# MINUTES

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

# National Institute of Standards and Technology

## Tuesday, December 8, 2020 ● Via videoconference

## Attendees

*Overseers:* Gerry Agnes, Lloyd Barker, Deborah Bowen, Bennie Fowler, Michael Garvey, Gregory Gibson, John Jasinski, Randon Jerris, John Lynch, Theresa Meadows, Elizabeth Menzer, Janet Souter

*Judge:* Allison Carter, Chair, Judges Panel

*NIST:* Jamie Ambrosi, Mojdeh Bahar, Dawn Bailey, Walt Copan, Jacqueline Deschamps, Robert Fangmeyer, Ellen Garshick, Robert Hunt, Darren Lowe, Christine Schaefer, Robyn Verner, Kelly Welsh

*Guest:* Al Faber, President and CEO, Baldrige Foundation

Baldrige Program Director Robert Fangmeyer greeted the attendees and congratulated Gerry Agnes, president and CEO of Elevations Credit Union, for achieving a second Baldrige Award. Fangmeyer said that because of the effects of the COVID-19 pandemic, 2020 had been a challenging year. Despite having to modify processes, mitigate revenue losses, and continue with new mandates, the program and the Baldrige Enterprise showed great agility. He asked for the overseers’ feedback on the program’s activities over the past year and on expansion efforts.

Deborah Bowen, chair of the Board of Overseers, welcomed the participants and thanked them. She noted that no U.S. industry had been untouched by the pandemic, requiring continued resilience going forward. She commended the staff, the Judges Panel for the Malcolm Baldrige National Quality Award, and the Alliance for Performance Excellence for sustaining Baldrige.

The minutes of the Board of Overseers’ June 11, 2020, meeting were unanimously approved as written.

## Report from the Judges Panel

Allison Carter, chair of the Judges Panel, reviewed the 2020 judging process and its outcome: five organizations were recommended for the Baldrige Award. She said that holding all 2020 meetings virtually did not change the depth of the judges’ discussions, and the judges did not perceive any drop-off in the quality of the scorebooks they received from the examiner teams.

In response to questions from the overseers, Fangmeyer said that the program was surveying applicants on their experience and would use this feedback to leverage any resource savings or other advantages arising from changes to the award process.

Carter thanked the program for the opportunity to serve as chair, and Bowen thanked Carter and the Judges Panel for their service.

## Report from the Alliance for Performance Excellence

Elizabeth Menzer, executive director of the Wisconsin Center for Performance Excellence, reported on the Alliance’s 2020 activities, including the Baldrige Fall Conference, Alliance program changes, and statistics.

Menzer said that the Baldrige Fall Conference, held virtually, attracted the highest number of attendees (304) and the highest Net Promoter Score (54) ever, as well as the largest margin. She thanked the Baldrige Program and Baldrige Foundation for support and noted that the 2021 conference will be held in El Paso, Texas. Menzer also discussed the Alliance’s strategic planning, its roundtable discussions on topics of interest to member programs, and changes to program fiscal agents and directors. As a summary of Alliance program activity in 2020, she cited 29 programs serving all 50 states and U.S. territories, 1,598 applications received (a gain of 357), 1,004 award recipients at all levels (a gain of 158), 24 top-level recipients, 1,686 examiners trained (a gain of 26), and 21 conferences hosted, with 3,149 attendees.

In response to questions from the overseers, Menzer said that the 2021 fall conference will most likely have a hybrid format. As for the fiscal health of the Alliance programs, Menzer said that the majority face challenges; a number function on solely on volunteer resources. The focus is on standardization, making sure the Alliance benefits the programs, and taking advantage of opportunities for collaboration and change.

## Report from the Baldrige Foundation

Al Faber, President and CEO of the Baldrige Foundation, reported on the Foundation’s advocacy, fundraising, and outreach activities.

On advocacy, the Foundation is focused on establishing relationships with new leaders of key congressional committees, on the FY 2021 and FY2022 budgets, and on engaging the new administration to obtain presidential recognition for Baldrige Award recipients. For fundraising, a focus is retaining and increasing conference sponsors; Faber noted that the Giving Tuesday campaign and Mac Baldrige Society support are showing strong results. For outreach, a main vehicle is the Institute for Performance Excellence, which will soon publish the peer-reviewed *Chronicle of Leadership and Management.* In addition, the Foundation has established relationships with organizations in India and has finalized its selections for the 2020 Foundation awards to individuals.

In response to questions from the overseers, Faber said that the current environment has forced an increase in the Foundation’s online presence while limiting in-person contact, which presents a challenge to cultivating new relationships.

## Baldrige Program Update

Fangmeyer and other Baldrige staff members reported on recent and upcoming program activities and news, including the Baldrige Award process, the Quest for Excellence Conference, the *2021–2022 Baldrige Excellence Framework,* and the program’s financial outlook.

The five 2020 Baldrige Award recipients include a two-time and a three-time recipient: AARP, Washington, D.C. (nonprofit); Elevations Credit Union, Boulder, Colorado (nonprofit; previous award in 2014); GBMC HealthCare System, Towson, Maryland (health care); MESA, Tulsa, Oklahoma (small business; previous awards in 2006 and 2012); and Wellstar Paulding Hospital, Hiram, Georgia (health care). Fangmeyer also shared media mentions of these awards.

Fangmeyer reported that with the cancellation of the Quest conference in 2020, the 2021 conference, to be held virtually April 12–15, will showcase the best practices of the 2019 and the 2020 Baldrige Award recipients, as well as others. The program will acknowledge the recipients in the opening plenary session, but there will be no formal award ceremony. Based on the preferences of the 2019 recipients, the program plans to hold an in-person ceremony for all relevant recipients as soon as appropriate.

The response to questions from the overseers, Fangmeyer said that the 2021 Quest conference would likely have a lower price point. The program projected higher-than-usual attendance.

Ellen Garshick reported that the Business/Nonprofit version of the *2021–2022 Baldrige Excellence Framework* would be available in mid-December, with the Education and Health Care versions to follow in mid-January. A new version of the *Baldrige Excellence Builder,* an abridged version of the framework, will be available in February. The changes to the framework reflect the following themes, all of which have gained importance for organizations since the last update: organizational resilience, equity and inclusion, digitization and the fourth industrial revolution, societal contributions, and innovation.

The overseers applauded the focus on these themes and recommended that the program highlight them in marketing the framework to organizations, especially those outside the Baldrige community.

Robert Hunt reported on modifications to the Baldrige Award process for 2020 and 2021 in light of COVID-19 pandemic restrictions. In 2020, with little time to prepare online training, the program offered refresher training and accepted only new examiners with significant experience in state and regional Baldrige-based programs. For 2021, the program will offer full online training, allowing the program to accept a larger number of new examiners. In addition, in response to a survey of potential 2020 applicants, the program accepted only electronic applications; this change will continue in 2021. Site visit were conducted virtually in 2020 and, based on feedback from examiners and applicants, are likely to have a hybrid format in 2021.

The overseers asked whether a hybrid site visit offered an opportunity for a more focused on-site approach. Hunt and Fangmeyer said that this seemed to be the case, perhaps reducing the length of the on-site portion of the evaluation.

Fangmeyer reviewed the effects of COVID-19 restrictions and other changes on the program’s financial outlook. In FY2020, both revenue and expenses decreased due to the cancellation of the Quest conference and the Baldrige Examiner Training Experience offering, as well as reductions in award applications and site visits. This loss was mitigated by funds received through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. In addition, the program avoided cancellation charges for 2020 events. For 2021, the program anticipates some cancellation charges, as well as a drop in Fellows Program revenue, as the 2020 cohort was shifted to 2021. Reserves are expected to cover any shortfall. Fangmeyer also reported that the NIST overhead rate paid by the program will increase in FY2021.

In response to questions from the overseers, Fangmeyer noted that a requested increase in appropriations would mitigate but not fully cover the increased overhead. Additional requested increases would cover ongoing strategic initiatives and permit limited rebuilding of program capacity.

Fangmeyer reviewed increases for engagement in 2020 as shown by Blogrige and news subscribers. In response to Fangmeyer’s question about the most effective ways to communicate in today’s environment, the overseers shared experiences from their own organizations. They recommended creating an integrated communications plan with key partners, including the current and desired states, looking at best practices, and customizing methods to current and potential audiences, which likely require different media and message lengths.

## BPEP Strategic Initiatives

Fangmeyer and Baldrige staff members reviewed progress on the program’s strategic initiatives: Communities of Excellence (COE) 2026, the award process redesign, the Pledge to America’s Workers Presidential Award (PAWPA), and the advanced manufacturing assessment.

Garshick said that COE effort is on track with the five-year plan approved by the overseers in 2018, and that COE 2026 is now planning for the years beyond that plan. Fangmeyer noted that the NIST reauthorization, now being vetted by the Department of Commerce, includes language establishing “Community” as the seventh Baldrige award sector, as well as updating other sections describing the Baldrige Award to better reflect the emphasis on excellence. Garshick also presented updates on COE learning collaborative participation (19 communities at four levels, including the state of Delaware) and the recognition program (13 applications assessed by 52 examiners). In addition, the COE framework has been expanded for 2020–2021.

The overseers asked about the timing and impact of the NIST reauthorization. Fangmeyer said that the changes were a part of a much larger reauthorization package that will go to Congress for approval. Any additional funding for COE or other Baldrige strategic initiatives would be approved separately.

Fangmeyer also reported that the program has regretfully decided to postpone the implementation of the award process redesign until 2022. Although this was a difficult decision, the need to modify the current process in light of the COVID-19 pandemic, as well as the need to program entirely new information technology systems, will preclude the program from rolling out the new process in 2021 in accordance with its high standards. The overseers agreed that the decision, while disappointing, made sense given the program’s restricted resources.

Kelly Welsh reported on the PAWPA program, which was aimed at increasing the private sector’s role in training U.S. workers for U.S. jobs. Led by the Baldrige Program in collaboration with the Departments of Commerce and Labor, as well as the White House, the award is largely based on the Baldrige Organizational Profile and Workforce category. For the Baldrige Program, the award is an opportunity to introduce Baldrige principles and draw organizations into Baldrige. On September 23, nine organizations received the award at a White House ceremony. Welsh said that there is interest in continuing the award in the next administration, though perhaps not as currently branded or as a presidential award, if there is sufficient support and participation from NIST, Commerce, and Labor; permanent funding; and sufficient prestige to attract organizations.

Fangmeyer reported on another initiative focused on outreach: the creation of a simple, online assessment tool for small and medium-sized manufacturers that provides immediate feedback on readiness for and use of advanced manufacturing technologies. Funded by a NIST Manufacturing Extension Partnership (MEP) grant, the 18-month project also involves two MEP programs (Florida Makes and the Illinois Manufacturing Excellence Center) and two Alliance member programs (from Florida and Illinois). The potential benefit for the Baldrige Program is that the assessment would introduce manufacturers to Baldrige in the context of their need to adopt advanced manufacturing technology solutions.

The overseers applauded the outreach to the manufacturing sector, and Bennie Fowler and Michael Garvey offered their help as the project moves forward. Other overseers noted that this assessment might be a model for outreach to organizations in other sectors.

## Recommendations for the NIST Director

NIST Director Walt Copan and Associate Director for Innovation and Industry Services Mojdeh Bahar greeted the overseers and thanked them for their service to the program, in particular the four overseers whose terms end in February 2021: Deborah Bowen, Bennie Fowler, Jack Lynch, and Elizabeth Menzer.

The overseers gave the following recommendations and statement to Copan:

* The overseers applauded the agility of the Baldrige Program in successfully redesigning nearly all program processes while under restrictions imposed after the onset of the COVID-19 pandemic. Even though nearly every aspect of the Baldrige Award process was modified, the program recruited, trained, and managed a full contingent of examiners and judges, whose work eventually led to five organizations being named as Baldrige Award recipients for 2020.
* The overseers thanked Copan for championing Baldrige through financial support and through NIST’s own use of the Baldrige framework to improve.
* The overseers asked Copan to continue supporting the NIST reauthorization language that adds Community as the seventh Baldrige Award category and updates the Baldrige authorization to reflect the program’s focus on excellence. The overseers believe that the Communities of Excellence initiative is important for the nation as a means to improve U.S. quality of life and prosperity.
* The overseers asked Copan to support increased appropriations for the Baldrige Program. These appropriations are necessary for the program to respond to U.S. organizations as they build back their competitiveness. Current unfunded efforts include strategic initiatives around workforce development and communities, as well as innovations that are key to survivability, such as digital transformation and communication.

The meeting was adjourned at 3:00 p.m.

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

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Deborah Bowen

Chair

Board of Overseers

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