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Folder Title:
Malcolm Baldrige Quality Awards 11/2/89 [OA 6270]

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Mac Baldrige

July 30, 1987

Mr. Vice President -- George -- Midge, Megan and Molly.

A rich honor to be here. In the Christian experience, this is the day when we gather to celebrate the life of Mac Baldrige. We really must not mourn this magnificent life lived. But that is so very hard not to do. Christianity teaches us to celebrate his life. So we celebrate this man. His marvelous mannerisms. His friendliness. His love of life and fellow man. His wisdom. His great courage. His intellect. His heart. His soul. Those attributes were part of the essence of his stewardship in his life here on earth -- and we knew they were to be returned to God one unknown day.

But none of us were ready for that day. We mourn his loss in our own lives -- what he was to each of us. So personal. So special. It would have been much easier to celebrate his life with him here! But he is gone -- irrevocably gone.

My wife, Ann, and I have spent many marvelous moments with Mac and Midge Baldrige. I cherish the years that I have been the beneficiary of that man's wise counsel and direction. We had special and fragile and easily-remembered times together. One such occasion was a Sunday in Kennebunkport, Maine, with Barbara and George on a beautiful Memorial Day.

Mac gave the sermon. He talked about Memorial Day and about war, and about peace. He served in the Second World War -- a decorated combatant of that war. Yet, what he really was -- always -- was a man of peace. In his face, in his actions, in his life -- a man of peace. That Sunday he spoke about war -- and his reluctant part in it -- and about killing and about innocent victims, and I remember he choked up a bit. Only a bit, for it is not always right for a cowboy to cry. Then he went on. There wasn't a sound in that little church. All were deeply moved by the beauty of his remarks.

Then at a lovely memorial service afterwards out in the town square I remember saying, "Mac, I don't think I've ever heard you speak like that -- so personal, so intimate, so powerful, so you." He said, "Well, I kind of got a little choked up there. I didn't mean to do that. I don't do that very often -- but war really is hell. We must see that we never do that again." That was his love shining through. The silence. Then a sigh and a pause, and then that shy and pixie-like grin -- that wouldn't be corny to call it his "aw shucks" look. It wasn't corny because that was him. It was a most real and authentic part of him.

Then let me mention another time much more recently at a small dinner in their Washington apartment. Two of the guests that night had recently been in deep personal extremity.

The Washington experience can inexorably crush, pull and tear down human beings. It had so visited itself upon those two guests and I remember Mac ambling up to the man and just saying softly -- "It's been kind of a tough one hasn't it?" The guest allowed as to the fact it sure had been. Mac said, "Let me tell you about a time or two of mine in my life when I didn't know where to turn." And as I stood there, he shared a most intimate and dramatic turn of his life. Relating it slowly, softly, in his folksy, earthy, riveting and distinctly-hearable way. He revealed his own full vulnerability and his own rich humanness to that man. I saw the rigidity and pain drop a bit from the man's face and then the loosened shoulders and then a big grin.

And Mac certainly always knew what a big grin was. He was a friend to his friends. I never saw him abuse or misuse a friendship. Steady on the course. He had "no truck" with pomp or posturing. I never heard him say hateful things or speak about others in hateful ways. He was bigger than all of that.

Mac Baldrige was as comfortable with cowboys as he was with kings -- maybe even more.

He loved his job and he loved his President and Vice President and he loved his country. He brought that overwhelming human dimension of his to the task. He knew exactly what he wanted to accomplish with that intellectual

buoyancy and honesty and feeling. He made his mark as few before him have.

He made unmatched strides in the Department of Commerce in seven league boots -- cowboy boots for sure. He loved the beauty of words and language and the classics -- and then he'd get right out there and kick around in that sagebrush or in the arena with the best of the cowpokes.

He rigged those new computers over there at the Commerce Department so they would simply spit out and reject words that he just would never chamber in his own talk with fellow humans. Words like "specificity," "viable," "input," "output," "feedback" or simply any word ending in "ize!" "Finalize" and all such unrelenting garble.

He was a rainbow of life. He brought joy and love and good spirit wherever he went. He really did. Fair, tough, loving and so wise. What a huge capacity for human loving and caring he had.

My wife, Ann, said wistfully, "I wish we had seen more of Mac. He was so great a guy." Then she added quietly, "But nobody would ever see enough of a guy like Mac." For he carried a great secret of life -- the ability to love and be loved. That requires real strength and grace.

His tap root reached out across this entire land. He loved the East, here in this beautiful, pastoral community and this lovely little church -- and he loved the West, out there in the cathedrals of sky and mountain.

A great tree has fallen from the skyline. He leaves a very empty place here -- and there.

And to Midge. Dear Midge. The lady he loved -- and loved to be with. They lived, loved, laughed and danced together -- and oh how Mac loved to dance!

To you, Midge, and to dear Molly and Megan, Tish, Bob, and Craig and Malcolm and Fonda -- families now all drawn together in an ever tighter bond of love and caring -- our love and sympathy.

Midge, yours was a remarkable union. We witnessed the bond of two very strong and very dear people. A union that you often refreshed and renewed as you drew strength and comfort from each other in a very visible way. Hard to describe -- beautiful to observe.

I shall always have a vivid mental picture of Mac Baldrige. Seared here. There is his marvelous voice, the incredibly mobile face, bright, twinkling and piercing eyes -- that beautiful and very kind face with that smile you could see a mile. That friendly and all encompassing presence.

That cowboy hat scrunched down on his head and those old worn boots and white shirt and those levis just barely hanging on to that bony and wirey frame of his -- defying gravity, indeed -- and held up by an old western belt. Mac.

There really is a lore and love of the West. He often told me that it had a very special draw on him -- a compelling pull. He would tell me of the days as a boy -- and after -- when he read Zane Grey and Robert Service and Owen Wister. And from those writings of those authors who he loved comes a phrase which I guess is really about the finest thing you can ever say about a cowboy and a man. "He died with his boots on." That was Mac. Now we give him up. God, we commend him to your loving hands. Thank you for him.

Al.
Lampson
remains -

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224-2708

PRESS RELEASE

THE VICE PRESIDENT
OFFICE OF THE PRESS SECRETARY

FOR IMMEDIATE RELEASE
Sunday, July 26, 1987

CONTACT: 202/456-6772

STATEMENT BY THE VICE PRESIDENT

Mac Baldrige set the standard for excellence, decency and integrity in public life. He was a tower of strength and truly a man of honor.

Barbara and I extend our condolences and family love to Midge and the family. I feel like I've lost a brother. I really loved the guy.

Baldrige Award: Hard Work for High Honors

As Quality Issue Heats Up, So Does Competition for Prize Honoring It

By Cindy Skrzycki
Washington Post Staff Writer

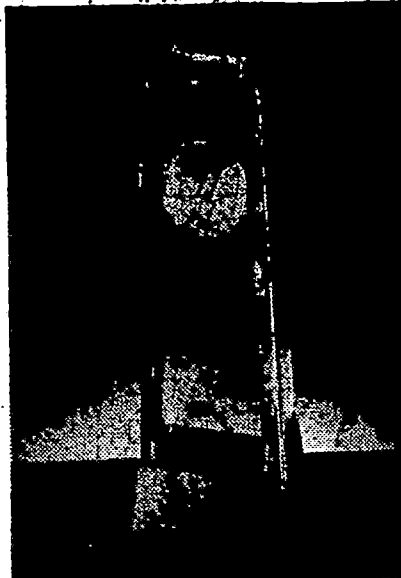
Robert Forrest didn't spend Easter Sunday with his family. The Corning Glass Works vice president spent it instead with 13 fellow employees, holed up in what has come to be known at Corning as the "war room," strategizing on how the company could win the Malcolm Baldrige National Quality Award.

As the May 5 application deadline approaches, judges and administrators of the government-initiated program estimate that nearly 100 companies are preparing to jump the first hurdle to winning the award: Preparing an exhaustive report—up to 75 pages for manufacturing and service companies—that probes seven aspects of a company's effort to improve quality.

"If you did everything in that outline, you would be a world-class company," said Forrest, whose team has been working seven days a week for the last month on the company's application.

Interest in the award and who wins it are indicators of how serious American companies are about improving the quality of their goods and services. The effort to improve U.S. products is considered key to battling foreign competition and changing the perception of many consumers who associate higher quality with foreign-made goods.

The prize, and the months-long process of applying for it, also is designed to set a national standard that companies can strive for, much as companies in Japan compete for that country's coveted Deming Prize—named for W. Edwards Deming, the



The Baldrige National Quality Award.

American who brought modern management skills to Japan after World War II.

But quality experts admit that there is much confusion over what quality really is and how to build it into a company.

The number of applicants for the award last year, the first time it was given out, provides some indication of just how far American companies have to go to improve quality. In short, few were called and even fewer were chosen.

Overall, 66 companies thought they were good enough to apply. But only three survived the scrutiny of on-site examiners and judges: Motorola Inc., the Commercial Nuclear Fuel Division of Westinghouse Electric Corp., and Globe Metallurgical Inc.

Nevertheless, the backers of the award chose to interpret the poor

showing positively. They viewed it as a hopeful sign that companies realize their limitations, and decided to work at improving themselves. The judges have been encouraged to keep their standards high and not feel pressured to pick the best of the worst just for the sake of handing out all six awards.

Those who have been instrumental in setting up the program stress that the standards are rigorous. Though privately some concede that the application, examination and judging process can't match the demands of the Deming, they say the objective of the U.S. award is different.

"The Deming has existed for more than 35 years, ours for months," said Curt Reimann, associate director for quality programs at the Commerce Department's National Institute of Standards and Technology, which manages the award program. "We are having a large and growing impact. Many, many companies are using the [application] guidelines for self-assessment and many are entering the competition for the value of the feedback they hope to get."

Companies that win the award agree to share their strategies, thus spreading the gospel of quality improvement.

"Our telephone never stops ringing," said Richard C. Buetow, Motorola's director of quality. "We probably have dealt with 160 companies since the beginning of this year."

The hope is that world-class competitors like Motorola will impart to their disciples the idea that perfection should be the goal and top-to

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Companies Working Hard For U.S. Quality Award

QUALITY, From D1

bottom quality management the approach.

Many companies that take a close look at their quality programs come to realize they have been taking a temporary approach to improving quality. Others mistakenly blame all their problems on employees rather than concentrating on improving all aspects of the business.

Armand V. Feigenbaum, a quality guru with an international consulting practice, said, "The essence of total quality control is the recognition that quality is a part of the organization from the executive office to the production floor."

Xerox Corp., for example, has been at it relentlessly for the last five years. Using an internal program called Leadership Through Quality, the company has lowered manufacturing costs, narrowed response times on service calls and dramatically cut the number of suppliers it uses.

"It is absolute dog work," said David T. Kearns, chairman of Xerox Corp. He added that it has not yet

been decided whether Xerox will apply for the Baldrige Award.

Florida Power & Light Co. in Miami believes it has come so far with the program it started eight years ago that it hopes to set a milestone in the quality annals by being the first American company to win Japan's ultimate quality award, the Deming.

"We're the only non-Japanese company that has ever applied," said Ken Sterett, director of quality improvement at Florida Power & Light. "I surprised the Japanese a little bit and it's a pretty major burden on them."

Most companies undergo two to three years of painstaking preparation, often with Japanese counselors before they even apply.

But for those who have their sight on the Baldrige, which will be given out in November, the philosophy is that it's not the winning that's important, but getting in shape to go for the award.

"You can't lose on the Baldrige," said Corning's Forrest. "If we test ourselves and understand where we have to improve, we're better for the effort. I don't see how anyone can lose."

THE WHITE HOUSE

Office of the Press Secretary

For Immediate Release

July 29, 1987

REMARKS BY THE PRESIDENT
AT MEMORIAL SERVICE FOR
MALCOLM BALDRIGE

The National Cathedral
Washington, D.C.

10:12 A.M. EDT

THE PRESIDENT: Midge, Megan, Molly, distinguished ladies and gentlemen, the day I called Mac Baldrige to ask him to join the Cabinet, I was told by Midge I would have to call back later. He was out on his horse roping and couldn't come to the phone. Right then I knew he was the kind of man I wanted.

It's a gift to be simple, we're told. If that means to hold simple, strong, and decent values, Mac had that gift.

You could see it in the way he moved around the White House. He seemed to know everyone -- not just those in the public eye, but the secretaries and assistants as well. And he treated everyone with the same measure of courtesy and respect -- from his driver to the President. He never judged a man or woman by rank or trappings. Despite his many remarkable successes, worldly success was not the way he measured people. No, money was not, position was not, qualities of character were. Honesty, courage, industry and humility. These were his yardsticks. And if you had these simple qualities, you'd made it in his eyes -- whether you were rich or poor, famous or unknown.

Language was one way he decided if you were his kind of person. It's well known now that he insisted on simple language in memos at the Commerce Department. He banned phrases that were vague or redundant. He once said that the thing he liked about cowboys was that they didn't talk unless they had something to say, and when they said something, they meant it.

To him, simple language did not mark a simple mind, but a strong and fearless one. It was a sign of those who didn't hide their meaning behind a cloud of ambiguous words.

Mac, of course, never hid his opinions. Even if the tide was against him, he was forceful and clear and unflinching. I always knew where he stood, and so did the country. I could always count on him for the truth as he saw it -- no matter how unpleasant or unpopular. There were times the Cabinet came down on an issue 12-to-1, and he was on the short end. But I knew that if he believed something that others didn't, he wouldn't reign himself in and follow the herd. He would step forward and be clear.

What I'm saying about Mac Baldrige adds up to a simple but extraordinary quality that I would call, more than anything else, "American." In his directness, in his honesty, in his independence, in his disregard for rank, in his courage, he embodied the best of the American spirit. I suppose we think of that spirit as living most of all in cowboys. And that's why I've always suspected that it was more than just roping and his place here in Washington that got Mac voted into the Cowboy Hall of Fame. He belonged there. It was in his blood. It was in his heart and soul.

MORE

Let me say a word about his many contributions to his country. These were not simple, although they were built on simple principles -- principles like his reverence for the independence of the American character, for the freedom that lets independence flourish, and for the opportunities of a free society.

Mac was an architect of American international economic policy during years in which that policy moved to center stage. He also helped shape our policy towards East-West trade in a period in which that was a source of new questions and concerns. And perhaps the least recognized of his major achievements was the securing of trade ties with China. In just four years since his 1983 visit to China, trade has become a pillar of the Sino-American relationship.

To contribute so much required skill and persistence -- qualities Mac had in abundance. It also required vision -- vision not only for dealing with immediate issues, but for the future of the entire world and its economy, as well.

I always prized the quality of Mac's vision. He had the capacity to look up from the dust of the plains to the distant mountains. He never forgot that all the skirmishes and battles over trade policy that we have here in Washington and around the world have one final goal. We're building a world in which our children and grandchildren will live. And we who love freedom and revere the dignity of humanity, have a sacred duty to make that an open world of real hope and abundant opportunity, a world in which the spirit of freedom -- yes, what you might call that part of the American spirit that lives in all of mankind -- in which that spirit can ride across an open range towards the peaks beyond.

I'm told that Mac's staff had orders to interrupt him at whatever time of the day with calls from only two people. I was one. And any cowboy who rang up was the other. Well, I'm honored to have been in that company. Mac, as we know, left us while he was doing what he loved most. And now, whenever any of us wants to ring him up, we'll have to remind ourselves that he's out on a horse somewhere and we'll just have to wait. Yet in his simplicity, he has entered the company of the men and women who have shaped our nation and its destiny. And he will live in that company forever.

Yes, there is sorrow, but the sorrow is with us and for us. We must believe that door is opened that God promised and he has just gone through that door into another life where there is no more pain, no more sorrow, and we must believe that we, too, will one day go through that door and join him again.

Thank you. God bless you.

END

10:18 A.M. EDT

INSIDERS

BEHIND THE SCENES IN THE WORLD OF BUSINESS

A Baldrige for Xerox, Milliken

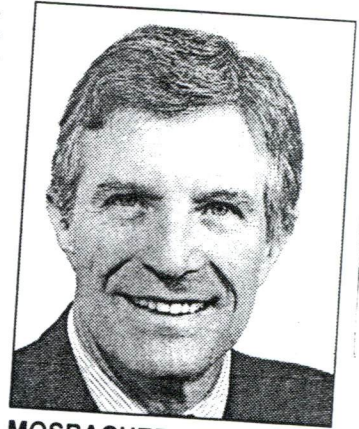
The secret has leaked out. **Xerox Corp.** and **Milliken & Co.** will be honored by **President Bush** Thursday with the **Malcolm Baldrige National Quality Award**.

The names of the winners have been closely guarded by the Commerce Department. But Xerox and Milliken have reportedly bested 38 other applicants for the prestigious prize. The award was created in 1987 in memory of Baldrige, the former Commerce Secretary who was killed in a rodeo accident.

The Baldrige recognizes companies that have made quality the primary focus of everything they do. To regain market share against the Japanese, Xerox has vastly improved the quality of its copiers. Milliken, a textile firm, has made similar strides.

Thursday, at the Commerce Department, Bush and Commerce Secretary **Robert Mosbacher** are expected to present the awards.

In any given year, up to six companies — two manufacturers, two service firms and two small businesses — can win a Baldrige Award. This year, more than 60,000 firms asked



MOSBACHER: Expected to present awards Thursday

for applications. Only 40 firms applied, primarily because it's extremely difficult to comply.

Corning Inc. spent 7,000 hours preparing its Baldrige application, says **David Luther**, Corning's senior vice president for quality. "This award shows what it takes to be really, really good."

In 1988, 66 firms applied. Three won: **Motorola**, **Westinghouse's** nuclear fuel division and **Globe Metallurgical**.

— John Hillkirk

Davis/Martin
Oct. 30, 1989
Title: Award
Draft: Two

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
MALCOLM BALDRIGE HALL, COMMERCE DEPARTMENT
10:30 a.m., Thursday, Nov. 2, 1989**

((Midge Baldrige -- other acknowledgements to come.))

In just a few moments, it will be my pleasure to present awards named after a great public servant and a very close and dear friend -- the late Malcolm Baldrige.

So let me begin than with a few words about Mac. He had a zest for life, a love of family and a love of country that was uncommon. He was an outstanding Secretary of Commerce for six and a half years. And he was also an outstanding friend: Mac's word of honor was as good as a twenty-dollar gold piece.

But he never quite fit any mold. This was the President of a successful company who spent a lot of his time with volunteer firemen. This was a son of the East who rode horses and loved his place in New Mexico. He felt at home with cowboys, because he roped with them all his life.

You would never have known it from his friendly, easy-going manner, but Mac was also a perfectionist, in word and deed. As a leader in business, Mac strived for quality products; as Commerce Secretary, for quality in public policies. Even the language of his memos was lean and exact. ((In fact, Mac had a special computer software program for Commerce Department documents; one that automatically weeded out jargon words like "impacted,"

377-2867

Pat Corcan

377-3934

find B.J. correct of that
Mike Farrell
spid it was
correct of that
could
some words.
-SEB

"viable" and "infrastructure". It was a sort of Gramm-Rudman cut of the English language.))

Yet, like all perfectionists, Malcolm Baldrige knew that perfection is not attainable. Rather, it is a never ending quest for the **unattainable**. His life was such a quest, one that leaves us with a profound insight: A truly successful man or woman is someone who has served others.

Companies, like people, also succeed or fail to the extent to which they provide service. This is true for the humblest mom and pop operation and the largest corporation alike.

The improvement of quality in products and service is a national priority as never before. In recent years, Americans have felt the sting of fierce new competition on a global scale. And after the initial shock, we have learned to take foreign competition -- not as an excuse to close doors and raise protective barriers -- but as an incentive to renew our commitment to excellence.

American managers have reconsidered every time-honored belief, every traditional practice, every customary procedure. They have embraced what works, and rejected the rest. They have studied examples of innovation from home and abroad, and adopted only the best. And we now know the result of this historic reassessment: **When it comes to meeting the competition, America is back in business.**\\

We are here today to honor two companies that are leading this resurgence in American business leadership. Most companies

catch unmitigated hell from the competition. But these two companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Of course, in business, success is its own reward. Yet all American firms benefit by having a standard of excellence to imitate, match and perhaps one day to surpass. For in 1989, there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- Milliken & Company and the Xerox Corporation.

Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by intense foreign and domestic competition. In the midst of this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment; and the drive to win back their share of the market.

Both companies started down this path of reassessment with a simple premise: there is only one definition of quality -- the customer's definition. And then they proceeded from this one premise to restructure their production and marketing plans. Sounds simple. But I know, as a former businessman myself, how difficult it is to restructure a firm, top-to-bottom. In fact, to tell you the truth, it's impossible.

Today's winners learned that it is possible for a firm to restructure itself only from the bottom, up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the

intelligence, judgment and good character of the people it employs.

There are as many successful forms of management as there are successful companies. But for these two companies, success came when they developed their human, as well as their technological, potential.

Milliken, for example, is a 124-year-old textile manufacturer in South Carolina. But its management style is sheer 21st Century. Milliken scrapped the old management hierarchy, in favor of what they call a "flat management structure." \\((Good thing they're not a tire company.))\\ Milliken even gave a new title to its employees, calling them "associates." This is no hollow accolade from public relations. Every Milliken employee truly **is** an associate. In fact, any Milliken worker has the power to halt the production line if he or she detects a problem in quality or safety.

Our other winner takes a similar approach with its Team Xerox philosophy. Xerox employees are given the authority they need to make day-to-day decisions. They are, the company says, expected to take the initiative in finding and fixing problems. And they do. While every manager works, every worker is managing.

One of the best things about this award, is that it allows successful companies to share what they have learned; to set an example. ((Perhaps these two companies should merge. Can you

imagine it?\\ Your wardrobe wouldn't just be coordinated;\\ it would be collated.))

Many firms will learn a great deal from their example. Others will need to follow their own path. But one lesson is applicable to all: quality products and service is no accident. It is the result of a certain can-do, no-excuses attitude -- an aggressive impatience with the status quo -- even in the best of times. It is this attitude, more than anything else, that is responsible for the creation of wealth and jobs we have seen in the last seven years.

In these years, our total national wealth has grown by almost a third. We have created more than twenty million new jobs. And we are still enjoying the rewards of what has proven to be the longest peacetime expansion in American history.

Given the right policies -- and a reduced capital gains tax would certainly be one -- this expansion will continue. And given the right tools, the American people can reach even greater heights. The potential of this nation is as boundless as the imagination and drive of the American people. All we have to do for our citizens is what these two companies have done for their employees -- give them the freedom to do what they do best. Freedom to imagine. Freedom to create. Freedom to excel.

Our winners had such freedom, and they made the most of it. I give my heartiest congratulations to them. Thank you, God bless you and God bless America.

#

EXECUTIVE SECRETARIAT
DEPARTMENT OF COMMERCE
FAX No. 202 377 5264

DATE: 10/18
TO: Christine Martin
FAX NO. 456-6218
TELEPHONE NO. 456-1414 ?!
FROM: Lauren McDonald
TELEPHONE NO. 377-5300
NUMBER OF PAGES (including this page): 15



UNITED STATES DEPARTMENT OF COMMERCE
Office of the Deputy Secretary
Washington, DC 20230

October 18, 1989

Christine Martin:

The following is from the Malcolm Baldrige National Quality Award 1989 Application Guidelines. I have a tremendous amount of material on the Award which is available to you, but we might want to visit by phone first so you get the specific information you need. Please reach me at 377-5300, or 377-4625.

Thank you.

Lauren
Lauren McDonald

*also some info
from NIST
JMi*

PRESS RELEASE

THE VICE PRESIDENT
OFFICE OF THE PRESS SECRETARY

FOR IMMEDIATE RELEASE
Sunday, July 26, 1987

CONTACT: 202/456-6772

STATEMENT BY THE VICE PRESIDENT

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THE WHITE HOUSE
WASHINGTON

October 18, 1989

MEMORANDUM FOR THE PRESIDENT:

THROUGH: CHRISS WINSTON *W*
FROM: CHRISTINA MARTIN *mm*
SUBJECT: Malcolm Baldrige

On Nov. 2, 1989, you will announce the winners of the 1989 Malcolm Baldrige National Quality Awards. The awards were established in August, 1987 to serve as the centerpiece of a national initiative to improve quality management. This is believed to be the first step in providing U.S. industry with the incentive needed to challenge Japan which is currently considered the world's highest quality producer.

In your remarks we would like to pay tribute to Malcolm Baldrige. Any comments you could provide in the way of personal anecdotes or fond memories would be greatly appreciated. Thank you.

Davis/Martin
Oct. 25, 1989
Title: Award
Draft: One

PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATL. QUALITY AWARD
COMMERCE DEPARTMENT
((10 a.m.)) Thursday, Nov. 2, 1989

Malcolm Baldrige Hall

10:30 am

Amb. Hills,

((Acknowledgements))

presenting
two

In just a few moments, it will be my pleasure to bestow an award named after a great public servant and a very close and dear friend -- the late Malcolm Baldrige.

You would never have known it from his friendly, easy-going manner, but Malcolm was a perfectionist, in word and deed. As a leader in business, Malcolm strived for quality products; as Commerce Secretary, for quality in public policies. Even the language of his memos was lean and exact.

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~~((Baldrige quotes to come))~~

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have felt the sting of fierce new competition on a global scale. And after the initial shock, we have learned to take foreign competition -- not as an excuse to close doors and raise protective barriers -- but as an incentive to renew our commitment to excellence.

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Of course, in business, success is its own reward. Yet all American firms benefit by having a standard of excellence to imitate, match and perhaps one day to surpass. For in 1989, there can be no higher standard of quality management than those provided by the winners of the Malcolm Baldrige National Quality Award -- the Smith and the Jones Companies.

Both of these manufacturing firms were well-established leaders in their markets. Yet both were being steadily squeezed out by intense foreign and domestic competition. In the midst of

this crisis, the men and women of these companies found within themselves the will to make a painstaking reassessment; and the drive to win back their share of the market.

Both companies started down this path of reassessment with a simple premise: there is only one definition of quality -- the customer's definition. And then they proceeded from this one premise to restructure their production and marketing plans. Sounds simple. But I know, as a former businessman myself, how difficult it is to restructure a firm, top-to-bottom. In fact, to tell you the truth, it's impossible.

Today's winners learned that it is possible for a firm to restructure itself only from the bottom, up. They know that a company can no longer afford to regard employees as automatons in a production line. They know that a company must rely on the intelligence, judgment and good character of the people it employs.

Kidding aside, there are as many successful forms of management as there are successful companies. But for these two companies, success came when they developed their human, as well as their technological, potential.

Smith, for example, is a long-time manufacturer. But it's management style is sheer 21st Century. Smith scrapped the old management hierarchy, in favor of what they call a "flat management structure." ((Good thing they're not a tire company.))\ Smith even gave a new title to its employees, calling them "associates." This is no hollow accolade from

public relations. Every Smith employee truly **is** an associate. In fact, any Smith worker has the power to halt the production line if he or she detects a problem in quality or safety.

Our other winner takes a similar approach with its ((company logo to come)) philosophy. Jones employees are given the authority they need to make day-to-day decisions. They are, the company says, expected to take the initiative in finding and fixing problems. And they do. While every manager works, every worker is managing.

One of the best things about this award, is that it allows successful companies to share what they have learned; to set an example. Many firms will learn a great deal from their example. Others will need to follow their own path. But one lesson is applicable to all: quality products and service is no accident. It is the result of a certain can-do, no-excuses attitude -- an aggressive impatience with the status quo -- even in the best of times. It is this attitude, more than anything else, that is responsible for the creation of wealth and jobs we have seen in the last seven years.

In these years, our total national wealth has grown by almost a third. We have created more than twenty million new jobs. And we are still enjoying the rewards of what has proven to be the longest peacetime expansion in American history.

Given the right policies -- and a reduced capital gains tax would certainly be one -- this expansion will continue. And given the right tools, the American people can reach even greater

heights. The potential of this nation is as boundless as the imagination and drive of the American people. All we have to do for our citizens is what these two companies have done for their employees -- give them the freedom to do what they do best. Freedom to imagine. Freedom to create. Freedom to excel.

Our winners had such freedom, and they made the most of it. I give my heartiest congratulations to them. Thank you, God bless you and God bless America.

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TELECOPIER COVER SHEET

**MALCOLM BALDRIGE
NATIONAL QUALITY AWARD
OFFICE**

Admin/A1123

National Institute of Standards and Technology (NIST)
[Formerly National Bureau of Standards (NBS)]
Gaithersburg, MD 20899

Date October 25, 1989

To: Name: Christina Martin

FAX # 456-6218

ORG. White House

Ext. 456-7750

From: Name: John S. Makulowich

FAX # 301-948-3716

ORG. NIST [Formerly NBS]

Ext. 301-975-2036

No. of Pages (including cover sheet): 8

Please confirm receipt of this transmission (301-975-2036).

Thank you.

1989 Winner of the Malcolm Baldrige National Quality Award

MILLIKEN & COMPANY

Ten years ago, Milliken, a major textile manufacturer long recognized for quality products and its use of state-of-the-art technology, chose not to leave well enough alone. Instead, the firm went looking for trouble and found it, not surprisingly, in Japan. What did surprise the firm's process-improvement specialists, however, was how some Japanese competitors achieved higher quality, less waste, greater productivity, and fewer customer complaints while using technology less advanced than Milliken's.

The reasons for the disparity, Milliken officials determined, lay in management approaches and in personnel practices that, along with technology, drive improvements in quality and efficiency. More important, senior management took the lesson to heart and, in 1981, implemented Milliken's Pursuit of Excellence (POE), a commitment to customer satisfaction that pervades all company levels. The results are improvements in what most competitors had already considered an enviable record of quality and performance. In independently conducted surveys, Milliken not only tops the competition in all 15 measures of customer satisfaction, but is widening the lead.

For the South Carolina-based company, the wisdom of a "customer-driven and quality-focused" approach to manufacturing and nonmanufacturing activities is verified

by the its business success. Since the early 1980s, productivity has increased 42 percent, sales have risen 33 percent, and profits have jumped 40 percent.

Company at a Glance

Headquartered in Spartanburg, S.C., the 124-year-old privately-owned company has a payroll of 14,300 workers, or "associates," most employed at Milliken's 47 manufacturing facilities in the United States. Its 28 businesses produce more than 48,000 different textile and chemical products--ranging from apparel fabrics and automotive fabrics to specialty chemicals and floor coverings--for more than 8,500 customers worldwide. Annual sales exceed \$1 billion.

Milliken's successful push for quality improvement has allowed it to increase U.S. sales even as imports grow at an annual rate of 10 percent, causing U.S. textile firms to close more than 1,000 plants and eliminate more than 350,000 jobs during the last decade. Not yielding to foreign competitors at home, Milliken is also prospering overseas. Its automotive fabrics business, for example, is now a major supplier of high-quality upholstery to Japanese and Korean car manufacturers.

casful

Pursuit of Excellence

Commitment to quality and customer satisfaction begins at the company's highest levels, with Roger Milliken, chief executive officer, and Thomas J.

Malone, chief operating officer, devoting more than half their time to matters related to Milliken's POE process. Through the Policy Committee and Quality Council, top management creates the environment and provides the leadership for quality improvement, and it closely monitors the progress of each company unit toward quality goals. Responsibility for meeting goals, however, clearly rests with each associate.

WORKERS ARE THE MANAGERS

The result is a flat management structure in which associates, working primarily in self-managed teams, have considerable authority and autonomy. Production work teams, for example, may undertake training, schedule work, and establish individual performance objectives. Moreover, any worker can halt a production process if he detects a quality or safety problem. The approach has worked so well that Milliken has eliminated nearly 700 management positions since 1981, increasing the ratio of production workers to managers by 77 percent.

Teams are a hallmark of what observers now call the Milliken Quality Process. In 1988, 1,600 Corrective Action Teams were formed to address specific manufacturing or other internal business problems, and about 200 Supplier Action Teams worked to improve Milliken's relationships with its suppliers. In addition, nearly 500 teams were formed to respond to the needs and aims of customers, including development of new products. Besides demonstrating a commitment to customer satisfaction, these Customer Action Teams created marketing

opportunities that generated \$37 million in additional sales revenue.

Complementing its many activities to realize and extend the capabilities of its workforce, Milliken invests heavily in training, spending about \$1,300 per associate in 1988. As a result of these and other efforts, Milliken's commitment to quality has so deeply penetrated the organization that it has generated a self-sustaining momentum, according to the judges who evaluated Milliken's application for the Malcolm Baldrige National Quality Award and who interviewed hundreds of employees.

Quality improvement measures are solidly based on factual information, contained in an array of standardized databases accessible from all Milliken facilities. Most manufacturing processes are under the scrutiny of real-time monitoring systems that detect errors and help pinpoint their causes. The resultant data, some analyzed with the aid of computerized expert systems, support process improvement efforts to predict and prevent the causes of errors. To speed progress in this area, Milliken has reassigned 20 percent of its production managers to analyzing and improving processes, including those in such nonmanufacturing areas as billing and customer service. Among the returns to these efforts is a substantial decrease in errors and, since 1981, a 60 percent reduction in the cost of nonconformance, which includes discounts for off quality, payment for freight on customer returns, and other cost items.

Milliken also maintains extensive databases on environmental and safety variables, on suppliers, and customers,

including the results of its extensive annual surveys of customer satisfaction. In addition, the company "benchmarks" the products and services of about 400 competitors, providing concrete measures for assessing its performance and for identifying marketing opportunities. Through this surveillance, Milliken determined, for example, that it trailed some competitors in meeting delivery targets. As a result, Milliken improved its record for on-time delivery from 75 percent in 1984 to an industry best of 99 percent in 1988.

At Milliken, the Pursuit of Excellence is an evolving process that continuously yields new ideas for enhancing quality, increasing customer satisfaction, and improving business performance. Each advance brings the innovative company closer its long-range goal of a production system that is fully responsive to customer needs, providing, as Milliken says, "products that customers want, in the quantity they want, when they want it."

1989 Winner of the Malcolm Baldrige National Quality Award

**XEROX CORPORATION
BUSINESS PRODUCTS & SYSTEMS**

For its first 15 years, Xerox was without equal, best in an industry whose products were synonymous with its name. But challenges did come, from foreign and U.S. competitors that, beginning in the mid-1970s, surpassed Xerox reprographic products in both cost and quality.

Not even second best in some product categories, Xerox launched an ambitious quality improvement program in 1983 to arrest its decline in the world market it created. Today, the company can once again claim the title as the industry's best in nearly all copier-product markets. As a result, Xerox has not only halted loss of world market share, but has reversed it.

Xerox, headquartered in Stamford, Conn., attributes the turnaround to its strategy of "leadership through quality." It defines quality through the eyes of the customer, and perhaps more so than any other company--inside and outside the copier industry--Xerox knows what customers want in products and services. Analyses of a wide variety of information, gathered with exhaustive data-collection efforts that include monthly surveys of 55,000 Xerox equipment owners, enables the company to identify customer requirements. The company uses this information to develop concrete business plans with measurable targets for achieving

improvements in quality necessary to meet these requirements.

Xerox at a Glance

One of two Xerox Corp. businesses, Business Products and Systems (BP&S) employs 50,200 people at 83 U.S. locations. BP&S makes more than 250 types of document-processing equipment, generating \$6 billion in 1988 U.S. sales, or 54 percent of Xerox's domestic revenues. Copiers and other duplicating equipment account for nearly 70 percent of BP&S revenues; the remainder is divided among sales of electronic printers and typing equipment, workstations, and software products.

Xerox introduced the world's first plain-paper copier in 1959, and to this day is the largest provider of copiers and electronic printers. Nearly 30 percent of the more than 4 million copiers installed in the United States are Xerox machines. In the 1970s, however, the company began surrendering market share to Japanese firms that offered low- to medium-price copiers and to several large U.S. companies that concentrated on the high end of the market.

Leadership through Quality

Xerox management has made quality improvement and, ultimately, customer satisfaction the job of every employee,

Miliken:

Spartanburg, SC
Lafayette, GA
Marietta (MARIETTA) SC

Xerox:

Monroe Co.
Webster, NY
*Rochester, NY
El Segundo, CA

NO MORE AUTOMATION

all of whom have received at least 28 hours of training in problem-solving and quality control. Managers, schooled in statistical process control and other advanced methods, serve largely as teachers and coaches. Workers are vested with considerable authority over day-to-day work decisions, and they are expected to take the initiative in identifying and correcting problems that affect the quality of products or services. Both salaried and hourly personnel have embraced these added responsibilities. The 1989 labor contract, for example, pledges employee support to "continuous quality improvement while reducing quality costs through teamwork and the tools and processes of Leadership Through Quality."

As the contract suggests, "Team Xerox," the slogan affixed to company stationery, is not a gimmick phrase. It accurately reflects the firm's approach to tackling quality issues. Xerox estimates that 75 percent of its workers are members of at least one of more than 7,000 quality improvement teams. In 1988, teams in manufacturing and development were credited with saving \$116 million by reducing scrap, tightening production schedules, and devising other efficiency- and quality-enhancing measures.

Teamwork also characterizes Xerox's relationship with many of its 480 suppliers. Firms credit Xerox's "process qualification" initiative, including assistance in implementing quality control measures, with improving their products and operations. For Xerox, increasing reliance on its qualified suppliers over the last five years has reduced the number of defective parts

reaching the production line by 73 percent.

Planning of new products and services is based on detailed analyses of data organized in some 375 information management systems, including 175 specific to planning, managing, and evaluating quality improvement. Much of this wealth of data has been amassed through an extensive network of market surveillance and customer feedback, all designed to support systematic evaluation of customer requirements. Over half of the company's marketing-research budget is allocated for this purpose, and each year its Customer Service Measurement System tracks the behavior and preferences of about 200,000 owners of Xerox equipment.

In its quest to elevate its products and services to world-class status, Xerox has devised a benchmarking system that itself is worthy of the distinction. The company measures its performance in about 240 key areas of product, service, and business performance. Derived from international studies, the ultimate target for each attribute is the level of performance achieved by the world leader, regardless of industry. Xerox's benchmark for meeting daily production schedules, for example, is the near-perfect record achieved by a U.S. engine manufacturer.

Returns to Xerox's strategy for continuous quality improvement have materialized quickly. Gains in quality over the last five years include a 78 percent decrease in the number of defects per 100 machines; greatly increased product reliability, as measured by a 40 percent decrease in

unscheduled maintenance; increasing copy quality, strengthening Xerox's position as world leader; a 27 percent drop (nearly two hours) in service response time; and significant reductions in labor and material overhead. These improvements have enabled Xerox to take additional steps to distinguish itself from the competition, such as being the first in the industry to offer a three-year product warranty.

Customers have noticed the improvements. In 1984, competitors' machines ranked highest in customer satisfaction in all six product categories, according to Xerox surveys. Today, Xerox copiers top five of the six categories. Not coincidentally, the increase in customer satisfaction parallels Xerox's gain in world market share over the same span.



UNITED STATES DEPARTMENT OF COMMERCE
National Institute of Standards and Technology (NIST)
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MALCOLM BALDRIGE
NATIONAL QUALITY AWARD
ANNUAL DATA
November 2, 1989

	<u>Mfrs</u>	<u>Service</u>	<u>Sm Busn</u>	<u>Total</u>	<u>% TTL</u>
1988					
Applications	45	9	12	66	
Site Visits	10	2	1	13	20%
Awards	2	0	1	3	5%

- ▶ Motorola, Inc
- ▶ Commercial Nuclear Fuel Division, Westinghouse Electric Corporation
- ▶ Globe Metallurgical, Inc.

	<u>Mfrs</u>	<u>Service</u>	<u>Sm Busn</u>	<u>Total</u>	<u>% TTL</u>
1989					
Applications	23	6	11	40	
Site Visits	8	2	0	10	25%
Awards	2	0	0	2	5%

- ▶ Milliken & Company
- ▶ Xerox Corporation

	<u>Mfrs</u>	<u>Service</u>	<u>Sm Busn</u>	<u>Total</u>	<u>% TTL</u>
1988-89 TOTALS					
Applications	68	15	23	106	
Site Visits	18	2	1	23	22%
Awards	4	0	1	5	5%

TELECOPIER COVER SHEET

**MALCOLM BALDRIGE
NATIONAL QUALITY AWARD
OFFICE**

Admin/A1123

National Institute of Standards and Technology (NIST)
[Formerly National Bureau of Standards (NBS)]
Gaithersburg, MD 20899Date October 25, 1989To: Name: Christina MartinFAX # 456-6218ORG. White HouseExt. 456-7750From: Name: John S. MakulowichFAX # 301-948-3716ORG. NIST [Formerly NBS]Ext. 301-975-2036No. of Pages (including cover sheet): 8Please confirm receipt of this transmission (301-975-2036).

Thank you.

1989

**MALCOLM BALDRIGE
NATIONAL QUALITY AWARD
QUESTIONS AND ANSWERS**

1. How do you define quality?

The award criteria themselves serve as a de facto definition of total quality management.

2. Doesn't the award amount to a product or service endorsement for the winners?

The award program does not endorse products. The award--by legislation--is for total quality management. We would expect a high correlation between good quality management and products and services.

3. How many firms applied for this year's Malcolm Baldrige National Quality Award?

Forty (40) firms sent in their applications by the May 5 deadline. That number includes 23 companies in manufacturing, 6 in service, and 11 in small business. Last year there were 66 applications--45 in manufacturing, 9 in service, and 12 in small business.

4. Why did fewer companies apply for the award in 1989 compared to 1988?

Based on the experience of other rigorous competitions, the challenging nature of the award criteria, and the stringent review demonstrated in the first award cycle, the Malcolm Baldrige National Quality Award Board of Overseers expected a decline in applications as companies start to develop long-range plans for quality. Companies themselves realized that the first year's winners had been involved in quality improvement for many years. Generally, award managers believe that the decrease reflects a new awareness by U.S. industry that the demands in achieving world-class quality--mirrored in the application--are more formidable than anticipated. Many companies have indicated their interest in applying in 1990, 1991--even as late as 1994. And we are seeing a growing interest in total quality management; the companies actively supporting and participating in quality management account for more than \$2 trillion in products and services.

5. Do fewer applications imply that there is declining interest in quality?

No. The award management received requests for over 63,000 application guidelines on the 1989 award, compared with about 12,000 in all of 1988. The guidelines double as a quality improvement checklist and thousands of manufacturing and service companies are known to be using it for self-assessment. Many firms are now preparing to submit an application for the award in the future; they realize that the winners last year had been practicing total quality management for several years prior to the initiation of the award. By way of comparison, the Deming Award receives about 5 to 10 applications annually. Yet that Award has been a major contributor to Japan's quality movement.

6. What indications are there that interest in total quality management is growing?

We see rapidly growing interest from a variety of sectors, including Federal, health care, education, and state and local. One example is the Federal Quality Institute. A number of major U.S. companies, including Motorola and IBM, have contacted their suppliers with the suggestion that meeting these guidelines will soon be part of the requirement for doing business with them. This involves thousands of suppliers. Also, the three award winners are deluged with requests to speak. Overall, NIST managers, the 1988 award winners, members of the Board of Examiners, and members of the Consortium were asked to make over 1,000 speeches on quality throughout the United States. Currently, about 50 requests for information arrive daily--even though the award deadline has passed. Conversations between company executives and the award staff testify to the desire of companies to measure themselves against the best firms, and the best attainable.

7. In what ways do the applicants differ this year from those who applied last year?

Because there is now one year of experience and information available, we are seeing a uniformly higher caliber of application. Part of the reason is that applicants are more attuned to the criteria; another part is that there is extensive networking among executives, who are willingly sharing and providing assistance on the issues of quality. As a result, there are deeper level discussions on the different approaches to answering the examination's nearly 200 questions. All of which enhances the credibility of the Award and reinforces the legitimacy of the process.

8. Can you briefly describe the process involved in selecting the winners? How do you guarantee against undue influence?

On average, each of the companies site visited had from 350 to 400 hours of review overall from some 17 examiners. The four-stage process covers the multiple review of the application, its scoring, the recommendation for the site visit, the site visit itself--that lasts from three to four days and involves five examiners--a site report, and the evaluation of the reports and final recommendation of the winning companies by the nine-member Panel of Judges. Their recommendation is forwarded to the director of NIST who in turn certifies their results to the Commerce Secretary for his final approval. Examiner assignments are made to insure a conflict-free process.

9. Now that you have two years of applications, what areas do you believe are most in need of attention by manufacturers, services, and small businesses if they are to achieve the level of quality demand by the Baldrige Award criteria?

First and foremost is the commitment of top management to a total quality management program. Another area that demands attention is competitive comparison, also called benchmarking, or comparing your company against the best in the industry as well as the best in the world. A third area is the collection and analysis of quantitative data. A fourth area is customer satisfaction. Overall, companies need to begin taking a systems approach to quality management, rather than isolating on particular aspects of their firm.

10. Given the number of winners in 1989 and in 1988, are you reviewing the stiffness of the criteria?

We are committed to holding out a standard that is respected internationally, one that can serve as a road map to world-class quality. We continually review the criteria from the standpoint of the continuous improvement process. We don't think the criteria are too stiff, if by that you mean too few companies can satisfy them. The Award is meant to identify, recognize and hold up as a model companies that are truly world-class quality, that is, can compete successfully in the international arena against the best in the world. No one ever said that would be easy, Award or no Award.

11. How do you think Japanese or European companies would fare in the competition using the Baldrige criteria?

The criteria can be used by Japanese or European companies to self-assess their total quality management. In fact, a Japanese magazine translated the entire application guidelines recently, which includes the criteria. In that sense, the criteria are transnational and cross-cultural. And they were created with that in mind. The criteria are being used in the Far East and are of great interest in Europe.

12. Do you consider the Baldrige Award program a success? If so, what evidence supports your opinion?

Interest is growing faster than anyone expected. Most important to us, we see the seeds of a national quality initiative, one spanning not just corporations, but education, health care, and the public sector. We see executives from the top corporations taking seriously the criteria and the role they can play in improving their companies. We see success in the number of letters for guidelines, in the request for speeches, and in the level of interest in the media. We also see a growing interest among individuals to become involved in the process, for example, as examiners.

13. How long would you estimate it takes to design, develop, and install a total quality management system in a standard company?

Based on the experience of the winners, it would appear to take several years for larger companies to put a system in place that could properly be called total quality management. It would take less time for a smaller company.

14. Among what types of companies is interest in the Baldrige Award strongest? Why is that?

We have found interest strongest among export companies and those serving export customers and markets. That seems so because they are more likely to be competing internationally and have more resources to bring to bear to implement and/or improve their quality management. Those companies in more intensely competitive industries, for example, electronics, computers, and automobiles, also appear to be more interested at this time. These companies are experiencing the effects of the continuous improvement of their competition. No one stands still in the race for quality improvement.

15. Could you provide data on the categories for the first two years?

A total of 106 applications were submitted, 68 from manufacturers, 15 from service companies, and 23 from small business. Twenty three, or 22 percent, of those applicants were site visited. A total of five awards were presented.

16. **The Deming Award was won by a domestic American company for the first time. An issue was raised of the cost required to win. Could you give some idea of how much companies spend on trying to win the Baldrige Award? How much is it worth to a company?**

You would need to ask each company individually how much they spend on trying to win the Award. I would hazard that very little is spent on winning the Award, especially in comparison with what is spent on improving quality management systems. Pursuit of the Award leads to permanent improvement in the company--regardless of whether the Award is won. That's worth a lot to any company. Companies use the challenge of the Award process as a management technique to improve quality.

17. **How is this program different from the Japanese Deming Award? Is this just a U.S. version?**

The basic purposes of both awards are the same: to promote recognition of quality achievements and to raise awareness of the importance and techniques of quality. The U.S. award:

- ▶ is more results and service oriented;
- ▶ reflects the diversity of our society and depends upon the broad involvement of many different professional and trade groups;
- ▶ provides special credits for innovative approaches to quality;
- ▶ includes a strong customer focus; and
- ▶ stresses the importance of information transfer.

18. **Did the award to these companies mean they are the best in the U.S.?**

The award winners are truly excellent companies. However, any competition is defined by who applies. In this case, the judges held to a very high standard and sought examples of outstanding total quality management. We give the winners credit for very high levels of excellence.

19. **When can we expect to see improvements in quality in American companies?**

American companies are making improvements, but the competition is not standing still either. Overall, multinational companies seem more attuned to the importance of quality and we think that will spread to the U.S. This award is helping.

1988

**MALCOLM BALDRIGE
NATIONAL QUALITY AWARD
QUESTIONS AND ANSWERS**

1. **Doesn't the award amount to a product or service endorsement for the winners?**

The award program does not endorse products. The award--by legislation--is for total quality management. We would expect a high correlation between good quality management and products and services.

2. **Why did so few companies submit an application for the award?**

We are very satisfied with the number of applications received. This is the first year of the award program. Many companies decided to wait until they are more prepared. Most applications were filed on the last day, indicating that in the first year it was difficult to review the application, develop a response, clear the application, and submit. Of the companies working closely with us and strongly supporting us, only about 15 to 20 percent applied. This shows a strong interest in the award and points to a strong future.

3. **Why are there no awards in the service category?**

There are many good service companies in the U.S. and there were several good applications in 1988. We see excellent progress as well as the need for more time and results. We are very optimistic about service award winners in the future.

4. **Did the award to these companies mean they are the best in the U.S.?**

The award winners are truly excellent companies. However, any competition is defined by who applies. In this case, the judges held to a very high standard and sought examples of outstanding total quality management. We give the winners credit for very high levels of excellence.

5. In judging customer satisfaction, did you check Consumer Reports, for example?

No. This competition was not an evaluation of products or services; the award is for total quality management. Companies are asked to provide information on products and/or services in several places in the application, with weight given to objective reports and surveys. Companies are asked for detailed information on customer dealings and complaints.

6. There is a \$1,500 application fee. Isn't that high, and doesn't it make it unlikely that small companies will be able to apply?

This is not a federally funded program. The Foundation for the award uses privately raised funds to pay for publications, reports, examiner training, awards, and the award ceremony. The fees charged to applicants pay for review and feedback. In fact, the cost to companies at market rates would be \$6,000 to \$10,000 per application. This cost was held down because of volunteers and the small reimbursement. Many companies have told us that they value this "health check", and feel that the experience was worth the cost. We heard very few complaints about the fee from small companies, and do not believe it kept the better applicants away.

7. What was the exact connection between the examiners, overseers, and winning?

None. The examiners and overseers found out today who won. We followed strict conflict of interest rules. The Foundation and overseers had no influence on the decision and no knowledge about the winners until today. The examiners had limited involvement and assignments were carefully made to avoid any conflict of interest.

8. How is this program different from the Japanese Deming Award? Is this just a U.S. version?

The basic purposes of both awards are the same: to promote recognition of quality achievements and to raise awareness of the importance and techniques of quality. The U.S. award:

- ▶ is more results and service oriented;
- ▶ reflects the diversity of our society and depends upon the broad involvement of many different professional and trade groups;
- ▶ provides special credits for innovative approaches to quality;
- ▶ includes a strong customer focus; and
- ▶ stresses the importance of information transfer.

9. What about quality in government?

Many efforts have been started by the government. The most recent is the Federal Quality Institute created in June of this year.

10. Could you give a breakout of minority and women-owned businesses that submitted applications?

We did not ask companies to identify themselves by these categories, nor do we plan to in the future. Quality is not a function of these categories.

11. When can we expect to see improvements in quality in American companies?

American companies are making improvements, but the competition is not standing still either. Overall, multinational companies seem more attuned to the importance of quality and we think that will spread to the U.S. This award should help.

12. Will you choose new examiners each year? What about the learning curve?

We will have some turnover and some expansion. We feel that alumni will help both to promote the program and be effective users of the quality criteria in their own companies.

THE WHITE HOUSE
WASHINGTON

SCHEDULE OF THE PRESIDENT

FOR

WASHINGTON, D.C.

THURSDAY, NOVEMBER 2, 1989

EVENTS:

Private Meeting with Secretary Mosbacher
Staff Photo with Board of Trustees of Malcolm Baldrige National
Quality Awards
Presentation of 1989 Malcolm Baldrige National Quality Awards

DRESS:

Men - Business Suit
Women - Day Dress

CONTACT:

Office of Presidential Advance
John G. Keller, Jr. - 202/456-7565

Trip Coordinator
Lucy Muckerman - 202/456-7565

ADVANCE:

Kim Kimball - LEAD
Steven Ross - PRESS
Vincent O'Neill - USSS
David Bonwit - MIL. AIDE
Jerry George - WHCA

WEATHER:

Partly Cloudy, Low 60's

10:22 am THE PRESIDENT, accompanied by Secretary Mosbacher, arrives Annex Area of Malcolm Baldrige Great Hall and begins participation in Staff Photo.

10:24 am THE PRESIDENT concludes participation in Staff Photo and, accompanied by Secretary Mosbacher, proceeds to Holding Room.

10:25 am THE PRESIDENT, accompanied by Secretary Mosbacher and Mrs. Midge Baldrige, arrives Holding Room and holds briefly.

10:28 am THE PRESIDENT, accompanied by Secretary Mosbacher, departs Holding Room and proceeds to Off-Stage Announcement Area.

10:29 am THE PRESIDENT, accompanied by Secretary Mosbacher, arrives Off-Stage Announcement Area and holds briefly.

EVENT: PRESENTATION OF 1989 MALCOLM BALDRIGE NATIONAL QUALITY AWARDS

OPEN PRESS

RUFFLES AND FLOURISHES

OFF-STAGE ANNOUNCEMENT

HAIL TO THE CHIEF

BRIEF REMARKS

AWARDS PRESENTATION

10:30 am THE PRESIDENT, accompanied by Secretary Mosbacher, is announced onto Stage, proceeds to Seat and is seated.

10:31 am THE PRESIDENT is introduced for Brief Remarks by Secretary Mosbacher.

10:33 am THE PRESIDENT gives Brief Remarks.

10:38 am THE PRESIDENT concludes Brief Remarks begins participation in Awards Presentation.

10:43 am THE PRESIDENT concludes participation in Awards Presentation.

10:44 am Secretary Mosbacher concludes Program.

10:45 am THE PRESIDENT, accompanied by Secretary Mosbacher, departs Stage and proceeds to Holding Room.

10:46 am THE PRESIDENT, accompanied by Secretary Mosbacher, arrives Holding Room and holds briefly.

10:48 am THE PRESIDENT departs Holding Room and proceeds to Motorcade.

10:49 am THE PRESIDENT boards Motorcade and departs Department of Commerce en route White House.

MOTORCADE ASSIGNMENTS:

Lead	J. Parmer
Spare	T. McBride Doctor
LIMO	THE PRESIDENT

Follow Up

Control

Gov. Sununu
S. Rogich
Mil. Aide

Support

M. Fitzwater
Official Photographer
Medic

Staff I

E. Rogers
D. Bates

Press Van I

J. Allison

Press Van II

(Drive Time: 3 Minutes)

10:52 am

THE PRESIDENT arrives White House.

Flt # 484

4:00

4:00

7:30 Kennedy golf

bat.

Sunday - brunch

12:00

1:00

Tentative