

# **ORGANIZATIONAL EXCELLENCE: EXAMPLES IN THE CAROLINAS**

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## **ABSTRACT**

Organizational excellence has been a corporate level performance metric dating back to the book by Tom Peters in the 1980s. Organizational excellence continues to be a main focus of the Baldrige Award and other similar state-based awards such as the South Carolina Governor's Quality Award, the Oglethorpe Award in Georgia, and the Quality Forum Award in North Carolina. This paper will highlight several companies located in the Carolinas that are recognized for organizational excellence in one of several organizational areas.

## **INTRODUCTION**

The concept of organizational excellence will be described in the context of the state awards along with a brief comparison with major national and international awards. Excellence within the Carolinas will be described in terms of specific organizational functions and accomplishments that warrant recognition for Organizational Excellence.

We start with the Baldrige Award criteria. Organizations are judged in seven different categories: 1). Leadership, 2). Strategic Planning, 3). Customer and Market Focus, 4). Measurement, Analysis and Knowledge Management, 5). Workforce Focus, 6). Process Management and 7). Results. The Baldrige Criteria are designed around a distinct set of Core Values and Concepts:

- \_ visionary leadership
- \_ customer-driven excellence
- \_ organizational and personal learning
- \_ valuing employees and partners
- \_ agility
- \_ focus on the future
- \_ managing for innovation
- \_ management by fact
- \_ social responsibility
- \_ focus on results and creating value
- \_ systems perspective" [1]

Many of the state awards are based on the same criteria as the Baldrige Award. The North Carolina Excellence Award and South Carolina Governor's Quality Award are among the state awards that do follow the Baldrige criteria. In South Carolina, the Governor's Quality Award "recognizes organizations who achieve excellent performance in developing, implementing and deploying a quality management system based on the Baldrige Criteria" [7].

The Shingo Prize which is an award that recognizes manufacturing excellence. There is a North American Shingo Prize and then many states also offer the prize. Utah State University manages the North American Shingo Prize process. As one state example the North Carolina Shingo Prize is awarded to companies, divisions and plants operating in North Carolina that exhibit "excellence in manufacturing practices" [4]. South Carolina recently added their name to the list of just fourteen other states offering the Shingo Prize at the state level. The first applications

were solicited in July through August of 2006. The first recipients are yet to be named for the state award but Timken Corporation in Gaffney and Bridgestone-Firestone in Aiken are previous North American Shingo Prize winners [8].

The following sections highlight some of the achievements of those companies pursuing excellence in the Carolinas.

### **Profiles of North Carolina Companies**

Eaton Electrical is a past winner of the North Carolina Shingo Gold Level Award Prize. Eaton was the only company to receive this recognition in 2005. According to John Schmitzer, North American Shingo Prize Examiner and the Director of the North Carolina Shingo Prize, “The Asheville Eaton plant has embraced lean manufacturing practices for many years, and we were impressed with their facility. ... It is clean, organized, and easy to navigate. Their employees are empowered and motivated, they have very little inventory, and their work is done in cells, which reduces waste and improves productivity. They have also taken lean into the office, a much more difficult process, and they are having good success with this, too” [6]. Eaton Electrical worked with the N.C. State University Industrial Extension Service, the University of Tennessee and a consultant to facilitate their lean, world-class journey [6].

We also suggest that we should look for excellence among companies that have not won an official recognition and perhaps they simply haven’t applied for that recognition. We think that anecdotal evidence supports this suggestion and we offer a few examples.

Caterpillar, Inc. in Sanford, NC is one example that we offer. This Caterpillar location is solely responsible for producing CAT’s skid steer loaders. In 2003 through 2004 this facility launched new product model series and to support this effort, new initiatives were implemented by their Logistics Planning Department. In particular improvements were made to shipping information, the parts information management received significant attention and improved processes were implemented [3].

We offer three other NC candidates with very brief highlights for those locations. These are further anecdotal examples:

#### **Caterpillar, Clayton, NC**

- The Caterpillar Product System (CPS) is the adaptation of the Toyota Production System (TPS).
- Implementation of new manufacturing cell arrangement.
- Further application of Lean Manufacturing.

#### **Moen Corporation, Distribution Center, Kinston, NC**

- Safety program and safety record.
- Growth through added technology.
- Outstanding growth in distribution volume processed.

#### **BSH Home Appliances Corp., New Bern, NC**

- Quality standards.
- Demanding customer expectations.
- Highly competitive market.

## Profiles of South Carolina Companies

For 2006, the South Carolina Governor's Quality Award had two winners. Roche Carolina, Inc. was the Gold Achiever and Bon Secours St. Francis Health System won as a Silver Achiever. Other winners over the past eight years are included in the following Table:

**Table 1. South Carolina Governor's Quality Award**

<b>Year</b>	<b>Winner</b>
2004	Wackenhut Services, Inc. – Savannah River Site
2003	Robert Bosch Corporation Standard Corporation
2002	Bridgestone/Firestone South Carolina of Aiken
2001	Dana-Wix Filtration Products of Dillon
2000	McLeod Regional Medical Center of the Pee Dee, Inc.
1999	Allied Signal Greer Repair and Overhaul

[9]

Again we offer one anecdotal example with a very unique set of operating circumstances. Caterpillar, Inc. operating in Sumter, South Carolina. "The state of South Carolina now includes Caterpillar's Sumter, SC factory in its' Environmental Excellence Program. The program recognizes companies committed to preserving and protecting South Carolina's environment. Caterpillar's plant also won the company's own highest environmental excellence award, the 'Platinum', which recognizes extraordinary efforts to recycle all manufacturing by-products generated.

These tremendous accomplishments were achieved by a motivated team of Caterpillar people who built a factory that reuses and recycles virtually everything in the facility. Caterpillar's vision for this new facility was to recycle all manufacturing by-products in a responsible manner that preserves and protects the environment. The plant succeeded, it eliminated the need to landfill 350 tons of material and recycles all of its' solid manufacturing by-products" [2]. This is certainly an example of excellence in an area that is not often recognized.

## CONCLUSION

The Shingo Prize, the Baldrige Award and the state versions of those awards are useful for identifying organizational excellence. In this paper we have used those awards to learn a little more about excellence in those organizations.

We also suggest that excellence exists in many forms and we have offered some anecdotal examples of companies that we feel exhibit the characteristics of organizational excellence despite the lack of any official recognition from the major awards. We would also suggest that further work should look to find additional examples of excellence in a similar manner.

## REFERENCES

- [1] Baldrige Criteria, 2007 Business Non-profit Criteria.pdf
- [2] <http://www.cat.com/cda/layout?m=37707&x=&>)
- [3] Caterpillar of Sanford Successfully Transitions to New Model Series  
<http://www.ies.ncsu.edu/>
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- [5] Peters, Thomas J. and Robert H. Waterman, *In Search of Excellence*, (republished), New York: HarperCollins, 2004.
- [6] Shingo Prize Winner Eaton Electrical of Asheville Shares Its Story  
<http://www.ies.ncsu.edu/ncshingo/>
- [7] South Carolina Governor's Award <http://www.scquality.com/award.html>
- [8] South Carolina Shingo Prize <http://www.scshingoprize.com>
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