# **MINUTES**

# **Meeting of the Board of Overseers for the Malcolm Baldrige National Quality Award**

# **National Institute of Standards and Technology• Tuesday, December 11, 2018**

**Attendees**

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

*NIST*: Jamie Ambrosi, Rebecca Bayless, Jacqueline Calhoun, Jacqueline Deschamps, Robert Fangmeyer, Barbara Fischer, Robert Hunt, Ellen Garshick, Scott Kurtz, Darren Lowe, Robyn Verner

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

*Guests*: Lowell Kruse, Stephanie Norling {Communities of Excellence 2026); Brian Lassiter (Alliance for Performance Excellence)

Deborah Bowen, chair of the Board of Overseers, chair of the Board of Overseers, called the meeting to order at 8:15 a.m.

As background for the topics to be discussed, Baldrige Program Director Robert Fangmeyer reviewed the program's purpose (to enhance our nation's competitiveness by defining, recognizing, and fostering excellence) and strategic imperatives: (1) enhance and protect the Baldrige brand, {2) strengthen and improve the Baldrige enterprise, (3) reengage with business (manufacturing in particular), and (4) control costs and increase revenues.

After introductions, Bowen noted the important work of the Baldrige staff, the Baldrige Foundation, the and the Alliance for Performance Excellence.

The minutes of the Board of Overseers' June 2018 meeting with the Judges Panel were unanimously approved as presented.

**Report from the Judges Panel**

Kristin Stehouwer, chair of the Judges Panel for the Malcolm Baldrige National Quality Award, reviewed the 2018 judging process, including its purpose, the people involved, and the process. She noted that the judges will consider process improvements at their June 2019 meeting. As a result of this year's process, five organizations were recommended for the award, and an additional two will receive best­practice recognition in specific areas.

The overseers emphasized the time and expertise judges commit to the program's mission and recommended that the NIST director recognize the judges for their service.

Report from the Alliance for Performance Excellence

Elizabeth Menzer, vice chair of the Alliance for Performance Excellence, reviewed the Alliance's footprint as well as key data on the number of applications, examiners, recipients, and members. She reported that the Baldrige Fall Conference, in its second year of management by the Alliance, attracted more participants and earned more revenue than the previous year. She noted the Alliance's ongoing effort to transform its model to optimize assets and resources and revitalize its brand through regionalization, partnerships, and branding.

In response to questions from the overseers, Menzer emphasized that the Alliance provides organizations with services that help them progress to the level of maturity they need in order to apply for the national Baldrige Award or simply to improve their performance. For most programs, this involves a tiered recognition structure and a slightly more consultative aspect. Fangmeyer clarified that the national award eligibility rules had changed in 2012 so that organizations at a lower level of maturity would be directed to these services. Now, the Alliance programs are officially a pipeline for the national award. As the Alliance programs continue to develop that pipeline and to ensure a standard level of quality in its programs, the number of award applicants, and recipients, should increase. Menzer also noted that some regionalization of programs and partnerships between stronger and weaker programs.

Menzer and Fangmeyer agreed that collaboration between BPEP and the Alliance has resulted in progress toward the shared goal of ensuring a strong Baldrige presence at the state and regional level.

**Report from the Baldrige Foundation**

Al Faber, president and CEO of the Foundation, reported on efforts in the areas of advocacy, fund raising, and board development. For advocacy, the focus is on ensuring that BPEP (1) is included in the final FY2019 appropriations, as reflected in the Senate's current bill, and (2) in the FY2020 budget. As new key congressional committee personnel take their positions in January, the Foundation will focus on reengaging them, on increasing appropriations for BPEP's strategic initiatives over the next three to five years, and on obtaining support for adding communities as a seventh Baldrige Award sector. Faber also reported on the Foundation's 2019 awards. He asked for the overseers' help in reengaging the President in presenting the Baldrige Award or otherwise recognizing the recipients.

The overseers advised the Foundation to broaden outreach to include younger, newer members of Congress who may gain influence over the next two or three years. They also asked Faber for a one­pager to use in approaching individuals and organizations for sponsorships, congressional outreach, and support for Communities of Excellence.

Proposal to Support Expansion of Baldrige Award Categories

Fangmeyer said that in June, after a request by Communities of Excellence 2026 {COE 2026) to support the addition of communities as the seventh Baldrige Award category, the Board of Overseers expressed their recognition of the value of a Baldrige-based approach to improving U.S. communities. They asked COE2026 to present (1) a business plan; (2) evidence of the impact of a Baldrige-based approach to improving communities; and (3) a proposal for a pilot of an evaluation, recognition, and improvement program that includes Alliance for Performance Excellence programs.

Fangmeyer also enumerated the reason for BPEP's partnership with COE 2026: it represents the natural evolution of the Baldrige systems approach to improving U.S. competitiveness. In communities, which include many organizations but no overall systems approach, Baldrige helps the entire ecosystem work together.

Lowell Kruse, chair, and Stephanie Norling, managing director, COE 2026, as well as Brian Lassiter, chair of the Alliance for Performance Excellence, presented the three elements requested by the overseers. They asked the overseers to (1) endorse and support the effort to have Congress approve communities as the seventh category; (2) support the five-year business plan presented, concluding with a viable award program in 2023; and {3) work with COE 2026 and other members of the Baldrige Enterprise to achieve congressional approval, acquire necessary funding, and implement the five-year plan.

In response to questions from the overseers, Kruse, Norling, and Lassiter clarified that as of 2023, the communities award category would function as the other categories do now, with lower-tier awards managed by the Alliance, and the national award and community excellence framework managed by BPEP. COE 2026 would remain an advocacy group. Fangmeyer noted that the most recent category additions (health care, education, and nonprofit) required five to eight years from the overseers' support to congressional approval and funding.

The overseers also raised questions about communicating the vision, defining what a community is for the purposes of an application, marshaling the necessary support in Congress, ensuring sufficient BPEP staff resources, and defining a common set of expected results for communities. They noted the importance of tracking and publicizing results for key community performance indicators as a way to show the value of the approach.

The overseers voted unanimously in favor of a motion to approve the three requests made by COE 2026. The also asked that BPEP add a year-by-year breakdown of BPEP costs to the elements on the five-year plan and create a standing item on the overseers' meeting agenda for progress on the plan, including the financial impact on BPEP and any modifications.

Baldrige Program News

Fangmeyer presented updates on recent BPEP activities, including the 2018 Baldrige Award recipients, the upcoming release of the 2019-2020 Baldrige Excellence Framework, the Baldrige Executive Fellows Program, Net Promoter Scores for BPEP products and services, and BPEP social media.

In response to questions about the lack of manufacturing applicants, Fangmeyer said that this is a pipeline issue that BPEP has been working on and that the questions are whether manufacturers are aware of the award and whether it offers them something of value. The overseers also asked about efforts to market and brand beyond the award and requested more information on these in future meetings.

For the Fellows program, the overseers noted the potential for a health-care-oriented program focused on professionals below the C-suite level, as well as basic Baldrige training. Menzer noted the potential for joint development of the latter program with BPEP, followed by delivery through the Alliance and shared revenue.

BPEP Strategic Initiatives

Fangmeyer said that the BPEP's strategic initiatives are intended to accomplish the program's purpose and strategic imperatives.

Robert Hunt reported on the Baldrige Award process redesign, now being considered in answer to challenges in the process regarding level of effort, cycle time for applicants and examiners, and inefficiencies in the process. A pilot held over the summer yielded positive feedback from the applicant and the examiners, as well as addressing those challenges. Next steps are another BPEP pilot in early 2019, a pilot by the Wisconsin Baldrige-based program, and possibly other state pilots. When the new process is fully designed, there will be a year of modifications to award process tools and training, followed by deployment of the new process.

The overseers applauded the program's efforts to streamline and improve the award process and encouraged the program to continue to focus on the future of the process.

Fangmeyer reported on progress in deploying the Baldrige Cybersecurity Excellence Builder. The overseers encouraged the Baldrige Foundation to form an industrywide or sector-wide advisory board to promote and fund the Baldrige Cyber effort. They also encouraged the program to create a plan for rapid implementation.

Fangmeyer also reported that BPEP is working with a task group consisting of participants from the Department of Commerce, the Department of Labor, and the White House to determine the scope and content of a workforce development recognition program mandated by a Presidential Executive Order. Although the scope is still being identified, Fangmeyer noted that such a program could be an opportunity to expand BPEP's reach. In response to questions by the overseers, Fangmeyer clarified that criteria for the recognition might include more specificity on workforce education, training, and development than the Baldrige Criteria do.

Recommendations for the NIST Director

The overseers asked Fangmeyer to deliver five recommendations to the NIST Director:

1. The Board of Overseers thanks the NIST Director and Associate Director for Innovation and Industry Services for their support of BPEP. The board also appreciates the efforts of the program director and staff. BPEP's results on the Employee Viewpoint Survey are evidence of the staff's engagement and the director's leadership.

2. The Board thanks the NIST Director for formally recognizing the members of the Judges Panel for the Malcolm Baldrige National Quality Award. The overseers appreciate everything the NIST director has done to support the judges' tireless efforts in judging and recommending Baldrige Award recipients.

3. The President's passion to spur the nation's growth is both evident and encouraging. The strong results and diversity of the Baldrige Award recipients suggest that the Baldrige Program can supplement and amplify the President's goals. As a result, we believe that there is no better story than to reengage with the Malcolm Baldrige National Quality Award, created during Ronald Reagan's presidency. Since the inception of this Presidential award, every Secretary of Commerce and nearly every President have participated in honoring the recipients. The Board respectfully requests that the NIST Director and Secretary Ross help the program reengage the President in recognizing award recipients, either at a White House event or at the public ceremony in April 2019.

4. The overseers appreciate NIST's efforts to ensure the continuation of the Baldrige Program after federal appropriations ended in 2011, and they appreciate that the program received federal appropriations in FY 2018 and was in the NIST budget request for FV2020. The overseers request that NIST continue to include the program in future budget requests. In addition, in spite of losing staff each year during the period without federal appropriations, the program has continued to carry out its mission and has even launched strategic initiatives in response to the needs of U.S. organizations. These include the development of a cybersecurity excellence framework and of a best-practice recognition and sharing program offering an assessment tool that U.S. communities can use to improve their health, education, economy, and quality of life. Additional funding for these initiatives beginning in 2021 would be an investment in the nation's future and the administration's priorities.

5. The overseers voted to officially support the effort to establish a new category for the Baldrige Award: Community. The Communities of Excellence 2026 leadership has been working closely with the Baldrige Program, the Baldrige Foundation, and the Alliance for Performance Excellence to foster the use of Baldrige principles to enhance the performance and quality of life in communities across the United States. Communities of Excellence 2026 presented an integrated five-year plan that demonstrates the potential benefits and costs to the Baldrige Program, culminating in communities being eligible to apply for a Baldrige Award in 2023. Because the Board believes this will significantly enhance the accomplishment of the program's mission, the overseers request that the NIST Director and Secretary Ross support this effort and begin the process to add Community as a new Baldrige Award category.

Fangmeyer presented certificates to the overseers in recognition of their service and thanked them for contributing their time and expertise to the program.

The meeting was adjourned at 2:25 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 2/15/2019