

A Baldrige Success Story:

The Transformation of ARDEC

*By Pamela Wong*

On February 28, 1991, the first Gulf War ended, and the coalition forces, led by the U.S. military, were the resounding victors. Just years later, however, the Department of Defense faced a significant downturn in its budget. A proposed base realignment and closure (BRAC) decision in 1995 would have closed the U.S. Army Armament Research, Development and Engineering Center (ARDEC), which develops and provides lifecycle engineering support for over 90 percent of the Army’s weaponry and ammunition. The BRAC “near miss” provided ARDEC’s leaders with a “burning platform” for change.

“The Baldrige Criteria were developed and are regularly updated by some of the nation’s brightest business professionals and therefore provide a solid foundation for any organization in the public or private sector to achieve success.”

Dr. Gerardo Melendez, Director,

U.S. Army ARDEC, 2007 Baldrige Award Recipient

ARDEC’s Commanding General at that time, Brig. Gen. James Boddie, led the charge, claiming that the key to ARDEC’s sustainability was to operate more like a for-profit business by focusing on exceeding customer expectations for quality, timeliness, and cost. Boddie’s research convinced him that the Baldrige Criteria for Performance Excellence would provide the best framework to drive ARDEC’s transformation, and he assigned senior leaders to serve as Baldrige category champions.

In 2005, Congress authorized nonprofit and government organizations to join those in business, health care, and education to apply for the Baldrige Award, and in 2007 ARDEC became the first federal organization to earn the award. ARDEC continues to demonstrate outstanding results in innovative technology, including:

* receipt of the Army’s Large R&D Laboratory of the Year award for all of the last three competitions and 13 of the Army’s 10 Greatest Invention of the Year awards in the previous three years;
* recognition for the technological innovation of the XM25 combat rifle that fires explosive rounds to neutralize enemies camped out behind cover, which was named one of the “50 Best inventions of 2009” by *Time*; and

• being named the Army’s benchmark for technology transition by the Army Audit Agency.

ARDEC also shows increasingly stronger financial data, customer focus, and workforce focus:

* an increase in total revenue from $640 million in fiscal (FY) 2001 to over $1.3 billion in FY2011;
* revenues from non-Army customers grew from $60 million (2001) to almost $130 million (2011);
* average number releases in response to urgent requests from soldiers in the field per year has increased by 400 percent since 2001;
* overall customer satisfaction ratings that increased from 3.48 (on a 4-point scale) in FY2000 to 3.9 in FY2011, exceeding both government and industry benchmarks; and
* workforce readiness based on the Employee Climate survey increased from 75 percent in FY08 to over 80 percent positive in FY2011 for key job categories: engineers and scientists, business, administrative, interns, clerical.

After becoming a Baldrige recipient, ARDEC faced the challenge of keeping the momentum going. “In the public sector, change is always a greater challenge because you don’t have the for-profit motive that exists in the private sector,” says Joseph Brescia, Director, Strategic Management and Process Office at ARDEC.

After winning Baldrige, it would have been easy for ARDEC’s leaders to sit back and relax, but instead they sought new ways to keep the momentum going and keep their workforce engaged on improvement efforts. As ARDEC’s director, Dr. Gerardo Melendez, points out, “ARDEC will always be in a ‘state of becoming’ because the journey of continuous improvement never ends. What keeps repeating is a theme of innovation that makes a real difference for the warfighters in harm’s way who deserve nothing less than our very best.”

ARDEC has historically relied upon external assessments to validate its progress and to identify opportunities for further improvement. Several of these assessments, such as the Presidential Award for Quality and the Army Communities of Excellence Award, have been Baldrige-based.

ARDEC also uses other assessment frameworks. These include the Army Laboratory of the Year Award (ARDEC won the last three) and the Shingo transformational model, for which ARDEC earned a Shingo Bronze Medallion in 2011, for lean transformation of its 3,800 person workforce.

“Regardless of the framework, our improvement efforts are always channeled back into and anchored by the Baldrige Criteria, which continue to serve as our overarching business performance system,” Joe says.

In the early years of its journey, ARDEC benchmarked best practices with industry leaders such as Motorola, IBM, and Boeing, and participated in Quality New Jersey and with APQC. Because of the value it received through these activities, ARDEC has shared its experiences with over 60 organizations inside and outside the government sector since it received the Baldrige Award.

The benchmarking sessions may involve short tele- or video-conferences or multiday site visits. One of these organizations, the Veterans Administration (VA) Cooperative Studies Program Clinical Research Pharmacy Coordinating Center, became the second (and so far only other) federal organization to win the Baldrige Award. ARDEC staff members also frequently speak at venues such as the National Defense University’s course on continuous process improvement.

“The Baldrige Criteria were developed and are regularly updated by some of the nation’s brightest business professionals and therefore provide a solid foundation for any organization in the public or private sector to achieve success,” says Dr. Melendez. “We take great pride in being a Baldrige recipient and serving as a role model for others who share the desire to improve.”

The journey continues.