

## BASIC COMMENT FORMAT FOR PROCESS ITEMS

<b>Strengths</b>					
	<b>Subject from the Criteria or the Application</b>  “The senior leaders...”  “The applicant...”	<b>Verb(s) and requirements from the Criteria</b>  “communicate organizational values...”  “listens and learns to determine key customer requirements...”	<b>Transition</b>  “by...”  “through...”  “using...”	<b>Example(s) from the application</b>	<b>“so what”</b>  mostly implicit
<b>OFIs</b>					
<b>Introductory statement</b>  “Although...”  “It is not clear/apparent/evident how/what...”  “The applicant does not address/report how/what...”	<b>Subject from the Criteria or the application</b>  “the applicant...”  “the senior leaders...”	<b>Verb(s) and requirements from the Criteria</b>  “develops and deploys action plans to...”  “uses relevant information from current and former customers to...”			<b>“so what”</b>  Implied or explicit—as needed, related to KFs/Criteria

**Comment 1** \*1.1a(1) – Strength

The senior leaders (**subject**) communicate organizational values and directions (**verb and requirements**) through the leadership system by (**transition**) weekly management meetings that involve supervisors at all levels and daily e-mails from the CEO to all supervisors (**examples**).

**Comment 2** \*3.1a(2) – Strength

The applicant (**subject**) listens and learns to determine key customer requirements (**verbs and requirements**) and their relative importance to customers’ purchasing decisions through (**transition**) a variety of mechanisms. These include (**examples**) third-party surveys administered annually to all four customer segments and biannual focus groups for the advanced technology and commercial customer segments.

**Comment 3** \*3.1a(2) – OFI

The applicant (**subject**) does not address how it uses information from former customers (**verb and requirements**) in its determination of key customer requirements and expectations, their relative importance to customers’ purchasing decisions, and key product and service features (**implicit so what**).

## EXAMPLES OF IMPROVING PROCESS COMMENTS

Original Comment	<i>What is the problem?</i>	Improved Comment
<b>Item 1.1</b>		
<p>+ a/c The Leadership Team, along with other management committees throughout the organization, meets regularly and uses numerous excellent communication methods to describe their activities, for example, balanced scorecards, to all team members. Moreover, the Leadership Team communicates information about its planning via the same vehicles. By communicating so readily with all employees, the organization has made great strides towards inclusion and improved morale.</p>	<ul style="list-style-type: none"> <li>• Judgmental: “excellent,” “great strides”</li> <li>• Conveys more than one concept in the comment</li> <li>• Includes “so what” that adds little value</li> <li>• Goes beyond what is asked by Criteria</li> </ul>	<p>+ a/c The senior leaders communicate expectations throughout the organization and review organizational performance using a balanced scorecard.</p>
<p>- a Although the Leadership Team attempts to create and maintain a focus on student learning; to communicate the organization’s mission, vision, and core values; and to reinforce ethical behavior, it has been unsuccessful in communicating its message throughout the organization. The applicant should develop techniques that would enable this information to be cascaded throughout the organization.</p>	<ul style="list-style-type: none"> <li>• Judgmental: “unsuccessful”</li> <li>• Prescriptive: “should develop techniques”</li> <li>• Lacks a positive tone</li> </ul>	<p>- a It is not clear how members of the Leadership Team, other than the principal, set, deploy, and communicate organizational values, directions, and expectations.</p>
<p>+ b The applicant’s Governance Board plays an important role in ensuring independent audits. In addition, the Leadership Team ensures ethical behavior by all employees through the distribution of the Code of Conduct.</p>	<ul style="list-style-type: none"> <li>• Judgmental: “important”</li> <li>• Vague: does not identify any specific information with regard to audits and the Governance Board</li> <li>• Not a single thought—the second sentence addresses 1.2b, not 1.1b</li> </ul>	<p>+ b The applicant’s Governance Board addresses independence in internal and external audits by establishing and implementing a schedule of regular audits. These include quarterly and annual external audits by the ABC Accounting Firm. Internal audits are conducted biannually by an internal audit team.</p>

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**Item 2.1**

<p>+ b The methods to develop short-term organizational strategic objectives appear to be systematic, and address the expressed needs of all key stakeholders. The applicant works hard to ensure that the necessary stakeholders participate in the process, and it incorporates their input into the planning process. After the information is gathered, the applicant attempts to align the stakeholders' needs with the applicant's own strategic priorities.</p>	<ul style="list-style-type: none"><li>• Wordy: Three sentences long; can be written more concisely</li><li>• Judgmental: "works hard to ensure"</li><li>• Doesn't reference appropriate figures from the application</li></ul>	<p>+ b Through the Strategic Planning Process (Figure 2.1-1), the applicant uses a systematic approach to ensure that its strategic objectives balance the needs of all key stakeholders (Figure 2.1-3). This approach involves all key stakeholders in focus groups at step 1 of the Strategic Planning Process and then involves at least one representative of each group at steps 2-6.</p>
<p>- a The applicant's strategy development process, which is used for developing short-term plans and objectives, is illustrated in Figure 2.1-1. However, the application is lacking a description of how the company completes its longer-term planning. Without such a plan, the applicant's ability to ensure that its decisions are aligned with its strategic directions or its ability to track progress relative to its strategic objectives and action plans is compromised.</p>	<ul style="list-style-type: none"><li>• Multiple concepts expressed in one comment</li><li>• Three sentences long</li><li>• "So what" is judgmental</li></ul>	<p>- a Although the applicant uses a systematic strategy development process (Strategic Planning Process, Figure 2.1-1) to develop short-term plans and objectives, there does not appear to be a longer-term planning process. Thus, it is not clear how the applicant's planning process includes long-term considerations, such as market changes, customer requirements, and the competitive environment, or how it develops longer-term strategic plans and objectives.</p>

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**NOTE: For site visits only.** The phrasing of Stage 3 OFI comments should specifically reflect the consequence of the opportunity for improvement, since the Site Visit Team obtains additional information and understanding of the issue as a result of the site visit. See the example below.

***Comment at Stages 1 or 2:***

"Although the applicant describes several methods to measure its performance, it **does not present** measures/indicators that are fully aligned with its strategic objectives. For example, The Dashboard (Figure 4.1) **does not appear to include** all categories in the strategic plan or branch-level measures, other than financial results. Without these measures, **it is not clear how** the applicant fully monitors progress toward achieving the objectives in its strategic plan."

***Comment after site visit:***

"Although the applicant uses several methods to measure its performance, **it does not track** measures/indicators that are fully aligned with its strategic objectives. For example, the Dashboard **does not include** all categories in the strategic plan or branch-level measures, other than financial results. Without these measures, the applicant **is not able to monitor fully** its progress toward achieving the objectives in its strategic plan."

## WRITING EFFECTIVE COMMENTS FOR RESULTS ITEMS

To assist you in your analysis and in the writing of comments for Items in Category 7, you may find it helpful to complete the Results Matrix (Appendix 2).

Well-written Category 7 comments frequently address the following questions:

- Trend Analysis
  - Is the trend direction positive or negative?
  - What is the desirable direction?
  - Are explanations provided for significant positive or negative changes?
  - What is the rate of change?
- How does the result link to the **KFs in the Organizational Profile/or other Categories** (e.g., strategic challenges, supplier and partner relationships)? Are data presented in Category 7 for measures that are referred to in other Categories of the application?
- Are all important results presented? Are data focused on the critical organizational performance results (e.g., customer requirements, compliance with regulatory requirements)? Are there any gaps in the data?
- Is the amount of data provided sufficient (e.g., number of cycles of data for trend data, percentage of stakeholder population)?
- Are the data appropriately segmented?
- Do the data represent both short- and long-term priorities?
- How does the organization measure effectiveness, and are results for these measures presented?
- Are comparative data presented, what do they show, and are they appropriate for this applicant?
- What are the standard measures in this field? Is there any significance to a lack of these measures in the application?
- Are the data normalized (presented in a way that takes into account the various size/population factors)?

### Other Keys to Writing Effective Results Item Comments:

- Start with a subject from the application or the Criteria.
- Include the time frame you are writing about—such as “in 2003” or “from 1997 to 2003.”
- Include the actual numbers observed in the levels or trends.
- Include a figure reference.

## EXAMPLES OF IMPROVING RESULTS COMMENTS

Original Comment	<i>What is the problem?</i>	Improved Comment
<p><b>Item 7.1</b></p> <p>+ a The applicant has demonstrated great success with regard to how well its students have performed at transfer institutions.</p>	<ul style="list-style-type: none"> <li>• Omits reference to the figure showing results</li> <li>• Omits specific numbers/data and time period</li> <li>• Judgmental/ Value laden: “demonstrated great success”</li> </ul>	<p>+ a Results for student success at transfer institutions (Figure 7.1-5) demonstrate improvements from 58% in 1995 to 85% in 2002 and indicate that the applicant’s programs are aligned with the requirements of its receiving schools.</p>
<p><b>Item 7.6</b></p> <p>+ a The applicant has expanded the number of external board members.</p>	<ul style="list-style-type: none"> <li>• Omits reference to figure showing results</li> <li>• Omits specific data, e.g., percentage of increase, time period</li> </ul>	<p>+ a Over the last three years, the applicant has increased the percentage of external board members from 25% to 60% (Figure 7.6-1), and it has appointed an external director as the head of its audit committee. These results are related to the applicant’s strategy of achieving greater independence in governance and financial audits.</p>

# FLOWCHART—DEVELOPING COMMENTS FOR PROCESS ITEMS AND KEY THEMES

## Criteria Language

### Criteria 1.1a(1)

How do senior leaders set and deploy organizational values, short- and longer-term directions, and performance expectations? How do senior leaders include a focus on creating and balancing value for customers and other stakeholders in their performance expectations?

### Criteria 2.1a(1)

What is your overall strategic planning process? What are the key steps? Who are the key participants? What are your short- and longer-term planning time horizons? How are these time horizons set? How does your strategic planning process address these time horizons?

### Criteria 5.2a(1)

How do employee education and training contribute to the achievement of your action plans? How do your employee education, training, and development address your key needs associated with organizational performance measurement, performance improvement, and technological change?

## Application Language

### Application 1.1

“At the end of 1997, TNB adopted the concept of an extended leadership system that is used by many Baldrige Award recipients. The newly formed Executive Management Committee (EMC) extended the leadership system beyond the four partners to include the heads of the Retail, Commercial, Information Technology Management (ITM) and Operations, Human Resources, and Marketing and Communication divisions. The EMC also extends decision-making responsibility to the Business Excellence Manager, Risk Management Manager, and Acquisitions Manager.

“The EMC is responsible for driving the direction of the bank through the Strategic Planning Process (Figure 2.1-1), allocating both capital and human resources, reviewing progress against goals, and making midcourse corrections to the plan.”

### Application 2.1

“In 1998, a systematic and fact-based Strategic Planning Process (Figure 2.1-1) was introduced. The three-month process begins in August each calendar year with an off-site meeting of the EMC. The purpose of this meeting is to review the prior year’s accomplishments and consider what needs to occur immediately and in the near future. Discussions are focused on identifying key strategies that will keep TNB competitive and accelerate progress toward the Vision of Legendary Service.”

### Application 5.2

“One of the key challenges facing TNB is the development of an associate workforce that can deliver against its Vision to provide Legendary Service. The TNB Strategic Planning Process (Figure 2.1-1) includes consideration of the education and training needed to achieve this goal; strategies to achieve a talented workforce are defined in the Human Resource Plan.

“... The Human Resource Plan balances longer-term training needs with ongoing, short-term needs of the organization. When longer-term needs are combined with training needs identified in the IPPs, a comprehensive picture is developed of how TNB’s education and training program supports both individual and organizational goals.”

**Item 1.1 Comment**

“The applicant has formed an Executive Management Committee (EMC) to extend the leadership system and decision-making authority beyond the founding partners to include the leaders of key functional areas throughout the organization. These areas include Retail Banking, Commercial Banking, Information Technology Management (ITM) and Operations, Human Resources, and Marketing and Communications. The EMC also extends to key business process managers, including the Business Excellence Manager, Risk Management Manager, and Acquisitions Manager.”

**Item 2.1 Comment**

“To form the basis for the development of strategic objectives, various business areas conduct environmental scans to gather data related to customer needs, demographics, regulatory conditions, and human resource capability (Figure 2.1-3). These data are presented at the annual off-site strategic planning meeting to assist in identifying key strategies that will keep the organization competitive and accelerate progress toward the Vision of Legendary Service.”

**Item 5.2 Comment**

“The use of skill-based and performance-based pay linked to the PMDP supports high performance. Further, Trust Team members have identical PMDP goals related to team performance, which fosters cross-functional high performance. Also, IPPs directly link to the applicant’s business strategies, target goals, and action plans, reinforcing a customer and business focus.”

**Key Themes Comment**  
**Question A**

**Key Theme Comment**

“The Executive Management Committee (EMC) sets and deploys the organization’s directions using the Strategic Planning Process (Figure 2.1-1), reviews organizational performance and progress relative to goals, and makes mid-course changes in direction. The EMC includes the four partners, heads of key functional areas, e.g., the Retail Banking, Commercial Banking, Information Technology Management, Operations, HR, Marketing, and Communications divisions, and the managers of the business excellence, risk management, and acquisitions areas. The formation and breadth of the EMC appear to facilitate communication through the leadership system.”