



# Organizational Profile

## P.1 Organizational Description:

The Quality Texas Foundation. (QTF) is an incorporated 501c(3) not-for-profit organization that provides resources for organizations that wish to improve by using the Malcolm Baldrige National Quality Award (MBNQA) Criteria for Performance Excellence and other organizational improvement methods and tools. QTF is a membership organization, including partners and individuals.

The Quality Texas Foundation began with a concept introduced to, and supported by, Governor Ann Richards in 1990. Cooperative efforts between the Governor's office, the Texas Department of Commerce, and Texas businesses made it possible for the new Quality Texas Foundation to organize and deliver quality awareness seminars across the state. In the first two years, seminars were presented to 1,800 individuals representing more than 700 organizations.

At the same time, EDS Corporation assigned an executive to lead development of the state quality award. A committee was formed with representatives from organizations across Texas. The committee created the Texas Quality Award (later changed to the Texas Award for Performance Excellence), open to government, education, healthcare, nonprofit, manufacturing and business organizations. The American Productivity & Quality Center was chosen as the original award administrator and applications were first accepted in 1993.

The Quality Texas Foundation now administers the Texas Award for Performance Excellence as an independent non-profit corporation.

The first awards were presented in 1994 by Governor Ann Richards in the Governor's mansion in Austin, Texas. Between 1994 and 2010, 38 organizations received the state's highest award for quality, the Texas Award for Performance Excellence.

Since 1994 there have been nearly 200 applicants, approximately 1,600 examiners, representing nearly 80,000 hours of work, equivalent to approximately 38 man-years of work – all to provide improvement feedback to make Texas organizations more competitive, but ultimately to save jobs, improve communities and the lives of our citizens.

**P.1a(1)** A primary QTF product is a professionally written, actionable Feedback Report (FBR) for all its

Applicants that is derived from an assessment of a submitted Applications Report for all levels and site visits (Award Level only). An important QTF service is a Baldrige-based evaluation process that provides an organization with evaluation, feedback and recognition.

Through its Quality Texas Training Institute (QTTI), QTF also serves its customers with education and training services, bi-monthly learning meetings for members, and consulting services.

QTF delivers its varied services through an annual evaluation process, self-assessments, conferences, seminars, webinars, meetings, direct consulting and direct partnering with individuals and organizations.

**P.1a(2)** The key characteristic of QTF's culture is the fullest usage of a core group of volunteers who are professional and passionate about continuous improvement. Some volunteers have been associated with QTF since its inception.

The vision, mission and values (VMV) in Figure P.1-1 are reviewed regularly by the Board of Directors to ensure that they support both QTF's and the customers' needs. The intent of the VMV is to inspire volunteers, provide guidance to staff and make clear the value and relevance of QTF as a contributor to the betterment of society. The "Who We Are" statement provides a summation of the VMV so visitors to the website clearly understand what QTF does.

<b>QTF Vision: (What we are striving to do)</b> By helping our customers develop successful organizations, we improve our communities, our state, our country, and our world.
<b>QTF Mission: (Why we exist)</b> We help create excellent businesses, hospitals and schools by sharing knowledge about the Baldrige process and other methods that drive organizational efficiency, effectiveness and sustainability.
<b>QTF Values: (How we work)</b> Service to the Public, Fairness and Honesty, Teamwork for the Common Cause, Untiring Effort for Improvement, Courtesy and Humility, Accord with Natural Laws, Gratitude.
<b>Who We Are (What we want the world to know)</b> The Quality Texas Foundation helps businesses, hospitals, schools, government agencies and non-profits improve performance. We educate, train, assess, provide feedback and recognize organizations committed to a journey of excellence. Quality Texas encourages use of the Baldrige Criteria for Performance Excellence and other methods that drive efficiency and effectiveness. Our work saves jobs, improves communities and creates a stronger state and nation, and ultimately a better world for mankind.

**Figure P.1-1**



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The five Core Competencies provide QTF the capability to accomplish its mission. QTF is unique among Texas organizations in providing a system of assessment and recognition that cultivates performance excellence and continuous improvement across the all business sectors, as well as sharing its knowledge of various organizational improvement methods through training and consulting.

Core Competencies	
1.	Use of volunteers.
2.	Expertise in using the Baldrige Criteria and its evaluation processes.
3.	Expertise in Quality/Organizational Improvement methods and tools
4.	An entrepreneurial spirit that drives agility and innovation.
5.	Ability to network and partner with other organizations.

**Figure P.1-2**

**P.1a(3)** The QTF workforce consists of paid staff and volunteers. Paid staff consists of two females (both full-time) and one male (full-time), a total of 3 full-time equivalent (FTE) positions.

One full-time position is the QTF Chief Executive Officer (CEO), who is responsible for leading and managing the organization. He has a doctorate degree and serves as a MBNQA Alumni Examiner, and was a QTF Examiner, and QTF judge. The CEO is certified by the American Society for Quality as a Manager of Quality and Organizational Excellence and Certified Quality Auditor.

The other positions are a Director of Operations (DO), who is responsible for the annual feedback process, and other operational duties. The DO has an MBA and serves as a MBNQA examiner. She has extensive experience in organizational improvement and is a Lean expert.

The Business Coordinator (BC) manages the office and other business operations. The BC also studies quality methods and tools to better understand customer challenges.

Following the governance policies and bylaws, all positions and volunteers report to the QTF CEO.

QTF's paid staff are not members of a bargaining unit. All full-time staff member. have paid vacation and holidays provided by QTF. Healthcare benefits are provided to staff at a subsidy of \$360 a month. Staff are required to provide proof of their healthcare provider.

Volunteers consist currently of approximately 150 members of the Board of Examiners, 9 members of the Panel of Judges and about 30 other individuals who provide support to QTF, primarily as members of the Board of Directors, Training Faculty, Feedback Refinement Committee (FRC), conference planning and other volunteer roles.

The volunteers come from the Business, Healthcare, Education, Government, Manufacturing, Service and Not-for-Profit sectors. Almost all volunteers have bachelor's degrees, with a significant number with advanced degrees. Most have full-time management and staff jobs with various organizations throughout the state and bring significant experience with them to support QTF. Diversity among volunteers stems from their coming from different sectors, are from both genders and vary in age, come from union and non-union organizations, from various state regions both rural and urban, and represent a wide variety of experiences.

Approximately half of the volunteers serving on the Board of Examiners have at least one year experience. Senior Examiners have at least two years experience and serve as Team Leaders, Assistant Team Leaders and mentors to new Examiners. Members of the Panel of Judges typically are MBNQA Senior Examiners, past Texas Award for Performance Excellence (TAPE) recipients or business leaders. Volunteers for the conference planning committee have marketing, public relations, organizational and general business skills.

Individual volunteers expect and require recognition for their contributions, opportunities to learn and contribute to QTF processes, communication about organizational matters and development of their own professionalism or expertise.

To motivate and engage its volunteers, especially since QTF depends so heavily on their support, it is important for QTF to provide them with training, a rewarding experience and a pleasant professional environment, strong communications systems, and recognition for their time and efforts.

Special health and safety requirements for the workforce are applicable only when Examiners conduct site visits at Applicants' locations, where they rely on the site visited organization for training, protective equipment and procedures appropriate for that environment.

**P.1a(4)** QTF operates from a physical office in central Dallas, Texas at the Bill Priest Institute (BPI). QTF rents BPI space from the Dallas County Community College District (DCCCD). The major technologies and



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equipment are computers with Microsoft Office software, Internet access and an Email system, cell phones, printers, a copier and common office systems located in the office space. Another key technology are the QTF and QTTI websites. QTF uses a phone and webinar conference system provided by a commercial service. QTF is one of eight state programs using examiner software (*Scorebook Navigator*) provided by the Alliance for Performance Excellence (APE).

**P.1a(5)** QTF is subject to US Internal Revenue Service rules regarding contributions, membership and lobbying in order to maintain its 501c(3) status. Its financials are managed by a professional bookkeeper and independently audited. It is subject to federal and state employment rules and regulations from multiple agencies. If an accident occurred on a site visit, it would be subject to OSHA regulations. QTF products and services are not subject to environmental regulations.

The QTF Code of Conduct, modeled after the MBNQA evaluation process, is an internal mechanism to govern workforce conduct. An ethics policy provides an investigative process and whistle-blower mechanism. QTF has designated an Ethics Officer to oversee and measure the ethics policy and investigate ethics violations.

QTF maintains membership in the APE, the association of state, regional and local Baldrige-based programs.

**P.1b(1)** The QTF Board of Directors (BOD), headed by a Chair, consists of representatives from QTF's partnering organizations and business leaders, and forms QTF's governance structure. The QTF CEO reports to the Board Chair. There are four committees: Finance, Nominating, Events and Membership Retention/Marketing. These committees make recommendations to the full board. The BOD provides guidance and advice on organizational direction and finds financial funding to support QTF.

**P.1b(2)** QTF's key stakeholder and customer groups are member organizations from all business sectors that provide financial support. Feedback applicants are key stakeholders. Volunteers are also key stakeholders and customers in some processes – however for this profile and subsequent reports, they will be considered part of the QTF workforce. There are differences in expectations among stakeholder groups.

Member organizations may or may not expect and require that QTF help them improve their operations, educate and train their workforces and provide them with benchmarking opportunities to learn from the best within Texas and Baldrige award winning organizations.

However, these services are available to them. Member organizations do appreciate recognition for their financial and in-kind support.

Applicants expect and require that QTF provide feedback using the evaluation processes, protect the confidentiality of Application Report information, conduct an evaluation process with integrity and provide recognition for their efforts. QTF segments Applicants among four different levels (Engagement, Commitment, Progress, and Award).

General requirements of all QTF processes and products include accuracy, on-time delivery, low cost and quality (no defects) as defined by the customer. Most customers and stakeholders understand that QTF offers resources that support all organizations for the greater good of the community, state, nation and world.

**P.1b(3)** QTF's key supplier is the Baldrige National Quality Program (BNQP), which provides an organized group of products, programs, materials and services to all state, regional and local quality award programs.

APE is another key supplier of common services applicable to all programs [e.g.: Baldrige Resource Library (BRL), website library, benchmarking, examiner software, online surveys and other services].

A third key supplier is the QTF subsidiary, QTTI, whose training/consulting partners assist with customer training, best practice advice, and consulting services.

Partnering organizations and volunteers provide other in-kind services – such as the use of individuals as examiners, development and printing of training materials, providing meeting rooms, lunch and refreshments for training or seminars, and other professional expertise. These organizations also provide financial support through sponsorships of events such as the annual Texas Quest for Excellence Conference, held each June.

For all suppliers, regardless of whether in-kind or paid, QTF expectations and requirements center on accuracy, on-time delivery, low cost and quality (no defects) while communicating two-way continuously (phone, email and in-person) with suppliers to meet these requirements. Suppliers are also expected to drive improvements in their programs, products and services through innovation.



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## P.2 Organizational Situation:

**P.2a(1)** As a state Baldrige-based program, QTF is recognized in the top five across the United States. One other Baldrige-based program, residing in Austin, sponsored by the University of Texas, has few applicants, and is ranked last in a national analysis of programs.

Examiners and organizations that engage with QTF often feed into the Malcolm Baldrige National Quality Award (MBNQA) as Examiners and Applicants. BNQP is not a true competitor as it takes Texas’s highest award recipients (mature organizations) to the national MBNQA program. It is a competitor in the sense that QTF loses some experienced examiners to MBNQA on a yearly basis.

While there are no other organizations in Texas effectively doing the same thing, QTF, and its subsidiary QTTL, do have indirect competition in the organizations that choose not to improve, who believe the Baldrige process is about awards, and in the case of the Education sector, do not have funding to use an outside service provider. Lack of passion for improvement, unawareness of the Baldrige process and lack of funding are a barrier.

QTF does have direct competitors, in consultants advocating specific process improvement tools or strategies (six sigma, lean, statistical process control, total quality management, etc.). These consultants, estimated to be about 25 within Texas, offer personalized services to clients and their specific improvement methodology. They generally do not compete with QTF for evaluation, recognition, best practice sharing and examiner training services. Many consultants also serve as QTF Examiners. Another area of consultant competition comes from individuals and organizations outside Texas.

QTF counters the potential competition with consultants with a more turn-key approach that does not require long-term partnership (i.e., the organization can do action planning itself after receiving the Feedback Report) or high costs, using the Baldrige processes. Still, consultants do make up as much as 80% of the training services marketplace in Texas. QTF counters these competing consulting services with relatively inexpensive seminars and training and its own consultancy, QTTL.

**P.2a(2)** QTF differentiates itself through its entrepreneurial approaches, its emphasis on organizational improvement (instead of awards), and its focus on unique customer needs (no two organizations are the same).

QTF has four key success factors:

QTF Key Success Factors
1. Number of members increasing – member satisfaction & retention
2. Number of examiners & volunteers to execute effectively – volunteer satisfaction & retention at least 3 years
3. Increasing number of applicants – applicant satisfaction
4. Increasing revenue and reserve funds

**Figure P.2-1**

QTTL, has four key success factors:

QTTL Key Success Factors
1. Engagements (Training/Consulting) – customer satisfaction
2. Best practice feedback – customer satisfaction
3. Partner/Consultant Satisfaction
4. Increasing revenues

**Figure P.2-2**

**P.2a(3)** APE collects data from its member state quality award programs on numbers of applicants, award recipients and examiners once each year, analyzes it and publishes summary data. This provides QTF with most of the comparative and competitive data in its industry. Other sources of data are BNQP, Alliance resource sharing and the annual State & Local Workshops co-hosted by BNQP and APE.

While most other state quality programs are willing to share general information, few share or publicize specific unique data. Another limitation is that data from the APE and BNQP generally lags real-time results due to different timelines of award cycles and differences in application tiers among the state quality award programs.

**P.2b** QTF’s five strategic challenges to its sustainability are shown in Figure P.2-3: QTF’s four strategic advantages that address its sustainability are shown in Figure P.2-4.



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Strategic Challenges
1. Decreasing contributions and memberships and decreasing participation in learning conferences threaten long term sustainability.
2. The need for the Board of Directors and other volunteer groups to help market the organization, acquire and retain members, and assist in finding additional revenue.
3. Retention of experienced examiners.
4. Successful implementation of a consulting subsidiary.
5. Insufficient staff to manage the business.

**Figure P.2-3**

Strategic Advantages
1. A dedicated cadre of examiners and other volunteers at all levels who work to help the program succeed.
2. A staff that not only understands the mechanics of the Baldrige Criteria, but who know Quality methods and tools which enhance customer improvement efforts and the focus of the organization (improvement not awards).
3. A reputation for the high quality of our feedback (and best practice advice) which drives organizational improvement.
4. Partnerships with a select group of consultants that have exceptional knowledge of the Baldrige process and organizational improvement methods.

**Figure P.2-4**

**P.2c** The basis for the QTF improvement system, shown in Figure P.2-5, is based on the Plan, Do, Check Act (PDCA) W. Edwards Deming cycle of acquiring customer and volunteer feedback, testing new ideas, implementing change, and measuring success.

To our advantage, in QTF there is a culture of continuous improvement embedded in the organization.

In 2007 we introduced three additional levels of applications to better serve organizations new to the Baldrige process, with fewer application pages to make it easier to learn the Criteria and describe its progressive use. This has added many new applicants who are primarily interested in improvement advice. This change shifted our organizational focus from an annual award program to one of continuous organizational improvement.

In 2008 we introduced additional cycles, now three, which allow more organizations to apply when it is convenient for them.

In 2009 we began providing in the executive summary of our feedback, Pareto charts and radar charts that show item scores and scoring bands. These give an executive a visual picture of their organization’s performance.

In 2010 we began providing an opportunity for our applicants to receive best practice feedback from experienced consultants who donate their time to help our applicants understand specific actions they can take immediately to move to a higher level of performance. The consultants are partners that work within our subsidiary, QTTI. Best practice feedback is provided at no additional charge.

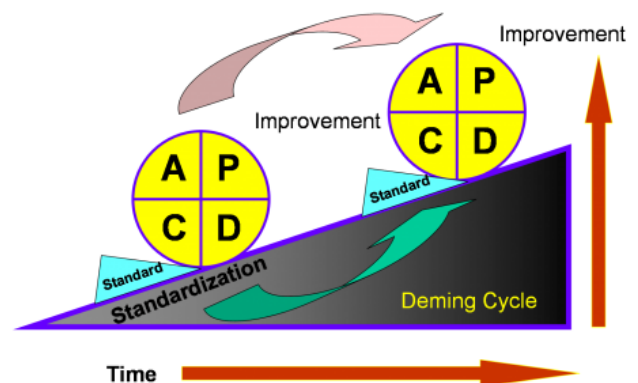
Another important change in 2010 is conference planning and execution are now handled by the Events Committee of the Board of Directors which improved our annual event and has taken significant work from the shoulders of the staff.

Because of the experience level of individual volunteers who participate in feedback review, we believe we provide our applicants with high quality Feedback Reports they can use to improve performance.

The volunteers who develop Examiner Training enhanced our success through valuable changes to our processes. QTF Examiner Training includes Code of Conduct training, comment writing exercises and overview of the entire evaluation process.

To reduce variation among our 150 annual examiners, and to ensure the integrity of our process, each Examiner Team is assisted by an experienced coach. Examiner Team Leaders always receive special leadership training, and new examiners are assigned mentors to ensure consistency and process integrity.

These examples demonstrate QTF’s organizational focus on continuous improvement.



**Figure P.2-5**