

P.1 ORGANIZATIONAL DESCRIPTION

a. Organizational Environment

At its core, the non-profit Tennessee Center for Performance Excellence (TNCPE) is an economic development organization.

Using the framework of an awards program, TNCPE fulfills its mission by providing in-depth, low-cost assessments of regional organizations using the *Baldrige Criteria for Performance Excellence*. Through a methodology based on the Baldrige Performance Excellence Program, organizations receive detailed feedback that they use to improve their processes and results. As organizations grow and improve, their communities benefit from increased revenue and job opportunities, as well as better education, government and health care services.

Since its inception in 1993, TNCPE has provided assessments and feedback to more than 1,600 organizations from myriad sectors – health care, service, education, manufacturing, government and non-profit. TNCPE trains regional professionals to provide these assessments as members of the Board of Examiners. Most examiners participate in at least three intensive days of training, provided free by TNCPE. Examiners take the skills developed during training and the assessment process back to their own jobs, benefiting and improving their own organizations in the process.

In 2007, TNCPE entered into a partnership with the State of Tennessee, working with the state’s Three Star Program to provide services to local communities.

Administered by the Department of Economic and Community Development, the Three-Star Program assists local communities in their efforts to achieve excellence in community and economic development. Communities participating in the Three-Star program benefit from the TNCPE partnership by receiving free resources provided through TNCPE.

TNCPE uses the *Criteria for Performance Excellence* to assess the strategic plans developed by communities that participate in the Three-Star program. In addition, TNCPE provides coaching and feedback to help the communities implement and improve their plans with the ultimate goal of helping Tennessee communities become more attractive to new business, building stronger communities with more diverse economies and greater job opportunities.

TNCPE furthers its vision through the annual Excellence in Tennessee Conference. This event assembles local and national experts and leaders from world-class organizations who offer training on best practices and organizational improvement tools.

During the conference, TNCPE hosts the Excellence in Tennessee Awards Banquet, providing recognition to the organizations that have participated in the program. The conference and banquet are open to the public.

The Tennessee Center for Performance Excellence believes education, recognition of significant achievement and the sharing of winning strategies will help Tennessee corporations and organizations become more competitive on a national and international level.

Fig. P.1-1 TNCPE Product and Service Offerings		
<i>Key customer group</i>	<i>Product and service offering</i>	<i>Delivery methods</i>
Applicants	Value-added feedback documenting strengths and gaps in key processes and results; recognition of achievement through Awards Program	Written feedback report Annual Awards banquet Press releases
Examiners	Education and training on how to apply the <i>Criteria for Performance Excellence</i> to an organization’s processes and results	3-day examiner training course Service on a team of examiners Electronic examiner newsletter
Members	News about performance excellence in Tennessee and nationally; discounts on application fees, conference registration and workshops	Quarterly electronic member newsletter Awards program Annual conference & workshops
State of Tennessee	Systematic process/tool to accelerate economic development in rural counties; coaching for local Adult Education leaders on quality and performance improvement tools	TNCPE website Examiner and staff coaches for Level 1 and 2 applicants
Business community	Improvement tools; professional development through annual conference, workshops and best practice sharing;	Tiered application structure TNCPE website Annual conference & workshops

Strong Tennessee businesses, in turn, bring jobs and resources to the state, supporting the people who call Tennessee home.

P.1a(1) TNCPE’s main product and service offerings are tailored to meet the needs of key customer groups. They are designed and delivered by the workforce, both staff and volunteers (Fig. P.1-1).

P.1a(2) TNCPE exists for the purpose of strengthening Tennessee’s economy. The components of TNCPE’s culture are documented in Fig. P.1-2.

Fig. P.1-2 TNCPE Culture	
Vision	To drive organizational excellence in Tennessee
Mission	To lead organizations in the pursuit of performance excellence, improving results and contributing to the economic vitality of their region.
Values	Customer focus, Leadership, Integrity, Collaboration, Excellence, Continuous Improvement, Respect
Core Competencies	Training volunteers; Administering an effective Awards program

P.1a(3) A small, permanent team of executive and support staff handles day-to-day operations from the office in Nashville. In addition, TNCPE relies on the efforts of diverse and talented experts to realize its mission.

These individuals contribute through their work on the TNCPE Board of Examiners, Panel of Judges, and Board of Directors. Member organizations and individuals contribute through monetary or in-kind donations.

The paid staff (staff) works as a cohesive team to educate and inform key customers, administer the awards program, and design and deliver programs and services. Their work is aligned with the organization’s mission and strategic objectives through annual individual performance objectives and development plans. Three staff members are located in the TNCPE office in Nashville: the President/CEO, the Manager of Administration, and the Communications Manager. A Program Manager is located in Knoxville

The staff receives the same benefits as staff and faculty in the Tennessee Board of Regents higher education system. Benefits include health insurance; paid vacation and sick leave; longevity pay; participation in the State of Tennessee retirement system; and a variety of tax-deferred annuity plans.

The staff is supplemented with contractors who manage specific projects, such as coordinating the annual

conference and awards banquet and developing examiner training materials.

However, the organization’s key products and services are delivered through a volunteer Board of Examiners, composed of business leaders from every region of the state. Examiners are responsible for assessing the companies and organizations that apply to the TNCPE Awards Program. They develop the valuable feedback reports that award program applicants use to streamline and improve their organizational systems.

Examiners come from all sectors of the region’s business and non-profit community. They apply to the board because they are looking for a challenge, and they seek the professional benefits that the training and program offer.

In addition, they view their service to TNCPE as an opportunity to play a key role in making Tennessee a better place to live and work

All examiners take part in free annual training to learn how to assess the companies that apply to the TNCPE award program. They learn how to use the *Criteria for Performance Excellence*, score applicant companies, conduct the examination process and prepare written feedback comments.

Benefits of serving on the Board of Examiners include:

- Free training in the Baldrige *Criteria for Performance Excellence*,
- Networking and benchmarking opportunities,
- Hands-on experience that increases their value to their employers,
- A chance to contribute to Tennessee’s economic well-being,
- Exposure to best practices,
- A resume “enhancer”
- A free ticket to the annual Excellence in Tennessee Awards Banquet,
- 2.7 continuing education credits through Tennessee Technological University.

Businesses and organizations also benefit when they have a TNCPE examiner on staff. Examiner training empowers employees to apply the Criteria at their own jobs, improving processes and results along the way. In addition, employers enjoy:

- Economic growth, as the organization applies the examiners’ knowledge and experiences,
- Access to intensive, free training for their workforce,
- More valuable employees,
- Recognition as an organization that values performance excellence,

- Access to on-hand experts who can lead internal improvement efforts,
- Recognition as a good corporate citizen.

The TNCPE workforce is summarized in Fig. P.1-3

P.1a(4) One of TNCPE’s member organizations provides pro-bono office space, including office furniture and hard-wired Internet access. TNCPE’s office equipment consists of a scanner, a fax machine, filing cabinets, four desktop computers, one laptop computer, four desktop printers, and a color printer that is networked to all of the PCs. A fast-speed copy machine is leased through a State of Tennessee vendor.

P.1a(5) As a 501c(3) organization, TNCPE annually files an IRS Form 990; and the accounting firm of Bellenfant & Miles conducts an annual independent audit. The organization abides by several written policies, including Conflict of Interest policies for the Board of Examiners, Panel of Judges, staff, contractors, and Board of Directors; and a Whistleblower policy, which was approved by the Board of Directors in 2010.

TNCPE follows the health and safety regulations of its landlord and participates in the landlord’s fire drills and emergency safety practices during extreme weather conditions.

<i>Workforce Group</i>	<i>Description</i>	<i>Demographics</i>
Board of Examiners	Approximately 150 volunteers each year that are trained in the Baldrige Criteria and the TNCPE assessment process.	50% new; 50% experienced Represent 3 grand divisions of the state Represent key industry sectors
Panel of Judges	Nine individuals that serve staggered 3-year terms	33% East TN; 44% Middle TN; 23% West TN Key industry sector experience 45% female; 55% male
Staff	Four paid employees <ul style="list-style-type: none"> • 3 are headquartered in Nashville • 1 works out of Knoxville 	100% hold college degrees One holds 2 graduate degrees 75% female; 25% male 75% Caucasian; 25% African American

b. Organizational Relationships

P.1b(1) TNCPE is governed by a 15-member Board of Directors made up of senior executives that represent the three grand divisions of the State of Tennessee (west, middle, east) and key industry sectors (health care, education, manufacturing, service, government, nonprofit, and small business) . The board is self-governed through a documented leadership system and bylaws that are updated as needed.

The five board officers make up an Executive Committee; and the board chair annually appoints board members to serve on one or more of the following committees: Audit; Finance and Long Range Planning; Governance; Marketing; and Membership. The President/CEO serves as an ex officio member of each board committee.

The full board meets twice a year: for a strategic planning retreat (August) and the annual meeting to elect officers and approve a budget and program of work for the coming year (December). In addition, the full board holds one-hour teleconference meetings in April, June and October.

The President/CEO makes hiring and compensation recommendations to the Executive Committee regarding the other paid staff. The Executive Committee annually reviews the performance of the President/CEO and recommends compensation adjustments to the full board.

P.1b(2) Key customer and stakeholder groups and requirements are described in Fig. P.1-4.

P.1b(3) TNCPE augments the paid staff through short-term agreements with qualified contractors to manage specific projects as needed. Typically contractors have served on the Board of Examiners, but this type of experience is not required. Contractors generally work part-time in the TNCPE office and part-time at home. In 2010/2011 one contractor managed the annual conference and banquet and another developed examiner training materials.

The organization relies on the national Baldrige Performance Excellence Program for its foundational document (the *Criteria for Performance Excellence*) and much of its training material. In addition, TNCPE partners with Chambers of Commerce and business associations (such as the Tennessee Hospital Association

Fig. P.1-4 Customer Requirements

<i>Customers and Stakeholders</i>	<i>Requirements & Expectations</i>	<i>Engagement Methods</i>	<i>Metrics and Results</i>
<ul style="list-style-type: none"> • Applicants (A) • Examiners (E) • Members (M) • State of Tennessee (T) • Business Community (B) 	<ul style="list-style-type: none"> • Clear value proposition • Gap analysis (A, T) • Encouragement and support • Public recognition • Professional development (E) • Best practice sharing • Regular communication • Sense of belonging to the performance excellence community 	<ul style="list-style-type: none"> • Examiner program (includes team building and special recognition) • Coaching program (E, T) • On-site presentations • Personal contact from Board of Directors • Recognition on web and in printed materials • Industry-specific events • Networking activities • Support from TNCPE staff 	<ul style="list-style-type: none"> • Site visit survey (A, E, T) • End-of-cycle survey (A, E, T) • Team evaluations (E) • Training evaluations (A, E) • Membership numbers and dollars (M) • Applicant numbers and progression through program (A, B, T) • Number of new/return Examiners (B, E)

and The Alternative Board) to share quality tools and educate business leaders in the Baldrige Criteria.

Local and national experts and leaders from world-class organizations partner with TNCPE to deliver training on best practices and organizational improvement tools at the annual conference and throughout the year. One of the benefits of partnering with experts from outside the state is the ability to share innovations and best practices that can drive improvements and innovation in Tennessee.

Suppliers include Emma (electronic newsletters); Geisler Young (web host); Lellyette & Rogers (printing); Nashville State Community College (administers staff salaries and benefits); *Scorebook Navigator™* (software program used in applicant evaluation process); graphic designers; and a variety of caterers.

P.2 ORGANIZATIONAL SITUATION

a. Competitive Environment

P.2a(1) While some Tennessee businesses operate internal performance excellence programs based on the Baldrige framework, TNCPE is the only state-wide Baldrige-based program in Tennessee.

TNCPE competes for applicants with accreditation and award programs targeted to specific industry sectors (such as the Shingo Award, Joint Commission and AACSB); however, many organizations find it beneficial to use TNCPE in tandem with other programs.

The Baldrige Performance Excellence Program also may be seen as a competitor, as some organizations choose to skip TNCPE and apply directly to the Baldrige program. However, it is far more common for

companies to use the TNCPE Awards Program as a stepping stone to Baldrige.

Other competitors include quality tools such as LEAN, Six Sigma and ISO. TNCPE endeavors to position these competitors as partners: whereas the Baldrige framework identifies gaps in an organization’s processes and results, programs such as LEAN, Six Sigma, and ISO are effective tools to close the gaps.

With its strong reliance on corporate support and a volunteer workforce, TNCPE competes with other non-profit organizations for corporate dues and sponsorships, and volunteer time.

P.2a(2) The recent economic recession has resulted in a lower number of applications to the TNCPE Awards Program and a corresponding reduction in corporate membership dues. However, the number of examiner candidates has remained strong.

As the pressure continues to build for healthcare organizations to trim costs and improve outcomes, TNCPE has experienced increased participation from healthcare applicants, examiners, and members; and participation from the long-term care sector is currently on the rise.

Tennesseans elected a new governor who took office in January 2011. TNCPE has begun to build relationships with the new administration with a long-term goal of helping the governor streamline state government and achieve his economic development vision by improving the performance of small businesses.

P.2a(3) The Alliance of state and local Baldrige-based programs is TNCPE’s key source of comparative data related to financial measures, volunteer recruitment and applicant satisfaction. Comparing performance to

that of other state-wide Baldrige-based programs enables staff to assess TNCPE’s effectiveness and identify performance benchmarks and sources of best practice information.

In addition, TNCPE is a member of the Center for Nonprofit Management, which provides performance data and shares best practices of other nonprofit organizations in middle Tennessee.

While much data are available, the small size of the TNCPE staff makes it difficult to make time to compare and analyze the data.

b. Strategic Context

TNCPE’s strategic planning process (SPP) is patterned after the SPP of one of its corporate members. The annual process begins at the Board of Directors’ strategic planning retreat, which is held in August.

TNCPE’s 2010 key goals are:

- Continued partnership and funding from the State of Tennessee
- Diversify products and grow services
- Develop sector-specific case studies to share with potential applicants and target CEO audience.

Board committees and TNCPE staff develop action plans to achieve the organizational goals. Individual staff performance goals are aligned with organizational goals and action plans and approved in December.

TNCPE’s **strategic advantages** include:

- Strong reputation for:
 - Integrity,
 - Value-added feedback to applicants,
 - Excellent professional development for examiners;
- Influential Board of Directors;
- Corporate support of the Tennessee business community;
- Engaged and high-performance workforce (staff and volunteers);
- The only state-wide Baldrige-based program in Tennessee;
- Healthcare sector interest in the Baldrige framework.

TNCPE’s **strategic challenges** include:

- Developing a strong relationship with the new governor’s administration;
- The application process is not easy – it takes time, energy and commitment to get results;

- Volunteer workforce sometimes gets distracted by competing demands from their employers;
- Many corporations have reduced funding for nonprofit organizations;
- Uncertainty regarding the future of the Baldrige Performance Excellence Program.

c. Performance Improvement System

The TNCPE staff maintains written policies and procedures for key elements of TNCPE’s work systems and processes. For example, the Manager of Administration has documented the step-by-step process for administration of the Awards Program and the Examiner application, acceptance, and training processes; and the conference project manager has documented the timeline and procedures for the annual conference and awards banquet.

As a commitment to continuous improvement is one of the TNCPE core values, the organization tracks and analyzes metrics related to key customer and stakeholder groups to identify gaps in performance and opportunities for improvement. Trended data for these metrics are available on site.

When the Alliance makes performance data available for other state-wide Baldrige-based programs, TNCPE reviews the data to identify best-in-class performance. Staff interviews the directors of those programs to determine improvements that could be adopted in Tennessee.

Using the electronic Survey Monkey program, customers are asked for written feedback after each TNCPE event and milestone. For example, applicants are surveyed the day after their site visits conclude and after the annual awards banquet.

Examiners provide written feedback at the conclusion of the examiner training course and after each stage of service on the Board of Examiners. After a team of examiners submits its final scorebook to the TNCPE office, each member is asked to provide feedback via Survey Monkey to his/her teammates.

In addition, after every event, the TNCPE staff meets for an informal debrief, to review performance and document improvements for the future. At the beginning of the next cycle, the President/CEO and other staff members review feedback and improvement opportunities that were identified in the previous cycle. This information becomes a key input to design improvements for the coming year.