

The Baldrige Program's Successful Transition From Federal Funding

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Presentation to the NIST Visiting Committee
February 2013



Milestones in the Transition

FY2011
\$9.6M (federal appropriation)
\$1.5M (Baldrige Foundation)

November 2011
Zero FY2012 federal appropriation

November 2011
Commitment of \$5.2M by Baldrige Foundation (FY2012)

February 2012
Commitment of \$15M by Baldrige Foundation (FY2013–FY2015)

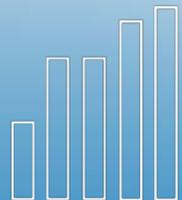
April 2012
Business plan accepted by NIST/DOC

Meanwhile . . .

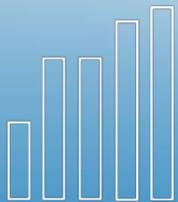
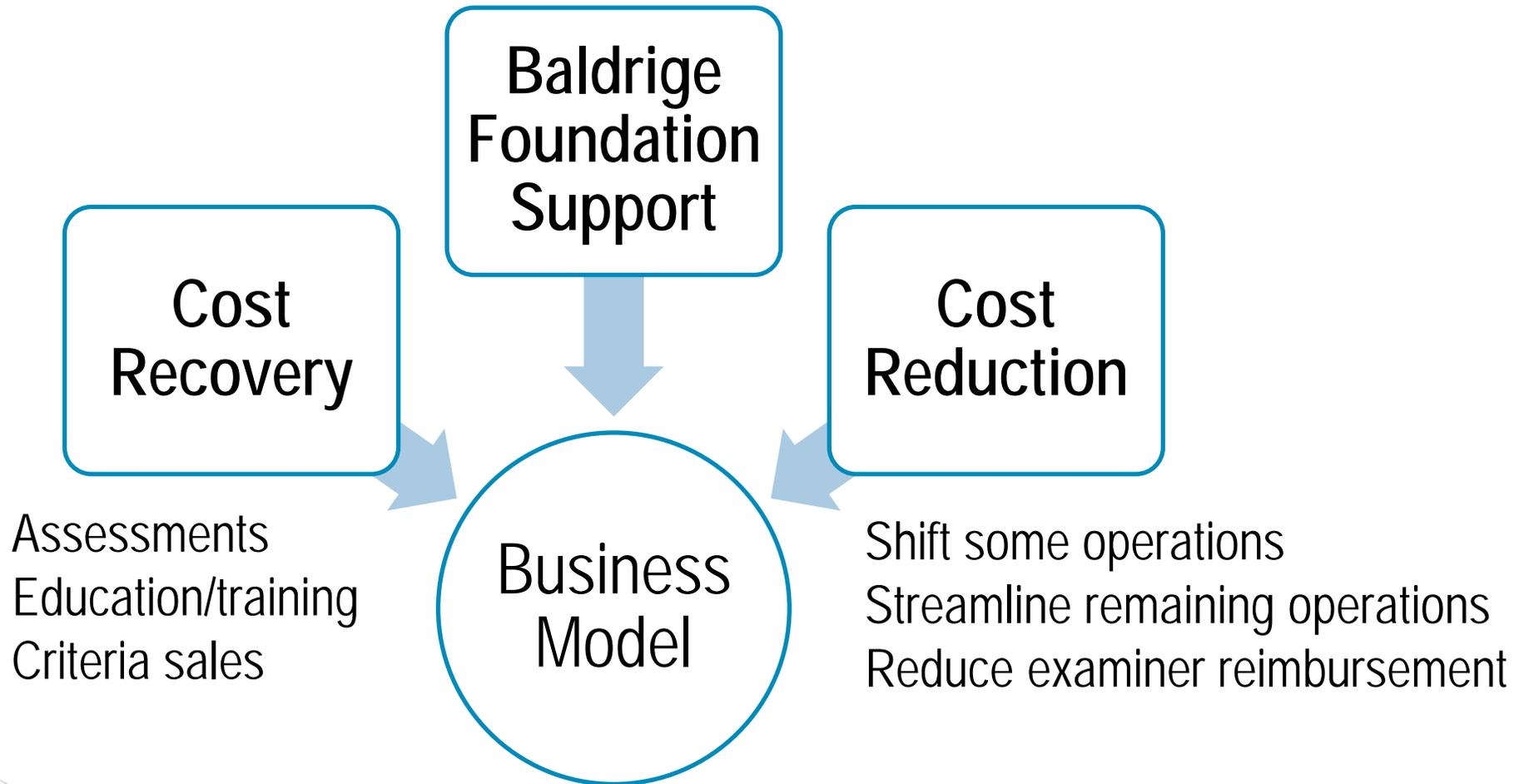
Strategy Mapping

Business Plan Development

Business Plan Execution



Gift decreases as cost
recovery increases



Cost Reduction and Recovery

Award Eligibility Limits

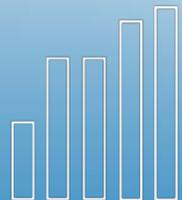
- From 70–85 to 39 applications

Other Time & Cost Savings

- Staff: 38 to 24 through attrition
- Expenses: \$10.32 million to \$5.56 million

Products & Services

- Award assessments
- Education & training
- Collaborative assessments
- Criteria for Performance Excellence



FY2012 Performance to Plan

| (Thousands of \$) | FY2011 | | FY2012 | | |
|---------------------------------------|---------------|--|-------------------|--------------|------------------|
| | Actual | | Conservative Goal | Stretch Goal | Actual |
| Product and Service Fee Income | | | | | |
| Award application fees | 850 | | 661 | 661 | 566 |
| Criteria | 30 | | 10 | 20 | 15 |
| Sponsorships/exhibits | N/A | | 100 | 200 | 105 |
| Conferences/events | 210 | | 210 | 250 | 244 ^a |
| Training/presentations | N/A | | 45 | 90 | 80 |
| Assessment services | N/A | | 25 | 50 | 0 ^b |
| Baldrige Fellows Program | 130 | | 146 | 146 | 146 |
| Total Fee Income | 1,220 | | 1,197 | 1,417 | 1,156 |
| Program Expenses | | | | | |
| Labor and benefits | 6,986 | | 4,474 | 4,474 | 4,172 |
| Other objects/Indirect costs | 1,571 | | 988 | 988 | 723 |
| ASQ contract costs | 1,760 | | 763 | 763 | 669 |
| Total Labor and Other Costs | 10,317 | | 6,225 | 6,225 | 5,564 |

^aDoes not include \$100K in expenses for the 2011 Award Ceremony, which was added to the Quest for Excellence conference.

^bAlthough the fees will be invoiced in FY2013, commitments for \$40K were secured in FY2012.

Baldrige Impact

820 to 1

- Ratio of benefits for the U.S. economy to Baldrige Program costs (*Economic Evaluation of the Baldrige Performance Excellence Program*, December 2011)

> 60%; 80% of teaching hospitals

- 100 Top Hospitals winners using the Baldrige Criteria (Truven Health Analytics, December 2012)

65%

- U.S. hospitals likely to use the Baldrige Criteria by 2018 (*Futurescan 2013*, ACHE)

93% and 63%

- Median growth in revenue and jobs, respectively, for two-time Baldrige Award winners; 3.2% job growth for matched industries

Challenges Remain . . .

- Diminished access to Criteria for small organizations and nonprofits; charging for the Criteria
- Operating a “business” with government restrictions, while benefiting from Presidential award status and federal imprimatur for the Criteria
- Managing relationships with state, industry, and international Baldrige-based programs
- Staff motivation and work overload are both extremely high in latest employee survey



Quest for Excellence Conference and Anniversary Gala



Marriott Baltimore Waterfront

Conference: April 7–10

Keynote: Dr. Ben Carson of Johns Hopkins Hospital

25th Anniversary Gala: April 7

Speakers from the Baldrige community, dinner, music, 25th anniversary video

