

Malcolm Baldrige National Quality Award
Joint Board of Overseers/Judges Panel Meeting
National Institute of Standards and Technology
Administration Building, Lecture Room D
Thursday, June 7, 2018

Attendees

Overseers: Deborah Bowen (chair), Russell Branzell, Bennie Fowler, Patricia Fagan Greco, John Jasinski, Randon Jerris, Reatha Clark King, Elizabeth Menzer, Robert Pence. *Absent:* Lloyd Barker, Jack Lynch

Judges: Allison Carter, Glenn Crotty, Tammy Dye, Eric Fletcher, John Harris, Kevin McManus, John Molenda, Lawrence Ramunno, Bruce Requa, Diane Springer, Kristin Stehouwer (chair), JoAnn Sternke

NIST: Jamie Ambrosi, Dawn Bailey, Walter Copan, Robert Fangmeyer, Ellen Garshick, Darren Lowe, Christine Schaefer, Suzanne Sullivan, Carroll Thomas, Robyn Verner

Foundation for the Malcolm Baldrige National Quality Award: Al Faber, President and CEO

U.S. Department of Commerce: Eric Osterman, Office of the General Counsel

Guests: Lowell Kruse, Stephanie Norling (Communities of Excellence 2026)

Welcome and Introductions

Deborah Bowen, chair of the Board of Overseers, called the meeting to order at 8:15 a.m. After introductions, Under Secretary of Commerce for Standards and Technology and NIST Director Walter Copan greeted the attendees and stated that the Baldrige Performance Excellence Program (BPEP) is critically important to NIST and the nation. He assured the overseers and judges of his support.

Copan added that he believes the Baldrige Excellence Framework brings vitality to the nation. He noted that Secretary of Commerce Wilbur L. Ross, Jr., supports BPEP and will advocate for funding as well as Presidential engagement in future award recognition events. Copan requested that the overseers think about how to help reconnect Baldrige with corporate excellence, leadership, and strategy, perhaps through leading business schools or NIST's manufacturing council.

The minutes of the Board of Overseers' December 2017 meeting were unanimously approved as presented.

Report from the Alliance for Performance Excellence

Elizabeth Menzer, vice chair of the Alliance, reported that it consists of 30 Baldrige-based programs serving U.S. states and territories. She noted that regionalization has been intentional as programs seek to share resources and build efficiencies. Applications to Alliance programs totaled nearly 1,500 in 2017, with 160 full applications, 25 top-level applicants, 1,000 organizations recognized, and 1,700 examiners trained. The current focus areas of the Alliance are to (1) increase its sustainability, (2) grow the Baldrige Enterprise by bringing in more organizations and collaborating with Enterprise members, (3) assist in the Baldrige Foundation's advocacy, and (4) help Alliance member programs to be more efficient and effective. BPEP Director Robert Fangmeyer noted that the Alliance serves not only as a pipeline of examiners and award applicants, but also a way to reach many more organizations than the BPEP alone could reach.

An activity that supports these areas is the Baldrige Fall Conference (October 23, 2018, in Denver, Colorado), offered by the Alliance in partnership with BPEP. Menzer invited the overseers and judges to attend the conference and support their state or regional programs.

In response to questions from the overseers and judges, Menzer said that some Alliance programs are flourishing, while some struggle. Key funding sources for Alliance programs are fees from applications, conferences, consulting, and customized training, as well as memberships. In addition, said Menzer, the Alliance's greatest need in improving its impact is to hire staff, as it is now completely volunteer-driven.

Proposal to Expand Baldrige Award Categories

Lowell Kruse, chair of the Board of Directors of Communities of Excellence (COE) 2026, and Stephanie Norling, managing director of COE2026, asked the overseers to support efforts to establish "communities" as the seventh Baldrige Award category. COE2026 promotes a cross-sector, Baldrige-based approach to improving economic prosperity, educational attainment, health status, and other key measures of community health and well-being. Ultimately, the establishment of a "communities" category would require congressional approval. Kruse noted that the Alliance and the Baldrige Foundation had written letters of support to Congress.

Fangmeyer explained that BPEP has supported COE2026's work as consistent with BPEP's mission to improve U.S. competitiveness and quality of life. In the COE approach, communities use a Baldrige-based model to align resources across sectors to ensure highly educated, healthy citizens who have strong economic opportunities, enabling the nation to be more competitive. He noted that, historically, adding an award category has taken four to eight years. With full funding, BPEP would support Baldrige-based efforts such as COE2026, as well as the Baldrige cybersecurity initiative and the Alliance for Performance Excellence.

Kruse shared COE2026's guiding principle: "For America to sustain its vitality, promote opportunity, and create a more equitable society during its second 250 years of existence, we must improve the performance of communities and the people who lead and live in them." Since its creation in 2010, COE2026 has established a nonprofit, partnered with BPEP in creating and piloting the Baldrige-based Communities of Excellence Framework, and established a national learning collaborative involving nine communities that are implementing the framework. Kruse emphasized that making COE2026 part of BPEP would give it the standing it needs to succeed.

Norling reviewed the premise behind the COE concept: that a community is a set of systems that must function together to achieve optimal performance. She noted that the learning collaborative encourages the development of a diverse, values-driven leadership team from across the community's key sectors, generations, and social and economic groups. This team spearheads the development of a community vision and strategy, giving rise to focus and direction for improvement efforts and shifting thinking from activities to outcomes and from silos to systems.

Bowen led a discussion of Kruse's request that the Board of Overseers encourage and support efforts to establish "communities" as award category.

The overseers expressed their recognition of the value of a Baldrige-based approach to excellence in communities. They noted, however, the challenges of BPEP's limited resources, as well as the fundamental difference between the current six organization-based award categories and COE2026's cross-organization, cross-sector approach. They also noted that the effort, while showing signs of providing value to communities, had not yet produced measurable results demonstrating this value. They asked about the role of the Alliance, which currently serves as a pipeline to BPEP for the six award categories, and debated whether the existence of a community sector would encourage or discourage organizations within a community to adopt Baldrige individually.

The overseers agreed to develop a statement supporting the COE2026 initiative, while also requesting additional information to be presented to the overseers at their December 2018 meeting.

Stakeholder Communication

Carroll Thomas, director of NIST's Manufacturing Extension Partnership (MEP), spoke to the overseers and judges about communication with stakeholders who may advocate for program funding. She noted that, like all federal employees, MEP staff members may not advocate directly for funding, but that it is their responsibility to inform stakeholders about MEP's work.

Thomas emphasized the importance of constant communication with MEP's partners and practitioners in MEP centers in order to understand the environment. She emphasized MEP's purpose of supporting manufacturers on the local and state levels in order to have a broad national impact; to that end, she attempts to ensure that stakeholders have the information they need to talk about MEP's value proposition. Among other strategies, MEP maintains a speakers' bureau, arranges tours of manufacturing plants, leverages social media for all events, and highlights success stories in blogs and podcasts. She invited members of the Baldrige community to join MEP's policy academies at the local level.

The overseers and judges thanked Thomas for sharing MEP's approach to stakeholder communication.

Report from the Baldrige Foundation

Al Faber, president and CEO of the Baldrige Foundation, reviewed the organization's four strategic imperatives: fundraising, advocacy, board development, and Foundation operations.

Faber reviewed the Foundation's efforts to ensure that BPEP remains in the federal budget in FY2019 and FY2020. This consists of outreach to senators in collaboration with Alliance program directors in key states; he encouraged the overseers and judges to exercise their right as private citizens to contact key members of Congress in their own states.

Another focus is to reengage the president in the Baldrige Award, which would raise the award's profile, and to engage Cabinet secretaries.

For fundraising, Faber noted that the Foundation had earned Platinum status from Guidestar, an information service that reports on U.S. nonprofits. Outreach and fundraising mechanisms include a health care CEO roundtable; podcasts; the annual *Performance Excellence Journal*; partnerships that include revenue sharing; and efforts to engage the Secretary of Commerce in fundraising, planned giving, and Foundation leadership awards. Faber asked the overseers and judges to contact him with speaking opportunities involving manufacturers, as that is a focus of the current administration.

The overseers and judges thanked Faber for the Foundation's advocacy for BPEP. They noted the opportunity for increased organization and alignment in Baldrige community members' advocacy efforts.

Issues from the June 6 Judges Panel Meeting

Kristin Stehouwer, chair of the Judges Panel, reported on the panel's June 6 meeting. She noted that in 2018, there are 27 Baldrige Award applicants: 14 from health care, 6 nonprofits, 2 small businesses, and 5 in education. In August, the judges will select applicants for site visits; there is no prescribed number, but the range tends to be 12–15. The Judges Panel meeting included a review of the 2017 judging process for strengths and opportunities for improvements, as well as a look ahead at the 2018 process.

In response to a question about BPEP's and the Judges Panel's capacity for evaluating applications, Fangmeyer said that 30–40 is the ideal range of applications, with applicants that are not national-award-ready being better served by Alliance programs. The number of site visits is determined by the Judges Panel, and BPEP will accommodate the number of organizations that the judges believe should receive site visits.

Baldrige Program Update

Fangmeyer reported on recent BPEP news and updates. He noted that for the first time since 2011, BPEP is in the federal budget for FY2018, with the \$2.2 million appropriation sufficient to cover BPEP's needs. In addition, BPEP continues efforts to drive down costs and increase revenue: since 2011, labor and benefits costs have decreased by 65%, and the gap between operating revenues and labor/benefits costs has closed.

Fangmeyer also reported on the award process redesign pilot, which launched in May; the Baldrige Executive Fellows Program, now in its eighth year; 2018 examiner training; the Baldrige cybersecurity initiative, including a potential Baldrige cybersecurity conference in 2019; a Baldrige perception survey of award applicants showing greater than 90% agreement that use of Baldrige improved their performance in numerous organizational areas; and the 2019–2020 revision of the Baldrige Excellence Framework.

Fangmeyer raised the suggestion by some stakeholders to increase the life cycle of a framework version from two years to three or more. The overseers and judges said that the degree of changes, rather than the number of years between changes, is a consideration; a longer cycle may mean more changes from version to version and therefore less continuity for framework users. Other participants noted that a shift in the publication date (e.g., from December to May) may alleviate a concern for applicants, as applicants receive feedback in December. Fangmeyer noted that elements of the pilot award process may address this concern.

In response to a question about the recent lack of applicants in manufacturing, Fangmeyer noted that the issue may be a matter not of marketing but of the value such applicants recognize in applying for and receiving the award; lack of presidential engagement may contribute to this view. Reengaging with manufacturing will require an Enterprise-wide effort informed by market knowledge and bolstered by effective talking points and materials.

Fangmeyer also detailed recent Baldrige Enterprise efforts to increase alignment and integration, including the setting of a purpose, mission, and vision and the establishment of strategic areas. The Enterprise, consisting of BPEP, the Baldrige Foundation, the Alliance for Performance Excellence, and ASQ, is now preparing to act in two of these areas: (1) establishing a systematic, coordinated, Enterprise-wide process for engaging potential customers/customer groups and (2) developing and implementing a systematic, aligned process for examiner training across the Baldrige Enterprise.

The overseers and judges advised the Enterprise to assess the operational, brand, and financial risks of these efforts, as well as to explore a leadership program for individuals below the C-suite level and the teaching of Baldrige in business schools. They noted that much of what is in the Baldrige framework is embedded in what many high-performing organizations already do.

The overseers complimented the BPEP staff on their efforts to ensure the sustainability of the program.

Adjournment

The meeting was adjourned at 3:30 p.m.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.



Deborah Bowen
Chair
Board of Overseers
8/6/2018