

2024 Baldrige Program Organizational Profile

# P.1 Organizational Description

The Baldrige Performance Excellence Program® (BPEP), an operating unit of the National Institute of Standards and Technology (NIST), an agency of the U.S. Department of Commerce (DOC), is part of a unique public-private partnership established by Congress in 1988 with the purpose of improving the performance and long-term success of U.S. organizations of all kinds, thereby improving the nation’s economy and quality of life. We accomplish this purpose by recognizing role models and fostering the adoption of proven leadership, management, and operational practices through a variety of educational offerings and improvement tools that we produce and manage.

Funding for BPEP is unique, incorporating financial and in-kind support from private industry and other non-federal sources, fee-for-service offerings, and limited federal appropriations. In 2011, $9.6 million of our ~$11 million annual budget was funded by federal appropriations, and the remainder came from the Foundation for the Malcolm Baldrige National Quality Award. The unexpected total loss of the $9.6 million federal appropriations in 2012 wiped out 93% of our funding, requiring massive changes to the program and staffing, as well as a completely revised business model. Although limited appropriations were reinstituted in 2018 ($2.2 million), the Baldrige Foundation’s endowment has been depleted, so it no longer can provide significant financial support.

# P.1a Organizational Environment

****(1) What are your main product offerings? What is the relative importance of each to your success? What are the delivery methods for these products and services?****

BPEP’s sustainability is dependent on providing offerings for which organizations and individuals are willing to pay. Therefore, our suite of offerings must consider mission accomplishment, customer demand, and direct and indirect “production” costs. However, to have the greatest reach and impact, we also provide many offerings free of charge. Product and service fees are collected through the Baldrige Foundation or contractors’ fee mechanisms.

## Funding Sources chart showing Federal appropriations 52%, Award Process 19%, Quest Conference 15%, Fellows Program 11%, and the Framework sales 3%.

## Key Products/Services

 **Baldrige Excellence Framework®**Our primary product, the Baldrige Excellence Framework®, is an internationally recognized and emulated, integrated leadership and management framework. It is updated every two years to ensure that it represents the leading edge of validated leadership and performance practice. All other products and services are based on the Baldrige framework. It only generates approximately 3% percent of total funding and 1% of annual operating revenues, but it is central to the success of all Baldrige efforts.

**Malcolm Baldrige National Quality Award®**
The Baldrige Award is a Presidential award that is the highest level of national recognition for performance excellence that a U.S. organization can receive. Awarded Applicants are recognized at the national Quest for Excellence® conference, where they share their role-model practices with organizations across sectors.

Starting in 2024, role-models of organizational resilience and long-term success will be recognized. All applicants receive a detailed report on their performance against the award criteria, providing valuable insights on their strengths and areas to improve. The award process has historically generated nearly 20% percent of total funds and 41% of annual operating revenues.

**The Quest for Excellence® Conference**
The Quest Conference hosted by BPEP is the premier best-practice-sharing event for organizations and leaders interested in learning from and engaging with Baldrige Award recipients, others in the Baldrige community, and thought leaders on organizational excellence and resilience.
The conference serves as a cross-sectoral community of practice and is held in conjunction with the Baldrige Award Ceremony, and events
for the Baldrige Executive Fellows and the Baldrige Foundation. It generates approximately 15% of total funds and 31% of BPEP’s annual operating revenues.

**Baldrige Executive Fellows Program®**
The Baldrige Executive Fellows Program® is a one-year, leadership development experience for senior leaders and their direct reports.
The program prepares current and rising senior executives for impactful leadership and helps them emerge with a broader perspective on
how to achieve performance excellence for their own organizations, stimulate innovation, and build the knowledge and capabilities necessary for organizational sustainability. The Baldrige Fellows program generates about 11% of total funds and 21% percent of BPEP’s annual
operating revenues.

## Other Complimentary (Free) Offerings

Many of our offerings are freely available on our website, including the Baldrige Excellence Builder® booklet (an abbreviated version of the Baldrige framework booklets); Baldrige Award recipients’ application summaries; Baldrige case studies (fictitious award applications) along with associated Baldrige examiners’ assessments and feedback); the Baldrige Cybersecurity Excellence Builder booklet
(a companion to the NIST Cybersecurity Framework; The Job Quality Toolkit (including assessment tools); the Foundations of a Successful Business; Blogrige (BPEP’s official blog), which includes quarterly “Insights on the Road to Excellence” column-length research posts by BPEP Director Emeritus Harry Hertz); and many other self-assessment surveys and tools.

****(2) What are your mission, vision, and values? What are the defining characteristics of your organizational culture?
What are your organization’s core competencies, and what is their relationship to your mission and vision?****

BPEP’s **Purpose** is to strengthen the U.S. economy and quality of life by improving the performance and long-term success of organizations of all kinds, through our **Mission** of recognizing role models of resilience and long-term success and fostering the adoption of proven leadership, management, and operational practices. Our **Vision** is to enhance the quality of life for every American through improved job opportunities, work environments, health care, education, government, and nonprofit services.

**BPEP’s Values and Culture:** We are mission-focused (ethical, entrepreneurial, and strategic); people-focused (engagement, empowerment, respect, and collaboration with customers, workforce members, and partners); results-focused (efficient processes,
strong outcomes, and exceptional value).

Our core competencies, which directly support our mission and enable our vision, are collaborator/partner building and engagement; framework and criteria development; organizational assessment; training and development; and volunteer management.

(3) What is your workforce profile? What are your workforce or employee groups and segments and the key engagement
drivers for each? What key changes are you experiencing in your workforce capability, capacity, and composition?

Our workforce consists of two main groups: paid staff members (12), who are federal (NIST) employees, and an all-volunteer Board of Examiners (about 300).

BPEP is a flat organization with only two supervisors, including the program director. Staff members traditionally have operated in semi-permanent teams based on key operational functions as well as in flexible project teams to address program priorities and strategic initiatives. Functional groups are empowered to make decisions on how best to manage their respective program components, with guidance from leadership and BPEP’s overall priorities and objectives. The director has the final authority on key decisions; however, the emphasis is on consensus and empowerment rather than on hierarchy.

Key engagement drivers: meaningful work, adequate pay, family-friendly work schedules/policies that include liberal use of telework, teamwork and collaboration, transparent and inclusive leadership, and good benefits. Despite extreme workloads, stress, and disruption over the past decade, BPEP staff members remain among—if not the most—engaged and satisfied employees at NIST based on the annual Federal Employee Viewpoint Survey. Retaining sufficient capability and capacity due to inadequate funding and significant reductions in staff size (from 39 in 2012 to 12 in 2024) continues to be a major challenge and vulnerability for the program.

The volunteer Board of Examiners consists of experts from all sectors of the economy who apply to serve each year through a competitive process. Baldrige examiners are categorized by tenure as new examiners (year 1), returning examiners (years 2–5), senior examiners (years 6–8), and master examiners (9+ years). To refresh the board’s expertise and maintain balance among industry sectors, each year approximately
one-third of the board members traditionally have been selected as new examiners. Examiners perform organizational assessments, prepare evaluation reports, coach and train other examiners, write or review select training-related materials, and do outreach to organizations and industry sectors on BPEP’s behalf.

A subset of the Board of Examiners, the 12-member Judges’ Panel, is appointed by the Secretary of Commerce to decide which Baldrige Award applicants receive site visits during the annual award process and to recommend award recipients to the NIST director.

Key drivers of engagement for Baldrige examiners are (1) the desire to serve the nation by volunteering their time to help U.S. organizations improve, (2) the professional and personal development they gain from their service, and (3) the opportunity to network with other examiners and the larger Baldrige community.

(4) What are your major assets, such as facilities, technologies, and equipment?

BPEP is located at the NIST main campus in Gaithersburg, MD, where it occupies one-half of one floor in the Administration building. BPEP uses business technology resources (e.g., laptop computers and printers) and systems available through NIST, as well as other proprietary systems and technologies including an online application tool and database for managing the recruitment, selection, training, and utilization of examiners (the Examiner Application); an online application tool for award applicants; and a contracted learning management system to provide online training, development, and collaboration.

(5) What are your key applicable regulations, and accreditation, certification, or registration requirements?

As a NIST operating unit, BPEP is subject to all regulations that apply to federal agencies. Key areas include federal regulations
in the areas of human resources (e.g., equal employment opportunity [EEO] and federal hiring policies), procurement and contracting (FAR), finance, safety (e.g., Occupational Safety and Health Administration [OSHA]) regulations and information technology [IT] security, confidentiality, and privacy [FISMA]). The security and confidentiality of award process data and information are particularly important because the materials may contain applicant organizations’ proprietary information.

# P1.b Organizational Relationships

 (1) Organizational Structure - What are your organizational leadership and governance structures? What are the key
components of your organization’s leadership system? What are the reporting relationships among your governance
system, senior leaders, and parent organization, as appropriate?

At NIST, the BPEP director reports to the NIST associate director for Innovation and Industry Services, who reports to the NIST director/under secretary of commerce for standards and technology. The BPEP director serves on the NIST Leadership Board, along with the senior leaders of other NIST operating units.

The Board of Overseers advises the DOC on BPEP. Appointed by the Secretary of Commerce, the board consists of distinguished leaders from all sectors of the U.S. economy. The board evaluates all aspects of BPEP, including the adequacy of the Baldrige framework the Baldrige Award Criteria), processes for determining award recipients, and how well BPEP is serving the national interest.

(2) Customers and Stakeholders - What are your key market segments, customer groups, and stakeholder groups, as appropriate? What are their key requirements and expectations for your products and/or services, customer support services, and operations, including any differences among the groups?

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| Key Offerings  | Stakeholder Requirements |

**Baldrige Excellence Framework®**

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| Individual users, organizations | Clear, concise, relevant, easy to understand, easy to implement; regularly updated, leading-edge leadership, management, and operational principles and practices proven to enhance organizational performance |

**Award Process**

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| Applicants | Leading-edge, organizational performance excellence criteria; effective, user-friendly processes; objective evaluation by Baldrige/industry experts; relevant, non-prescriptive feedback useful for improvement; actionable and accurate evaluations and ratings |
| Examiners | Effective training and evaluation guidance and tools; reliable, user-friendly IT technology that supports the evaluation; timely, helpful customer support; reliable, knowledgeable, supportive team members/team leaders/BPEP process monitors; applications that follow format guidelines; networking with like-minded people |
| Judges | High-quality, non-biased evaluations for Baldrige Award applicants from examiner teams; efficient, well-organized, and well-managed meetings; timely access to materials; reliable, knowledgeable, and supportive Judges’ Panel members |
| Overseers/ NIST/DOC | Effective, efficient, appropriate operations to include the award process; timely communications and information sharing; compliance with policies and guidelines; support for NIST and DOC priorities and objectives |
| Alliance Programs | Complimentary copies of the Baldrige framework and other tools to teach Baldrige concepts to organizations at the state or regional levels; two-way sharing on best practices and changes among programs; and shared outreach/marketing on the use of Baldrige products and organizations starting their improvement journeys at Alliance programs before proceeding to the national program (BPEP). |
| ASQ | Regular communication, dialogue, and engagement; adequate timelines to accomplish work; regaining a more significant role following the 2022–2023 pause in the award process |

**Baldrige Executive Fellows Program®**

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| Fellows | Leadership development to gain a deeper understanding of best practices across leadership, strategy, customer challenges, measurement, workforce challenges, and operations; coaching and peer feedback to improve or innovate a strategic area of focus at their own organizations; clear, organized communication; safe spaces to share sensitive information about their own leadership challenges; networking with like-minded executives |

**The Quest for Excellence® Conference**

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| Attendees | Learn best performance management practices directly from Baldrige Award recipients, engage in dynamic networking opportunities, take away practices to apply to their organization to improve performance and get world-class results |

(3) Suppliers, Partners, and Collaborators - What are your key types of suppliers, partners, and collaborators? What role do they play in producing and delivering your key products and/or services and customer support services? What role do they play in contributing and implementing innovations in your organization? What are your key supply-network requirements?

****Figure P.1-X Key Suppliers, Partners, and Collaborators****

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| Entity **S** = Supplier**P** = Partner **C** = Collaborator | Role in BPEP’s Mission |
| Baldrige Foundation **S, P** | * By charter, raises endowment funds to support the Baldrige Award process
* Provides advocacy before Congress and helps promote the program and award
* No oversight of BPEP; no involvement in or influence on the Baldrige Award process
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| Alliance for Performance Excellence **S, P, C** | * Network of nonprofit state and regional Baldrige-based award and organizational improvement programs
* Receives no direct financial support from BPEP
* In-kind support includes the Baldrige Excellence Framework, training materials, and other resources from BPEP
* Delivers Baldrige-based assessments, awards, training, and coaching directly to organizations
* Is a formal supplier/feeder system for the Baldrige Award
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| ASQ **S** | * Supplies administrative services, under a federal contract, that support BPEP products, services, and processes, mainly in relation to the award process
* Requirements detailed in a no-cost contract with NIST; re-competed every five years
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| Baldrige consultants**C**  | * Deliver consulting/coaching services to organizations in using the Baldrige framework and applying for the award
* Deliver Baldrige-based training for organizations and on behalf of Alliance member programs
* “Supplier” of award applicants through promotion of the award and assistance to clients
* Many serve as Baldrige examiners
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| Baldrige Award recipients **C** | * As a condition of receiving the award, share best practices at the Quest for Excellence Conference
* Voluntarily and at their own expense, have delivered more than 60,000 additional presentations, as well as additional informal support, to U.S. organizations
* Many are willing to host Baldrige Executive Fellows meetings, also at their own expense
* Serve as advocates for Baldrige
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| Communities of Excellence 2026 (COE) **P, C** | * Assists communities as they implement the Baldrige-based Community Performance Excellence Framework
* Serves as advocate and promotes Baldrige framework and concepts through U.S. communities
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| Global Excellence Model Council (GEM)**C** | * Organizations that are recognized globally as the premier excellence models and award programs in their geographic regions
* Member organizations share updates and information, best practices, and lessons learned
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# P.2a Competitive Environment

(1) What is your competitive position? What are your relative size and growth in your industry or the markets you serve? How many and what types of competitors do you have?

We are the only federal entity tasked with developing standards for organizational performance excellence and administering the highest honor that a U.S. organization can receive for performance excellence and have no direct competitors in these areas. In practice, however, competitive offerings exist for our products and services.

One group of competitors is other providers of Baldrige-based products and services. Many of these are our stakeholders, as well as partners and collaborators in carrying out our mission: Alliance member programs, similar programs that are not Alliance members, Baldrige-based consultants, and Baldrige-based assessment and award programs that are internal to organizations. Our business model and competitive strategy not only must allow them to coexist and succeed but should leverage their success to increase our reach and impact for the nation.

Competitors also include other organizational awards and credentials, such as the Shingo Prize, Deming Award, Magnet Recognition, and European Foundation for Quality Management (EFQM) Model, as well as providers of other improvement methodologies, such as A Balanced Scorecard, Total Quality Management (TQM), Six Sigma, Lean, International Organization for Standardization (ISO), and hospital or school accreditations. Although these improvement tools are compatible with the Baldrige systems approach, some customers see them—and some providers present them—as alternatives.

(2) What key changes, if any, are affecting your competitive situation, including changes that create opportunities for innovation and collaboration, as appropriate?

The award process was put on hold in 2022 and 2023 while the program went through a rigorous external review intended to identify opportunities to enhance program reach and impact. The pause on the award process resulted in roughly $2 million in lost revenue. However, the external review provided support for transformative changes to the program and award process, including shifting to a focus on resilience and long-term success, and it resulted in a complete redesign of the award evaluation process to lower barriers and enhance opportunities for participation and recognition. While this will ultimately be beneficial for the program and the nationwide Baldrige Enterprise, it has created a disconnect between what the Alliance programs offer for their assessment and recognition programs and what we are offering. This disconnect needs to be reconciled into a mutually beneficial pathway/pipeline of applicants from the Alliance programs to BPEP.

(3) What key sources of comparative and competitive data are available from within your industry? What key sources of comparative data are available from outside your industry? What limitations, if any, affect your ability to obtain or use these data?

Appropriate comparisons are available on a limited basis from Alliance members and GEM Council members and other international excellence programs. The Federal Employee Viewpoint Survey allows employee satisfaction and engagement-related comparisons among different NIST operating units, the Department of Commerce, and other federal agencies. For our key offerings such as the Baldrige Excellence Framework, the Baldrige Award process, the Quest for Excellence Conference, and the Baldrige Executive Fellows, we calculate and compare Net Promoter Scores with those in other industries.

P.2b What are your key strategic challenges and advantages in the areas of business, operations, societal responsibilities, and workforce?

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| **Key Strategic Advantages** | **Key Strategic Challenges** |
| * Engaged, knowledgeable, high-performing staff members
* Volunteer workforce and network of examiners, judges, overseers
* Baldrige community of partners and collaborators, including the Baldrige foundation, Alliance programs, COE 2026, Baldrige Award recipients, and consultants to Baldrige Award applicants
* Reputation as the premier quality/performance excellence program in the U.S. and around the world
* Reputation of the Baldrige framework, Baldrige assessments, and award process
 | * Capability and Capacity
* Attrition through retirements and lack of funding to backfill key positions
* Workload and lack of “bench strength”
* Growing importance of outreach, communications, and technology without resources to properly invest
* Achieving and maintaining appropriate sector balance of participants in the award and other services/offerings
* Re-engaging with manufacturing and large businesses
* Retaining interest/engagement of health care, education, and nonprofit organizations
* Regaining interest and participation of the Office of the President
* Baldrige Enterprise alignment and integration
* Overall funding model that is dependent on product and service fees, partial federal funding, and in-kind support from volunteers, given the following factors:
* Fee-based offerings limit accessibility and impact.
* Government policies and regulations are not amenable to operating like a small business.
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P.2c What are the key elements of your performance improvement system, including your processes for evaluation and improvement of key organizational projects and processes?

Our performance improvement system is the use of Baldrige Excellence Framework®. By virtue of the program’s mission and its principal product, an improvement orientation based on the Baldrige framework is embedded in the program’s daily work.

On a program level, we follow a basic Plan/Do/Check/Act (PDCA) type of approach—obtaining feedback from customers and stakeholders on products and services to identify and build on strengths and to surface opportunities for improvement.

On a process level, we conduct debriefs at the end of all major projects and processes leveraging available data and other information. These debriefs lead to incremental improvements and occasionally to larger process redesign. In addition, we undergo periodic internal (NIST/BPEP) and external (Board of Overseers/private contractor) reviews, with the most recent external review, as noted, in 2022–2023.

10/2024