



# Improving Profitability

## Baldrige and Our CI Management System

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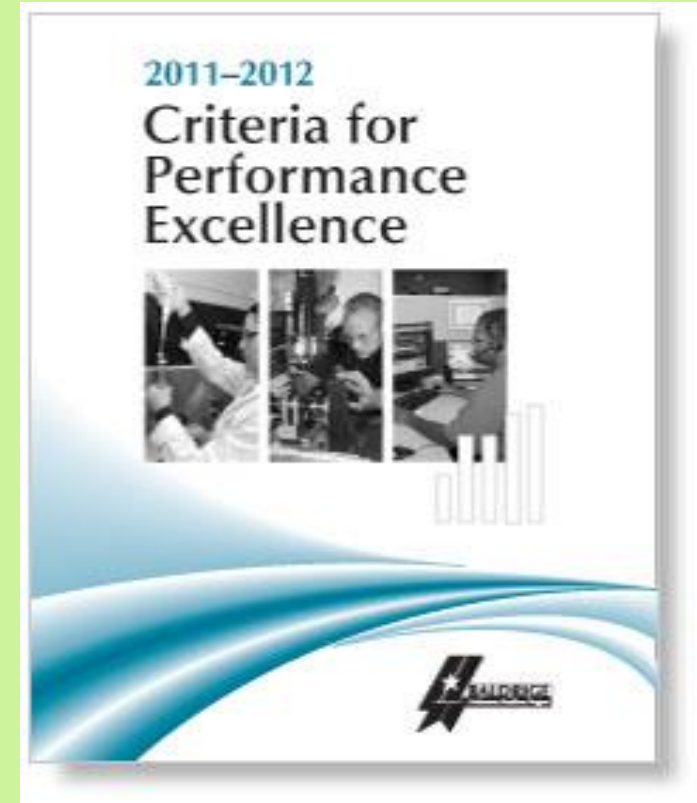
# Objectives for Today

- Develop a Better Understanding of Using Baldrige as Your Quality Program



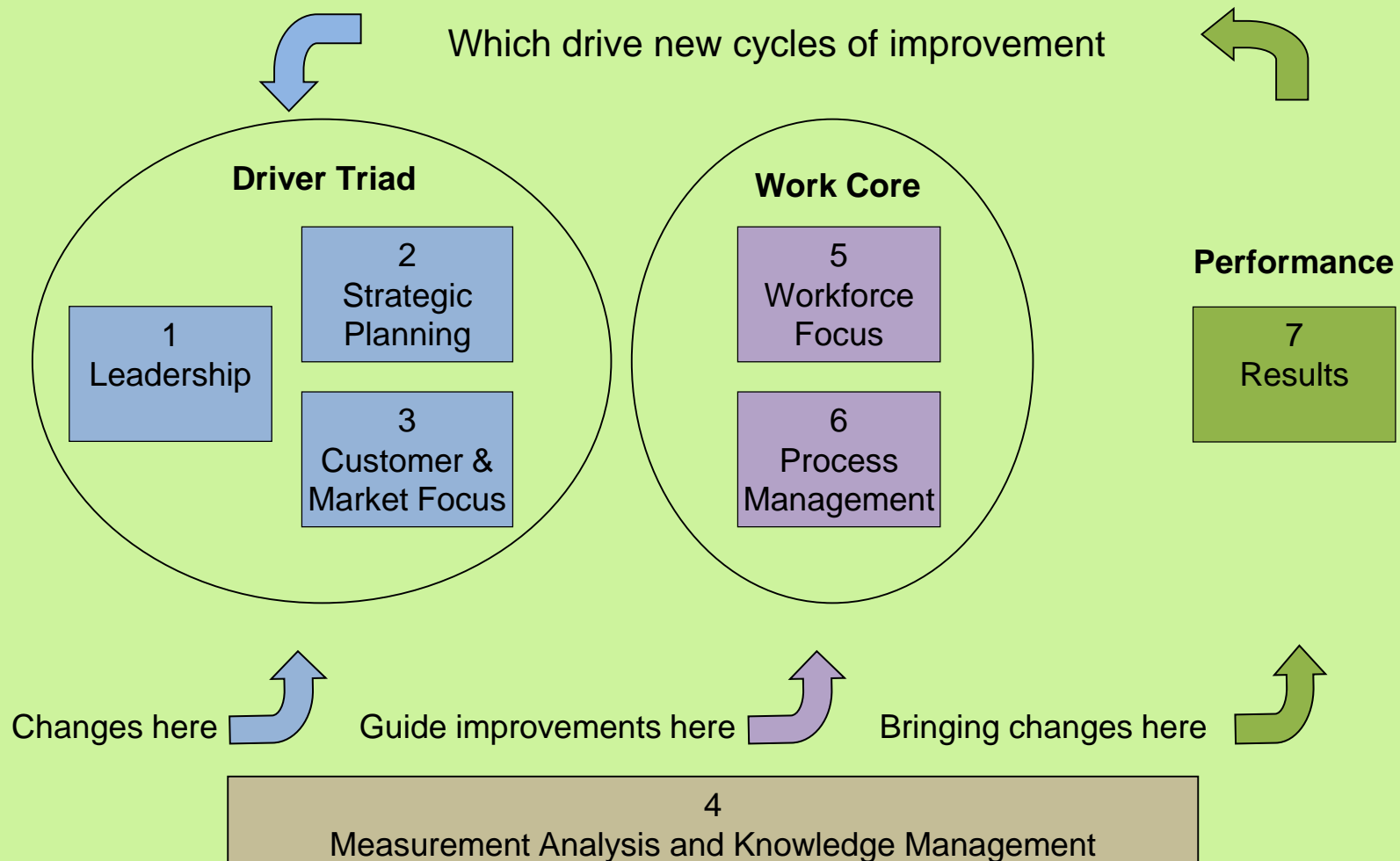
# What is the Baldrige Criteria?

- A structured approach to performance improvement
- A common language for facilitating communication and sharing of best practices
- A framework for performance management across corporate and operations



<http://www.nist.gov/baldrige/>

# The Criteria Links Improvements to Results



# Why Use the Baldrige Criteria?

- You're out front now, but the world is changing around you
- Criteria changes every 2 years to keep up
- Framework helps you focus on the critical improvement areas



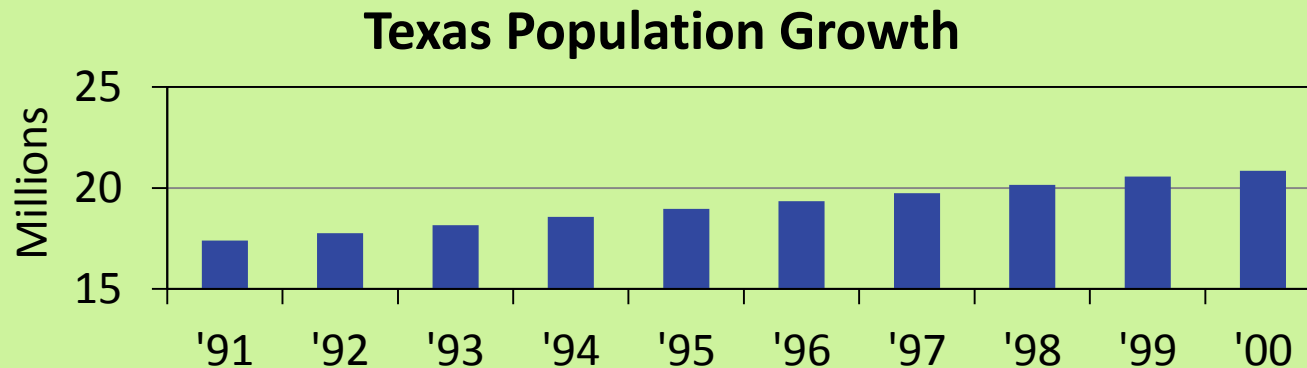
# The Baldrige Payback

- Improved employee relationships and engagement
- Higher productivity
- Better customer service
- Willingness to proactively accept change



**The ultimate outcome is improved operations, empowered employees, and satisfied customers.**

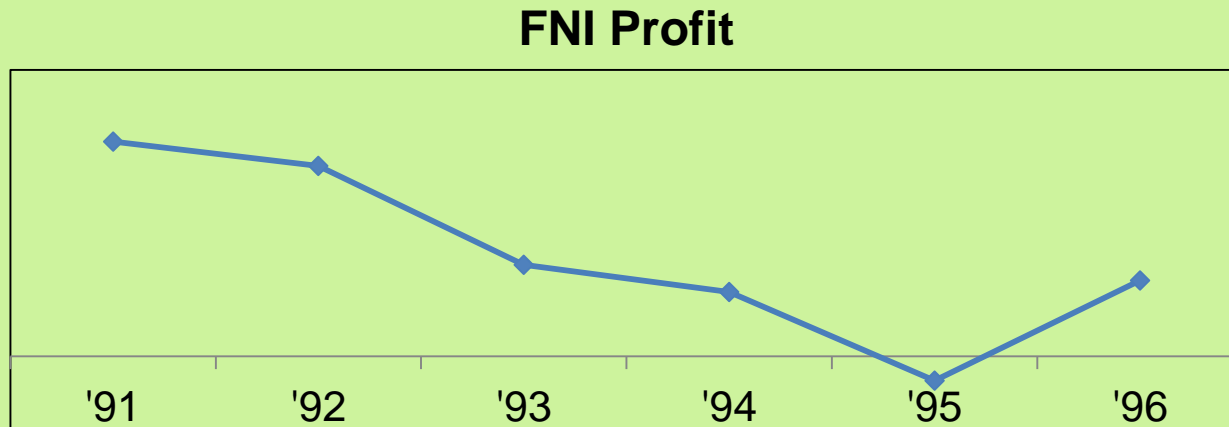
# Our Journey Started in the 1990's



- Texas population grew by 23%
- Competition increased
- The way clients awarded work changed

# We Had a Rude Awakening

*(But Why Wait Until The Platform Is Burning)*

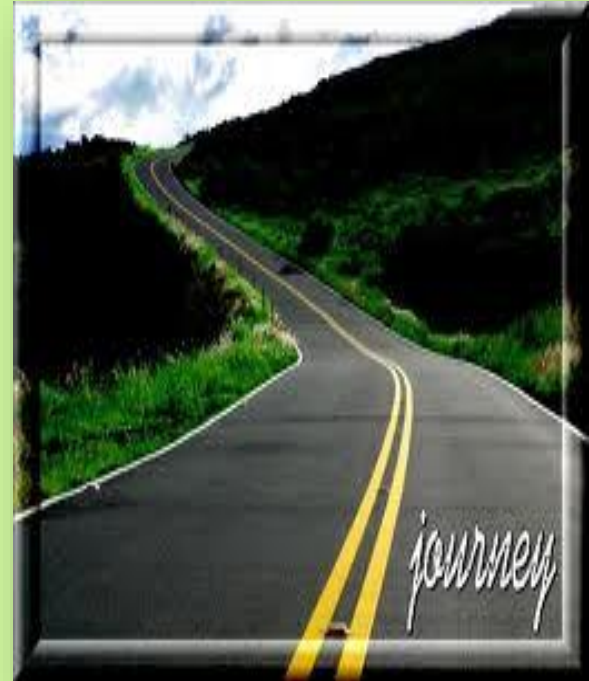


- We lost money in 1995 for the first time
- Lack of accountability
- No defined sales process
- Strategic plan was only partially deployed



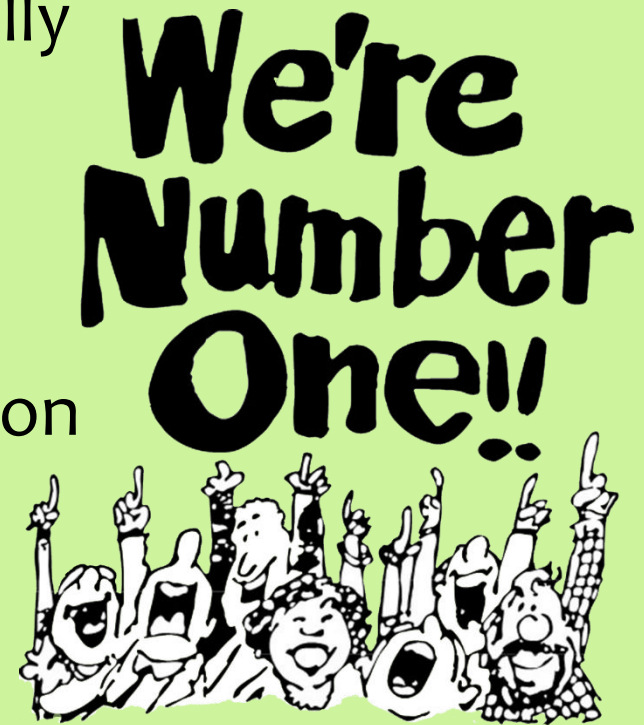
# Our Performance Excellence Journey

- Began a journey that would transform our organization
- Incremental improvements each year
- Driving us toward our vision “to be the firm of choice for clients and employees”



# Why did we Participate in the Award Process?

- Accountability – Is our journey really working?
- Feedback report – a roadmap for the journey going forward
- Opportunity for national recognition
- Differentiates us from our competition
- A milestone along our CI Journey



# Baldrige Criteria Framework:



# Leadership Criteria Questions

- **How do senior leaders create a focus on action to accomplish F&N's objectives, improve performance, and attain our vision?**
  - Deployment of strategic plan actions and goals
  - Quarterly review of Balanced Scorecard and Strategic Plan status
  - Monthly Lead Team review of KFI results
  - President's Reviews

# Leadership Criteria Questions

- **What performance measures do senior leaders regularly review to identify needed actions?**
  - KFI's monthly
  - Bookings/Sales funnel data monthly
  - Workload (eResource data) monthly
  - Client satisfaction trends quarterly
  - Employee satisfaction trends annually

# Strategic Planning Criteria Questions

- **How do you conduct strategic planning including the key strategic planning process steps and participants in the process?**
  - Strategic planning process
  - Strategic planning calendar
  - Strategic planning team
  - Strategic planning templates

# Strategic Planning Criteria Questions

- **How do you develop and deploy action plans to achieve your strategic objectives?**
  - Annual Operating Plan Deployment Matrix
  - Action Lead and Lead Team Sponsor
  - Action plan sheets
  - Semi-annual status report

# Customer Focus Criteria Questions

- **How do senior leaders create a culture that ensures a consistently positive customer experience?**
  - Mission and Vision with client focus
  - Hedgehog Concept
  - Focus on Market Oriented Culture



# Customer Focus Criteria Questions

- **How do we listen to our clients to get feedback on our products, services and support?**
  - Top Box 5 Client Satisfaction surveys
  - Executive Client Visits
  - Client Rep visits

# Workforce Focus Criteria Questions

- **How does our culture promote open communication, high-performance work, and a satisfied workforce?**
  - Open door policy, technology for collaboration, employee roundtables
  - Performance expectations
    - Guiding principles
    - Goal setting in performance reviews
  - Opportunities for challenging work and career advancement

# Process Criteria Question

- **How do we improve our work processes to improve performance, reduce variability, and improve products and services?**
  - TEP Teams
  - PM Steering Committee
  - CI Teams
  - Client Feedback
  - Employee Feedback

# Baldrige Impact Internally

- Accountability
- Management by Fact
- Transparency
- Individual Goals Tied to Company Goals
- Performance Based Incentives
- Client Surveys
- Employee Surveys
- Processes
- Strategic Planning & Execution
- Client Focus
- Leadership Development
- CI Teams
- Employee Engagement

# Baldrige Impact Externally

- **Reaching Out to our Clients**

- Introduction to Baldrige Sessions

- City of Midland
    - LCRA
    - DART
    - City of Coppell
    - Houston Public Works Department
    - Port of Houston
    - Texas Water Development Board

- Process Engineering Sessions

- City of Fort Worth
    - Town of Prosper
    - City of Galveston

# Baldrige Impact Externally

- **Reaching Out to our Clients**
  - Benchmarking Visits
    - City of Irving
    - City of Fort Worth
    - City of Tyler
  - Assistance with Baldrige Applications and Site Visit Preparation
    - City of Irving
  - City Manager Consortium
    - 75 North Texas City Managers\Asst City Managers
  - Client Conference Speaking Opportunities

# Baldrige (CI) Structure

- CI Steering Committee
  - CIdeas
  - CI Teams
  - Quarterly CI Lunches
  - CI Intranet Page
  - CI Tools
- Baldrige Category Champions
  - Assigned leader over each of the criteria

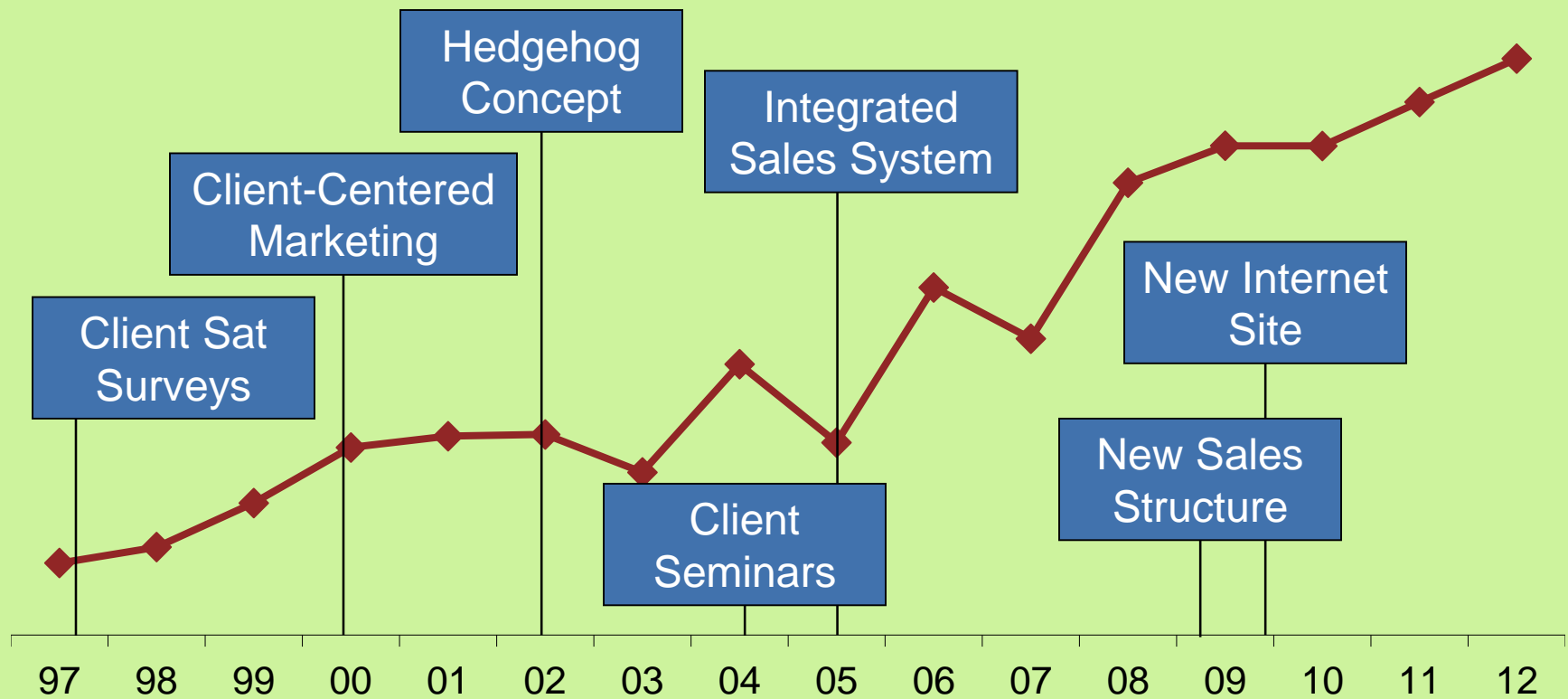
# Continuous Improvement Teams

- Standing CI Teams
  - CI Steering Committee
  - Innovation Committee
  - GIS Steering Committee
  - Corporate Coordination Committee
  - PM Steering Committee
  - TEP Leaders
- Current AD Hoc CI Teams
  - CI Core Competencies Vision Team
  - CI Planning Design Synergy
  - CI Sales Process Team
  - CI Technical Report Committee
  - Millennial Team
  - Standard Specifications Committee

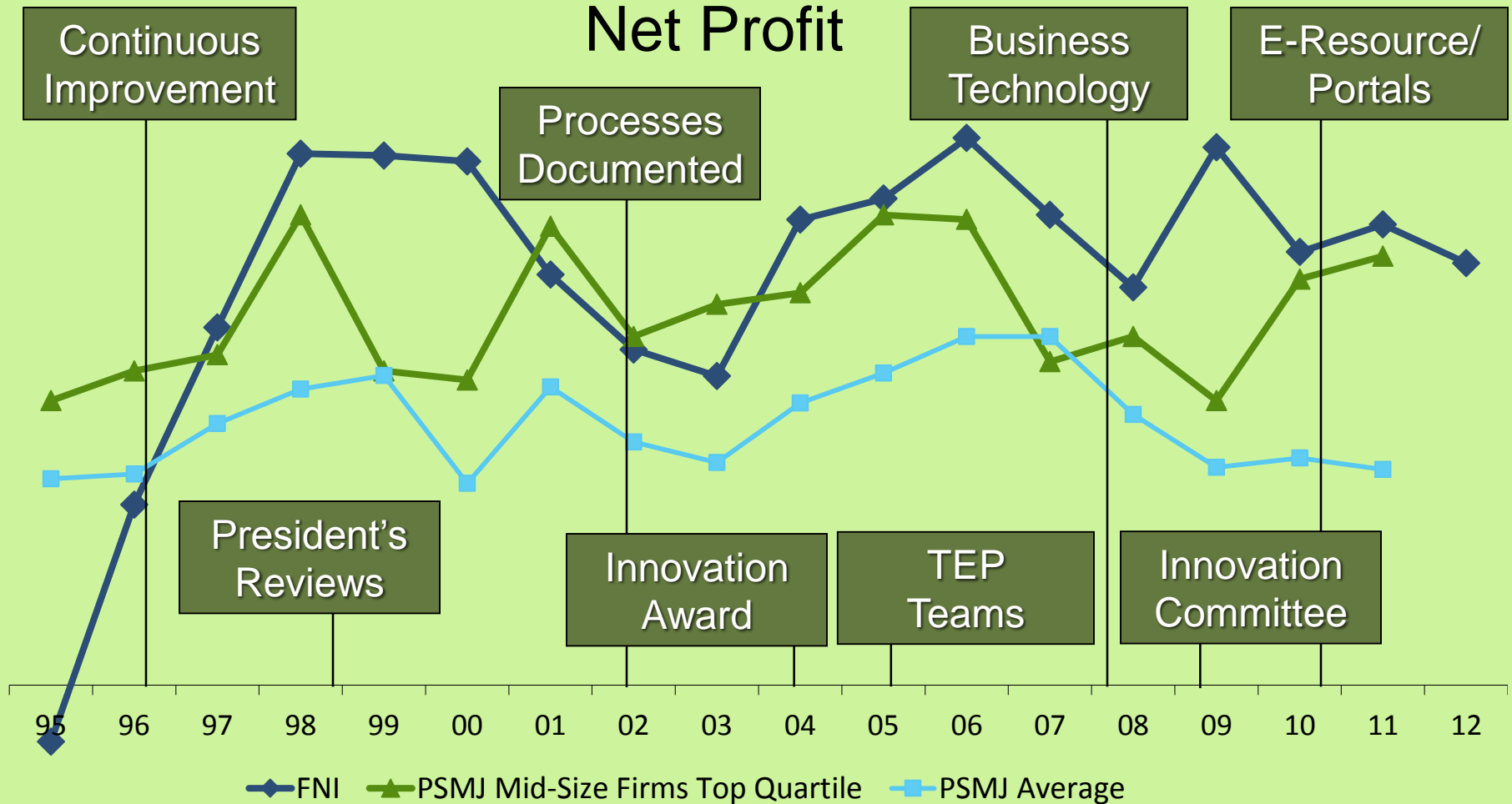


# Our CI Journey Results

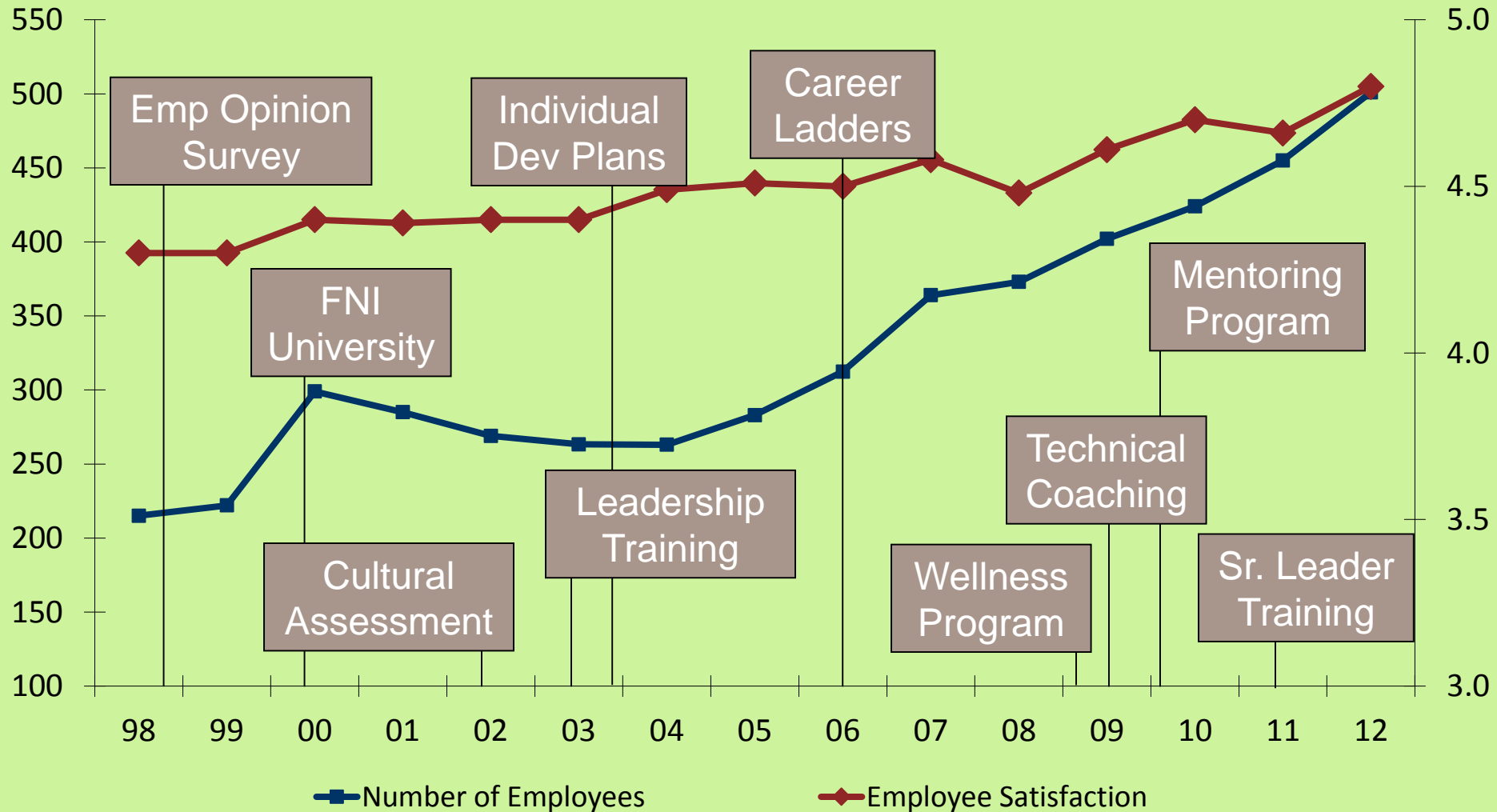
## Net Bookings



# Our CI Journey Results



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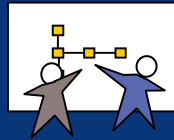


# Our CI Journey Moving Forward



## Core Competencies

Core competencies give us a competitive advantage with our clients



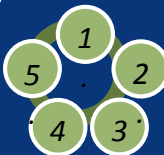
## Systems Perspective

A high-level view of our company that shows how the major functions link together



## Supplier Management

Managing the entire spectrum of providers for goods and services for our company



## Continuous Improvement

CI is our management and improvement system. Need a more structured approach to improvement



## Innovation

Innovation is a better way to solve a problem - we innovate every day in our project work

Identified from last Feedback Report

# How We Continue the Journey

1. Create a passion for continuous improvement from the top
2. Provide steadfast determination to pursue continuous improvement (Champion)
3. Energize the entire organization and empower each employee
4. Bring long-term stability to the leadership of the organization through succession planning

# Is the Journey Worth Continuing...

## Two-Time Baldrige Winners

Median Growth in Revenue 92.5%

Median Growth in Jobs 65.5%

Mean Job Growth for Matched Industries 2.5 %