



The Foundation for the Malcolm Baldrige National Quality Award

"The award that bears his name reflects the virtues that he brought to public service and how he lived in his private life, a commitment to excellence, shrewd judgment and sound judgment, principled leadership, integrity, and a sense of responsibility."

George W. Bush



"I was proud as a U.S. Senator to vote in favor of the Baldrige Act..." this award has helped us re-focus on the future, on quality, on performance, and most importantly maybe, on innovation."

Joe Biden

"In just a few years, the National Quality Award has literally become the standard of business excellence. And the renewed spirit of excellence in business, of making quality an integral part of America's corporate strategy, has truly, I believe, made us more competitive in the international arena."

George H.W. Bush

"The Malcolm Baldrige National Quality Award, which highlights customer satisfaction, workforce empowerment, and increased productivity, has come to symbolize America's commitment to excellence."

Bill Clinton

"I always prized the quality of Mac's vision. He had the capacity to look up from the dust of the plains to see the distant mountains."

Ronald Reagan



Opening Remarks/Agenda

Introduction	Al Faber, President & CEO, Baldrige Foundation
Guest Presenters	<ul style="list-style-type: none">• Cris Gardner, VP, Futurecasting at AARP• Joseph (Joe) Pugh, Enterprise Risk Management (ERM) & Compliance Director at AARP• Jacqueline M. Baker, Vice President of Startup Programming within AARP Innovation Labs
Questions	Moderator
<hr/>	
Baldrige Performance Excellence Program Update	Bob Fangmeyer, Director, Baldrige Program, NIST
Alliance for Performance Excellence Update	Brian Lassiter, Chair, Alliance for Performance Excellence Board of Directors
Communities of Excellence 2026 Update	Stephanie Norling, Executive Director
Closing Remarks	Al Faber



JUNE 2021

Baldrige Foundation Webinar: Balancing Innovation, Strategy and Risk

About AARP

Our Purpose

Empower people to choose how they live as they age

Our Role

Everyday innovators in aging

Our Vision

A society in which all people live with dignity and purpose, and fulfill their goals and dreams

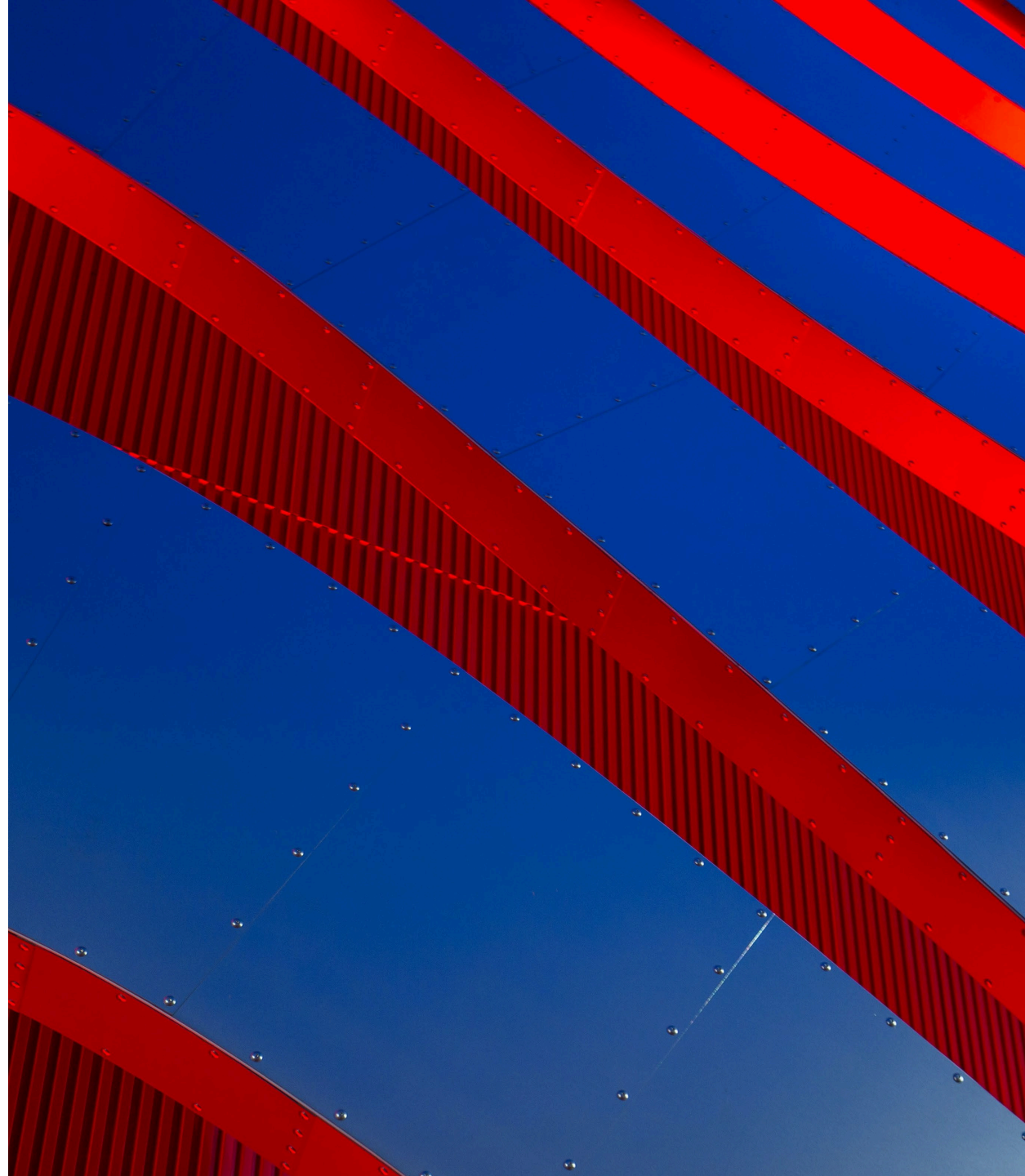
Our Consumer Commitment



Wise Friend



Fierce Defender



The Nation's Largest Nonprofit, Nonpartisan Organization Dedicated to the 50+ and Their Families



Unparalleled Knowledge

Unparalleled knowledge of people 50+ research and data analysis



Unparalleled Reach

Unparalleled reach and engagement with 38M+ members and growing – 33% of the 50+ population. Town Halls, webinars, e-newsletters, research reports and more provide trustworthy information across a variety of channels



Award Winning Print and Digital Publications

Award winning print and digital publications with customer-centric content - including the World's Largest Circulation Magazine



Advocacy

Legislative and judicial advocacy and unique programs to help 50+ their families with critical support to navigate life's transitions



Nationwide Impact

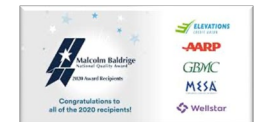
Nationwide impact with offices in all 50 states, the District of Columbia, Puerto Rico, and the U.S. Virgin Islands



Extensive Volunteer Network

Extensive volunteer network engages 60k volunteers each day nationwide, including robust digital activations

We Are Recognized as a Champion and Trusted Resource for Older Adults and their Families



2020 Baldrige Award Recipient

Significant Strengths:

Senior Leadership

Strategy Implementation



Culture of innovation, organizational learning and intelligent risk-taking.

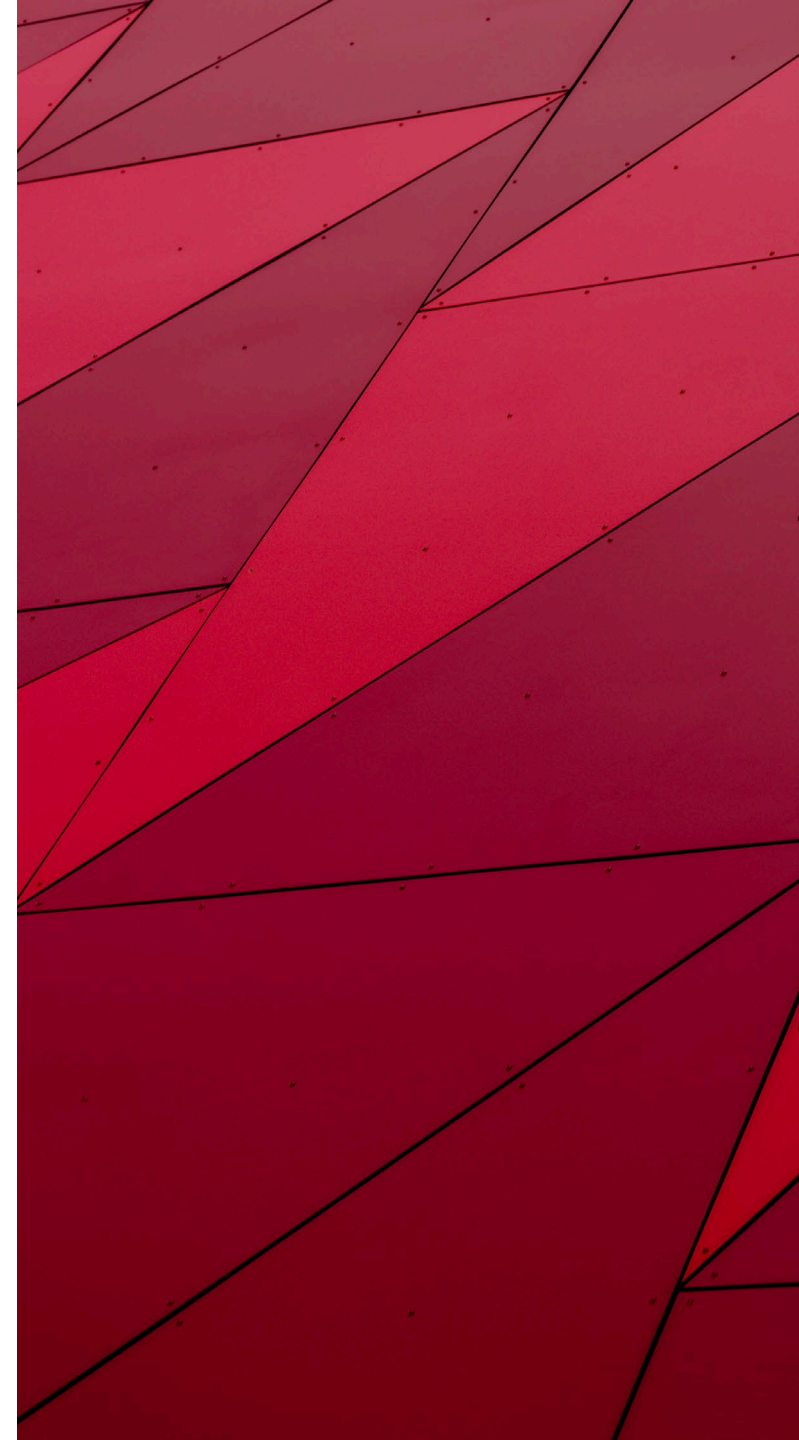


Risk as Opportunity

Our Ongoing Learning Journey: Balancing Innovation, Strategy and Risk to seize opportunity and win in an always-accelerating external change environment

On our journey to intelligent risk taking we have:

- Grown our Risk Leadership
- Evolved the Strategy process and functions
- Grown our Innovation capacity
- Strengthened the integration between functions



Intelligent Risk Key Concepts

Intelligent Risk:

Opportunities for which potential *gain outweighs* the potential *harm* or loss to your organization's future *if you do not explore* them. (emphasis added)

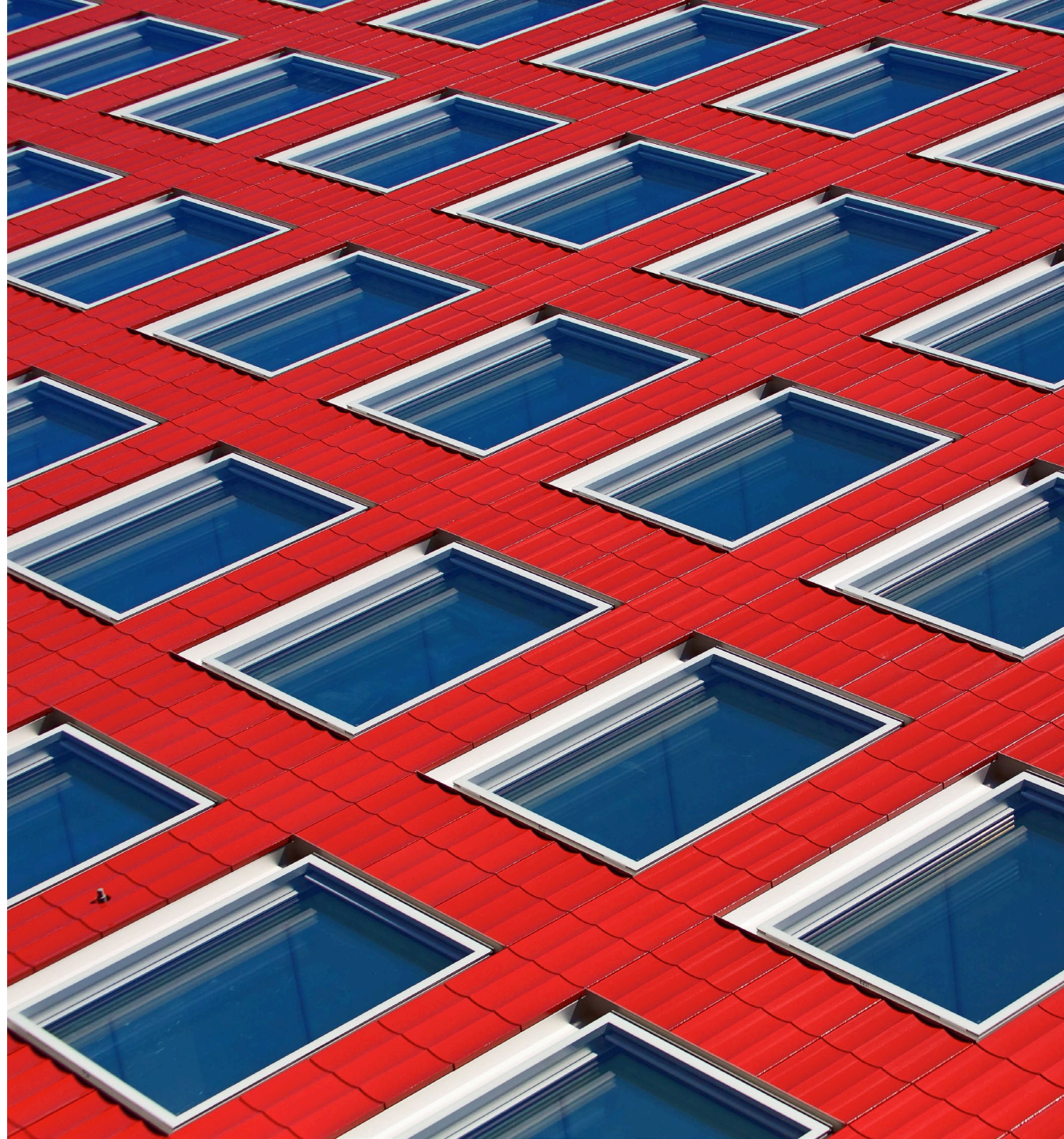
Upside Risk:

Benefit

“Positive” Risk Tolerance:

A tolerance for embracing risk to innovate towards the most critical priorities.

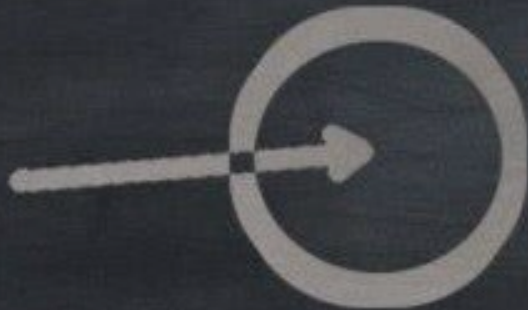
Baldrige Chronicle of Leadership and Management Vol.1 No. 1 Dec 2020



Intelligent Risk

Where
the magic
happens

Your
comfort
zone



Intelligent Risk

Intelligent Risk requires components of the organization, Leadership, Strategy, Innovation and Risk Management, working together, not just as repeatable, interconnected processes but also with *aligned mindset*.



Tools and Capacities to Strengthen Intelligent Risk Taking

RISK:

- **Strategic based Risk Management**
- **Leadership Partnership**
- **Risk Appetite Statement**

STRATEGY:

- **Future Back Planning Model**
- **Futurecasting Capacity**

INNOVATION:

- **Culture of Innovation**
- **Stage Gate Process, Including Rapid Prototyping**
- **Pivot to Start-Ups**





2014

Setting the Stage for
Intelligent Risk Taking
Required Transformation
of Each Function

2021

Enterprise Risk Management: It's All About Strategy and Leadership

Enterprise strategy setting & risk management are aligned and integrated

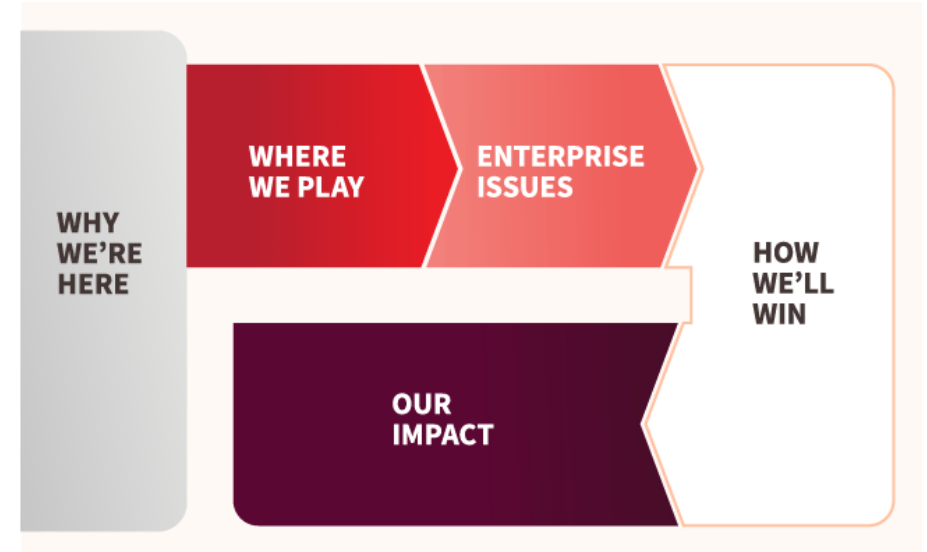
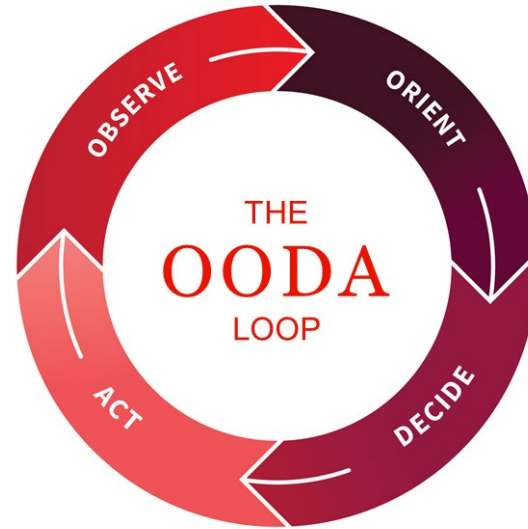
Risk To:

- What internal or external events might prevent the strategy from being successful?

Risk Of:

- What impact might the strategy have on our existing business model or on other initiatives?

- Risk Identification
- Risk Assessment



- Risk Management and Monitoring
- Risk Reporting

AARP's Journey to Enterprise Risk Management

Pre-2010 Initial	2010-2013 Top Down	2014-2017 Managed	2018 & Forward Intelligent Risk
<ul style="list-style-type: none"> • “Traditional” risk management • Primarily operational/ insurance (safety, health) • Event driven • No Common risk themes • Silos with disjointed risk practices • Duplication of efforts • No risk reporting cadence 	<p>▶ ERM foundation, framework and common taxonomy (COSO)</p> <ul style="list-style-type: none"> • Formal policy and process • Risks identified – a holistic portfolio view • Risks categorized and risk owners assigned • Focus on aligning/linking ERM & strategy 	<p>▶ Activities to forge Board & executive risk partnership</p> <ul style="list-style-type: none"> • Leaders think risk “to”, risk “of” and mission alignment during strategic conversations • Risk appetite articulated • Culture. Stood-up cross-functional ‘Risk Working Group’ • Focus on ‘risk’ management not ‘list’ management • Risk informed reporting 	<p>▶ ERM & strategy – AARP DNA</p> <ul style="list-style-type: none"> • Formal program effectiveness assessment • Peer learnings through the creation of an ERM Networking Group in Washington Metro area • Culture and value • Action oriented reporting

Board + Executive Risk Partnership



Risk Working Group



Education



Risk Assessment Survey



Joint Scenario Workshop

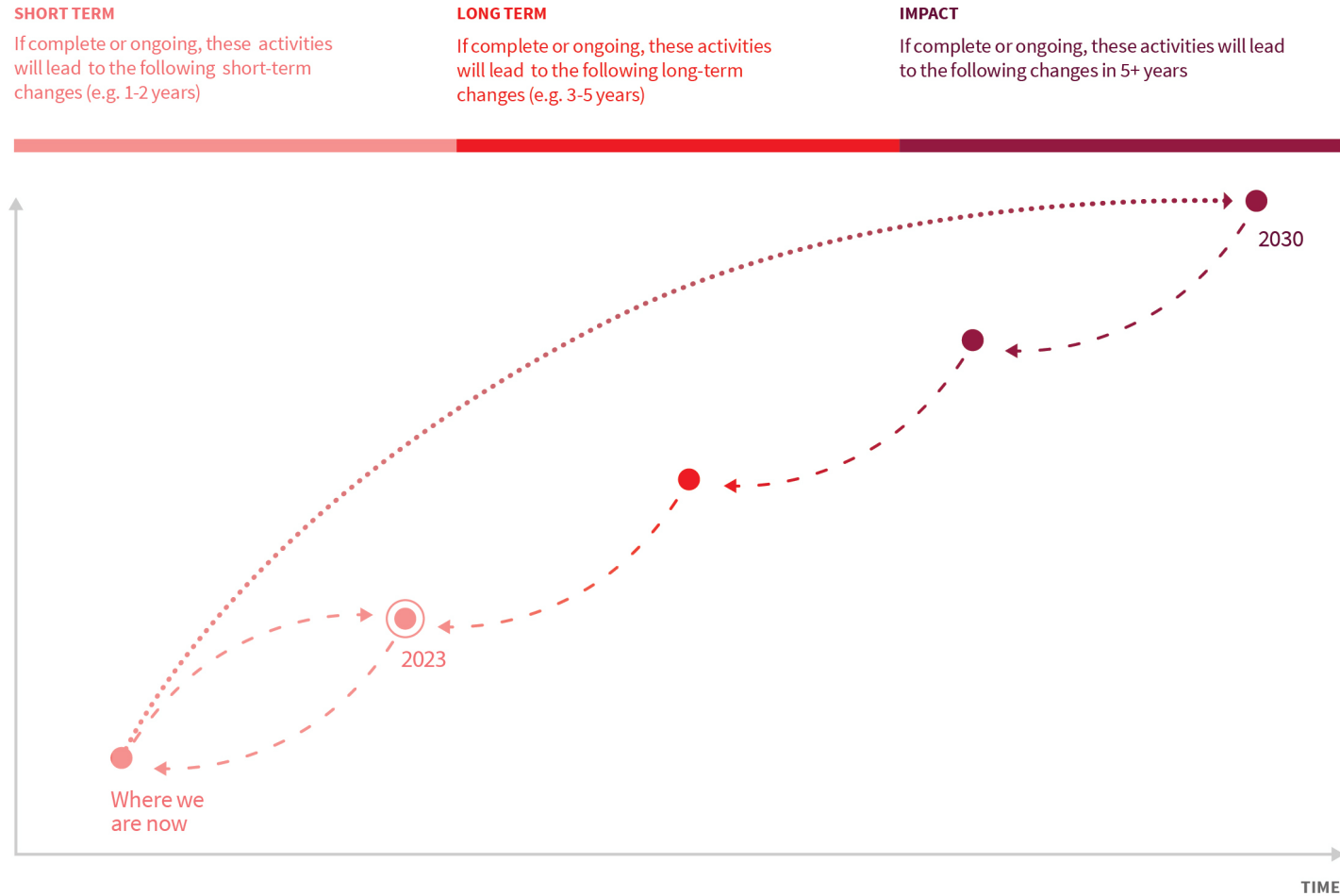


Risk Appetite Statement

Future Back Planning: Planning with The End in Mind

2021-2023 Strategic Planning Approach

- Starting with the future in mind, we work backwards in a **future-back planning model**
- With the long-term impact clearly defined, the plan sets **meaningful short-term outcomes and activities**



Strategic Planning Process

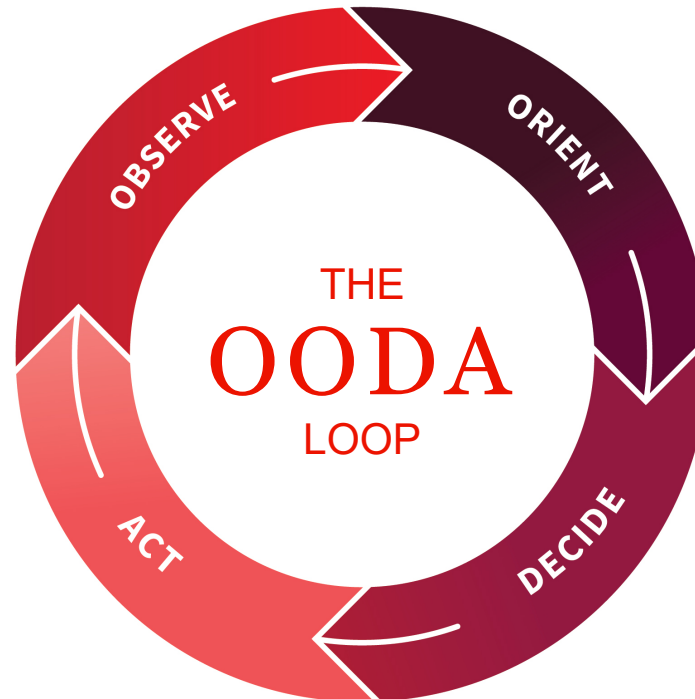
A four-phase methodology is used for both the three-year and annual plans.

OBSERVE

Research, gather insights and foresights, identify trends, assess challenges/ opportunities

ACT

Execute one-year plans, evaluate results, iterate and adjust



ORIENT

Understand strategic impact, validate core elements, establish Social Impact Agenda and Strategic Priorities

DECIDE

Develop operational plans and budgets

Futurecasting Continuously Evaluates Beyond the Current Plan Horizon

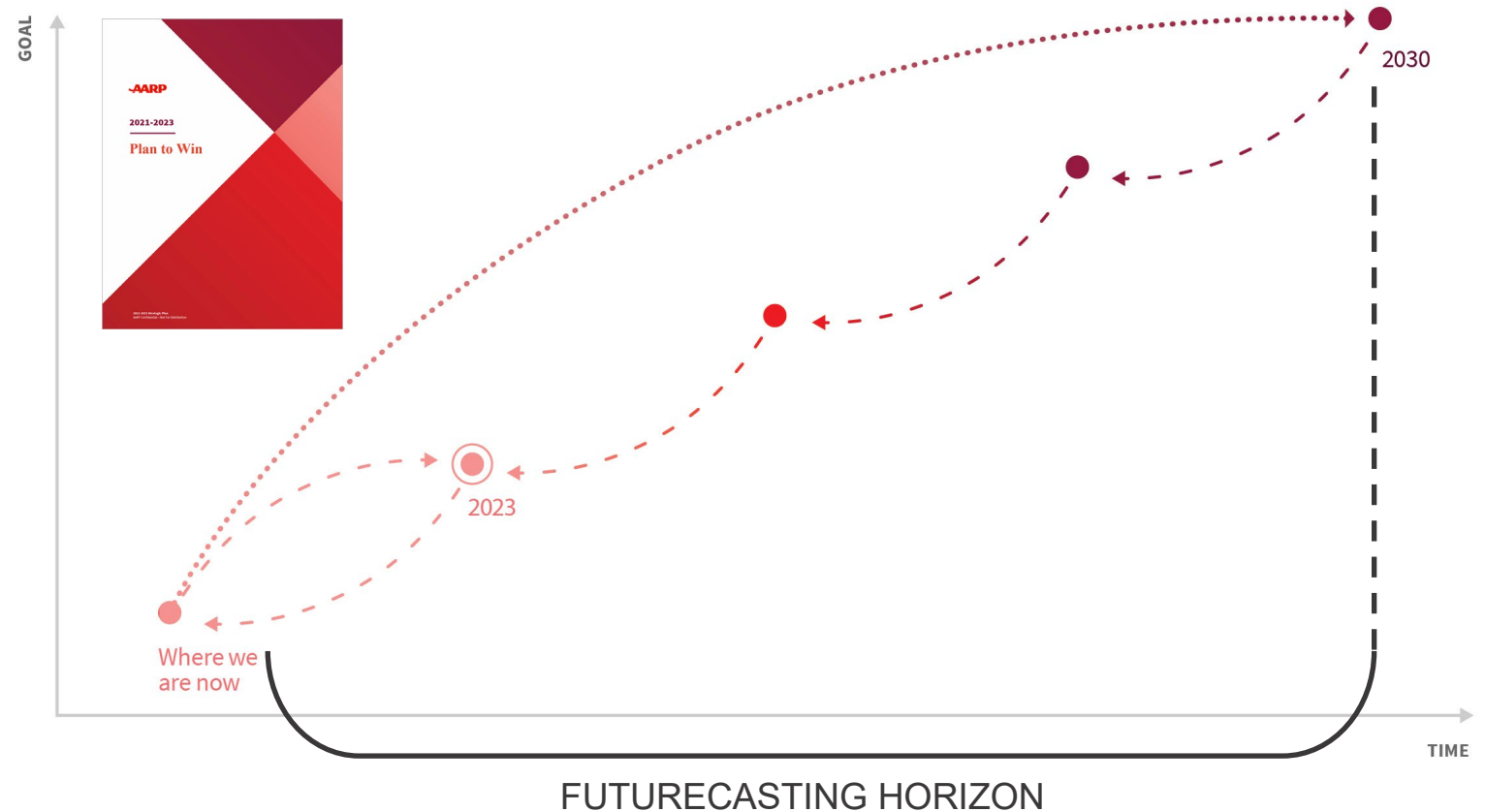
Our envisioned future and the risks we take are shaped by the environment in which we play.

Achieving our 2030 goals requires a deep and clear-eyed understanding of the external environment, its threats and opportunities.

ENDURING TRENDS

DISRUPTIVE FORCES

EMERGENT SIGNALS



Futurecasting Principles and Mindset

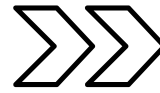
Futurecasting, including Sensemaking and Ripple Intelligence, requires a set of principles and mindsets to think strategically about the future.



Look with
fresh eyes



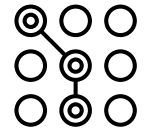
Seek a
diversity of
perspectives



Think five
years out



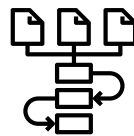
Ask
"What If?"



Look for
patterns



Leverage
personal
experience



Apply to
the business

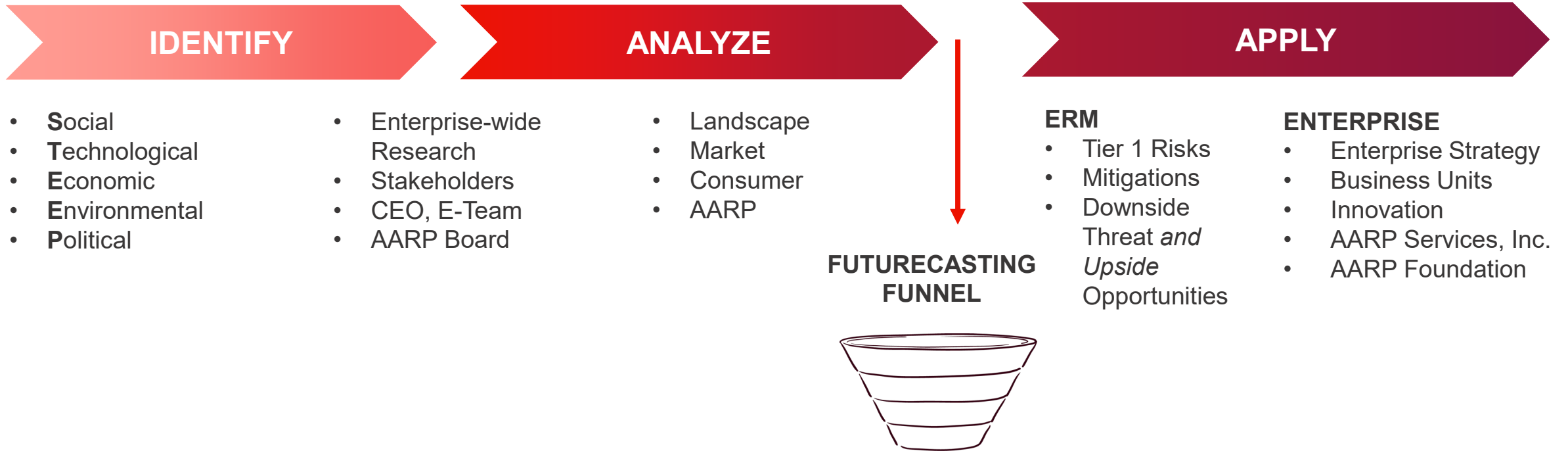


Be bold



Experiment
and Learn

Futurecasting Approach: A 3-Stage Process to Apply to the Business




Foresight is Integral to Planning Approach

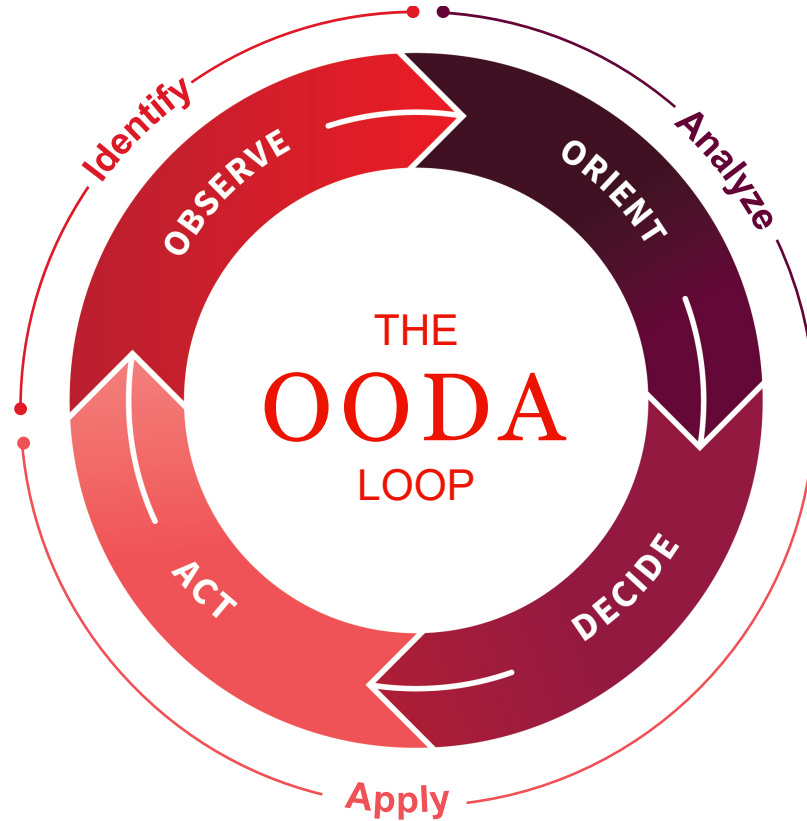
Futurecasting's process informs Strategic Plan development and adaptive execution of it.

 **OBSERVE**

Profound understanding of external landscape


 **ACT**

Position for success



 **ORIENT**

Clear-eyed evaluation of capabilities and choices

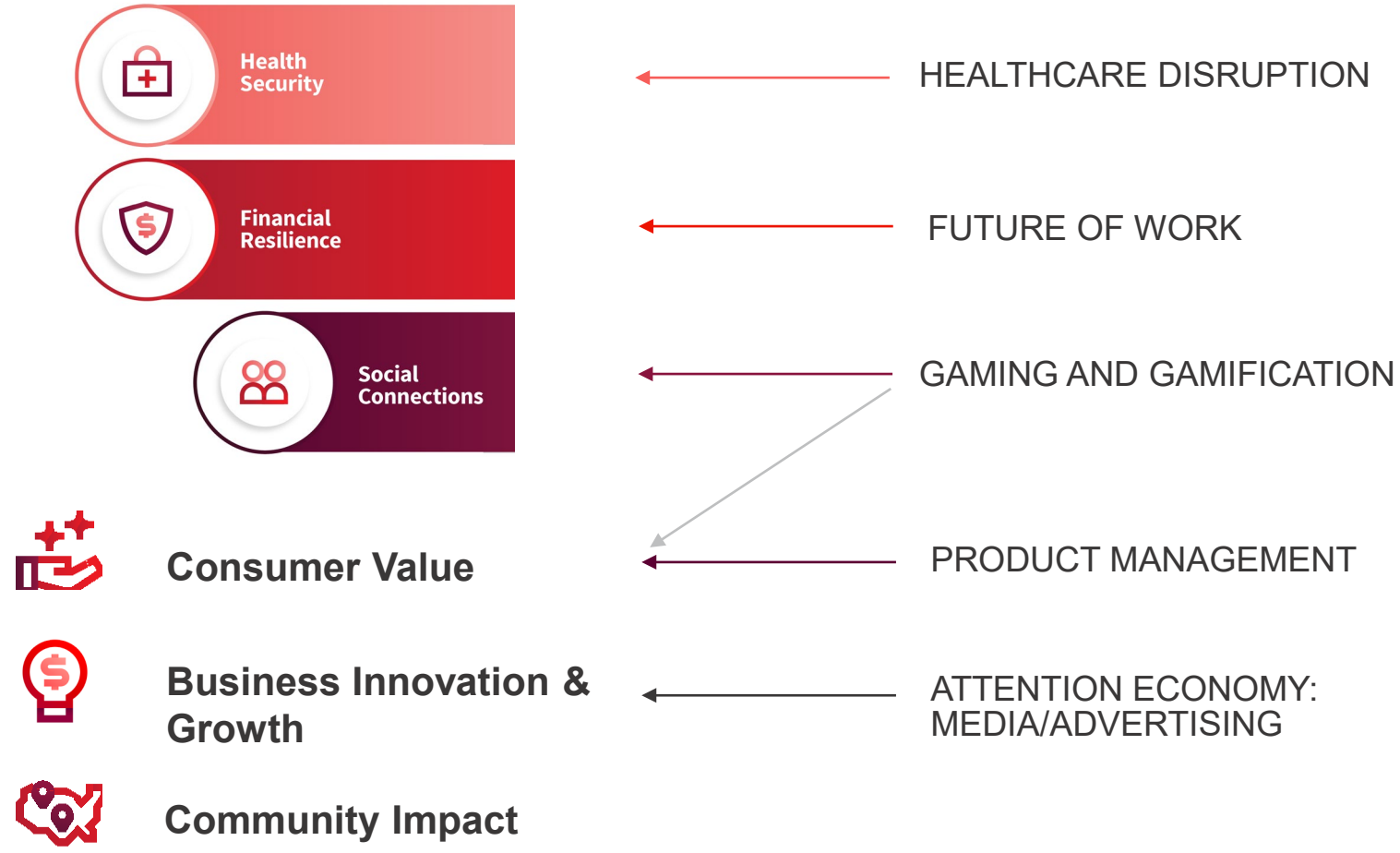
 **DECIDE**

Align for action

SEE THE EMERGENT EXTERNAL ENVIRONMENT CLEARLY

Intelligent Risk Examples

Annually deep dive on select signals, forces and trends that have the greatest potential to impact our enterprise strategy as downside or upside risks.



Example: Healthcare Disruption

Aligned risk appetite, clear-eyed and shared understanding of emergent healthcare landscape and structured discussion enabled intelligent risk taking and confident, swift pursuit by management.



Futurecasting
Stakeholders



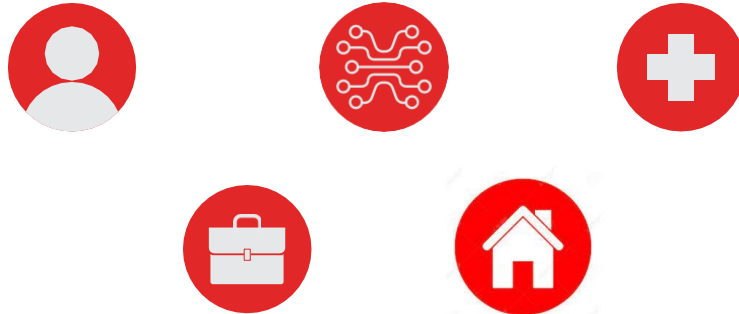
Aligned
Understanding



Facilitated,
structured
diagnosis



Joint
recommendations



Apply to Business

Do Not Design this Slide

DO NOT DESIGN THIS SLIDE (TALKING POINTS)

Innovation slides... points to make...

Startup... policy, and a formal agreement

Let innovation go... so that they can push the envelope

There is still a management system in place at innovation

Start ups focus enable to take greater *opportunity* risk, at lower operational risk to AARP

Also helps scale impact, extends reach to startups that can move faster.

The Strategic Planning Process Guides Innovation



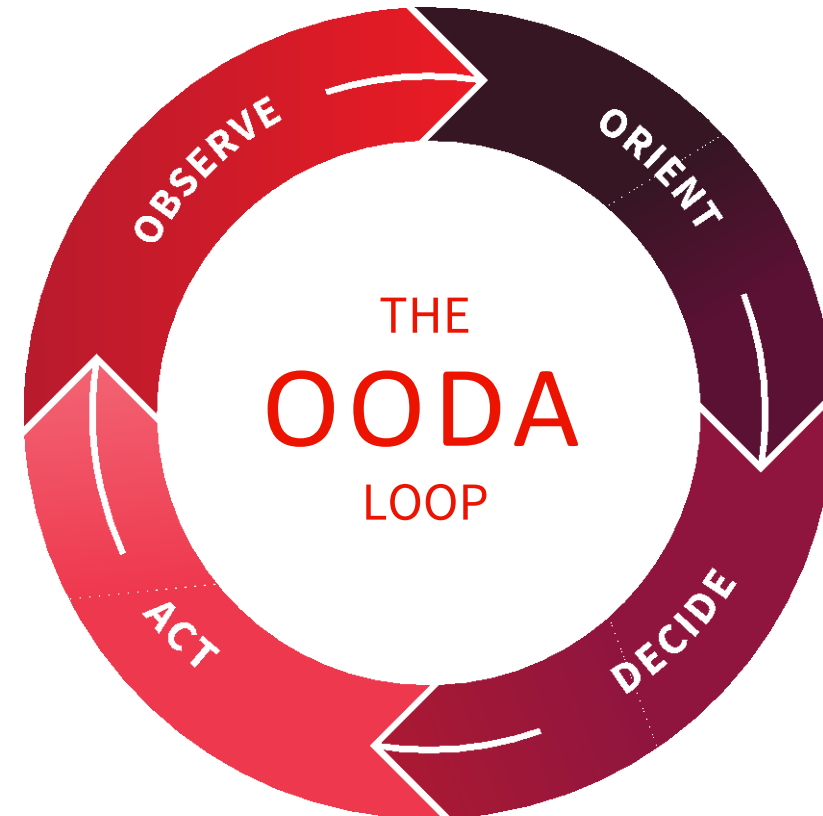
OBSERVE

- Gather Insights and Identify Trends
- Understand Challenges / Opportunities
- Understand Market Conditions / Positioning



ORIENT

- Evaluate Market Position
- Validate Purpose, Vision and Values
- Identify Areas of Focus



The Journey of Creating a Culture of Innovation



The Hatchery

The Hatchery is a 10,000 sq. foot space that lays the foundational framework for disruptive innovation.



i6 Programming

Our human-centered design training provided to empower each employee to be an *Everyday Innovator in Aging*.



Design Thinking

An internal consultancy created to work across the organization reinforcing our i6 framework and providing more advanced. Design thinking services.



Pitch Events

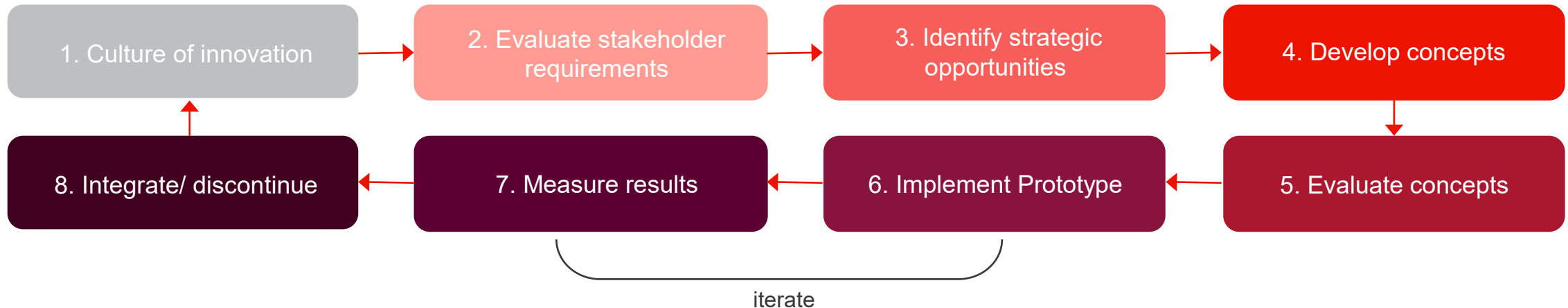
Internal pitch events enables staff members to engage in the innovation practices, while also providing unique value to our membership.

The Innovation Management Process

Using stage-gate governance to limit risk

An effective, systematic, and integrated approach to delivering innovation across the organization.

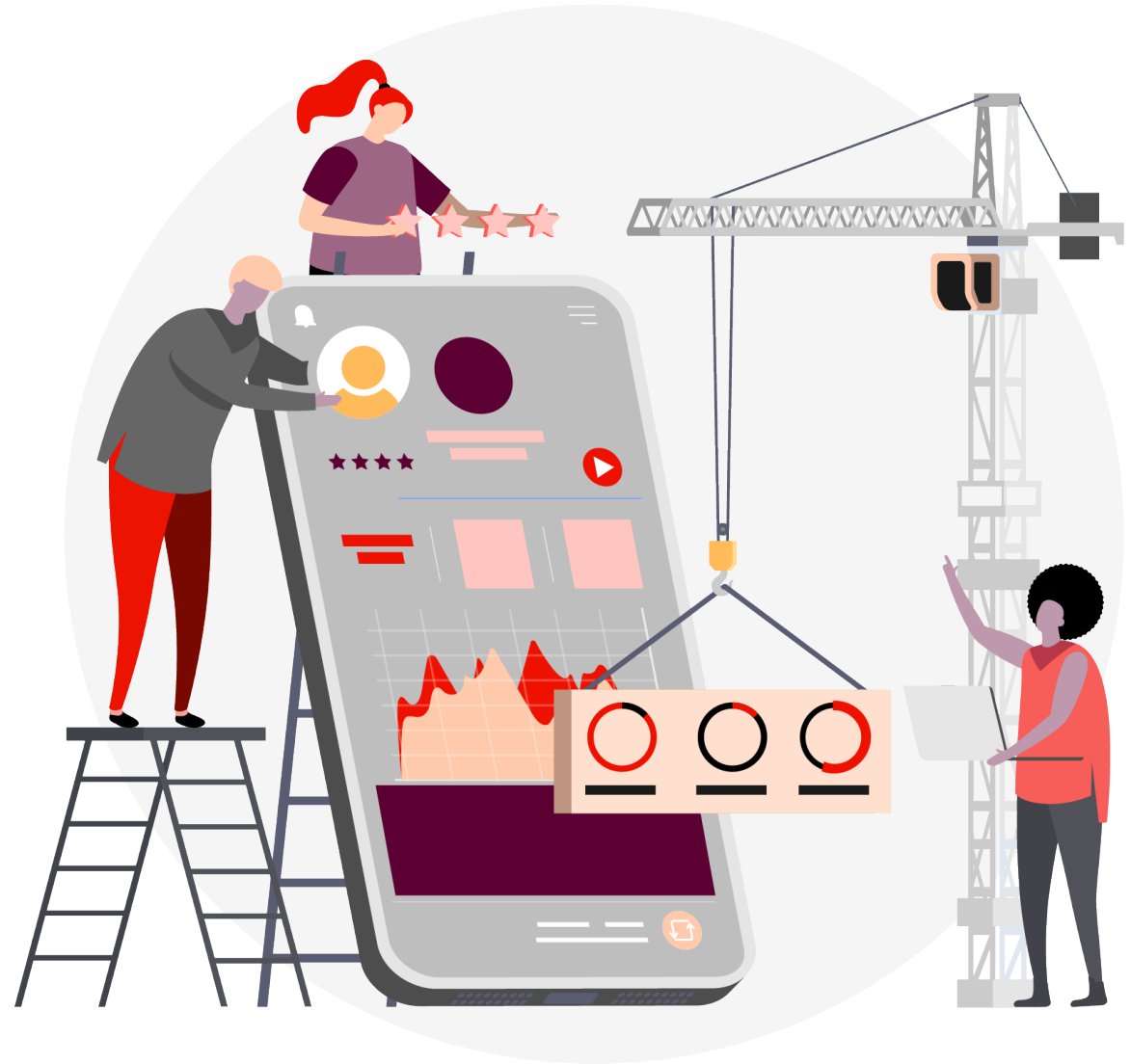
- Culture of Innovation is foundational
- Getting clarity during the Strategic Planning Process
- Developing and validating concepts
- Building and testing minimum viable products
- Making "Go / No Go" decisions



Rapid Prototyping

Concept Validation

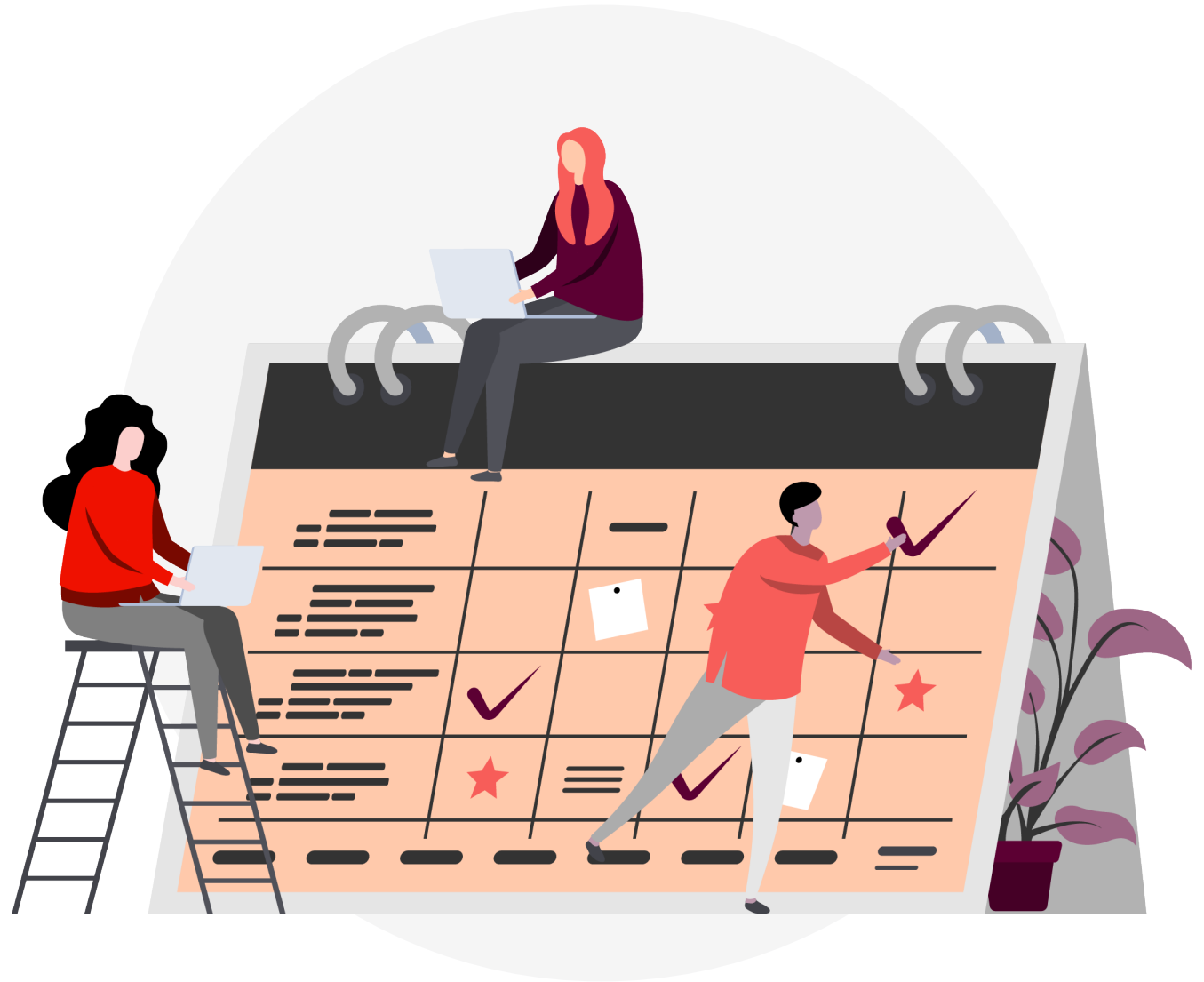
- Small Groups Ideate & Discover
- Concepts Built
- Rapid Prototyping Model Usage
- Low Fidelity Prototypes Further Validated



Managing The Process

Stage-Gate Governance Model

- Project Team Day-to-Day Decision Making
- Senior Leadership Project Guidance
- Growth Board Decision to Integrate, Spin Off or Discontinue



Organizational Learnings



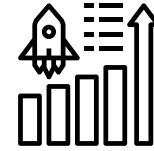
Culture of Innovation

Continue empowering and training AARP employees on human centered design practices to be Everyday Innovators in Aging.



Product Development

An area that we were not as effective and efficient as we could be, integrating disruptive products into the business is not a core competency.



Startup Engagement

One of our strengths and core competencies is leveraging startups to create consumer value for the 50+ audience.

Leveraging Startups



Innovation Challenges

Strategic priority focused engagements that provide startups with the opportunity to demo their offering.



Pitch Events

Pitch competitions focused on identifying startups that align with AARP strategic priorities in pursuit of a deeper engagement with AARP.



Accelerators

Immersive partnerships with cutting edge accelerators that discover some of the most disruptive startups in the age tech realm.

Bringing It All Together

Define Opportunity Spaces and Implications of Pursuing (or not)

Define Risks and Align on Risk Appetite



Steer Alignment in Mindset and Direction Across Functions and Staff

Pursue Opportunities Via Processes that Experiment and De-risk

Panelist Questions and Discussion



Cris Gardner
Vice President
Futurecasting at AARP



Jacqueline M. Baker
Vice President of Startup Programming
AARP Innovation Labs



Joseph (Joe) Pugh
Director
Enterprise Risk Management
& Compliance at AARP



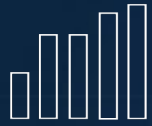
Al Faber
President & CEO
Baldrige Foundation
(Moderator)



Baldrige Performance Excellence Program

Robert Fangmeyer, Director BPEP





June 2021 Update

Baldrige Performance Excellence Program | www.nist.gov/baldrige



BPEP 2021-2025 Strategic Plan



Purpose: Improve performance and ensure long-term success of organizations and thereby enhance the competitiveness of the nation

Mission: Define, recognize, and foster organizational excellence in every sector

Strategic Objective	Initiatives	Status
Sustain the Program	<ul style="list-style-type: none"> Grow funding opportunities Manage capability and capacity Digital modernization 	<ul style="list-style-type: none"> Developing FY23 request Retirements and new hires Virtual training success; Hybrid site visits this fall
Increase reach and impact	<ul style="list-style-type: none"> New “Why Baldrige?” video Workforce Excellence Advanced Manufacturing 	<ul style="list-style-type: none"> In process; complete by Fall; broad use Re-designing for new administration In process; pilot this summer
Strengthen the Enterprise	<ul style="list-style-type: none"> Examiner sharing with states/COE All reach and impact initiatives 	<ul style="list-style-type: none"> New- Expansion of previous efforts

Objectives

Goals

Measures / Initiatives

1. Increase support for strategic initiatives

2. Increase fully operational programs

3. Support current program offerings

\$2M or more increase in appropriated funding

3 to 5 new hires

Favorable Examiner Application trends

Decreasing Examiner attrition rates

program offerings and operations

Complete and fully deployed #1, 2

Hybrid site visits

Presidential engagement

Presidential participation

50% increase in applications and framework distribution

Increase in communication subscriptions

communication channels

Approval and funding for new category

version of the Baldrige Framework

Implement new WF award

Mfa assessments in all

LMS

>50% top state recipients apply for Baldrige

support activities

coordination, and transparency with Baldrige Enterprise

BPEP budget additional \$4M above base for

Alliance for Performance Excellence Update

The Journey to Performance Excellence Start Here

Home About Us What We Do Members Alliance Programs Library Contact Us

Learn. Share. Connect.

Find Performance
IMPROVEMENT
HELP NEAR YOU



Brian Lassiter
Chair
Alliance for Performance Excellence

Alliance Updates

- Launched a Professional Development Series in March – quarterly online workshops
- 2021 Baldrige Fall Conference – Oct 21-22 online
 - <https://www.baldrigeconference.org/>
- Welcome new members:
 - Program: Communities of Excellence 2026, Sterling International
 - Supporting: LBL Strategies, Quiet Excellence
- Other Alliance activities
 - Collaborating with *Communities of Excellence 2026* to scale initiatives
 - Developing more robust marketing plan
 - Working on becoming a “master service provider,” building infrastructure to better support the Baldrige “feeder system”

Get Involved: to find your local Baldrige-based program, visit <http://baldrigealliance.org/>



communities of excellence 2026



“For America to sustain its vitality and promote its prosperity during its second 250 years of existence, we must improve the performance of communities and the people who lead and live in them.”

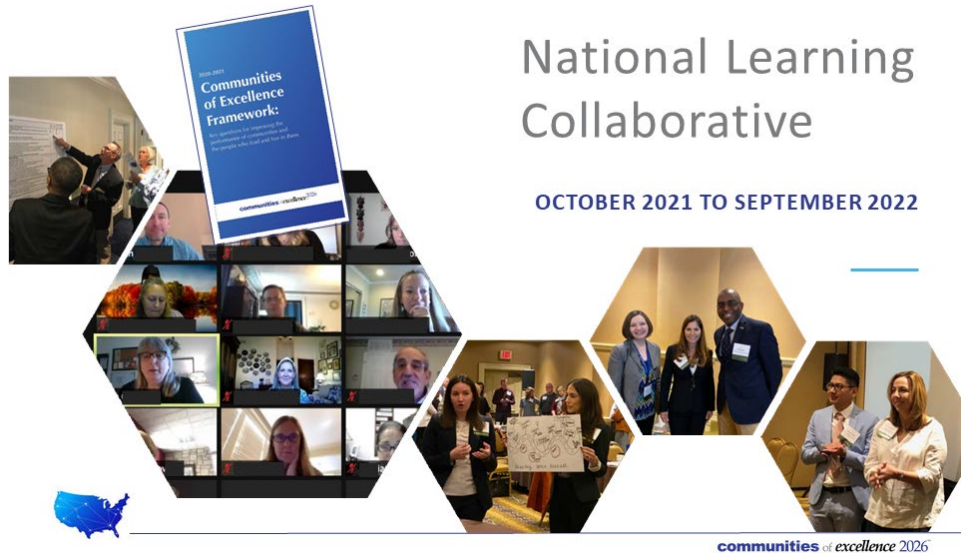


Stephanie Norling
Executive Director
Communities of Excellence 2026

communities of excellence 2026™

National Learning Collaborative

OCTOBER 2021 TO SEPTEMBER 2022



Key Dates at a Glance

1. Initial Assessment Video Conference set up when application is received
2. Onboarding – Initial Assessment Meeting through September 2021
3. 1st Online Session – Wednesday October 6th, 2021, at 9:00 am PT/12:00 pm ET (60 minutes)
4. Kick-Off Conference* – Oct 20-22 in Excelsior Springs, MO with livestream option
5. Online Sessions – 1st and 3rd Wednesdays of every month through September 21st, 2022 (60 minutes)



Visit our website <https://coe2026.org/what-we-do/learning-collaborative/learning-collaborative.html> to learn more



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White Belt - \$50
Yellow Belt - \$99
Green Belt - \$157

Additional Programs

Scrum Master - \$299
Diversity & Inclusion Yellow Belt - \$99
Project Management - \$157
Data Analytics - \$199

What People are Saying...



"I appreciated the opportunity to take the Yellow Belt Course online and at a pace that was appropriate for me given my full-time work and family."

Melanie Powell

Director of Business Development and Marketing for Memorial Hospital and Health Care Center



"The case studies with actual healthcare examples helped me relate the content to real world scenarios that healthcare professionals face on a daily basis. The tools were organized in a way that helped me understand and build on my knowledge. I enjoyed the content and believe the course will make me more effective ..."

Todd Jordan PA-C, MBA

Director, Vascular Center of Excellence
CAMC Health Systems, Inc



The Baldrige Yellow Belt class is thought provoking, educational, relevant to the healthcare setting and a true investment in the future of healthcare."

Roxanne M. Williams, MSN, RN, CHC, CPHQ
Director of Corporate Quality, Associate & Patient Safety at Blanchard Valley Health System

View Our Entire Course Catalog Here:

<https://www.baldrigeinstitute.org/online-training>



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