and deploying its mission, vision, and values (MVV) help establish the direction for the entire organization. The MVV are set during step 1 of the Strategic Planning Process (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, the applicant refined its vision, using an approach based on one used by a Baldrige Award recipient.	a(1)
	The Executive Management Committee’s (EMC)’s numerous approaches to promoting legal	a(2)

++	Strength	Item Ref.
	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 has resulted in refinements, such as ethics refreshers in morning huddles.	
	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 Individual Performance Plan (IPP) process, associates' individual work is linked with at least two strategic objectives; and TNB offers a Leadership Development Series (LDS).	a(3)
	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.	b(1)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	The applicant 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.	a, b
	A systematic process is not evident to create and balance value for the applicant's customers and stakeholders (regulators, shareholders, and the community). For example, the applicant does not describe the activities, people, and steps involved in the TLS and in aligning associates to customers through the Performance Management and Development Process (PMDP). A systematic approach may help the applicant exceed customer expectations while demonstrating process discipline.	b(2)
	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 the applicant deliver consistently Legendary Service and maintain its loyal workforce.	a, b
	The applicant 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.	b(1)

## Scoring for Item 1.1

Score Range: **50-65%**  
Score Value: **55**

# Item Worksheet—Item 1.2

## Governance and Societal Responsibilities

### Relevant Key Factors

1. Workforce engagement factors: Environment of empowerment (all), Opportunity for career progression/promotion/career path (all), Desire to serve customers (CSRs), Opportunity to contribute to TNB/local community/state/profession (professional and management staff).
2. Regulated through Federal Financial Institutions Examination Council (FFIEC), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Gramm-Leach-Bliley Act; Credit Card Accountability and Disclosure (CARD), Troubled Asset Relief Program (TARP) , the Rural Economic Advancement Program (REAP), the Bank Secrecy Act, consumer privacy regulations, the Check Clearing for the 21st Century Act (Check 21), the Fair Credit Reporting Act, the Community Reinvestment Act (CRA), and the Truth in Savings Act.
3. Governed by Board of Directors (BOD), responsible for selection of the CEO, effective governance of bank’s affairs, adoption and adherence of sound policies and practices.
4. Stakeholder Requirements and Expectations: Regulators: proactive compliance with regulations, responsiveness to requests for information, timely and full access to information, appropriate risk assessment and mitigation. Shareholders: accurate financial records, transparency and objective decision making, appropriate risk assessment and mitigation, fiscally sound reputation, locally and nationally. Community: community investment, reputation as a good corporate citizen and community partner, proactive volunteer and financial support.
5. Strategic Challenges:  
Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant’s mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.
6. Strategic Advantages  
Taking advantage of low-cost TARP funds (5%) through 2013, hometown bank with reputation for stability and integrity, resulting in increasing market share, numerous opportunities for mergers and acquisitions for banks with capital, loyal and stable workforce with low turnover despite difficult customers and cost reductions, process discipline and TOE focus to enable TNB to process transactions better than competitors at a lower cost.

### Strengths

++	Strength	Item Ref.
	The applicant 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(1)
	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 Chief Executive Officer (CEO), and the CEO’s performance is evaluated by EMC members on five dimensions, with this feedback considered by the Board of Directors (BOD)	a(2)

++	Strength	Item Ref.
	in determining the CEO's compensation. Associates also can rate individual senior leaders on decision making, priority setting, communication styles, and interpersonal skills.	
	The applicant'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 the applicant achieve and surpass regulatory and legal requirements (Figure 1.2-1).	b(1)
	The applicant'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.	c

### Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	The applicant 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 the applicant effectively address the loss of public confidence in the financial industry.	a(1), c
	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.	a(1), (2)
	It is not evident that the applicant deploys its approaches to ethical behavior to interactions with customers, partners, suppliers, and other stakeholders. For example, the applicant 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 the applicant's numerous supplier and partner relationships.	b(2)

### Scoring for Item 1.2

Score Range: **50-65%**

Score Value: **50**

# Item Worksheet—Item 2.1

## Strategic Development

### Relevant Key Factors

1. Mission – to provide customers with financial services and promote the growth and economic well-being of all the communities we serve.  
 Vision – To be recognized as the number one community bank in Legendary Service.  
 Values – Integrity: keeping our word and dealing honestly and transparently with all stakeholders to build trust; Customer-driven focus: providing Legendary Service; Management for results: relying on data and holding people accountable; Operational excellence: performing every process effectively and efficiently; Innovation: constantly striving to improve and implement the best ideas from anywhere
2. Core competencies include “Legendary Service”: understanding and exceeding customer expectations; “Operational Excellence”: demonstrating process and performance discipline; and “Agility”: making and implementing decisions quickly. The applicant is developing a core competency in mergers and acquisitions.
3. Key suppliers provide mail/telemarketing services, advertising, office supplies, check supplies, armored car cash services, disaster recovery back-up, customer research, associate engagement survey, online and other statement services, shared ATM network, securities, financial planning and insurance services, credit card services.
4. Strategic Challenges:  
 Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant’s mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.
5. Strategic Advantages
  - Taking advantage of low-cost TARP funds (5%) through 2013, hometown bank with reputation for stability and integrity, resulting in increasing market share, numerous opportunities for mergers and acquisitions for banks with capital, loyal and stable workforce with low turnover despite difficult customers and cost reductions, process discipline and TOE focus to enable TNB to process transactions better than competitors at a lower cost.

### Strengths

++	Strength	Item Ref.
	The applicant’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 Voice of the Customer (VOC) sources, regulatory watch data, and the Associate Capability and Capacity Planning Process (ACPP). A one-year plan corresponds with regulatory requirements, while a three-year plan allows for action plan implementation.	a(1)
	The applicant’s integrated approach to strategy development helps identify blind spots and enable agility as risks and scenarios change during the year. The applicant 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.	a



++	Strength	Item Ref.
	The applicant'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.	b(1)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	The applicant 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.	b(2)
	There is limited evidence of cycles of learning and improvement for the steps or activities used in developing strategies. For instance, the applicant 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
	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.	a(1)

## Scoring for Item 2.1

Score Range: **50-65%**

Score Value: **60**

# Item Worksheet—Item 2.2

## Strategy Implementation

### Relevant Key Factors

1. Organization consists of a headquarters, DirectServe Center, Mortgage Division, Operations Center and 47 branches in 15 communities across the state for a total of 51 sites.
2. Core competencies include “Legendary Service”: understanding and exceeding customer expectations; “Operational Excellence”: demonstrating process and performance discipline; and “Agility”: making and implementing decisions quickly. The applicant is developing a core competency in mergers and acquisitions.
3. Stakeholder Requirements and Expectations: Regulators: proactive compliance with regulations, responsiveness to requests for information, timely and full access to information, appropriate risk assessment and mitigation. Shareholders: accurate financial records, transparency and objective decision making, appropriate risk assessment and mitigation, fiscally sound reputation, locally and nationally. Community: community investment, reputation as a good corporate citizen and community partner, proactive volunteer and financial support.
4. Key suppliers provide mail/telemarketing services, advertising, office supplies, check supplies, armored car cash services, disaster recovery back-up, customer research, associate engagement survey, online and other statement services, shared ATM network, securities, financial planning and insurance services, credit card services.
5. Strategic Challenges:  
Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant’s mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.
6. Strategic Advantages  
Taking advantage of low-cost TARP funds (5%) through 2013, hometown bank with reputation for stability and integrity, resulting in increasing market share, numerous opportunities for mergers and acquisitions for banks with capital, loyal and stable workforce with low turnover despite difficult customers and cost reductions, process discipline and TOE focus to enable TNB to process transactions better than competitors at a lower cost.

### Strengths

++	Strength	Item Ref.
	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(1)
	The applicant’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(3)

++	Strength	Item Ref.
	The applicant 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(2)
	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.	a(5)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	The applicant 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 the applicant's strategic advantage of a loyal and stable workforce.	a(4)
	There is little evidence of cycles of learning and improvement for the "deployment" phase of the SPP. In particular, the applicant 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 the applicant sustain key outcomes of those strategies and plans.	a
	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.	a(6)
	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.	b

## Scoring for Item 2.2

Score Range: **50-65%**

Score Value: **55**

# Item Worksheet—Item 3.1

## Voice of the Customer

### Relevant Key Factors

1. The applicant’s main products are consumer, small business and commercial financial which are delivered through a branch network, a phone center, and an online system with customer access 24 hours day/7 days week/365 days per year (24/7/365).
2. Mission – to provide customers with financial services and promote the growth and economic well-being of all the communities we serve.  
Vision – To be recognized as the number one community bank in Legendary Service.  
Values – Integrity: keeping our word and dealing honestly and transparently with all stakeholders to build trust; Customer-driven focus: providing Legendary Service; Management for results: relying on data and holding people accountable; Operational excellence: performing every process effectively and efficiently; Innovation: constantly striving to improve and implement the best ideas from anywhere
3. Core competencies include “Legendary Service”: understanding and exceeding customer expectations; “Operational Excellence”: demonstrating process and performance discipline; and “Agility”: making and implementing decisions quickly. The applicant is developing a core competency in mergers and acquisitions.
4. Market is 15 communities in which it operates, segmented into 3 regions/primary market segments: Research Triangle Area (300 square miles of Raleigh, Chapel Hill and Durham), the Winston-Salem/Greensboro/High Point area, and other growth communities.
5. Customer segments and requirements: Consumer (C), Small Business (SB), Commercial (CM): security of deposits and information (C, SB), convenience to access accounts 24/7 (C, SB), responsiveness to information requests (All), accuracy of information and statements (All), timeliness of service with quick turnaround/short or no wait-time (All), knowledgeable associates (C), advocacy for interests and issues in the community (SB, CM), confidentiality of business issues (SB, CM), low rates (CM), rapid approvals with quick turnaround (CM).
6. Customers segmented by customer life cycles: Student, Young Professional, Mid-Career, Late Career and Retired.

### Strengths

++	Strength	Item Ref.
	The applicant 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(1)
	Mechanisms for listening to former customers, potential customers, and customers of competitors may support the applicant 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).	a(2)
	Analyzing information from its suite of listening and learning approaches for competitors’ customers (Figure 3.1-2) may support the applicant 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.	b(2)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
X	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(1), b(1)
	It is unclear that the organization'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.	a(2)
	The applicant 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 the organization be recognized as the number one community bank in Legendary Service.	b(3)

### Scoring for Item 3.1

Score Range: **30-45%**

Score Value: **50**

# Item Worksheet—Item 3.2

## Customer Engagement

### Relevant Key Factors

1. Primary business propositions: Bring customers into the bank; build multi-product relationships with customers to keep the dominant share of the wallet, and to develop loyal customers for life.
2. The applicant's main products are consumer, small business and commercial financial which are delivered through a branch network, a phone center, and an online system with customer access 24 hours day/7 days week/365 days per year (24/7/365).
3. Services include Demand Deposit Accounts, debit cards, money market accounts, certificates of deposits, IRAs, securities services, financial planning services, insurance services, mortgages, HELOCs, credit cards, auto and student loans, safety deposit boxes, online/mobile banking, lines of credit, equipment financing, commercial real estate financing, cash management, lock boxes, construction financing, term loans, account reconciliation.
4. Brand: TriView . . . your bank family.
5. Market is 15 communities in which it operates, segmented into 3 regions/primary market segments: Research Triangle Area (300 square miles of Raleigh, Chapel Hill and Durham), the Winston-Salem/Greensboro/High Point area, and other growth communities.

### Strengths

++	Strength	Item Ref.
	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.	b(1)
	Through its systematic VOC Process (Figure 3.2-1), the applicant enhances its efforts to develop loyal customers for life. The applicant 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(1)
	The applicant's approach to customer support leverages and supports Legendary Service. Support methods include toll-free telephone access, online self-service, and interactive tutorials. The applicant 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).	a(2)
	The applicant'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), the applicant 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.	b(2)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	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, the applicant may miss opportunities to identify and pursue the most promising customers and markets for its products.	a(3)
	The applicant 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 the applicant engage and retain customers.	a(4)
	It is not evident that the applicant 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.	a(1-3)

### Scoring for Item 3.2

Score Range: **50-65%**

Score Value: **55**

## Item Worksheet—Item 4.1

# Measurement, Analysis, and Improvement of Organizational Performance

### Relevant Key Factors

1. Management for results: relying on data and holding people accountable;
2. Operations Center houses several banking systems that run in the data center (e.g. TriView Management Information System provides customer, account, financial information through software applications). Data warehouse has predictive modeling capabilities to help design products and services for different customer groups. Statement services outsourced to J-Pro Statement Services.
3. Key changes include increased focus on customer satisfaction and loyalty; customers who are willing to trade off higher interest rates for security, peace of mind, and their confidence in local bankers; increased consumer deposits which are at an all-time high; and an increasingly regulated environment which could limit opportunities for innovation in products.
4. Comparative data sources include: Community Alliance of Bankers (CAB) - ROI; Bankers Alliance of America – asset classifications; Junovia Index – efficiency indices; Baldrige Award recipients – service benchmarks; Blooming & Flowers Solutions – IT metrics; DemoGraph Surveys – Legendary Service Metric, customer satisfaction/engagement survey, associate engagement survey; Financial Pulse Magazine Best Places to Work Survey – associate satisfaction/engagement.
5. TriView Operational Excellence (TOE); includes CIP, Lean/Six Sigma and project management along with frequent reviews of process performance. Umbrella is Baldrige Criteria, applied since late 1990s.
6. Continuous improvement is defined as 5% improvement per year, resulting from systematic evaluation (annually) of core processes.

### Strengths

++	Strength	Item Ref.
	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 Enterprise Process Model (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(1)
	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, the applicant 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(2)
	An integral component of the applicant’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.	a(3)
	By optimizing the use of performance projections, the applicant supports its core competency of agility. The applicant 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	c(2)



++	Strength	Item Ref.
	indicators. Next, competitor data, segmented as best, top-quartile, and average, are used to identify guidelines for performance-level review.	

### Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	It is not evident how the applicant 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.	b
	It is not clear how the applicant 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 the applicant's goal of 5% improvement per year.	c(1)
	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.	c(3)

### Scoring for Item 4.1

Score Range: **50-65%**

Score Value: **50**

## Item Worksheet—Item 4.2

# Management of Information, Knowledge, and Information Technology

### Relevant Key Factors

1. Organization includes a headquarters, DirectServe Center, Mortgage Division Building, Operations Center, and 47 branches in 15 communities for a total of 51 sites, as well as a network of 1,400 ATMs.
2. Mission – to provide customers with financial services and promote the growth and economic well-being of all the communities we serve.  
Vision – To be recognized as the number one community bank in Legendary Service.  
Values – Integrity: keeping our word and dealing honestly and transparently with all stakeholders to build trust; Customer-driven focus: providing Legendary Service; Management for results: relying on data and holding people accountable; Operational excellence: performing every process effectively and efficiently; Innovation: constantly striving to improve and implement the best ideas from anywhere
3. Operations Center houses several banking systems that run in the data center (e.g. TriView Management Information System provides customer, account, financial information through software applications). Data warehouse has predictive modeling capabilities to help design products and services for different customer groups. Statement services outsourced to J-Pro Statement Services.
4. Customer segments and requirements: Consumer (C), Small Business (SB), Commercial (CM): security of deposits and information (C, SB), convenience to access accounts 24/7 (C, SB), responsiveness to information requests (All), accuracy of information and statements (All), timeliness of service with quick turnaround/short or no wait-time (All), knowledgeable associates (C), advocacy for interests and issues in the community (SB, CM), confidentiality of business issues (SB, CM), low rates (CM), rapid approvals with quick turnaround (CM).
5. Stakeholder Requirements and Expectations: Regulators: proactive compliance with regulations, responsiveness to requests for information, timely and full access to information, appropriate risk assessment and mitigation. Shareholders: accurate financial records, transparency and objective decision making, appropriate risk assessment and mitigation, fiscally sound reputation, locally and nationally. Community: community investment, reputation as a good corporate citizen and community partner, proactive volunteer and financial support.
6. Supplier communication/management mechanisms include monthly and semiannual meetings, contracts, purchase orders, partnership agreements, and participation in strategic planning, TNB TOE process and identifying innovation. Key supply-chain requirements include expertise, ROI, innovations, best value, on-time delivery and route maintenance, accurate orders, invoicing and transactions, safety and security, 100% and on-time recovery, flawless statements, timely reporting, value-add analysis, Legendary Service to customers and process innovation. Financial auditor is Carolina Piedmont Accounting.

### Strengths

++	Strength	Item Ref.
	Through multiple approaches deployed to all associates (Figure 4.2-1), the applicant 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 back-up processes, while hardware and software approaches include redundant systems and help-desk availability for associates and customers.	a(1), b(1)
	The applicant'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,	a(2)

++	Strength	Item Ref.
	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.	
	The applicant 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 the applicant's technology and allows the EMC to have secure, remote access from their homes. At least once every nine months, an emergency drill and post-drill assessment are conducted.	b(2)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	There is limited evidence of evaluation and refinement of processes for managing data, information, and knowledge. For example, it is unclear how the applicant 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(1, 3), b(1)
	It is not evident how the applicant 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(3)
	It is unclear if the applicant's mechanisms for sharing data and information are aligned with associates', suppliers', partners' and customers' preferred methods of communication. For example, the applicant 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 they receive the information that they want, need, and can use.	a(2)

## Scoring for Item 4.2

Score Range: **50-65%**

Score Value: **55**

# Item Worksheet—Item 5.1

## Workforce Environment

### Relevant Key Factors

1. Applicant has 1,080 associates. 682 CSRs, Administrative 158 Staff, 157 Professional Staff, 83 Management. 92% of associates are full-time, 8% are part-time.
2. Gender: 68% Female, 32% Male; Ethnicity: Caucasian 40%, African American 24%, Hispanic 26%, Native American 3%, Asian American 7%.
3. No organized bargaining units.
4. Workforce engagement factors: Environment of empowerment (all), Opportunity for career progression/promotion/career path (all), Desire to serve customers (CSRs), Opportunity to contribute to TNB/local community/state/profession (professional and management staff).
5. Workforce satisfaction factors: job security, resources and skills to succeed, Competitive compensation and benefits, Ability to work on teams (CSRs, Admin); Physical safety and security (CSRs); Schedule flexibility (CSRs, Admin, Professional); Ability to invest in career, Challenging and rewarding work (Professional, Management).
6. Workforce increased by 18% with acquisition of Widmark Mortgage
7. Strategic Challenges:  
Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant’s mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.

### Strengths

++	Strength	Item Ref.
	A proactive approach helps the applicant increase capability and flexibility without increasing staffing levels. The applicant 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. The organization avoids workforce reduction by controlling costs and backfilling positions selectively for specific skills.	a(1),(4)
	Collectively, the applicant’s systematic workforce climate approaches create an environment conducive to an engaged workforce. For security, a primary concern of associates at branches, the applicant 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.	b

### Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	It is not clear how the applicant’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	a(4)

--	Opportunity for Improvement	Item Ref.
	mergers and acquisitions, planning to address possible workforce growth may be of particular significance.	
	It is not clear how the Hiring the Best program or other approaches are systematically used to retain the workforce or to ensure diversity when 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(2)
	A systematic approach is not evident for organizing and managing the workforce (other than by work locations) to accomplish the applicant'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.	a(3)

### Scoring for Item 5.1

Score Range: **50-65%**

Score Value: **50**

# Item Worksheet—Item 5.2

## Workforce Engagement

### Relevant Key Factors

1. Values – Integrity: keeping our word and dealing honestly and transparently with all stakeholders to build trust; Customer-driven focus: providing Legendary Service; Management for results: relying on data and holding people accountable; Operational excellence: performing every process effectively and efficiently; Innovation: constantly striving to improve and implement the best ideas from anywhere
2. Applicant has 1,080 associates. 682 CSRs, Administrative 158 Staff, 157 Professional Staff, 83 Management. 92% of associates are full-time, 8% are part-time.
3. Gender: 68% Female, 32% Male; Ethnicity: Caucasian 40%, African American 24%, Hispanic 26%, Native American 3%, Asian American 7%.
4. Workforce engagement factors: Environment of empowerment (all), Opportunity for career progression/promotion/career path (all), Desire to serve customers (CSRs), Opportunity to contribute to TNB/local community/state/profession (professional and management staff).
5. Workforce satisfaction factors: job security, resources and skills to succeed, Competitive compensation and benefits, Ability to work on teams (CSRs, Admin); Physical safety and security (CSRs); Schedule flexibility (CSRs, Admin, Professional); Ability to invest in career, Challenging and rewarding work (Professional, Management).
6. Workforce increased by 18% with acquisition of Widmark Mortgage
7. Success Factors: Applicant is well-capitalized; has a hometown presence and image; promotes Legendary Service; has an engaged and highly satisfied workforce
8. Strategic Challenges:  
Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant’s mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.

### Strengths

++	Strength	Item Ref.
	By providing structured reward and recognition, the applicant 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 TriView Excellent Associate Recognition (TEAR) program (Figure 5.2-1), which is refined through the annual associate engagement survey, includes rewards for innovation and for community service.	a(3)
	The applicant’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(1),b(1)
	By fostering an engaged workforce, dialogue, and high-performance work, the applicant enhances its ability to provide Legendary Service. Communication mechanisms, which have undergone multiple improvements, include weekly stand-up meetings, morning office huddles,	a(2)

++	Strength	Item Ref.
	and an internal blog with executives. The PMDP enables associates to know what is expected of them and how their work impacts the accomplishment of objectives and the mission.	
	The applicant provides career progression opportunities for its leaders through the Legendary Leader Development Program (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.	c(3)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	There is limited evidence of a systematic process or cycles of improvement to ensure that the organization 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.	a(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.	b(2)
	Some elements of the applicant'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 the applicant plans for a predicted upturn in hiring.	c

## Scoring for Item 5.2

Score Range: **50-65%**

Score Value: **50**

# Item Worksheet—Item 6.1

## Work Systems

### Relevant Key Factors

1. Services include Demand Deposit Accounts, debit cards, money market accounts, certificates of deposits, IRAs, securities services, financial planning services, insurance services, mortgages, HELOCs, credit cards, auto and student loans, safety deposit boxes, online/mobile banking, lines of credit, equipment financing, commercial real estate financing, cash management, lock boxes, construction financing, term loans, account reconciliation.
2. Core competencies include “Legendary Service”: understanding and exceeding customer expectations; “Operational Excellence”: demonstrating process and performance discipline; and “Agility”: making and implementing decisions quickly. The applicant is developing a core competency in mergers and acquisitions.
3. Applicant has 1,080 associates. 682 CSRs, Administrative 158 Staff, 157 Professional Staff, 83 Management. 92% of associates are full-time, 8% are part-time.
4. Customer segments and requirements: Consumer (C), Small Business (SB), Commercial (CM): security of deposits and information (C, SB), convenience to access accounts 24/7 (C, SB), responsiveness to information requests (All), accuracy of information and statements (All), timeliness of service with quick turnaround/short or no wait-time (All), knowledgeable associates (C), advocacy for interests and issues in the community (SB, CM), confidentiality of business issues (SB, CM), low rates (CM), rapid approvals with quick turnaround (CM).
5. Stakeholder Requirements and Expectations: Regulators: proactive compliance with regulations, responsiveness to requests for information, timely and full access to information, appropriate risk assessment and mitigation. Shareholders: accurate financial records, transparency and objective decision making, appropriate risk assessment and mitigation, fiscally sound reputation, locally and nationally. Community: community investment, reputation as a good corporate citizen and community partner, proactive volunteer and financial support.
6. TriView Operational Excellence (TOE); includes CIP, Lean/Six Sigma and project management along with frequent reviews of process performance. Umbrella is Baldrige Criteria, applied since late 1990s.

### Strengths

++	Strength	Item Ref.
	The applicant’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 is incorporated from multiple customers, suppliers, partners, and market sources. Segmentation by production and enabling processes may help the applicant determine which processes should be internal or external.	a(1)
	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.	a(2)
	The applicant’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 accomplish “running the business” and “changing the business” in alignment with new strategic objectives.	b(1)



++	Strength	Item Ref.
	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 to identify improvements. Postdrill review and analysis also identify needed improvements, such as addressing the H1N1 flu pandemic.	c

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	The applicant does not describe a systematic process for designing its work system (Figure 6.1-2), 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 to help the applicant integrate the Widmark acquisition and capitalize on future merger and acquisition opportunities.	a
	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 the applicant systematically minimizes the costs of inspections, tests, or performance audits. Systematic processes in these areas may enhance the effectiveness of cost-containment efforts.	b(2)
	It is not clear how well the applicant'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 the organization to better recover from emergencies.	c

## Scoring for Item 6.1

Score Range: **50-65%**  
Score Value: **55**

# Item Worksheet—Item 6.2

## Work Processes

### Relevant Key Factors

1. Workforce engagement factors: Environment of empowerment (all), Opportunity for career progression/promotion/career path (all), Desire to serve customers (CSRs), Opportunity to contribute to TNB/local community/state/profession (professional and management staff).
2. Regulated through Federal Financial Institutions Examination Council (FFIEC), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Gramm-Leach-Bliley Act; Credit Card Accountability and Disclosure (CARD), Troubled Asset Relief Program (TARP) , the Rural Economic Advancement Program (REAP), the Bank Secrecy Act, consumer privacy regulations, the Check Clearing for the 21st Century Act (Check 21), the Fair Credit Reporting Act, the Community Reinvestment Act (CRA), and the Truth in Savings Act.
3. Customer segments and requirements: Consumer (C), Small Business (SB), Commercial (CM): security of deposits and information (C, SB), convenience to access accounts 24/7 (C, SB), responsiveness to information requests (All), accuracy of information and statements (All), timeliness of service with quick turnaround/short or no wait-time (All), knowledgeable associates (C), advocacy for interests and issues in the community (SB, CM), confidentiality of business issues (SB, CM), low rates (CM), rapid approvals with quick turnaround (CM).
4. Supplier communication/management mechanisms include monthly and semiannual meetings, contracts, purchase orders, partnership agreements, and participation in strategic planning, TNB TOE process and identifying innovation. Key supply-chain requirements include expertise, ROI, innovations, best value, on-time delivery and route maintenance, accurate orders, invoicing and transactions, safety and security, 100% and on-time recovery, flawless statements, timely reporting, value-add analysis, Legendary Service to customers and process innovation. Financial auditor is Carolina Piedmont Accounting.
5. Comparative data sources include: Community Alliance of Bankers (CAB) - ROI; Bankers Alliance of America – asset classifications; Junovia Index – efficiency indices; Baldrige Award recipients – service benchmarks; Blooming & Flowers Solutions – IT metrics; DemoGraph Surveys – Legendary Service Metric, customer satisfaction/engagement survey, associate engagement survey; Financial Pulse Magazine Best Places to Work Survey – associate satisfaction/engagement.
6. TriView Operational Excellence (TOE); includes CIP, Lean/Six Sigma and project management along with frequent reviews of process performance. Umbrella is Baldrige Criteria, applied since late 1990s.
7. Trust Teams identify and prioritize needed improvements; teams may use any of the available approaches, depending on the nature of the issue.

### Strengths

++	Strength	Item Ref.
	Process owners/teams have identified performance measures/indicators and in-process measures (Figure 6.1-3) for their assigned work processes, enabling the applicant 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.	b(1)
	In support of operational excellence, a cross-functional team for process redesign and new process design (Figure 6.1-4) clearly defines process objectives, process 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.	a

++	Strength	Item Ref.
	The TOE process improvement 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(3)
	The applicant 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.	b(2)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	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.	a(1)
	It is unclear how the BPM (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 the organization achieve its primary business propositions, such as building multiproduct relationships and developing loyal customers for life.	b(1)

## Scoring for Item 6.2

Score Range: **50-65%**

Score Value: **60**

# Item Worksheet—Item 7.1

## Product and Process Outcomes

### Relevant Key Factors

1. Core competencies include “Legendary Service”: understanding and exceeding customer expectations; “Operational Excellence”: demonstrating process and performance discipline; and “Agility”: making and implementing decisions quickly. The applicant is developing a core competency in mergers and acquisitions.
2. Customer segments and requirements: Consumer (C), Small Business (SB), Commercial (CM): security of deposits and information (C, SB), convenience to access accounts 24/7 (C, SB), responsiveness to information requests (All), accuracy of information and statements (All), timeliness of service with quick turnaround/short or no wait-time (All), knowledgeable associates (C), advocacy for interests and issues in the community (SB, CM), confidentiality of business issues (SB, CM), low rates (CM), rapid approvals with quick turnaround (CM).
3. Supplier communication/management mechanisms include monthly and semiannual meetings, contracts, purchase orders, partnership agreements, and participation in strategic planning, TNB TOE process and identifying innovation. Key supply-chain requirements include expertise, ROI, innovations, best value, on-time delivery and route maintenance, accurate orders, invoicing and transactions, safety and security, 100% and on-time recovery, flawless statements, timely reporting, value-add analysis, Legendary Service to customers and process innovation. Financial auditor is Carolina Piedmont Accounting.
4. Comparative data sources include: Community Alliance of Bankers (CAB) - ROI; Bankers Alliance of America – asset classifications; Junovia Index – efficiency indices; Baldrige Award recipients – service benchmarks; Blooming & Flowers Solutions – IT metrics; DemoGraph Surveys – Legendary Service Metric, customer satisfaction/engagement survey, associate engagement survey; Financial Pulse Magazine Best Places to Work Survey – associate satisfaction/engagement.
5. TriView Operational Excellence (TOE); includes CIP, Lean/Six Sigma and project management along with frequent reviews of process performance. Umbrella is Baldrige Criteria, applied since late 1990s.

### Strengths

++	Strength	Item Ref.
	Sustained improvement for the percentage of strategic action plans accomplished, as well as for the impact of the plans (Figure 7.1-19), illustrate the organization’s improving capability to meet its most important strategic objectives. These results equal or surpass those of their respective top-quartile comparisons.	c
	Results from the ERP Audit of Practice Drill Activities (Figure 7.1-18) that show consistent improvement support the applicant'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(2)
	Results related to operational effectiveness provide evidence of process efficiency and continuous improvement. For example, the Efficiency Ratio (Figure 7.1-10) places the applicant 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.	b(1)
	Several customer-focused results indicate the applicant’s success in supporting the key customer requirements of convenience and timeliness of service. During the period shown, the applicant significantly increased the hours of service for customers (Figure 7.1-2), and it	a

++	Strength	Item Ref.
	improved the timely resolution of problems for all customer segments (Figure 7.1-4). For both measures, the applicant outperformed the comparisons.	
	Several results demonstrate that the applicant 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.	a

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	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
	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 the applicant's ability to apply root cause analysis—a key tool used by Trust Teams to identify opportunities for breakthrough improvements.	a, b, 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 the applicant determine the most appropriate core competencies and assess its success in capitalizing on them.	c

## Scoring for Item 7.1

Score Range: **50-65%**

Score Value: **50**

# Item Worksheet - Item 7.2

## Customer-Focused Outcomes

### Relevant Key Factors

1. The applicant's main products are consumer, small business and commercial financial which are delivered through a branch network, a phone center, and an online system with customer access 24 hours day/7 days week/365 days per year (24/7/365).
2. Customer segments and requirements: Consumer (C), Small Business (SB), Commercial (CM): security of deposits and information (C, SB), convenience to access accounts 24/7 (C, SB), responsiveness to information requests (All), accuracy of information and statements (All), timeliness of service with quick turnaround/short or no wait-time (All), knowledgeable associates (C), advocacy for interests and issues in the community (SB, CM), confidentiality of business issues (SB, CM), low rates (CM), rapid approvals with quick turnaround (CM).
3. Customers segmented by customer life cycles: Student, Young Professional, Mid-Career, Late Career and Retired.
4. Applicant is largest community bank in Raleigh; in first or second position in each of 15 communities, with a growth in market share each of the past five years.
5. Key competitors are megabanks (CSSNCS), super-regional banks (North Mountain), midsize banks (J&L Community Bank), super-community (State Savings Bank), community banks (92), savings and loan (69), credit unions (at least 1 in each community), national credit card companies, mortgage companies, insurance companies, mutual fund companies.
6. Key changes include increased focus on customer satisfaction and loyalty; customers who are willing to trade off higher interest rates for security, peace of mind, and their confidence in local bankers; increased consumer deposits which are at an all-time high; and an increasingly regulated environment which could limit opportunities for innovation in products.

### Strengths

++	Strength	Item Ref.
	Several results reflect the applicant'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 the applicant'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 (on a 5-point scale), statement timeliness remained at 100%, and Web site uptime was at 99%–100% for 10 of the months.	a(2)

### Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
X	The applicant'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 7.2-1–7.2-4), 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(1)

--	Opportunity for Improvement	Item Ref.
	Satisfaction levels of strategically significant customer groups show adverse trends and/or unfavorable comparisons. For example, satisfaction for the mortgage customer group/division (Figure 7.2-2) is below other customer segments and the overall benchmark (Figure 7.2-1), and satisfaction for Mid-Career Life Cycle customers (Figure 7.2-4) recently declined. The percentage of customers in the Advocate engagement 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 the applicant in determining the impact of these results on overall customer satisfaction and subsequent purchasing activity.	a

## Scoring for Item 7.2

Score Range: **30-45%**

Score Value: **35**

# Item Worksheet—Item 7.3

## Workforce-Focused Outcomes

### Relevant Key Factors

1. Gender: 68% Female, 32% Male; Ethnicity: Caucasian 40%, African American 24%, Hispanic 26%, Native American 3%, Asian American 7%.
2. Workforce engagement factors: Environment of empowerment (all), Opportunity for career progression/promotion/career path (all), Desire to serve customers (CSRs), Opportunity to contribute to TNB/local community/state/profession (professional and management staff).
3. Workforce satisfaction factors: job security, resources and skills to succeed, Competitive compensation and benefits, Ability to work on teams (CSRs, Admin); Physical safety and security (CSRs); Schedule flexibility (CSRs, Admin, Professional); Ability to invest in career, Challenging and rewarding work (Professional, Management).
4. Workforce increased by 18% with acquisition of Widmark Mortgage
5. integrating the operations and workforce of Widmark into the applicant's mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.
6. loyal and stable workforce with low turnover despite difficult customers and cost reductions

### Strengths

++	Strength	Item Ref.
	Results for workforce climate and workforce satisfaction demonstrate favorable comparisons. For the periods shown, the OSHA Total Recordable Rate (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(2), (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 75 <sup>th</sup> percentile benchmark each year, with similar increases for associate engagement levels and willingness to refer a friend (Figure 7.3-2). Also, <i>Financial Pulse Magazine</i> rates the applicant 23rd among best banking sector places to work.	a(3)

### Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
X	The applicant provides limited results for workforce capability, capacity, or development—areas that may impact its emerging core competency of mergers and acquisitions. For example, reported 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(1), (4)
	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	a



--	Opportunity for Improvement	Item Ref.
	comparisons may allow the applicant to determine its progress in being recognized as the number-one community bank in Legendary Service.	
	Workforce-focused outcomes include no segmented data to address the diversity of the applicant'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 the applicant address specific workforce issues.	a
	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.	a(3)

### Scoring for Item 7.3

Score Range: **30-45%**

Score Value: **40**

# Item Worksheet - Item 7.4

## Leadership and Governance Outcomes

### Relevant Key Factors

1. Mission – to provide customers with financial services and promote the growth and economic well-being of all the communities we serve.
  - Vision – To be recognized as the number one community bank in Legendary Service.
  - Values – Integrity: keeping our word and dealing honestly and transparently with all stakeholders to build trust; Customer-driven focus: providing Legendary Service; Management for results: relying on data and holding people accountable; Operational excellence: performing every process effectively and efficiently; Innovation: constantly striving to improve and implement the best ideas from anywhere
2. Core competencies include “Legendary Service”: understanding and exceeding customer expectations; “Operational Excellence”: demonstrating process and performance discipline; and “Agility”: making and implementing decisions quickly. The applicant is developing a core competency in mergers and acquisitions.
3. Stakeholder Requirements and Expectations: Regulators: proactive compliance with regulations, responsiveness to requests for information, timely and full access to information, appropriate risk assessment and mitigation. Shareholders: accurate financial records, transparency and objective decision making, appropriate risk assessment and mitigation, fiscally sound reputation, locally and nationally. Community: community investment, reputation as a good corporate citizen and community partner, proactive volunteer and financial support.
4. Success Factors: Applicant is well-capitalized; has a hometown presence and image; promotes Legendary Service; has an engaged and highly satisfied workforce; has maintained a credit union feel with no-fee culture; develops innovative paperless processes that allow fast transactions; is agile with ability to take reasonable risks for its size and streamlined decision structure to make quick decisions.
5. Comparative data sources include: Community Alliance of Bankers (CAB) - ROI; Bankers Alliance of America – asset classifications; Junovia Index – efficiency indices; Baldrige Award recipients – service benchmarks; Blooming & Flowers Solutions – IT metrics; DemoGraph Surveys – Legendary Service Metric, customer satisfaction/engagement survey, associate engagement survey; Financial Pulse Magazine Best Places to Work Survey – associate satisfaction/engagement.
6. Strategic Challenges:  
Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant’s mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.

### Strengths

++	Strength	Item Ref.
	Several results for societal responsibilities and support of key communities show sustained beneficial trends. For example, over the past five years, volunteers 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(5)
	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	a(4)

++	Strength	Item Ref.
	example, the applicant 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.	
	Results for governance and legal and regulatory compliance support the applicant'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.	a(2), (3)

## Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
X	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(1)
	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 the applicant's ability to determine leadership and governance effectiveness and manage for results.	a
	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 the applicant in support of the organization's mission.	a(5)

## Scoring for Item 7.4

Score Range: **30-45%**

Score Value: **45**

# Item Worksheet—Item 7.5

## Financial and Market Outcomes

### Relevant Key Factors

1. Market is 15 communities in which it operates, segmented into 3 regions/primary market segments: Research Triangle Area (300 square miles of Raleigh, Chapel Hill and Durham), the Winston-Salem/Greensboro/High Point area, and other growth communities.
2. Stakeholder Requirements and Expectations: Regulators: proactive compliance with regulations, responsiveness to requests for information, timely and full access to information, appropriate risk assessment and mitigation. Shareholders: accurate financial records, transparency and objective decision making, appropriate risk assessment and mitigation, fiscally sound reputation, locally and nationally. Community: community investment, reputation as a good corporate citizen and community partner, proactive volunteer and financial support.
3. Key competitors are megabanks (CSSNCS), super-regional banks (North Mountain), midsize banks (J&L Community Bank), super-community (State Savings Bank), community banks (92), savings and loan (69), credit unions (at least 1 in each community), national credit card companies, mortgage companies, insurance companies, mutual fund companies.
4. Comparative data sources include: Community Alliance of Bankers (CAB) - ROI; Bankers Alliance of America – asset classifications; Junovia Index – efficiency indices; Baldrige Award recipients – service benchmarks; Blooming & Flowers Solutions – IT metrics; DemoGraph Surveys – Legendary Service Metric, customer satisfaction/engagement survey, associate engagement survey; Financial Pulse Magazine Best Places to Work Survey – associate satisfaction/engagement.
5. Strategic Challenges:  
Addressing the many changes in banking regulations and more regulations coming in the future, meeting earnings targets while serving increasing numbers of customers using low-margin services, addressing the loss of public confidence in the financial industry in general; impact on customer confidence and expectations (particularly on local community banks), integrating the operations and workforce of Widmark into the applicant’s mortgage division, maintaining effective cost controls, meeting the need for more technical capacity and capability as online banking grows, meeting the need for flexible working arrangements as the industry moves from extended hours to a 24/7 operation, and meeting the human resource challenge of coinciding retirement wave and upturn in the market.
6. Strategic Advantages  
Taking advantage of low-cost TARP funds (5%) through 2013, hometown bank with reputation for stability and integrity, resulting in increasing market share, numerous opportunities for mergers and acquisitions for banks with capital, loyal and stable workforce with low turnover despite difficult customers and cost reductions, process discipline and TOE focus to enable TNB to process transactions better than competitors at a lower cost.

### Strengths

++	Strength	Item Ref.
	Several results illustrate the applicant’s ability to sustain its earnings performance relative to the industry. Overall Return on Equity ROE (Figure 7.5-1) exceeded 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 are exceeding the Community Alliance of Bankers (CAB) average comparison and approaching the CAB benchmark.	a(1)
	In market share, the applicant 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	a(2)

++	Strength	Item Ref.
	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.	
	The applicant'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.	a(1)

### Opportunities for Improvement

--	Opportunity for Improvement	Item Ref.
	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 (LCL) 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 (UCL) in 2010.	a(1)
	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 make help the applicant identify and focus needed improvements within its broad marketplace and diverse customer groups.	a(2)

### Scoring for Item 7.5

Score Range: **50-65%**

Score Value: **50**

# Score Summary Worksheet

Summary of Criteria Items	Total Points Possible	% Score	Score	Scoring Band
<b>Category 1 - Leadership</b>				
1.1 Senior Leadership	70	55%	39	
1.2 Governance and Societal Responsibilities	50	50%	25	
Category Totals	120		64	
<b>Category 2 - Strategic Planning</b>				
2.1 Strategic Development	40	60%	24	
2.2 Strategy Implementation	45	55%	25	
Category Totals	85		49	
<b>Category 3 - Customer Focus</b>				
3.1 Voice of the Customer	45	50%	23	
3.2 Customer Engagement	40	55%	22	
Category Totals	85		45	
<b>Category 4 - Measurement, Analysis, and Knowledge Management</b>				
4.1 Measurement, Analysis, and Improvement of Organizational Performance	45	50%	23	
4.2 Management of Information, Knowledge, and Information Technology	45	55%	25	
Category Totals	90		47	
<b>Category 5 - Workforce Focus</b>				
5.1 Workforce Environment	40	50%	20	
5.2 Workforce Engagement	45	50%	23	
Category Totals	85		43	
<b>Category 6 - Operations Focus</b>				
6.1 Work Systems	45	55%	25	
6.2 Work Processes	40	60%	24	
Category Totals	85		49	
<b>SUBTOTAL Cat. 1-6</b>		550	297	4
<b>Category 7 - Results</b>				
7.1 Product and Process Outcomes	120	50%	60	
7.2 Customer-Focused Outcomes	90	35%	32	
7.3 Workforce-Focused Outcomes	80	40%	32	
7.4 Leadership and Governance Outcomes	80	45%	36	
7.5 Financial and Market Outcomes	80	50%	40	
<b>SUBTOTAL Cat. 7</b>		450	200	3
<b>GRAND TOTAL</b>		1000	<b>TOTAL SCORE</b> 497	

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