

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 context of an awards program, TNCPE fulfills its mission by providing in-depth, low-cost assessments of regional organizations using the Baldrige Excellence Framework™. 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 1,300 applicants 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 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.

TNCPE furthers its mission 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.

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. Its mission is “to drive organizational excellence in Tennessee,” and its vision is “to be the partner of choice in leading Tennessee organizations to world-class performance excellence.”

TNCPE has identified two core competencies: building loyal relationships with key stakeholders, and operating an effective Award Program. All products and services are tied to these core competencies.

Fig. P.1-1 TNCPE Product and Service Offerings		
<i>Key customer groups</i>	<i>Product and service offerings</i>	<i>Delivery methods</i>
Applicants	Value-added feedback documenting strengths and gaps in key processes and results; recognition of achievement through the Award Program; educational workshops and training	<ul style="list-style-type: none"> • Written feedback report • Annual Awards banquet • Onsite and public workshops • Press releases
Examiners	Education and training on how to apply the Baldrige Excellence Framework to an organization’s processes and results; development of leadership skills; teamwork training	<ul style="list-style-type: none"> • Three-day examiner training course • Service on a team of examiners • Social media and electronic communications
Members	Public recognition for supporting organizational excellence in Tennessee; discounts on application fees, conference registration, and workshops; news about performance excellence in Tennessee and nationally	<ul style="list-style-type: none"> • Website link; mention in print materials • Best practice sharing • Quarterly electronic member newsletter • Award Program • Annual conference and workshops
State of Tennessee	Performance management framework and tools; systematic method to accelerate performance improvement throughout state government; professional development for state employees	<ul style="list-style-type: none"> • Award Program • Examiner training • Onsite and public workshops • TNCPE website
Business community	Improvement tools; professional development through annual conference, workshops, and best-practice sharing	<ul style="list-style-type: none"> • Tiered application structure • TNCPE website • Annual conference and workshops

Fig. P.1-2 TNCPE Culture	
Mission	To drive organizational excellence in Tennessee
Vision	To be the partner of choice in leading Tennessee organizations to world-class performance excellence. <i>Together...building a state of excellence!</i>
Values	Customer focus, Integrity, Respect, Collaboration, Leadership, Innovation, Excellence, Continuous Improvement
Core Competencies	Building loyal relationships with key stakeholders; operating an effective Award 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 members work 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 full-time staff members are located in the TNCPE office in Nashville: the President/CEO, the Manager of Administration, and the Marketing and Communications Manager. In addition, TNCPE employs two part-time staff members: an Award Program Manager and an office assistant.

Staff benefits include health insurance, paid vacation and sick leave, and matching contributions to a 401(k) retirement plan.

The staff is supplemented with contractors who manage specific projects, such as developing and delivering educational workshops.

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 Award Program. They develop the valuable feedback reports that 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 annual training to learn how to assess the companies that apply to the TNCPE Award Program. They learn how to use the Baldrige framework, conduct the examination process, score applicant organizations, and prepare written feedback comments identifying the applicants’ strengths and gaps relative to the Baldrige *Criteria for Performance Excellence*.

Benefits of serving on the Board of Examiners include:

- Low cost training in the Baldrige framework,
- Hands-on experience that increases value to employers,
- A chance to contribute to Tennessee’s economic well-being,
- Exposure to best practices,
- A resume enhancer,
- Networking and benchmarking opportunities,
- 2.7 continuing education credits through Tennessee Technological University,
- A complimentary ticket to the annual Excellence in Tennessee Awards Banquet.

Businesses and organizations also benefit when they have a TNCPE examiner on staff. Examiner training empowers employees to apply the framework 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, low-cost professional development 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,
- Public 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 furniture. TNCPE’s office equipment consists of filing cabinets, three desktop computers, three laptop computers, three desktop printers, and a multi-function printer/copier/scanner/fax machine that is networked to all of the PCs.

P.1a(5) As a 501c(3) organization, TNCPE files an IRS Form 990 each year, and the accounting firm of Bellenfant PLLC conducts an annual independent audit. The organization abides by several written policies, including Conflict of Interest policies for the Board of

Fig. P.1-3 TNCPE Workforce		
<i>Workforce Group</i>	<i>Description</i>	<i>Demographics</i>
Board of Examiners	Approximately 200 volunteers each year who are trained in the Baldrige framework and the TNCPE assessment process.	53% new; 47% experienced Represent 3 grand divisions of the state Represent key industry sectors
Panel of Judges	At least seven and not more than eleven individuals who serve staggered three-year terms. Nine judges will serve in 2016.	33% East TN; 22% Middle TN; 22% West TN; 22% out of state Key industry sector experience 33% female; 66% male
Staff	Three full-time and two part-time employees, headquartered in Nashville. Occasionally contractors manage specific projects.	Four hold college degrees All are female

Examiners, Panel of Judges, staff, contractors, and Board of Directors; and a Whistleblower policy, which was approved by the Board of Directors in 2010. Human resource policies are documented in a manual that is updated annually.

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.

b. Organizational Relationships

P.1b(1) TNCPE is governed by a 24-member Board of Directors made up of senior executives who 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 four board officers make up an Executive Committee. 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 with the exception of Audit.

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.

The organization relies on the national Baldrige Performance Excellence Program for its foundational document (the *Baldrige Excellence Framework*) and much of its training material. In addition, TNCPE partners with business associations (such as the Tennessee Hospital Association) and other organizations (like the UT Institute for Public Service) to share quality tools and educate business leaders in the Baldrige framework.

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 (email distributor), Geisler Young (web host), Concept Technologies (IT support), Lellyette & Rogers and Lithographics (printing), Sheakley (payroll and 401(k) administration, HR support), Consumer Health Association (health benefits), BOSS (software program used in applicant evaluation process), , graphic designers, and a variety of caterers.

Fig. P.1-4 Customer Requirements

<i>Customers and Stakeholders</i>	<i>Requirements & Expectations</i>	<i>Engagement Methods</i>	<i>Measurement Tools & Metrics</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, B) • Encouragement and support • Public recognition • Professional development (E) • Best practice sharing • Regular communication (A, E, M) • Sense of belonging to the performance excellence community 	<ul style="list-style-type: none"> • Examiner program (includes special recognition) • Mentoring (E) • On-site workshops and presentations • Personal contact from Board of Directors • Recognition for commitment to performance excellence on website and in printed materials • Industry-specific events • Speakers Bureau • Networking activities • Support from TNCPE staff 	<ul style="list-style-type: none"> • Net Promoter Score (A, E, M) • Site visit survey (A, E) • End-of-cycle survey (A, E) • Team evaluations (E) • Training evaluations (A, E) • Member survey completed in 2015 (M) • Membership numbers and dollars (M) • Applicant numbers and progression through program (A, B, T) • Number of new/return Examiners (B, E)

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 go directly to the Baldrige program for examiner training and other resources. However, it is more common for companies to use the TNCPE program as a stepping stone to Baldrige. In 2012 the Baldrige program revised its eligibility policy so that now organizations must receive their state’s top award before they are eligible to submit a Baldrige application.

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, as well as volunteer time.

P.2a(2) In 2012 the Federal government zeroed out funding for the Baldrige Performance Excellence Program, creating an opportunity for greater

collaboration between state Baldrige-based programs like TNCPE and the national program. The TNCPE president was invited to serve on a Baldrige Transition team that created a vision and operating principles for an integrated Baldrige Enterprise. Its members included the Baldrige Performance Excellence Program, Baldrige Foundation, Alliance of state programs, and ASQ. Sub-teams are working to align programs and processes of the members of the Baldrige Enterprise.

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

TNCPE also has experienced increased participation from several state agencies. This is the result of an effort by the Board of Directors to build positive relationships with state government with a long-term goal of helping Tennessee’s governor streamline government and achieve his economic development vision by improving the performance of small businesses.

P.2a(3) The Alliance for Performance Excellence (a confederation of state and regional 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.

b. Strategic Context

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

During its 2015 retreat, the Board of Directors completed a SWOT analysis of TNCPE and approved TNCPE's first marketing plan. A summary of the SWOT analysis appears on the following page.

TNCPE's 2016 goals are linked to its critical success factors:

Relationships and Service

- **GOAL:** Develop and pilot a new workshop to help applicants prioritize their TNCPE feedback.
- **GOAL:** Revise TNCPE membership benefits to enhance the value of membership.

Growth

- **GOAL:** Grow the number of applicants by articulating a clear value proposition for the health care and government industry sectors.
- **GOAL:** Develop a pre-application diagnostic service for prospective applicants.
- **GOAL:** Implement a model to better attract, retain and re-enroll high performing examiners.

Financial

- **GOAL:** Develop a sustainable business model.

Operational

- **GOAL:** Manage the Award Program, examiner training, workshops, and conference/banquet to meet annual goals and create goodwill for TNCPE.

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 the first quarter.

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 from the business community,
- Engaged and high-performance workforce (staff and volunteers),
- The only state-wide Baldrige-based program in Tennessee,
- Health care sector and state government interest in the Baldrige framework.

TNCPE's **strategic challenges** include:

- Lack of awareness of TNCPE and its service offerings,

- The application process is not easy – it takes time, energy and commitment to get results,
- Volunteer workforce sometimes gets diverted by competing demands from employers,
- Limited resources; 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 both the Award Program and Examiner application, acceptance, and training processes. The Marketing and Communications 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 from other state-wide Baldrige-based programs, TNCPE reviews the data to identify best-in-class performance. The president 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 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.