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Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Speechwriting, White House Office of
Series: Speech File Draft Files
Subseries: Chron File, 1989-1993

OA/ID Number: 13552
Folder ID Number: 13552-004

Folder Title:
Malcolm Baldrige Quality Awards-Dep. of Commerce 12/13/90 [OA 6028]

Stack:	Row:	Section:	Shelf:	Position:
G	26	16	6	2

THE WHITE HOUSE
WASHINGTON

December 11, 1990

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON *W*
FROM: MARK DAVIS *MD*
SUBJECT: MALCOLM BALDRIDGE NATIONAL QUALITY AWARDS

On Thursday, Decmeber 13, at 11:15 a.m., you will address the attendees of the Malcolm Baldrige National Quality Awards at the Department of Commerce. Secretary Mosbacher will introduce you, and your remarks, 8-10 minutes in length, will be on cards.

Davis/Blymire
Title: Award
Date: Dec. 11, 1990
Draft: Two

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATIONAL QUALITY AWARDS
GRAND HALL, DEPARTMENT OF COMMERCE
11:15 A.M., THURSDAY, DECEMBER 13, 1990**

((Secretary Mosbacher, Deputy Secretary Murrin, Secretaries Brady and Lujan, Cadillac General Manager John Grettenberger, John Akers -- IBM's Chairman of the Board, Frederick Smith -- CEO, President, and Chairman of the Board of Federal Express, and John Wallace -- CEO of the Wallace Company. Welcome and congratulations.))

We are here today to present four awards named for a man dedicated to quality -- quality in public service as a Secretary of Commerce, and quality as a good friend to so many of us in this room.

Malcolm Baldrige was also a leader in business. And when it came to business, he knew that quality cannot be assured with a slogan or an ad campaign. It begins with winning and keeping business. It begins with the understanding that only customers can define quality. In short, it begins and ends with the unsentimental judgment of the market.

Once, quality separated winning firms from sluggish ones. That time has long since passed. With the fierce competition of the international market, quality means survival -- nothing less.

The renewed commitment by America to quality can be seen in the explosion of applications to receive the Baldrige Award. In

just a few years, the National Quality Award has literally become the standard of business excellence.

The renewed spirit of excellence in business -- of making quality an integral part of America's corporate strategy -- has truly made us more competitive in the international arena. Exports have already increased nearly 8 percent from year ago levels and the figures keep rising.

To compete and win in the international arena, U.S. companies are simply going to have to offer products and services that are world-class. That is the purpose behind this award -- and it is a national purpose.

So we are here today not only to honor four firms, but to promote an awareness of quality in American business, and to share successful management strategies -- strategies that can sharpen America's lead in the world marketplace.

Each of these companies offers unique lessons. But these four companies also found success in a few basic principles.

They learned that "quality control" cannot be imposed from top to bottom.

They understand that quality management must cut through organization charts, across departments and offices. A "quality culture" does not depend on titles and job descriptions.

Finally, these winning companies also realize that they are only as strong as the intelligence, judgment, and character of their employees.

This year the Malcolm Baldrige National Quality Award is going to all three award categories: manufacturing, small business and for the first time -- service.

The winners with us today were selected from a population of American organizations that requested more than 180,000 application guidelines this year. What I said of last year's honorees applies today: Most companies catch hell from the competition. But these companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Three of our winners are household names. Let me start with IBM Rochester -- a company that proves that quality coupled with employee training and education is good business. In fact, IBM Rochester spends five times the national average on education and training. Just one reason why IBM Rochester is globally competitive.

The next recipient is another household name, the first automotive company to earn this award -- Cadillac. When many companies speak of quality changes, they speak of improvements in management. This company speaks of a "culture change" -- a clear recognition that Cadillac knows that quality begins with the morale and ideas of its people. Cadillac executives, plant managers, and union representatives all have worked together to help win this award. Quality councils are at work at each of the companies seven major facilities, supported by hundreds of company teams. Cadillac shows that labor-management cooperation yields quality results.

The next recipient is Federal Express -- the first large service company to earn this award. This is a critical recognition, because so much of our work force and our national wealth comes from the service sector. And Federal Express is simply nothing less than a model for all other service corporations.

From ground zero in 1973, Federal Express has shot up to one of the world's largest transportation companies, with more than 90,000 employees making one-and-a-half million shipments daily.

As with IBM Rochester and Cadillac, the secret of success for Federal Express is its training and reliance on its employees. With a no-layoff philosophy and extensive training, Federal Express attracts top-notch, motivated people. In fact, during the last five years, nearly 100 percent of Federal Express employees surveyed responded that they were proud to be a part of their company.

That is why Federal Express delivers. All American workers should feel they are as much a part of their companies.

Which brings me to the Wallace Company of Houston, the first small service business to be recognized. This family-owned firm extends its family approach to all of Wallace's 280 skilled and well-trained employees -- people who think of themselves as "associates."

The Wallace Company proves that quality is not just for the Fortune Five Hundred. This small distributor of industrial goods not only survived the recent rough economic times in Houston. It

proved that even in tough times you can still commit to long-term improvements in quality.

In business, success is its own reward. But the men and women of these four firms have given all Americans a standard of excellence. A standard to emulate. A standard to surpass.

They have proven that quality management is not just a strategy: it must be a new style of working, even a new style of thinking. A dedication to quality and excellence is more than good business. It is a way of life -- giving something back to society, offering your best to others.

For that, you have my admiration, and my heartiest congratulations to every single American worker you represent. Thank you and may God bless you all.

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WHITE HOUSE STAFFING MEMORANDUM

30 OCT 10 9:24

DATE: 12/10/90

ACTION/CONCURRENCE/COMMENT DUE BY: 12/11/90 2:00 PM

SUBJECT: PRESIDENTIAL REMARKS: BALDRIDGE QUALITY AWARD

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	✓ MCCLURE <i>N/C</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
✓ SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	✓ PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
✓ DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
✓ DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	✓ PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>2816</i> GRAY <i>N/C Nelson Lundt</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
✓ HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 2:00 PM, Tuesday, December 11, with a copy to my office. Thank you.

RESPONSE:

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

90 DEC 10 PM 4:18

Davis/Blymire
Title: Award
Date: Dec. 5, 1990
Draft: One

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATIONAL QUALITY AWARDS
DEPARTMENT OF COMMERCE
11:15 A.M., THURSDAY, DECEMBER 13, 1990**

((Acknowledgements -- Secretary Mosbacher, ~~Midge Baldrige~~))

We are here today to present ^{four} an award named for a man dedicated to quality -- quality in public service as a Secretary of Commerce, and quality as a good friend to so many of us in this room.

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Once, quality separated winning firms from sluggish ones. That time has long since passed. With the fierce competition of the international market, quality means survival -- nothing less.

In the 1950s, American companies generally competed only against each other. Today, American companies may face a dozen competitors from a dozen countries. Some would turn their backs on this challenge. But we cannot beat the competition by ignoring them or hiding behind the moats and heavy walls of an economic Fortress America. We must compete and we must win. \\\

To win, U.S. companies are simply going to have to offer products and services that are world-class. That is the purpose behind this award -- and it is a national purpose.

So we are ~~not~~ here today, ^{not only} to ~~only~~ honor four firms, ^{but} ~~We are~~ ~~here~~ to promote an awareness of quality in American business, and to share successful management strategies -- strategies that can sharpen America's lead in the world marketplace.

Each of these companies offers unique lessons. But these four companies also found success in a few basic principles.

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Finally, these winning companies also realize that ~~modern industry requires more than muscle-power from robot-like workers.~~ Today's ^{companies they} industries are only as strong as the intelligence, judgment and character of ^{their} its employees.

This year, ~~for the first time~~, the Malcolm Baldrige National Quality Award is going to all three award categories: manufacturing, ~~service and small business~~, ^{and for the first time - service.} Our ~~fourth honoree is~~ the first small service business to be recognized.

(more to P. 4) A
The winners with us today were selected from a population of American ^{organizations} companies that requested more than 180,000 application guidelines this year. What I said of last year's honorees applies today: Most companies catch hell from the competition.

But these companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Three of our winners are household names. Let me start with IBM, Rochester -- a company that proves that ^{quality coupled with} employee training and education is good business. In fact, IBM, ^{Rochester} spends five times the national average on education and training. ~~And IBM puts its own products to good use, giving its employees access to 11,000 terminals and worldwide information.~~ Just one reason why IBM is globally competitive.

The next recipient is another household name, the first ^{automotive} car company to earn this award -- Cadillac. When many companies speak of quality changes, they speak of improvements in management. This company speaks of a "culture change" -- a clear recognition that Cadillac knows that quality begins with the morale and ideas of its people. In fact, Cadillac has so much confidence in what its employees can produce, it ^{has} ~~is~~ ^{ed} expanding its warranty from 1 year ^{or} and 12,000 miles, to 4 years and ^{or 50,000,} ~~112,000~~ miles.

Sounds expensive, but it isn't. Cadillac ~~can afford to be generous with its customers because~~ quality improvement has led to a ^{significant} 29 percent drop in warranty-related costs. Some managers think of quality improvement as costly. Cadillac proves that quality saves money and yields an immediate return.

The next recipient is ~~the~~ Federal Express Company -- the first large service company to earn this award. This is a critical recognition, because so much of our work force and our

national wealth comes from the service sector. And Federal Express is simply nothing less than a model for all other service corporations.

From ground zero in 1973, Federal Express has shot up to *one of the world's largest transportation companies* ((Fortune 500 status)), with *more than* 90,000 employees making one-and-a-half million shipments daily.

As with IBM, *Robbester* and Cadillac, the secret of success for Federal Express is its training and reliance on its *employees* workers. With a no-layoff philosophy and extensive training, Federal Express attracts top-notch, motivated people. In fact, during the last five years, *nearly 100* at least 91 percent of Federal Express employees surveyed responded that they were proud to be a part of their company.

That is why Federal Express delivers. All American workers should feel they are as much a part of their companies.

Which brings me to the Wallace Company of Houston, *A* This family-owned firm extends its family approach to all of Wallace's 288 ^{*D*} skilled and well-trained employees -- people who think of themselves as "associates." *(B.F.)*

The Wallace Company proves that quality is not just for the Fortune Five Hundred. This small distributor of industrial goods not only survived the recent rough economic times in Houston. *It* They ~~took the chance to prove~~ *d* that, *even* in tough times you can ~~make~~ the ~~opportunity to~~ *still* commit to long-term improvements in quality.

In business, success is its own reward. But the men and women of these four firms have given all Americans a standard of

excellence. ~~A standard to study.~~ A standard to emulate. A standard to surpass.

They have proven that quality management is not just a strategy: it must be a new style of working, ~~even~~ a new style of thinking. A dedication to quality ^{and excellence} is more than business. It is a way of life -- giving something back to society, offering your best to others.

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9662

Document No. _____

WHITE HOUSE STAFFING MEMORANDUM

30 DEC 13 P2:21

DATE: 12/10/90

ACTION/CONCURRENCE/COMMENT DUE BY: 12/11/90 2:00 PM

SUBJECT: PRESIDENTIAL REMARKS: BALDRIDGE QUALITY AWARD

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 2:00 PM, Tuesday, December 11, with a copy to my office. Thank you.

RESPONSE:

December 13, 1990

TO: CHRISS WINSTON

The NSC concurs with the attached.

R. Scowcroft
Brent Scowcroft

cc: James Cicconi

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

90 DEC 10 PM 4:18

Davis/Blymire
Title: Award
Date: Dec. 5, 1990
Draft: One

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DEPARTMENT OF COMMERCE
11:15 A.M., THURSDAY, DECEMBER 13, 1990**

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WHITE HOUSE STAFFING MEMORANDUM
 90 DEC 12 P2:18

DATE: 12/12/90 ACTION/CONCURRENCE/COMMENT DUE BY: ----
 PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATIONAL QUALITY AWARDS
 GRAND HALL, DEPARTMENT OF COMMERCE
 SUBJECT: THURSDAY, DECEMBER 13, 1990
11:15 AM

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PORTER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGICH	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input type="checkbox"/>	<input checked="" type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
GRAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PETERSMEYER	<input type="checkbox"/>	<input checked="" type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input type="checkbox"/>	<input checked="" type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

The attached has been forwarded to the President.

RESPONSE:

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

THE WHITE HOUSE

WASHINGTON

90 DEC 11 PM 7:04

December 11, 1990

MEMORANDUM FOR THE PRESIDENT

THROUGH: CHRISS WINSTON (W)
FROM: MARK DAVIS MD
SUBJECT: MALCOLM BALDRIDGE NATIONAL QUALITY AWARDS

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Davis/Blymire
Title: Award
Date: Dec. 11, 1990
Draft: Two

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GRAND HALL, DEPARTMENT OF COMMERCE
11:15 A.M., THURSDAY, DECEMBER 13, 1990**

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THE WHITE HOUSE

WASHINGTON

90 OCT 10 P5: 26

December 11, 1990

MEMORANDUM TO CHRISS WINSTON

FROM: JIM PINKERTON

SUBJECT: Baldrige Quality Award

We suggest that this is an opportunity to make a point about government as well as business, viz.,

"...in a world where the pace and scope of change has intensified, these companies have responded. Government is no less immune to change. Government too must respond. Quality must be government's byword. The taxpayers too must get their money's worth. Government does not feel as keenly the feedback that the market sends to private enterprises like these. Since government is so often deprived of the market's instantaneous feedback, we must either inject government with a greater reliance on the market, or, where that is not possible, we must serve our customers too under continuously improving standards of quality."

But these companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Three of our winners are household names. Let us start with IBM, Rochester -- a company that proves that employee training and education is good business. In fact, IBM ^{Rochester} spends five times the national average on education and training. And IBM puts its own products to good use, giving its employees access to 11,000 terminals and worldwide information. Just one reason why IBM is globally competitive.

The next recipient is another household name, the first car company to earn this award -- Cadillac. When many companies speak of quality changes, they speak of improvements in management. This company speaks of a "culture change" -- a clear recognition that Cadillac knows that quality begins with the morale and ideas of its people.

In fact, Cadillac has so much confidence in what its employees can produce, it is expanding its warranty ~~from 1 year and 12,000 miles, to 4 years and 100,000 miles.~~ ^{or 39,000} miles.

~~Sounds expensive, but it isn't. Cadillac can afford to be generous with its customers because quality improvement has led to a ^{significant} drop in warranty-related costs. ~~Some~~ managers think of quality improvement as costly. Cadillac proves that quality saves money and yields an immediate return.~~

The next recipient is the Federal Express Company -- the first large service company to earn this award. This is a critical recognition, because so much of our work force and our

with...

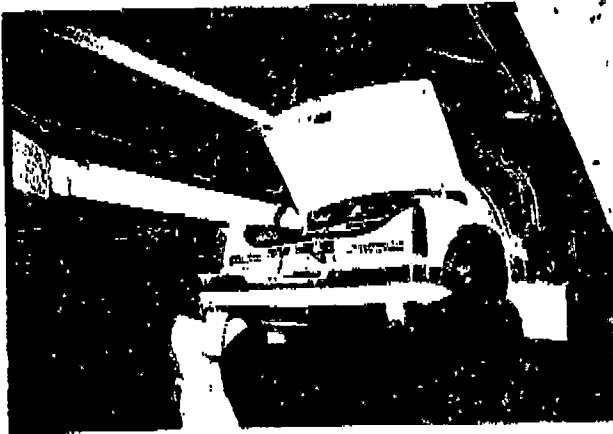
NEXT PAGE INSERT

Sounds like...

[FROM AWARD PROFILES]

Successes achieved by SE teams were the springboard to a complete transformation in Cadillac's quality culture. Partnerships with the United Auto Workers (UAW) have been a catalyst in this transformation. Along with Cadillac executives and plant managers, union leaders serve on the Divisional Quality Council, which is part of the UAW/OM Quality Network. At Cadillac, the Quality Network also includes plant councils at each of its seven major facilities, which are supported by the efforts of nearly 600 work teams and cross-functional teams, each composed of between 10 and 15 hourly and salaried employees.

Pledging to involve its employees "in the running of the business," Cadillac solicits the views of all employee teams during the preparation of its annual business plans,



which embody short- and long-term quality improvement goals. The open, yet disciplined, planning process, guided by analyses of information in more than 50 databases, culminates with the completion of detailed quality plans for plants and staff units. These plans translate business objectives into discrete measurable actions carried out by teams and individuals. Progress is closely monitored, and feedback is provided in weekly team meetings. Feedback is also provided through individual and team recognition awards.

A comprehensive program of competitive analyses—of products; product features; services; and planning, development, and manufacturing processes—provides Cadillac management and employees with a clear picture of what the division must do to maintain or achieve world-class status in each category.

Thorough planning is also a hallmark of Cadillac's "people strategy" for improving the effectiveness and job satisfaction of hourly and salaried employees' efforts. Especially close attention is paid to educational needs. Each plant and staff unit has a Training Priorities Committee to determine what skills and knowledge workers must have to accomplish quality goals, and training programs are crafted to individual needs. In 1990, for example, skilled hourly personnel will receive a minimum of 80 hours of formal instruction in such areas as quality

improvement, leadership skills, process modeling, statistical methods, and health and safety.

Suppliers and dealers also are fully integrated into Cadillac's customer-focused quality improvement efforts. Three-fourths of the division's 55 Product Development and Improvement Teams have suppliers as members. External suppliers must demonstrate continuous improvement in meeting "targets for excellence" in five key areas: quality, cost, delivery, technology, and management. A well-developed assessment and part qualification process assures conformance, eliminating the need for regular inspection of shipments.

In reliability and durability tests equivalent to 100,000 miles of customer use and 10 years of corrosion exposure, all models have improved markedly, as determined from measures of the "number of things gone wrong" during the test. For all nine models, the number of such problems decreased between 27 percent and 71 percent since 1986 or, for new models, since production began. In tests of 1990 and 1991 cars, nearly all models met or exceeded world-class levels for reliability and durability.

For the customer, these product improvements and Cadillac's commitment to improving service have resulted in expanded warranty coverage—to a minimum of four years or 50,000 miles, as compared with one year or 12,000 miles in 1988. Improved product quality, however, has resulted in a 29-percent drop in warranty-related costs during the first year or 12,000 miles, from 1986 to 1989.

In step with service and product quality, customer satisfaction has risen, as measured through extensive surveys and analyses of complaints handled by its 24-hour Customer Relations Center, for instance. On three key measures—satisfaction with cars, service, and total ownership experience—1985 customers rated Cadillac at about 70 percent. In 1989, Cadillac's scores in all three categories were 86 percent or better.



Cadillac

For more information, contact:
Rosetta M. Riley
Director, Customer Satisfaction
Cadillac Motor Car Company
2860 Clark St.
Detroit, MI 48232
Phone: 313-554-5700
Fax: 313-554-7789

or
Bill O'Neill
Director of Public Relations
Cadillac Motor Car Company
2860 Clark St.
Detroit, MI 48232
Phone: 313-554-5065
Fax: 313-554-5074

THE WHITE HOUSE

WASHINGTON

FACSIMILE TRANSMITTAL SHEET

NUMBER OF PAGES INCLUDING COVER 4DATE 12/11/90TO ChristinaFAX NUMBER x2983OFFICE NUMBER x7620COMMENTS Enclosed please find the suggested changes from the Awards office. The insert is taken from the "Award Profile" put out by Commerce. That is included, as well.FROM CarolOFFICE NUMBER x7750, now at x2980

THE WHITE HOUSE
WASHINGTON

Acknowledgements

Sec. Mosbacher

John Grettenberger (Gen. Mgr. Cad.; VP GM)

John Alkers (Ch. of the Board, IBM)

Frederick Smith (Ch. of the Bd, CEO, Pres. Fed Ex)

John Wallace (CEO, Wallace Co.)

THE WHITE HOUSE

WASHINGTON

December 11, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM:

CAROL BLYMIRE *CB*

SUBJECT:

FACT-CHECKING SUGGESTIONS/CHANGES

Chriss, below please find suggested changes for the Malcolm Baldrige National Quality Awards:

- Page 1, para.1, sent.1; delete the word "an" (there are four awards, not one), and make "award" plural.
- Page 1, para.1, sent.1; omit the word "also".
- Page 2, para.2, sent.1; delete entire first sentence. Rework to read "In honoring these four companies, we are also here to promote ..."
- Page 2, para.7, sent.2; sentence may confuse people. There are 4 awards in 3 categories. This makes it sound as if there are 4 categories. Maybe just move that sentence about the first small business service to the section about the Wallace Co.
- Page 3, para.2; IBM Rochester must be referred to as that and not just IBM. Paul Bergevin, Director of Media Relations, would like us to cut the sentence about 11,000 terminals because it's not unique to IBM Rochester. He prefers the following: (to be inserted before "a company that proves...") "Quality is nothing new to IBM Rochester. It started with their founder, Thomas Watson, Sr. who believed a business could be successful only if it maintained the highest level of quality. IBM Rochester has re-energized that vision so that the company now stands in the vanguard of quality."
- Page 3, para.3, sent.1; change "car" to "automotive". In sentence 4, change "it is expanding" to "has expanded", and change "112,000 miles" to "50,000 miles".
- Page 3, para.5, sent.1; omit "the".

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- Page 4, para.2; omit "((Fortune 500 status))" and insert "one of the world's largest transportation companies". Insert "more than" before "90,000".
- Page 4, para.3, sent.1; change "workers" to "employees". In sentence 3, omit "at least 91%" and insert "nearly 100%".
- Page 4,para.5, sent.2; change "288" to "280", and put "associates" in **boldface**.

o Acknowledgements to come tomorrow.

THE WHITE HOUSE

WASHINGTON

December 11, 1990

MEMORANDUM FOR CHRISS WINSTON

FROM: ROGER B. PORTER *RBP*

SUBJECT: Presidential Remarks: Baldrige Quality Award

The remarks express the importance of striving for quality and excellence in everything we do. We have noted comments on pages two and five of the attached draft which we believe could improve the President's message.

I have also attached a copy of a speech I recently delivered in Boston on this subject.

If you have any questions, please let me know.

cc: James W. Cicconi

WHITE HOUSE STAFFING MEMORANDUM

DATE: 12/10/90 ACTION/CONCURRENCE/COMMENT DUE BY: 12/11/90 2:00 PM

SUBJECT: PRESIDENTIAL REMARKS: BALDRIDGE QUALITY AWARD

	ACTION FYI			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 2:00 PM, Tuesday, December 11, with a copy to my office. Thank you.

RESPONSE:

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

90 DEC 10 PM 4:18

Davis/Blymire
Title: Award
Date: Dec. 5, 1990
Draft: One

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATIONAL QUALITY AWARDS
DEPARTMENT OF COMMERCE
11:15 A.M., THURSDAY, DECEMBER 13, 1990**

((Acknowledgements -- Secretary Mosbacher, Midge Baldrige))

We are here today to present an award named for a man dedicated to quality -- quality in public service as a Secretary of Commerce, and quality as a good friend to so many of us in this room.

Malcolm Baldrige was also a leader in business. And when it came to business, he knew that quality cannot be assured with a slogan or an ad campaign. It begins with winning and keeping business. It begins with the understanding that only customers can define quality. In short, it begins and ends with the unsentimental judgment of the market.

Once, quality separated winning firms from sluggish ones. That time has long since passed. With the fierce competition of the international market, quality means survival -- nothing less.

In the 1950s, American companies generally competed only against each other. Today, American companies may face a dozen competitors from a dozen countries. Some would turn their backs on this challenge. But we cannot beat the competition by ignoring them or hiding behind the moats and heavy walls of an economic Fortress America. We must compete and we must win. \\\

To win, U.S. companies are simply going to have to offer products and services that are world-class. That is the purpose behind this award -- and it is a national purpose.

So we are not here today to only honor four firms. We are here to promote an awareness of quality in American business, and to share successful management strategies -- strategies that can sharpen America's lead in the world marketplace.

Each of these companies offers unique lessons. But these four companies also found success in a few basic principles.

They learned that "quality control" cannot be imposed from top to bottom.

They understand that quality management must cut through organization charts, across departments and offices. ~~It must often ignore titles and status.~~ - A "QUALITY CULTURE" ^{does not} ~~depends~~ ^{ON TITLES AND JOB DESCRIPTIONS.}

~~Finally, these winning companies also realize that modern industry requires more than~~ ^{COMPANIES} ~~muscle-power from robot-like workers.~~ Today's ~~industries~~ are only as strong as the intelligence, judgment and character of its employees. Robot-like workers is OFFENSIVE

This year, for the first time, the Malcolm Baldrige National Quality Award is going to all three award categories: manufacturing, service and small business. Our fourth honoree is the first small service business to be recognized.

The winners with us today were selected from a population of American companies that requested more than 180,000 application guidelines this year. What I said of last year's honorees applies today: Most companies catch hell from the competition.

But these companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Three of our winners are household names. Let me start with IBM, Rochester -- a company that proves that employee training and education is good business. In fact, IBM spends five times the national average on education and training. And IBM puts its own products to good use, giving its employees access to 11,000 terminals and worldwide information. Just one reason why IBM is globally competitive.

The next recipient is another household name, the first car company to earn this award -- Cadillac. When many companies speak of quality changes, they speak of improvements in management. This company speaks of a "culture change" -- a clear recognition that Cadillac knows that quality begins with the morale and ideas of its people. In fact, Cadillac has so much confidence in what its employees can produce, it is expanding its warranty from 1 year and 12,000 miles, to 4 years and 112,000 miles.

Sounds expensive, but it isn't. Cadillac can afford to be generous with its customers because quality improvement has led to a 29 percent drop in warranty-related costs. Some managers think of quality improvement as costly. Cadillac proves that quality ~~saves money~~ and yields an immediate return.

The next recipient is the Federal Express Company -- the first large service company to earn this award. This is a critical recognition, because so much of our work force and our

national wealth comes from the service sector. And Federal Express is simply nothing less than a model for all other service corporations.

From ground zero in 1973, Federal Express has shot up to ((Fortune 500 status)), with 90,000 employees making one-and-a-half million shipments daily.

As with IBM and Cadillac, the secret of success for Federal Express is its training and reliance on its workers. With a no-layoff philosophy and extensive training, Federal Express attracts top-notch, motivated people. In fact, during the last five years, at least 91 percent of Federal Express employees surveyed responded that they were proud to be a part of their company.

That is why Federal Express delivers. All American workers should feel they are as much a part of their companies.

Which brings me to the Wallace Company of Houston. This family-owned firm extends its family approach to all of Wallace's 288 skilled and well-trained employees -- people who think of themselves as "associates."

The Wallace Company proves that quality is not just for the Fortune Five Hundred. This small distributor of industrial goods not only survived the recent rough economic times in Houston. They took the chance to prove that in tough times you can make the opportunity to commit to long-term improvements in quality.

In business, success is its own reward. But the men and women of these four firms have given all Americans a standard of

excellence. A standard to study. A standard to emulate. A standard to surpass.

They have proven that quality management is not just a strategy: it must be a new style of working, even a new style of thinking. ^{THE QUEST FOR EXCELLENCE} ~~A dedication to quality~~ ^{GOOD} is more than business. It is a way of life -- giving something back to society, offering your best to others.

For that, you have my admiration, and my heartiest congratulations to every single American worker you represent. Thank you and may God bless you all.

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THE WHITE HOUSE
WASHINGTON

90 OCT 17 11 30 AM '90

TO: *Chris Winston*

FROM: CLARK KENT ERVIN
Office of National Service
Room 100, OEOB
x6266 *CE*

- Action
- Your Comment
- Let's Talk
- FYI

*Attached are our comments on
the Bolkeigh speech.*

WHITE HOUSE STAFFING MEMORANDUM

DATE: 12/10/90 ACTION/CONCURRENCE/COMMENT DUE BY: 12/11/90 2:00 PM

SUBJECT: PRESIDENTIAL REMARKS: BALDRIDGE QUALITY AWARD

	ACTION FYI			ACTION	FYI
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
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HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 2:00 PM, Tuesday, December 11, with a copy to my office. Thank you.

RESPONSE:

90 OCT 10 01 100 06

James W. Cicconi
Assistant to the President
and Deputy to the Chief of Staff
Ext. 2702

90 DEC 10 PM 4:18

Davis/Blymire
Title: Award
Date: Dec. 5, 1990
Draft: One

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11:15 A.M., THURSDAY, DECEMBER 13, 1990**

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Once, quality separated winning firms from sluggish ones. That time has long since passed. With the fierce competition of the international market, quality means survival -- nothing less.

In the 1950s, American companies generally competed only against each other. Today, American companies may face a dozen competitors from a dozen countries. Some would turn their backs on this challenge. But we cannot beat the competition by ignoring them or hiding behind the moats and heavy walls of an economic Fortress America. We must compete and we must win. \\\

To win, U.S. companies are simply going to have to offer products and services that are world-class. That is the purpose behind this award -- and it is a national purpose.

So we are not here today to only honor four firms. We are here to promote an awareness of quality in American business, and to share successful management strategies -- strategies that can sharpen America's lead in the world marketplace.

Each of these companies offers unique lessons. But these four companies also found success in a few basic principles.

They learned that "quality control" cannot be imposed from top to bottom.

They understand that quality management must cut through organization charts, across departments and offices. It must often ignore titles and status.

Finally, these winning companies also realize that modern industry requires more than muscle-power from robot-like workers. Today's industries are only as strong as the intelligence, judgment and character of its employees.

This year, for the first time, the Malcolm Baldrige National Quality Award is going to all three award categories: manufacturing, service and small business. Our fourth honoree is the first small service business to be recognized.

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(Not Presidential)

fight hard to stay ahead of

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IV

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For that, you have my admiration, and my heartiest congratulations to every single American worker you represent. Thank you and may God bless you all.

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WHITE HOUSE STAFFING MEMORANDUM


90 OCT 10 09:42

DATE: 12/10/90

ACTION/CONCURRENCE/COMMENT DUE BY:

12/11/90 2:00 PM

SUBJECT: PRESIDENTIAL REMARKS: BALDRIDGE QUALITY AWARD

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
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DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 2:00 PM, Tuesday, December 11, with a copy to my office. Thank you.

RESPONSE:

S.R. Think we should include brief paragraph - A line or two - on Moss Barker in view of the fact the event is At Commerce. A friend to Moss Barker forward, perhaps.

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

90DEC 10 PM 4:18

Davis/Blymire
Title: Award
Date: Dec. 5, 1990
Draft: One

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For that, you have my admiration, and my heartiest congratulations to every single American worker you represent. Thank you and may God bless you all.

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WHITE HOUSE STAFFING MEMORANDUM

90 OCT 10 7 21 20

DATE: 12/10/90

ACTION/CONCURRENCE/COMMENT DUE BY: 12/11/90 2:00 PM

SUBJECT: PRESIDENTIAL REMARKS: BALDRIDGE QUALITY AWARD

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY 	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to **Chriss Winston**, Rm. 122, x2930, no later than 2:00 PM, Tuesday, December 11, with a copy to my office. Thank you.

RESPONSE:

See Comments. Thanks.

Holly Williamson

12-11-90

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

90 DEC 10 PM 4:18

Davis/Blymire
Title: Award
Date: Dec. 5, 1990
Draft: One

**PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATIONAL QUALITY AWARDS
DEPARTMENT OF COMMERCE
11:15 A.M., THURSDAY, DECEMBER 13, 1990**

((Acknowledgements -- Secretary Mosbacher, ~~Midge Baldrige~~)

*(Commerce)
Midge will
not
be
there.*

We are here today to present an award named for a man dedicated to quality -- quality in public service as a Secretary of Commerce, and quality as a good friend to so many of us in this room.

Malcolm Baldrige was also a leader in business. And when it came to business, he knew that quality cannot be assured with a slogan or an ad campaign. It begins with winning and keeping business. It begins with the understanding that only customers can define quality. In short, it begins and ends with the unsentimental judgment of the market.

Once, quality separated winning firms from sluggish ones. That time has long since passed. With the fierce competition of the international market, quality means survival -- nothing less.

In the 1950s, American companies generally competed only against each other. Today, American companies may face a dozen competitors from a dozen countries. Some would turn their backs on this challenge. But we cannot beat the competition by ignoring them or hiding behind the moats and heavy walls of an economic Fortress America. We must compete and we must win. \\\

To win, U.S. companies are simply going to have to offer products and services that are world-class. That is the purpose behind this award -- and it is a national purpose.

So we are not here today to only honor four firms. We are here to promote an awareness of quality in American business, and to share successful management strategies -- strategies that can sharpen America's lead in the world marketplace.

Each of these companies offers unique lessons. But these four companies also found success in a few basic principles.

They learned that "quality control" cannot be imposed from top to bottom.

They understand that quality management must cut through organization charts, across departments and offices. It must often ignore titles and status.

Finally, these winning companies also realize that modern industry requires more than muscle-power, ~~from robot like workers.~~ Today's industries are only as strong as the intelligence, judgment and character of its employees.

This year, ~~for the first time,~~ the Malcolm Baldrige National Quality Award is going to all three award categories: manufacturing, ~~service and small business,~~ and for the first time, service. ~~Our fourth honoree is the first small service business to be recognized.~~

(Commerce) The winners with us today were selected from a population of American ^{organizations} ~~companies~~ that requested more than 180,000 application guidelines this year. What I said of last year's honorees applies today: Most companies catch hell from the competition.

But these companies are in the lead because no competitor gave them a tougher time than they gave themselves.

Three of our winners are household names. Let me start with IBM, Rochester -- a company that proves that employee training and education is good business. In fact, IBM ^{Rochester} spends five times ^(Commence) the national average on education and training. And IBM puts its own products to good use, giving its employees access to 11,000 terminals and worldwide information. Just one reason why IBM is globally competitive.

The next recipient is another household name, the first car company to earn this award -- Cadillac. When many companies speak of quality changes, they speak of improvements in management. This company speaks of a "culture change" -- a clear recognition that Cadillac knows that quality begins with the morale and ideas of its people. In fact, Cadillac has so much confidence in what its employees can produce, it ^{has} ~~is~~ ^{ed} expanding its ^(Commence) warranty from 1 year ^{or} ~~and~~ 12,000 miles, to 4 years and ^{50,000} ~~12,000~~ miles.

Sounds expensive, but it isn't. ~~Cadillac can afford to be~~ ^(Commence) ~~generous with its customers because~~ quality improvement has led to a ^{significant} ~~25 percent~~ drop in warranty-related costs. Some managers think of quality improvement as costly. Cadillac proves that quality saves money and yields an immediate return.

The next recipient is the Federal Express Company -- the first large service company to earn this award. This is a critical recognition, because so much of our work force and our

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For that, you have my admiration, and my heartiest congratulations to every single American worker you represent. Thank you and may God bless you all.

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Chriss: Please note that each time you say "IBM", you need to say "IBM Rochester." It's an important distinction (per Commerce.)
Thanks.

Davis/Blymire
 Title: Award
 Date: Dec. 5, 1990
 Draft: One

PRESIDENTIAL REMARKS: MALCOLM BALDRIGE NATIONAL QUALITY AWARDS
 ROOM 450
 11:15 A.M., THURSDAY, DECEMBER 13, 1990

((Acknowledgements -- Secretary Mosbacher, Midge Baldrige))

We are here today to present an award named for a man dedicated to quality -- quality in public service as a Secretary of Commerce, and quality as a ^{Good} friend ^{to many of us in this room,} ~~a friend of Presidents~~ and cowboys alike.

Malcolm Baldrige was also a leader in business. And when it came to business, he knew that quality cannot be assured with a slogan or an ad campaign. It begins with winning and keeping business. It begins with the understanding that only customers can ^{define} ~~establish what quality, ~~is~~ and who has it.~~ In short, it begins and ends with the unsentimental judgment of the market.

Once, quality separated blue-chip firms from sluggish ones. That time has long since passed. With the fierce competition of the international market, quality means survival for big and small firms alike -- nothing less.

In the 1950s, American companies ^{generally} ~~competed~~ only against each other. Today, American companies may face a dozen competitors from a dozen countries. Some would turn their backs on this challenge. But we cannot beat the competition by ignoring them or hiding behind the moats and heavy walls of an economic Fortress America. We must compete and we must win. \\\

2

To win, U.S. companies are simply going to have to offer products and services that are world-class. That is the purpose behind this award -- and it is a national purpose.

So we are not here today to only honor four firms. We are here to promote an awareness of quality in American business, and to share successful management strategies -- strategies that can sharpen America's lead in the world marketplace.

Each of these companies offers unique lessons. But these four companies also found success in a few basic principles.

They learned that "quality control" cannot be imposed from top to bottom.

They understand that quality management must cut through organization charts, across departments and offices. It must often ignore titles and honorifics.

Finally, these winning companies also realize that modern industry requires more than muscle-power from robot-like workers. Today's industries are only as strong as the intelligence, judgment and character of its employees.

This year, for the first time, the Malcolm Baldrige National Quality Award is going to all three award categories: manufacturing, service and small business. Our fourth honoree is the first small service business to be recognized.

The winners with us today were selected from a population of American companies that requested more than 180,000 application guidelines this year. What I said of last year's honorees applies today: Most companies catch hell from the competition.

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Three of our winners are household names. Let me start with IBM, Rochester -- a company that proves that employee training and education is good business. In fact, IBM spends five times the national average on education and training. And IBM puts its own products to good use, giving its employees access to 11,000 terminals and worldwide information. Just one reason why IBM is globally competitive.

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Davis/Blymire
Title: Award
Date: Dec. 5, 1990
Draft: One

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90 OCT 10
WHITE HOUSE STAFFING: MEMORANDUM

DATE: 12/10/90 ACTION/CONCURRENCE/COMMENT DUE BY: 12/11/90 2:00 PM

SUBJECT: PRESIDENTIAL REMARKS: BALDRIDGE QUALITY AWARD

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>	MCCLURE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SUNUNU	<input type="checkbox"/>	<input type="checkbox"/>	NEWMAN	<input type="checkbox"/>	<input type="checkbox"/>
SCOWCROFT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ROGICH	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	UNTERMAYER	<input type="checkbox"/>	<input type="checkbox"/>
CICCONI	<input type="checkbox"/>	<input checked="" type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
DEMAREST	<input checked="" type="checkbox"/>	<input type="checkbox"/>	WINSTON	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FITZWATER	<input type="checkbox"/>	<input checked="" type="checkbox"/>	PINKERTON	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GRAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PETERSMEYER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
HAGIN	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HOLIDAY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

Please forward any comments directly to Chriss Winston, Rm. 122, x2930, no later than 2:00 PM, Tuesday, December 11, with a copy to my office. Thank you.

RESPONSE:

See comment

James W. Cicconi
 Assistant to the President
 and Deputy to the Chief of Staff
 Ext. 2702

90 DEC 10 PM 4:18

Davis/Blymire
Title: Award
Date: Dec. 5, 1990
Draft: One

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DEPARTMENT OF COMMERCE
11:15 A.M., THURSDAY, DECEMBER 13, 1990**

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*HALL
(5178)*

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**MALCOLM BALDRIGE NATIONAL QUALITY AWARDS
DEPT. OF COMMERCE \ DECEMBER 13, 1990 \ 11:15 A.M.**

**DEPUTY SECRETARY MURRIN, SECRETARIES BRADY, LUJAN,
AND SKINNER. ACTING SECRETARY AT LABOR -- ROD
DEARMENT, ALLAN BROMLEY, RICHARD TRULY, CADILLAC
GENERAL MANAGER JOHN GRETTEBERGER; IBM CHAIRMAN OF THE
BOARD -- JOHN AKERS; CEO, PRESIDENT, AND CHAIRMAN OF
THE BOARD OF FEDERAL EXPRESS -- FREDERICK SMITH; JOHN
WALLACE -- CEO OF THE WALLACE COMPANY, MEMBERS OF
CONGRESS AND MEMBERS OF THE BALDRIDGE FAMILY. WELCOME
AND CONGRATULATIONS.**

- 2 -

**I WANT TO SINGLE OUT SECRETARY MOSBACHER. BOB, YOU
ARE DOING A SPLENDID JOB AS OUR COMMERCE SECRETARY -- A
QUALITY JOB FOR OUR ADMINISTRATION AND ALL AMERICANS.
WE ARE HERE TODAY TO PRESENT FOUR AWARDS NAMED FOR
ANOTHER MAN DEDICATED TO QUALITY -- QUALITY IN PUBLIC
SERVICE AS A SECRETARY OF COMMERCE, AND QUALITY AS A
GOOD FRIEND TO SO MANY OF US IN THIS ROOM.**

**MALCOLM BALDRIGE WAS ALSO A LEADER IN BUSINESS.
AND WHEN IT CAME TO BUSINESS, HE KNEW THAT QUALITY
CANNOT BE ASSURED WITH A SLOGAN OR AN AD CAMPAIGN.**

IT BEGINS WITH WINNING AND KEEPING BUSINESS. IT BEGINS WITH THE UNDERSTANDING THAT ONLY CUSTOMERS CAN DEFINE QUALITY. IN SHORT, IT BEGINS AND ENDS WITH THE UNSENTIMENTAL JUDGMENT OF THE MARKET.

ONCE, QUALITY SEPARATED WINNING FIRMS FROM SLUGGISH ONES. THAT TIME HAS LONG SINCE PASSED. WITH THE FIERCE COMPETITION OF THE INTERNATIONAL MARKET, QUALITY MEANS SURVIVAL -- NOTHING LESS.

THE RENEWED COMMITMENT BY AMERICA TO QUALITY CAN BE SEEN IN THE EXPLOSION OF APPLICATIONS TO RECEIVE THE BALDRIDGE AWARD. IN JUST A FEW YEARS, THE NATIONAL QUALITY AWARD HAS LITERALLY BECOME THE STANDARD OF BUSINESS EXCELLENCE.

THE RENEWED SPIRIT OF EXCELLENCE IN BUSINESS -- OF MAKING QUALITY AN INTEGRAL PART OF AMERICA'S CORPORATE STRATEGY -- HAS TRULY MADE US MORE COMPETITIVE IN THE INTERNATIONAL ARENA.

EXPORTS HAVE ALREADY INCREASED NEARLY 8 PERCENT FROM YEAR AGO LEVELS AND THE FIGURES KEEP RISING.

TO COMPETE AND WIN IN THE INTERNATIONAL ARENA, U.S. COMPANIES ARE SIMPLY GOING TO HAVE TO OFFER PRODUCTS AND SERVICES THAT ARE WORLD-CLASS. THAT IS THE PURPOSE BEHIND THIS AWARD -- AND IT IS A NATIONAL PURPOSE.

SO WE ARE HERE TODAY NOT ONLY TO HONOR FOUR FIRMS, BUT TO PROMOTE AN AWARENESS OF QUALITY IN AMERICAN BUSINESS, AND TO SHARE SUCCESSFUL MANAGEMENT STRATEGIES -- STRATEGIES THAT CAN SHARPEN AMERICA'S LEAD IN THE WORLD MARKETPLACE.

EACH OF THESE COMPANIES OFFERS UNIQUE LESSONS. BUT THESE FOUR COMPANIES ALSO FOUND SUCCESS IN A FEW BASIC PRINCIPLES.

THEY LEARNED THAT "QUALITY CONTROL" CANNOT BE IMPOSED FROM TOP TO BOTTOM.

THEY UNDERSTAND THAT QUALITY MANAGEMENT MUST CUT THROUGH ORGANIZATION CHARTS, ACROSS DEPARTMENTS AND OFFICES. A "QUALITY CULTURE" DOES NOT DEPEND ON TITLES AND JOB DESCRIPTIONS.

FINALLY, THESE WINNING COMPANIES ALSO REALIZE THAT THEY ARE ONLY AS STRONG AS THE INTELLIGENCE, JUDGMENT, AND CHARACTER OF THEIR EMPLOYEES.

THIS YEAR THE MALCOLM BALDRIGE NATIONAL QUALITY AWARD IS GOING TO ALL THREE AWARD CATEGORIES: MANUFACTURING, SMALL BUSINESS AND FOR THE FIRST TIME -- SERVICE.

THE WINNERS WITH US TODAY WERE SELECTED FROM A POPULATION OF AMERICAN ORGANIZATIONS THAT REQUESTED MORE THAN 180,000 APPLICATION GUIDELINES THIS YEAR. WHAT I SAID OF LAST YEAR'S HONOREES APPLIES TODAY: MOST COMPANIES CATCH HELL FROM THE COMPETITION.

BUT THESE COMPANIES ARE IN THE LEAD BECAUSE NO COMPETITOR GAVE THEM A TOUGHER TIME THAN THEY GAVE THEMSELVES.

THREE OF OUR WINNERS ARE HOUSEHOLD NAMES. LET ME START WITH IBM ROCHESTER -- A COMPANY THAT PROVES THAT QUALITY COUPLED WITH EMPLOYEE TRAINING AND EDUCATION IS GOOD BUSINESS. IN FACT, IBM ROCHESTER SPENDS FIVE TIMES THE NATIONAL AVERAGE ON EDUCATION AND TRAINING.

JUST ONE REASON WHY IBM ROCHESTER IS GLOBALLY COMPETITIVE.

THE NEXT RECIPIENT IS ANOTHER HOUSEHOLD NAME, THE FIRST AUTOMOTIVE COMPANY TO EARN THIS AWARD -- CADILLAC. WHEN MANY COMPANIES SPEAK OF QUALITY CHANGES, THEY SPEAK OF IMPROVEMENTS IN MANAGEMENT. THIS COMPANY SPEAKS OF A "CULTURE CHANGE" -- A CLEAR RECOGNITION THAT CADILLAC KNOWS THAT QUALITY BEGINS WITH THE MORALE AND IDEAS OF ITS PEOPLE.

CADILLAC EXECUTIVES, PLANT MANAGERS, AND UNION REPRESENTATIVES ALL HAVE WORKED TOGETHER TO HELP WIN THIS AWARD. QUALITY COUNCILS ARE AT WORK AT EACH OF THE COMPANIES SEVEN MAJOR FACILITIES, SUPPORTED BY HUNDREDS OF COMPANY TEAMS. CADILLAC SHOWS THAT LABOR-MANAGEMENT COOPERATION YIELDS QUALITY RESULTS.

THE NEXT RECIPIENT IS FEDERAL EXPRESS -- THE FIRST LARGE SERVICE COMPANY TO EARN THIS AWARD.

THIS IS A CRITICAL RECOGNITION, BECAUSE SO MUCH OF OUR WORK FORCE AND OUR NATIONAL WEALTH COMES FROM THE SERVICE SECTOR. AND FEDERAL EXPRESS IS SIMPLY NOTHING LESS THAN A MODEL FOR ALL OTHER SERVICE CORPORATIONS.

FROM GROUND ZERO IN 1973, FEDERAL EXPRESS HAS SHOT UP TO ONE OF THE WORLD'S LARGEST TRANSPORTATION COMPANIES, WITH MORE THAN 90,000 EMPLOYEES MAKING ONE-AND-A-HALF MILLION SHIPMENTS DAILY.

AS WITH IBM ROCHESTER AND CADILLAC, THE SECRET OF SUCCESS FOR FEDERAL EXPRESS IS ITS TRAINING AND RELIANCE ON ITS EMPLOYEES. WITH A NO-LAYOFF PHILOSOPHY AND EXTENSIVE TRAINING, FEDERAL EXPRESS ATTRACTS TOP-NOTCH, MOTIVATED PEOPLE. IN FACT, DURING THE LAST FIVE YEARS, NEARLY 100 PERCENT OF FEDERAL EXPRESS EMPLOYEES SURVEYED RESPONDED THAT THEY WERE PROUD TO BE A PART OF THEIR COMPANY.

THAT IS WHY FEDERAL EXPRESS DELIVERS. ALL AMERICAN WORKERS SHOULD FEEL THEY ARE AS MUCH A PART OF THEIR COMPANIES.

WHICH BRINGS ME TO THE WALLACE COMPANY OF HOUSTON, THE FIRST SMALL SERVICE BUSINESS TO BE RECOGNIZED. THIS FAMILY-OWNED FIRM EXTENDS ITS FAMILY APPROACH TO ALL OF WALLACE'S 280 SKILLED AND WELL-TRAINED EMPLOYEES -- PEOPLE WHO THINK OF THEMSELVES AS "ASSOCIATES."

THE WALLACE COMPANY PROVES THAT QUALITY IS NOT JUST FOR THE FORTUNE FIVE HUNDRED. THIS SMALL DISTRIBUTOR OF INDUSTRIAL GOODS NOT ONLY SURVIVED THE RECENT ROUGH ECONOMIC TIMES IN HOUSTON. IT PROVED THAT EVEN IN TOUGH TIMES YOU CAN STILL COMMIT TO LONG-TERM IMPROVEMENTS IN QUALITY.

IN BUSINESS, SUCCESS IS ITS OWN REWARD.

BUT THE MEN AND WOMEN OF THESE FOUR FIRMS HAVE GIVEN ALL AMERICANS A STANDARD OF EXCELLENCE. A STANDARD TO EMULATE. A STANDARD TO SURPASS.

THEY HAVE PROVEN THAT QUALITY MANAGEMENT IS NOT JUST A STRATEGY: IT MUST BE A NEW STYLE OF WORKING, EVEN A NEW STYLE OF THINKING. A DEDICATION TO QUALITY AND EXCELLENCE IS MORE THAN GOOD BUSINESS. IT IS A WAY OF LIFE -- GIVING SOMETHING BACK TO SOCIETY, OFFERING YOUR BEST TO OTHERS.

FOR THAT, YOU HAVE MY ADMIRATION, AND MY HEARTIEST
CONGRATULATIONS TO EVERY SINGLE AMERICAN WORKER YOU
REPRESENT. THANK YOU AND MAY GOD BLESS YOU ALL.

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