

## **Malcolm Baldrige National Quality Award**

### **Joint Board of Overseers/Judges' Panel Meeting**

#### **Baldrige Performance Excellence Program ☐ National Institute of Standards and Technology**

**Thursday, June 12, 2014**

#### **Attendees**

*Overseers:* Julie Furst-Bowe, Reatha Clark King, Brian Lassiter, Robert Pence (by telephone), Liza Nickerson Seltzer, Rulon Stacey (chair), Paul Westbrook. *Absent:* Bryan Bushick, Robert Hagans, Warren Harris, Gail Hendrickson, Terry Holliday

*Judges:* Diane Bosworth, Michael Dockery, Laura Huston, Donald Lighter (by telephone), Paige Lillard (chair), Geri Markley, Sharon Muret-Wagstaff, Michael Sather, Kenneth Schiller, Sunil Sinha, Fonda Vera, Roger Triplett

*NIST:* Jamie Ambrosi, Dawn Bailey, Sandra Byrne, Jacqueline Calhoun, Jacqueline DesChamps, Robert Fangmeyer, Ellen Garshick, Renée Norris, Tracy Phillips, Christine Schaefer, Mark Shapiro, Phillip Singerman, Suzanne Sullivan, Barbara Uglik

*U.S. Department of Commerce:* Francisco Ruben, Office of the General Counsel

*Foundation for the Malcolm Baldrige National Quality Award:* Kellie Glenn

Rulon Stacey, chair of the Board or Overseers, called the meeting to order at 8:15 a.m. Baldrige Program Director Robert Fangmeyer welcomed the judges and overseers and expressed appreciation for their guidance. Stacey noted that he would leave the meeting to participate in a White House roundtable on the economy with other business leaders from his home state of Minnesota.

Phil Singerman, Associate Director for Innovation and Industry Services at NIST, thanked the judges and overseers for their leadership and support. He reiterated NIST's commitment to helping to ensure the sustainability of the Baldrige Program.

The minutes from the Board of Overseers' December 2013 meeting were approved unanimously.

#### **Program Update**

Fangmeyer noted efforts toward the goal of a three-pronged funding model consisting of federal appropriations, support from the Baldrige Foundation, and revenue from Baldrige products and services: an upcoming meeting requested by Senator Edward J. Markey of Massachusetts, the extension of the favorable overhead rate charged by NIST, and the Department of Commerce's willingness to accept a one-year-at-a-time financial commitment from the Baldrige Foundation.

Ellen Garshick noted some recent attention to the Baldrige Program's positive impact on the nation's organizations: the first-place award in the government and military category of the Leadership 500 Excellence Awards and a report by the President's Council of Advisors on Science and Technology that calls out the Malcolm Baldrige National Quality Award as an opportunity "for raising awareness of performance excellence" in U.S. health care. Also in health care, the 2014 Truven Health Analytics study identifying top hospitals included many health care organizations using the Baldrige Health Care Criteria for Performance Excellence as a management framework.

Garshick also reviewed recent program events held by the: the Baldrige Award ceremony, the ending of the third and the beginning of the fourth cohort of the Baldrige Executive Fellows Program; the 2014 Baldrige Award process; and Baldrige examiner training, including a pilot week in California. Also underway is the development of the 2015–2016 Criteria for Performance Excellence. After soliciting broad input, the program is incorporating

these themes: a set of overarching questions for the Criteria, the impacts of big data and climate change, change management, and brand management.

Garshick reported on the goals set by the leaders of the Baldrige Enterprise (consisting of the Baldrige Program, the Baldrige Foundation, the Alliance for Performance, and ASQ: (1) improve consistency among Alliance member programs and alignment within the Enterprise; (2) integrate common elements of examiner training across the Enterprise; (3) strengthen Baldrige brand awareness and develop brand management to protect, preserve, and promote the Baldrige brand, expand the reach of Baldrige, and deepen experiential knowledge of the value proposition; (4) ensure the growth and sustainability of the Baldrige Enterprise; and (5) develop and enforce compliance with requirements to be an “approved” Alliance member program. As of last January, Alliance programs agreed to common standards for top-level awardees, and a team has documented effective practices for Alliance’s lower-tier awards. A pilot of examiner training in California represented a goal to develop regional training, and an Enterprise-wide curriculum is under development.

Overseer Brian Lassiter, chair of the Alliance, said that the Alliance continues to work toward an overall goal of compliance with the top-level award standards and toward requirements to be an “approved” Alliance member program. Fangmeyer and Lassiter agreed that the Baldrige Program benefits from a strong Alliance.

In regard to brand awareness, the overseers asked for updated talking points to use within their own communities. Other suggestions were to increase conference presentations on Baldrige, perhaps by having judges, overseers, and examiner present, and to track those presentations. The judges and overseers requested that the program send them the list of conferences for which Baldrige presentations would be beneficial.

### **Issues from the June 11 Judges’ Panel Meeting**

Paige Lillard, chair of the Judges’ Panel, gave an overview of the judges’ discussion on June 11. She noted three successful improvements to the 2013 process: (1) a refined process for identifying and documenting category best practice recognitions, (2) the use of criteria for changing applicant scores during the November Judges’ Meeting, and (3) summary considerations for judging of health care organizations at the August and November meeting. For 2014, the judges will standardize the presentation of scoring changes between Consensus Review and Site Visit Review, include an information-gathering tool developed by former judge Jack Swaim as a part of the judges’ toolkit, and, with Baldrige staff, prepare a common health care primer for judges and site visit teams.

### **Baldrige Foundation Update**

Kellie Glenn, major gifts director for the Baldrige Foundation, reported on the Foundation’s efforts to establish a fundraising infrastructure and to raise funds. Progress includes the hiring of staff members, the establishment of board committees and policies and procedures, the imminent hiring of an executive director, the development of marketing and outreach materials, and the establishment of the Harry S. Hertz Leadership Award. Funds raised for 2014 stand at \$207,500, with \$7.4 million in requests outstanding. The current focus is on prospects in the Baldrige community. In response to questions, Glenn noted that the overseers could help through financial support, individually and from their institutions, and by opening doors to other organizations that might support the Foundation.

### **Eligibility for the Baldrige Award**

Fangmeyer led a discussion of potential changes to eligibility requirements for the Baldrige Award in three areas. All areas involved increasing award applications to 30–40 per year and ensuring eligibility pathways for organizations that have the potential to serve as national role models.

First, the overseers unanimously recommended that any Baldrige Award recipient be eligible for the award in the future, even if other eligibility requirements would screen the organization out.

Second, the overseers discussed the eligibility of subunits in the manufacturing and service sectors, which were restricted by size and/or the existence of external customers. After a discussion, the overseers unanimously



recommended that the program consider eliminating the restrictions on subunits related to size, the percentage of external customers, and the percentage of the parent organization's products and services produced by the subunit. The overseers believed that the rigor of the award evaluation process would ensure that only organizations worthy of the award would receive it. It was agreed that the program would carefully consider how many of the restrictions to eliminate and report to the overseers during the summer.

Third, the overseers discussed the requirement that most organizations receive a top-tier Alliance award before applying for the Baldrige Award. This requirement was established in 2012 to ensure that Baldrige Award applicants were at an "award-ready" level, ensure that other organizations received reviews appropriate to their level, and strengthen the Alliance programs. Fangmeyer noted that these goals still apply but that some organizations are not participating in Baldrige because they do not want to engage with their designated Alliance program. In 2013, the overseers approved an alternative eligibility process for such organizations, but the program tabled it for 2014 after discussions with the Alliance.

The overseers unanimously recommended that the program extend one year of eligibility to organizations that have not received a top-tier Alliance award, with two conditions: (1) if the organization does not score at a sufficiently high level (to be determined by the program), it must receive an Alliance award before reapplying, and (2) the Baldrige Program and the Alliance will collaborate on some form of support for the bypassed Alliance program.

### **Ethics Review**

Francisco Ruben, Office of the General Counsel, Department of Commerce, delivered the annual ethics review required for the judges and overseers.

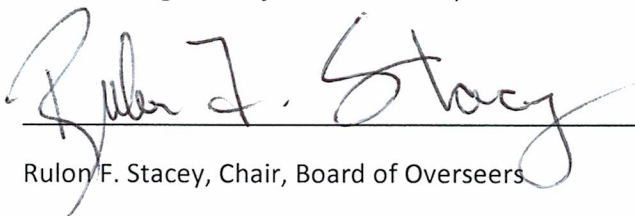
### **Analysis of Program Strengths, Problems, Opportunities, and Threats**

Fangmeyer asked for the overseers' views on the Baldrige Program's strengths, problems, opportunities, and threats, noting that this information would serve as input to the program's strategic planning process.

### **Recommendations**

- For key initiatives, augment the workforce with volunteers in specific roles.
- Hold a summit of Baldrige Award recipients to maintain relevance: what would bring them back?
- Exploit the Criteria in venues other than in the award process, such as education and MBA programs.
- Continue to connect Baldrige to issues of importance to NIST, the Commerce Department, and the President's priorities.
- Leverage the overseers in an outreach role.
- If possible, be more assertive in standardizing and improving the Alliance programs; manage for the stronger programs, and do not allow the weaker programs to slow progress.

The meeting was adjourned at 2:30 p.m.

  
Rulon F. Stacey, Chair, Board of Overseers

22 Jul 14  
Date