

HOW TO WIN THE BALDRIGE AWARD

(The following are excerpts of an article published in the April 23, 1990 issue of FORTUNE magazine.)

If all the eligible companies in the U.S. went for the Baldrige, the national growth rate of the GNP would rise by an extra half a percentage point.

—Robert Galvin, ex-chairman, Motorola

If you measure yourself against the criteria laid out by the Baldrige award, you have a blueprint for a better company.

—Jerry Junkins, CEO, Texas Instruments

The prize has no monetary value. It's a gold-plated medal encased in a crystal column 14 inches tall. Yet a lot of CEOs would give away lots of layers of vice presidents to win the thing.

In the three years since Congress created the Malcolm Baldrige National Quality Award, the honor has become the award of excellence in U.S. business. It means that the winner is producing goods or services that are equal to

any in the world—or so close that it's hard to tell the difference—and that their quality continues to improve. Not many U.S. companies appear to satisfy the rarefied standards the Baldrige judges set. Of the tens of thousands of eligible competitors (corporations or major units of them may enter) only 106 applied for the Baldrige in its first two years. And of the five winners so far, none reached the top-scoring category.

Winning isn't the only thing. Contestants discover that standing before the Baldrige examiners and judges reveals their strengths and weaknesses unsparingly. Merely entering the contest creates a competitive urgency that sharpens a company's quality efforts.

■ After winning in 1988, Motorola told 3,600 of its larger suppliers that they too must be prepared to compete—or else. Two hundred refuseniks have

been dropped.

■ Many companies that haven't yet competed for the award, including Cummins Engine, Next Inc. (CEO Steve Jobs, formerly of Apple Computers), Texas Instruments and 3M have made the Baldrige criteria their corporate standard. Next Inc. and Texas Instruments' Defense System Division will enter this year, the others when they think they are ready.

The Baldrige judges don't

look simply for first-rank products or services. Indeed, only two of the seven categories of questions they ask deal directly with product quality. They want to see quality in everything the company does: in accounting, training and management, as well as in relations with employees, suppliers and—above all—customers.

In short, the Baldrige itself is a continuously improving high-quality tool for improving quality.

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Competing
for a prize
creates an
artificial
crisis and
puts
pressure on
a company
to move
ahead fast.

EIGHT ESSENTIALS

Curt W. Reimann, director of the Malcolm Baldrige National Quality Award, lists eight critical factors that the examiners and judges look for:

- A plan to keep improving all operations continuously.
- A system for measuring these improvements accurately.
- A strategic plan based on benchmarks that compare the company's performance with the world's best.
- A close partnership with suppliers and customers that feeds improvements back into the operation.
- A deep understanding of the customers so that their wants can be translated into products.
- A long-lasting relationship with customers, going beyond the delivery of the product to include sales, service and ease of maintenance.
- A focus on preventing mistakes rather than merely correcting them.
- A commitment to improving quality that runs from the top of the organization to the bottom.

NEXT ISSUE—OMAHA STRIVES TO MEET BALDRIGE CRITERIA

3222 3222 3222 3222

If you're on the job and find you're not feeling well and suspect something might be wrong, here's what to do and not to do:

DO have your supervisor or fellow employee call the FIRE AND RESCUE EMERGENCY NUMBER (EXT. 3222).

If your supervisor isn't available, DON'T wait. Have a coworker call immediately.

DO give your location (by building and column number) to rescue personnel.

DON'T deny there might be a problem. It's better to be safe than sorry. DON'T insist that a problem is small. It might be, but then again, it might not.

DON'T try to walk to the medical organization. If something is wrong, walking could be the worse thing you could do.

PDC is busy assisting customers

The Product Display Center's been hop-pin' lately, with visits from representatives of the KANSAS INDEPENDENT NETWORK and product managers from ANIXTER interested in our EW&C line. High level managers from BELL SOUTH SERVICES also visited recently to discuss AT&T's 80, 51 and 90 type cabinets and IOWA POWER visited with our people about a fiber backbone installation. Lots of interest has also been shown by outside companies in the material flow control system (MFCS) developed by PHIL WARREN and his systems support people here at the Omaha Works.

**Fore!
Fore!
Fore!**

AT&T is again a corporate sponsor of the Mutual of Omaha Nebraska Pro/Am Golf Tournament at the Highland Country Club on Monday, June 18. Many nationally-ranked PGA

pros and area amateurs will be golfing. Proceeds from the charitable event support the Arts for the Handicapped program and other projects of the Junior League of Omaha.

SPECIAL PARKING CONDITIONS ON MONDAY, JUNE 18

AT&T will provide parking facilities for tournament patrons in the Bldg. 50 lot on Monday, June 18. A shuttle service to and from the golf course will be provided from 7:00 a.m. to 6:30 p.m.

Bldg. 50 employees are asked to use the east half of the lot and to please try to utilize your regular shift parking spaces as much as possible. If your shift area is full, other shift areas may be used on this day only. Overflow parking will be handled in the Bldg. 30 lot, but no change in the usual parking procedure in Bldg. 30 is anticipated. AT&T security people will be on the premises to assist with parking.

AT&T OMAHA TEAM WORKS

Status report as of June 13, 1990

We now have more than \$2 million in approved ideas!!!!

Ideas submitted		
Tangible	959	
Intangible	471	
Ideas Approved		
Tangible (approved)	100	\$1, 123,068
Intangible (implem.)	82	928,535
Intangible	186	
Ideas Not Approved		
Tangible	463	
Intangible	195	

Tips for Teams

Why not ask each of your team members to list three tasks they do on their job?

Have them bring these lists to your next team meeting. Then ask each member how they perform each task and why they do it that way.

Then everyone should ask "What if you did it this way?..."

This process may be just the thing to generate new ideas for your team.

What is the objective of quality?

Perfection.

TAKE A FRESH LOOK

Today—before you go home—take a look at your work area. Pretend you're a potential customer who hasn't been to the Omaha Works before.

Is the overall impression a good one? Or are the work areas cluttered and the break areas untidy?

Can you find litter where it shouldn't be? What about outdated information on bulletin boards and at the time clock?

If you were coming to your area for the first time, what would be your first impression?

You might consider giving your area a fresh look. Today!

Kanban system reduces work-in-process



Meet the kanban team...(standing, l. to r.), ETTA PECK, production control; JOHN HOHMAN, computer systems support; KEN MICEK, molding shop production specialist; VERN KLAUMANN, JR., 110 patch panel job; BOB BARNES, molding shop supervisor; RAY BELMUDEZ, molding shop supervisor; CHARITY SMITH, supervisor, 110 patch panel job.

IBU 596-8's Operator VERN KLAUMANN, JR. is a firm believer in the kanban system. Why? Because everyone's looking for a simple way to eliminate excess work-in-process and safety stock. A kanban system developed between the molding shop and the 110 patch panel job seems to be footing the bill quite nicely.

Klaumann says "The kanban cards act as a catalyst for starting production. The communication process in IBU has also opened up tremendously. We keep an eye on the floor stock, which is always a juggling act."

The result: Shop-to-shop delivery of parts as well as a significant reduction in excess molded parts for 700 and 710 connectors, DSX units, patch panels and patch cords.

The kanban system developed by Klaumann and his fellow workers eliminated the usual path most parts follow: from the molding shop to the storeroom to the assembly area. By setting up the kanban card system, operators in the molding shop know just how many of each part is needed. Those parts are delivered directly to the assembly area—on time and in the correct quantities.

Things to do, places to go, people to see

The BELL FEDERAL CREDIT UNION has announced the closing of two branch of-



Bell Federal
Credit Union

fices at AT&T's Omaha Works and US West (13th and Douglas). The Omaha Works facility will close Sept. 28, 1990. The automatic teller machine will remain on the premises and business can be conducted at Omaha branch offices just south of 114th and Dodge, 11718 Holmes Circle (120th and L), 111 S. 18th and in greater Nebraska at 102 N. Locust in Grand Island and 301 Philips in North Platte.

Pioneers beat the heat with activities

The Life Member Luncheon is set for Thursday, June 21 at the Holiday Inn at 72nd and Grover. The guest speaker will be Region 3 Vice President LES WATTS. LEO THIETJE will become president for the 1990-91 year when officers are installed on Friday, June 22. The Annual Golf Outing at Valley View in Fremont is scheduled for Sunday, June 24. It's a guys and dolls day (some sort of boy, girl, boy, girl golfing arrangement). Call the Pioneer Office for details.

Walk some students to a better education by taking part in the HISPA Walk-a-thon on Saturday, June 23.

No charge for the advice

Don't get in the habit of telling people where to get off unless you're a bus driver!

R&R time rapidly approaching!

Wednesday, July 4 falls right smack-dab in the middle of the Omaha Works shutdown (Monday, July 2 through Friday, July 6). Have you made those vacation plans? It's only a couple of weeks away, you know.



For all management folks, here's a reminder that after July 1, 1990, all salary draws on the 10th and 20th will be eliminated and pay will be issued in one sum at the end of each month. For answers to your payroll questions, call the payroll hotline at 1-800-638-7849 or 1-404-390-3900.

Omaha welcomes the National ETOP Board of Directors...

for their meeting on Monday and Tuesday, June 25 & 26. The Board sets policy for the ETOP program nationwide. This is Omaha's chance to share its successes in the area of employee education. Everyone at the Omaha Works says "It's nice to have you here!"



Drunk drivers hurt people! Report every drunk driver immediately by calling 1-800-525-5555 or your local law enforcement agency.

THE NEW BABY HAS ARRIVED!

Congratulations to Omaha's former Mfg. V.P. JACK McKINNON and wife ELAINE, who are the proud parents of CONOR MATTHEW, 7 lbs., 2 ozs., born Wednesday, June 6. Mother and baby are doing well. McKinnon assumed the V.P. job at the Merrimack Valley (Massachusetts) Works on April 1, 1990.

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Question: What has 4 legs and 2 arms and flies?

Answer: A suit with 2 pair of slacks.