# Malcolm Baldrige National Quality Award

# Joint Board of Overseers/Judges Panel Meeting

**Baldrige Performance Excellence Program ● National Institute of Standards and Technology**

**Thursday, June 6, 2019**

## Attendees

*Overseers:* Gerry Agnes (candidate), Lloyd Barker, Deborah Bowen, Bennie Fowler, John Jasinski, Randon Jerris, Reatha Clark King, Jack Lynch, Theresa Meadows (candidate), Elizabeth Menzer (by telephone), Robert Pence.

*Judges:* Glenn Crotty, Eric Fletcher, Amy Katschman (candidate), Christopher Laxton (candidate), Kevin McManus, John Molenda, Brigitta Mueller (candidate), Bruce Requa, Patricia Skriba (candidate), Kristin Stehouwer. *Absent:* Allison Carter, JoAnn Sternke.

*NIST:* Jamie Ambrosi, Dawn Bailey, Rebecca Bayless, Walter Copan, Jacqueline Deschamps, Robert Fangmeyer, Ellen Garshick, Harry Hertz, Robert Hunt, Darren Lowe, Curt Reimann, Christine Schaefer, Robyn Verner

*U.S.* *Department* *of* *Commerce:* Eric Osterman, Office of the General Counsel (by telephone)

*Guests:* Al Faber, President and CEO,Foundation for the Malcolm Baldrige National Quality Award; 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 8:05 a.m. After introductions, Under Secretary of Commerce for Standards and Technology and NIST Director Walter Copan greeted the attendees and thanked the judges and overseers for their work on performance excellence, which keeps America a world leader. He noted that the program is continuing to adapt to the needs of America’s organizations through its efforts to redesign the award process, engage communities in pursuing excellence, and reengage U.S. corporate leaders. Bowen and the other overseers thanked Copan for his support of the program and noted the importance of funding, of Presidential engagement in the Baldrige Award, and of Secretary Ross’s engagement in fundraising for the Baldrige Foundation.

The minutes of the Board of Overseers’ December 2018 meeting were unanimously approved as presented.

## Report from the Baldrige Foundation

Al Faber, president and CEO of the Baldrige Foundation, said that the Foundation was created to raise money to endow the award. It now promotes excellence around the country and around the world. Faber reviewed the current state of the congressional appropriations process for FY2020 and FY2021, reporting that the Baldrige Program was included in the President’s budget in FY2020 for the first time since FY2012. The Foundation’s focus is on increasing appropriations to support the program’s promotion of excellence in cybersecurity and communities, as well as to support state and regional Baldrige-based programs.

Faber also reviewed the Foundation’s outreach efforts to CEOs, as well as its social media efforts and its support of the Baldrige Fall Conference through sponsorships. He also reviewed initiatives to raise funds for the endowment and to increase the visibility of Baldrige through publications.

The overseers thanked Faber for the Foundation’s successful advocacy for federal funding for the Baldrige Program.

## Report from the Alliance for Performance Excellence

By telephone, Elizabeth Menzer, vice chair of the Alliance, reported that it consists of 29 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 more than 1,200 in 2018, with 158 full applications, 25 top-level applicants, 826 organizations recognized, and 1,660 examiners trained. The current focus areas of the Alliance are to (1) manage and promote the Baldrige Fall Conference (Nashville, October 24–25, 2019), with plans underway for 2020 and 2021; (2) increase consistency in lower-level application processes; (3) pilot award processes with Communities of Excellence 2026; (4) work with the Baldrige Program on piloting a revised top-level award process; and (5) continue to collaborate with Baldrige Enterprise partners on task forces. Menzer invited the overseers and judges to attend the Baldrige Fall Conference and to support their state or regional programs.

The overseers asked Menzer about state funding for Alliance programs. According to Menzer, some have traditionally had state support. Menzer asked for the overseers’ help in creating strategies for obtaining such funding.

## Report from Communities of Excellence (COE) 2026

Lowell Kruse reminded the overseers that in December 2018, the overseers agreed to support “community” as the seventh Baldrige Award category. Fangmeyer noted that expanding the award categories will require (1) support from NIST and the Commerce Department; (2) congressional authorization; and (3) funding, which historically has lagged authorization by several years. Kruse also said that the overseers requested that COE present evidence of the impact of COE on communities, a business plan, and a proposal for pilots with state programs.

Kruse and Stephanie Norling presented a progress report. As for impact, Norling noted that COE 2026 (1) is the only nationally recognized effort that utilizes a Baldrige-based framework for community improvement; (2) has exposed over 500 community members representing approximately 300 organizations to Baldrige principles and community excellence principles; (3) has launched a National Learning Collaborative consisting of 13 communities in two cohorts, with a third now forming; (4) completed two revisions of the COE framework; (5) held two national in-person conferences; and (6) launched a community recognition program that in 2018 engaged 30 volunteer examiners in providing feedback to 8 applicant communities, with an increase to 11 applicants in 2019. Norling noted that the communities had experienced significant improvement in cross-sector collaboration and engagement. She related the experiences of three communities involved in the collaborative.

Norling also reviewed COE 2026’s expansion plan, which details the full implementation of Community as a Baldrige Award category in 2023. She and Kruse thanked NIST for its support and asked for the overseers’ help in securing Congressional approval.

The overseers applauded COE’s progress in moving its business plan forward. They recommended that Kruse and Norling include impact measures showing that use of the COE framework improves communities in important areas, as such data may prove critical to gaining both Congressional approval and the engagement of additional communities.

The overseers also recommended that representatives of COE 2026, the Baldrige Foundation, the Alliance for Performance Excellence, and the Baldrige Program meet with the NIST director and the Secretary of Commerce to gain departmental support. They also requested that the Foundation help COE 2026 prepare a strategy for engaging members of Congress.

## Issues from the June 5 Judges Panel Meeting

Chair of the Judges Panel Kristin Stehouwer reported that in 2018, the Baldrige Award process continued to be rigorous, with due attention to all applicants. Enhancements to the questions asked of team leaders by the judges increased the value of the information they received. In 2019, the judges will make minor changes to increase the clarity of the process flow during the November meeting.

Stehouwer also reported that the judges received a briefing on the program’s award process redesign, with attention to its effect on the judging process. She emphasized the panel’s belief that the redesign would increase the efficiency and value of the award process while maintaining its effectiveness, and that it has the potential to increase applicants.

In response to questions from the overseers, Fangmeyer said that the redesign could reduce the award process cycle time by half in terms of both months and examiners’ time. When asked about a potential revision to the application process, Fangmeyer said that it constitutes a second phase of the revision, to be undertaken after the evaluation process has been redesigned. He noted that the program would decide by the end of 2019 whether to move ahead with the redesign. If so, 2020 would be devoted to reengineering all related processes, and the new evaluation process would debut in 2021.

The overseers suggested that the program (1) determine and publicize the amount of time an applicant will need to spend on a revised application process, and (2) make sure to retain the value of the feedback applicants receive.

## Ethics Briefing (via telephone)

By telephone, Eric Osterman delivered the ethics briefing for special government employees to the overseers and judges.

## Baldrige Program Update

Fangmeyer reviewed the program’s annual funding sources: on average, $2.6 million in cost recovery from products and services (despite giving up two cost recovery streams worth about $300,000 in FY2019); $2.2 million in federal appropriations; and steadily decreasing support from the Baldrige Foundation (recently about $50,000). One issue for the program is that while federal funding has remained static, cost-of-living adjustments and unfunded mandates have increased costs; after seven years of streamlining operations, all the program’s work is either mission critical, unfunded mandates, or revenue generating, leaving little room for ongoing strategic initiatives or new hires. As a result, the program is engaging in capability and capacity planning, and, as noted, the Foundation is advocating for increased federal funding for FY2021. Fangmeyer noted that such funding would support increased capability and capacity, the award process redesign, a potential workforce development and training excellence award, Communities of Excellence, the cybersecurity initiative, and the Alliance for Performance Excellence.

The overseers applauded the program for its financial accomplishments but pointed out the need to plan for various funding scenarios. They asked the program to create a business plan that includes such scenarios for federal appropriations, cost recovery from products and services, and Foundation funding.

Considering the Foundation’s critical role as the Baldrige Program’s private partner, the overseers asked for more specific information on the Baldrige Foundation’s financial status, including both the status of the endowment, which is a source of financial support for the program, and contingency plans for Foundation operations, which provide critical functions to the program.

Fangmeyer and his colleagues also reported on the 2019 Baldrige Award applicants; the 2018 Baldrige Award Ceremony; the 2019 Quest for Excellence Conference; the Baldrige Executive Fellows Program, the Baldrige cybersecurity initiative; the potential workforce development excellence award; and the Baldrige Program’s longstanding involvement in the Global Excellence Council, which includes prominent excellence programs worldwide.

In response to the overseers’ questions, Fangmeyer noted that one key to increasing award recipients is to fill the pipeline, namely, to increase the pool of top-tier award recipients at the state and regional level. As for the Quest Conference, he noted that a key driver of attendance is the number and prominence of the award recipients. He also pointed about the potential value of the cybersecurity, workforce, and COE initiatives in reaching new audiences for Baldrige. In response, the overseers noted the importance of retaining the integrity and meaning of the Baldrige brand in any of these initiatives.

As part of a meeting evaluation, the overseers suggested providing more context for new members of the board, perhaps through a more comprehensive orientation and the assignment of mentors.

The meeting was adjourned at 2:40 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

7/ xx/2019