THE ROAD TO PERFORMANCE EXCELLENCE
Building for the Future through Transformational Change
Long ago, our firm embarked on a continuous improvement journey that ultimately transformed the way Freese and Nichols does business. A major milestone in this journey was being named recipient of the Malcolm Baldrige National Quality Award. This is the highest level of national recognition for performance excellence that a U.S. organization can receive, and we are proud to be the first – and only – engineering/architecture firm to receive this award.

While we learned a great deal about our firm and our employees, it was what we learned about you, our clients, and how to integrate your feedback about your needs and our performance, that yielded some of the most significant results for our firm. Those results included improved client satisfaction, employee retention, and morale as well as strong growth and profitability. Listening to your vision for your future helped us formulate ours.

We have made a commitment to continue this journey and to help others embrace some of the performance excellence tenets as a means to strengthening their organizations. We invite you to consider how a performance excellence program – however big or small – can help your organization become stronger, leaner and better positioned for the future. If you are interested in learning more, please let us know; we are here to help you.

We like to say that our clients’ fingerprints – your fingerprints – are all over the Baldrige Award. It is our partnership with you that propelled us in our performance excellence journey and put us in the position to receive this award; we thank you for your support.

Robert F. Pence, P.E., BCEE
President and CEO
Freese and Nichols, Inc.
“We congratulate Freese and Nichols on this prestigious honor. This is a company that not only demonstrates excellence within, but strives to share that culture with the local community it serves. Thanks to the support of Freese and Nichols, Fort Worth was able to transform its business processes for plan review and development, allowing us to greatly improve service to our citizens and businesses. Their leadership is a remarkable asset to our city, especially as all municipalities work to maximize the use of resources in the face of difficult economic challenges.”

— Tom Higgins, City Manager, City of Fort Worth

Why your organization should consider adopting performance excellence standards

- Drives positive results that are important to your stakeholders
- Promotes accountability and transparency
- Assists in resource allocation and budgeting decisions

Results from Our Journey

At Freese and Nichols, our quality initiatives have raised our level of performance and service to each of our stakeholder groups: clients, employees, communities and colleagues. Highlights of results include:

- Ability to build and keep long-term relationships, retaining 42 percent of key accounts for more than 30 years and 71 percent for more than 10 years
- Reduction in employee turnover
- Greater community engagement and involvement through our expanded community service activities
- Improved professional development opportunities through seminars and workshops for our clients and employees
- Greater opportunities for project innovation
- Improved communications internally and externally
- Professional recognition/honors for superior workforce satisfaction, professional development and employee engagement

Lessons We Learned Along the Way

- Start small and build on success
- The process requires a team effort and buy-in from top to bottom
- There is no end point: the journey continues
GETTING STARTED

• Identify your goals, objectives and desired outcomes for a performance excellence journey
• Talk with other organizations that have gone through the process locally, regionally or nationally
• Secure buy-in from your governing body, from senior management and from employees at all levels
• Tap into available resources to guide your efforts
• Begin the self-assessment process

What to Expect by Starting the Journey

• Identify successes and opportunities for improvement
• Jump-start a change initiative or energize current initiatives
• Energize the workforce
• Focus the organization on common goals
• Assess your organization’s performance against others
• Align your resources with your strategic objectives
• Deliver world-class results

“By operating the City of Irving like a business, Irving has become a statewide model of innovation and efficiency. During a time when many cities are cutting back their services, we are maximizing resources to enhance the quality of life for our residents without sacrificing quality.”

-- Tommy Gonzalez, City Manager, City of Irving (the first Texas municipality to receive the Texas Award for Performance Excellence)

Resources

Freese and Nichols
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Phone: (817) 735-7246
Email: cindy.milrany@freese.com

Texas Award for Performance Excellence/ Texas Quality Foundation
Website: www.texas-quality.org
Phone: (817) 807-8070
Email: ltomaszewski@texas-quality.org

National Institute of Standards and Technology/ Baldrige Performance Excellence Program
Website: www.nist.gov/baldrige
Phone: 301-975-2036
Email: baldrige@nist.gov

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-- Tommy Gonzalez, City Manager, City of Irving (the first Texas municipality to receive the Texas Award for Performance Excellence)
The City of Irving is the only municipality to date to receive the Texas Award for Performance Excellence (TAPE), the state’s highest recognition for organizational excellence. The award is modeled after the Malcolm Baldrige National Quality Award and uses the same seven categories to measure performance.

In 2006, the City incorporated performance excellence initiatives into its five-year strategic plan to align operations, deploy and integrate Lean Six Sigma methods throughout the organization, and establish a customer-focused internal culture. By taking a hard look at the organization through the lens of Baldrige criteria, the City gained a better understanding of the relationships among its systems. This led to immediate identification of areas for improvement and highlighted opportunities to move forward.

The Baldrige criteria also helped the City change the way it looks at measurements. Today, Irving focuses on things that drive performance or align with the strategic plan and customer requirements. Measuring what matters helped the organization connect daily operations to its mission, vision, values and key customer requirements, and produced double-digit performance increases over a five-year period.

The continuous improvement journey has been a transformative process for the City’s internal culture. Increased training, improved communication channels and team-building initiatives have created a new culture in which employees have a greater understanding of the role they play in achieving City-wide goals.

Most importantly, the Baldrige criteria taught the City to listen to the voice of the customer, act and make improvements based on that feedback. Through this process the City has enhanced service levels and processes to meet or exceed residents’ needs.

City of Coral Springs, Florida

The City embarked on a performance excellence track more than a decade before receiving the Baldrige Award in 2007. Performance excellence criteria provided a holistic method for improving organizational processes, capabilities and results. This integrated approach had a substantial and positive impact on Coral Springs in terms of improving value to customers, improving organizational effectiveness, and creating organizational and personal learning.

The City of Coral Springs adopted a business model, revisited the City charter and clearly established core values that today define the City’s culture, including customer focus, leadership, empowered employees and continuous quality improvement – all keys to the City’s success.

More importantly, in embracing the performance excellence framework, the City was able to weather a series of defining events – September 11, the dramatic growth of residential development, Hurricane Wilma, property tax reform and an economic recession – without compromising the quality of life for residents and businesses. Customer satisfaction ratings remained in the mid-to-high 90s throughout.
The City of Tyler has a long history of innovative, forward-thinking management. The foundation was established in 1997, when the City adopted the Blueprint Business Model to express their core values and commitment to continuous improvement in the way they conduct business and deliver services.

In 2008, as the economy continued to decline nationwide, the City of Tyler looked for strategies to provide more with less, while delivering the highest quality services to their citizens. Following their Blueprint Business Model, the City’s operations were already quite lean and City leaders realized that they would have to continue to seek innovative approaches to equip City staff with the tools needed to become even more efficient.

This journey led to a three-fold employee engagement program that includes City University (internal employee training), Called to S-E-R-V-E (internal communications) and Lean Sigma (a combination of Lean Manufacturing and Six Sigma that empowers employees to decrease defects in City processes and eliminate waste — ultimately saving both time and taxpayer dollars).

In 2011, the City began evaluating quarterly business plans with the Baldrige criteria. Tyler plans to apply for the Texas Award for Performance Excellence in 2013 and the Baldrige Award in 2014 as they continue to build upon a quality foundation.

“Having managed the performance excellence journey for Coral Springs, I can attest to the incredible value of the process. The Baldrige framework helped us transform how we deliver services to our community and positively impacted the whole culture of the city.”

— Michael Levinson, former City Manager, City of Coral Springs, Florida (the only municipality to date to receive the Malcolm Baldrige National Quality Award)
Core Areas of Focus in a Journey Toward Excellence

At a time when many organizations have to do more with less, performance excellence criteria – whether pursued at the state or national levels – can drive innovation and result in significant cost savings and the highest levels of service to your most valued stakeholders.

You can expect significant operational improvements when evaluating your organization along the seven Baldrige criteria:

1. **Leadership**: Ensuring your senior leaders guide and sustain your organization and fulfill legal, ethical and societal responsibilities.
   - Development of mission, vision and values
   - Organizational learning, succession planning and development of future leaders
   - Two-way communication throughout the organization
   - Accountability and transparency in the eyes of employees, stakeholders and community

2. **Strategic Planning**: Ensuring your organization establishes and maintains a process to evaluate strategic challenges, maximize strategic opportunities and adapt to changing circumstances.
   - SWOT (strengths, weaknesses, opportunities and threats) analysis
   - Short- and long-term trends in technology, markets, services and demographics
   - Core competencies and projections of future performance
   - Plans and resources aligned with core areas

3. **Customer Focus**: Ensuring your organization is listening to the voice of current and potential customers, building customer relations, and using customer information to identify and improve opportunities for innovation.
   - Information through surveys, town halls, informal stakeholder meetings, help desk tracking, website and email comments sections
   - Dissatisfaction feedback and response loop
   - Satisfaction level comparisons to other organizations

4. **Measurement, Analysis and Knowledge Management**: Assessing how your organization selects, gathers, analyzes, manages and improves data, and uses review findings to improve its performance.
   - Collecting data and analyzing systems, including timing of collection and integrity/security of data
   - Sharing best practices across departments
   - Analyzing data to drive priorities for continuous improvement and identify opportunities for innovation

5. **Workforce Focus**: Ensuring your organization assesses its workforce capability and capacity; creates an environment conducive to high performance; and engages, manages and develops the workforce to maximize potential.
   - Compensation, reward, recognition and incentive programs to build morale, engagement and loyalty
   - Wellness programs to foster employee health and productivity
   - Programs to recruit, hire, place and retain employees

6. **Operations Focus**: Assessing how your organization designs, manages, and improves work systems and processes to deliver customer value and achieve organizational success and sustainability.
   - Internal vs. external resources for designing and implementing work processes
   - Supply-chain management and vendor selection to achieve highest efficiency
   - Lean Six Sigma or other process improvement tools to ensure cost controls

7. **Results**: Evaluating how well your organization performs and improves in all key areas, relative to your goals and relative to those of other organizations against which you benchmark your performance.
   - Operational effectiveness
   - Emergency preparedness
   - Workforce stability and development
   - Financial performance and fiscal accountability
Great Organizations
• Develop great leadership
• Use strategic planning to focus on long- and short-term priorities
• Focus on their customers
• Use measurements and data to make decisions
• Develop their workforce
• Improve their processes
• Achieve superior results

Baldrige Criteria for Performance Excellence Framework
• Leadership
• Strategic Planning
• Customer Focus
• Measurement, Analysis and Knowledge Management
• Workforce Focus
• Operations Focus
• Results

“I feel both pride in our accomplishments and a renewed commitment to the work and the service that we provide to our clients. The Baldrige process has strengthened our culture of excellence and keeps us on a path of continuous improvement.”

-- Jim Nichols, P.E., Chairman Emeritus, Freese and Nichols

“DFW International Airport applauds Freese and Nichols for becoming the first engineering company to achieve the Baldrige Award, which honors organizational improvement ... organizations that focus on Baldrige criteria, emphasizing strategic planning, customer focus, workforce development and continuous process improvement, are bound to achieve superior results.”

-- Jeff Fegan, CEO, Dallas/Fort Worth International Airport
“As an exemplar of the topmost few organizations honored nationally as Baldrige Award recipients, Freese and Nichols facilitates transformative change for sustained accomplishment grounded in comprehensive performance fundamentals ... This distinctive leadership is precisely what the highly demanding Baldrige criteria were developed to honor and spread to strengthen advanced-knowledge civilization as an American hallmark.”

-- Chester A. Newland, Emeritus Distinguished Professor of Public Administration, University of Southern California
About Freese and Nichols

In 1894, Major John B. Hawley became one of the first independent consulting engineers in Texas. He soon invited Simon Freese and Marvin Nichols to join his firm. From those beginnings, Freese and Nichols has grown to deliver innovative solutions to clients across the country. Our staff of more than 500 talented and accomplished employees is dedicated to one vision: Be the firm of choice for clients and employees.

Freese and Nichols is a full service professional consulting firm, providing engineering, architecture, environmental science, planning, energy, program management and construction services, including:

• Architecture
• Construction Services / Program Management
• Environmental Assessments and Remediation
• Funding / Grant Applications
• Growth Management and Development
• Mechanical, Electrical and Plumbing Engineering
• Municipal and Facility Planning
• Oil and Gas Facilities Engineering
• Stormwater Management and Master Planning
• Structural Engineering
• Transportation / Infrastructure Planning and Design
• Urban Planning and Design
• Water and Wastewater Master Planning
• Water and Wastewater Treatment
• Water Resources Planning and Facility Design

Baldrige History

In the mid-1980s, U.S. leaders realized that American companies needed to focus on quality in order to compete in an ever-expanding, demanding global market.

Then-Secretary of Commerce Malcolm Baldrige was an advocate of quality management as a key to U.S. prosperity and sustainability. After he died in July 1987, Congress named the Award in recognition of his contributions.

The goal of the Malcolm Baldrige National Quality Improvement Act of 1987 was to enhance the competitiveness of U.S. businesses. Its scope has since been expanded to healthcare and education organizations (in 1999) and to nonprofit/government organizations (in 2005).

Congress created the program to:

• Identify and recognize role-model businesses
• Establish criteria for evaluating improvement efforts
• Disseminate and share best practices

Baldrige by the Numbers

1,540 applicants
95 recipients
7 categories in Baldrige criteria
1 engineering/architecture firm received this honor: Freese and Nichols